



## Filing Receipt

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**PUC DOCKET NO. 48819**

<b>APPLICATION OF NORTHTOWN</b>	<b>§</b>	<b>BEFORE THE STATE OFFICE</b>
<b>ACRES WATER SUPPLY FOR</b>	<b>§</b>	<b>OF</b>
<b>AUTHORITY TO CHANGE RATES</b>	<b>§</b>	<b>ADMINISTRATIVE HEARINGS</b>

**JOINT MOTION TO ADMIT EVIDENCE**

**COMES NOW**, Commission Staff (“Staff”) of the Public Utility Commission of Texas (“Commission”) and Sheroll and Roger Richardson d.b.a. Northtown Acres Water Supply (“Northtown Acres”), and timely files this Joint Motion to Admit Evidence in response to the Memo of Commission Counsel filed on January 12, 2022.

**I. BACKGROUND**

On January 18, 2019, Northtown Acres filed its Class B Rate/Tariff Change Application (the “Application”) with the Commission. On December 16, 2020, Northtown Acres filed an amended Application. On August 11, 2021, Northtown Acres filed its Notice of Unopposed Stipulation and Settlement Agreement resolving all issues in this proceeding. On September 30, 2021, Commission Staff and Northtown Acres filed their Joint Motion to Admit Evidence and Proposed Order in this proceeding.

On October 1, 2021, the State Office of Administrative Hearings (“SOAH”) administrative law judge (“ALJ”) entered SOAH Order No. 21, admitting Staff’s and Northtown Acres’ evidence and remanding this proceeding to the Commission.

Commission Counsel filed a memo on January 12, 2022, requesting that parties identify, or request to admit, evidence supporting the tap fees requested in this proceeding by February 11, 2022. Therefore, this pleading is timely filed.

## **II. MOTION TO ADMIT EVIDENCE**

Staff and Northtown Acres respectfully request that the following items attached to this pleading be admitted into evidence:

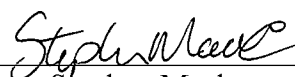
- 15) Affidavit of Sheroll Richardson, with attachments, in support of the requested tap fees, and
- 16) The February 11, 2022 memorandum of Heidi Graham.

## **III. CONCLUSION**

Staff and Northtown Acres respectfully request that the Commission ALJ grant the motion to admit evidence and that the Commission enter an Order consistent with the proposed order provided in the Joint Motion to Admit Evidence and Joint Proposed Order filed on September 30, 2021.

Respectfully submitted,

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By   
Stephen Mack  
State Bar No. 24041374

*Attorney for Sheroll and Roger Richardson d.b.a.  
Northtown Acres Water Supply*

## **CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on February 11, 2022 in accordance with 16 TAC § 22.74.

  
Stephen Mack

**Exhibit 15**

**PUC DOCKET No. 48819**

**APPLICATION OF NORTHTOWN  
ACRES WATER SUPPLY FOR  
AUTHORITY TO CHANGE RATES**

§  
§  
§

**BEFORE THE STATE OFFICE  
OF  
ADMINISTRATIVE HEARINGS**

**AFFIDAVIT**

**STATE OF TEXAS §**

§

**COUNTY OF NAVARRO §**

BEFORE ME, the undersigned notary public, this day personally appeared Sheroll Richardson to me known, who being duly sworn according to law, deposes and says:

“My name is Sheroll Richardson. I am of legal age and a resident of the State of Texas. I certify that the foregoing testimony is true and correct to the best of my knowledge and belief.

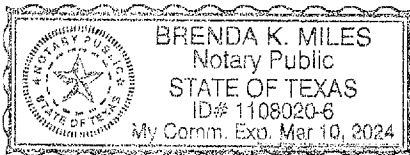
The requested tap fees are based on the cost of materials, without fuel or labor. As shown on the attached Exhibit A, the cost of materials for a 5/8ths inch water tap are \$1,004.59 and the costs for a 1 inch meter are \$1,326.65 as of January 2022. The costs for these materials has also been rising with inflation.

There were no new taps added in the test year and so no miscellaneous tap fee expenses were incurred nor miscellaneous tap fee revenue received.

The only miscellaneous revenues received during the test year were late fees and reconnect fees, shown on Schedule II-2 of the amended Rate Filing Package filed on December 16, 2020. The miscellaneous revenues received offset the requested cost of service on Schedule I-1, line 30, and so are not recovered through the agreed rates.

Sheroll Richardson  
Sheroll Richardson

Subscribed and sworn to before me, notary public, on this the 9th day of February, 2021.22



Brenda K. Miles  
Notary Public in and for the State of Texas

My Commission expires: 3-10-2024

**COST OF MATERIALS AND SUPPLIES TO MAKE A WATER TAP:**

SIZE 5/8	Tapping Saddle	\$	123.95	
	Corporation	\$	107.95	
	Angle Stop	\$	98.95	
	Valve	\$	15.95	
	Poly	\$	35.00	
	Adapters (2)	\$	20.95 each	\$41.90
	Stiffeners	\$	5.00	
	Meter	\$	78.95	
	Meter Box	\$	27.95	
	Meter Box Lid	\$	18.99	
	Equip. Rental	\$	450.00	Daily
	TOTAL	\$	1,004.59	

**No Fuel or Labor Included**

**Prices as of January 2022**

**COST OF MATERIALS AND SUPPLIES TO MAKE A WATER TAP:**

<b>SIZE 1"</b>	<b>Tapping Saddle</b>	<b>\$ 168.95</b>	
	<b>Corporation</b>	<b>\$ 141.95</b>	
	<b>Angle Stop</b>	<b>\$ 138.00</b>	
	<b>Valve</b>	<b>\$ 32.95</b>	
	<b>Poly</b>	<b>\$ 60.00</b>	
	<b>Adapters (2)</b>	<b>\$ 33.95 each \$67.90</b>	
	<b>Stiffeners</b>	<b>\$ 5.00</b>	
	<b>Meter</b>	<b>\$ 195.00</b>	
	<b>Meter Box</b>	<b>\$ 45.95</b>	
	<b>Meter Box Lid</b>	<b>\$ 20.95</b>	
	<b>Equip. Rental</b>	<b>\$ 450.00</b>	<b>Daily</b>

**TOTAL \$ 1,326.65**

**No Fuel or Labor Included**

**Prices as of January 2022**



**Exhibit 16**

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** John Harrison, Attorney  
Legal Division

**FROM:** Heidi Graham, Lead Engineering Specialist  
Infrastructure Division

**DATE:** February 11, 2022

**RE:** **Docket No. 48819** – *Application of Northtown Acres Supply for Authority to Change Rates*

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On January 18, 2019, Sheroll and Roger Richardson d.b.a. Northtown Acres Water Supply (Northtown Acres), Water Certificate of Convenience and Necessity No. 11704, filed an application with the Public Utility Commission of Texas (Commission) for a water rate change in Navarro County, Texas pursuant to Texas Water Code (TWC) § 13.1871 and 16 Tex. Admin. Code (TAC) §§ 24.8, 24.25, and 24.27. On December 16, 2020, Northtown Acres filed an amended application. On August 11, 2021, Northtown Acres filed its Notice of Unopposed Stipulation and Settlement Agreement resolving all issues in this proceeding.

On January 12, 2022, the Office of Policy and Docket Management (OPDM) filed a memo requesting that the parties review the tap fees and other miscellaneous fees included in the agreed tariff referenced in the parties' proposed order and identify the record evidence that adequately explains and supports the proposed miscellaneous fees or seek the admission of additional evidence that does so.

During the Commission's January 27, 2022, open meeting, the tap fee for Docket No. 50944 was discussed. The resulting ruling was to not use the standard tap fees agreed to in the settlement and instead include a provision in the tariff to charge for the actual cost of each individual tap. Docket No. 50944 is for the Monarch I LP (Monarch) multi-region rate case. Monarch is a Class A utility with more than 30,000 customers. Currently there are only five Class A utilities regulated in Texas. There are many more Class D utilities such as Northtown Acres that have small service areas. Therefore, there is usually little difference between tap installations as the type of ground formations in their service areas and the parts, labor and equipment rental costs do not vary significantly.<sup>1</sup> In the case of Northtown Acres, water service is provided to two small subdivisions consisting of approximately 211 customers in Navarro County. On February 11, 2022, Northtown Acres filed Exhibit A,<sup>2</sup> which included typical costs for the installation of a 5/8 inch and a 1 inch

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<sup>1</sup> Road bores are an exception to a standard tap fee. This additional construction is addressed in a utility's tariff, such as the one included in the settlement in this docket, by a provision that allows the actual cost of the road bore and the tap fee. If the utility's main water line is across a public road, it is likely that a road bore is necessary to install a tap for a new customer.

<sup>2</sup> Response from Northtown Acres to Commission Counsel's Memo, Public Utility Commission of Texas (January 12, 2022) (filed in docket).

meter tap in its service areas.<sup>3</sup> The cost for installation of a tap includes labor costs, transportation costs, and fuel for the equipment. The fees in the exhibit do not include those costs, meaning that the in-house labor and transportation/vehicle costs for any tap installations will be reflected in the revenue requirement for base rates, and the cost of fuel for the equipment is likely to be small. Given Northtown Acres' small size – it had no new taps added in the test year – this simplified accounting is reasonable, in my opinion.

Staff recommends that standard tap fees be approved for Northtown Acres rather than charging actual cost for each tap, specifically the tap fees in Exhibit A of Northtown Acres February 11, 2022, filing. A standard tap fee allows for the fee to be set based on representative costs approved in advance by the Commission; reduces administrative costs; and reduces the potential for complaints by new residential customers that charges for the tap fees are excessive.

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<sup>3</sup> USA Blue Book Catalog 132 (2021-2022 edition) <https://www.usabluebook.com>.