



## Filing Receipt

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**SOAH DOCKET NO. 473-21-2237.WS  
PUC DOCKET NO. 50197**

<b>APPLICATION OF TIMBERCREST PARTNERS LLC FOR AUTHORITY TO CHANGE RATES</b>	<b>§ § §</b>	<b>BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS</b>
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**TIMBERCREST PARTNERS LLC’S RESPONSE TO COMMISSION STAFF’S SIXTH  
REQUEST FOR INFORMATION  
TO TIMBERCREST PARTNERS, LLC**

TO: Public Utility Commission of Texas, by and through their attorneys of record,  
Kevin Bartz, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-  
3326.

- COMES NOW, Timbercrest Partners, LLC (“TCP”), by and through their attorneys of  
record, and files these first supplemental responses to The Public Utility Commission of Texas’  
Sixth Requests for Information. TCP stipulates that these responses may be treated as if filed  
under oath.

Respectfully

submitted

Shea & Associates,

PLLC

By: /s/ Tammy Shea

Tammy Wavle-Shea  
State Bar No.  
24008908  
4830 Wilson Road Suite 300-236  
Houston, Texas 77396  
Telephone: (713) 4100856  
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**ATTORNEYS FOR  
TIMBERCRESTPARTNERS,  
LLC**

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of this document will be served on all parties of record on August 15, 2022 in accordance with 16 TAC § 22.74 and the Commission's rules requiring electronic service.

/s/ Tammy Shea  
Tammy Shea

Staff 6-1      Please refer to spreadsheet "Class\_C\_Rate-Tariff\_Change\_Schedules - TIMBERCREST FINAL," sheet "WP COSS Alloc table," row 23. Please confirm or deny whether the CCUST class allocation erroneously referenced the water and sewer customer connections instead of commercial and residential customer connections.

Response :      Confirm – The customer count should have reflected on individual service class connections rather than total service connections.

Prepared By:    Chuck Loy

Sponsored By:  Chuck Loy

Staff 6-2      Please explain if Timbercrest proposes to allocate sewer-related costs to the commercial and residential class based on water customer connections.

Response:      The class allocations should be based on their corresponding service or water and sewer attributes. Please see "Class\_C\_Rate-Tariff\_Change\_Schedules - TIMBERCREST FINAL -UPDATED 8-4-2022" which reflects an updated version of the model that appropriately allocates Water and Sewer costs to the Residential and Commercial classes based on their separate attributes.

The resulting change shifts \$5,539 of costs from Water Commercial to Water Residential and shifts \$15,567 of costs from Sewer Commercial to Sewer Residential.

All changes in the model have been highlighted. The highlighted tabs of the model workbook indicate where the changes were made.

Prepared By:    Chuck Loy  
Sponsored By:   Chuck Loy

Staff 6-3      Please refer to spreadsheet "Class\_C\_Rate-Tariff\_Change\_Schedules - TIMBERCREST FINAL," sheet "WP Normalize Vols for Rates," row 30. Please provide the sewer meter equivalents for the commercial class.

Response :      Please refer to "Class\_C\_Rate-Tariff\_Change\_Schedules - TIMBERCREST FINAL - UPDATED 8-4-2022" sheet "WP Normalize Vols for Rates," highlighted.

Prepared By:    Chuck Loy  
Sponsored By:  Chuck Loy

Staff 6-4      Please refer to spreadsheet "Class\_C\_Rate-Tariff\_Change\_Schedules - TIMBERCREST FINAL," sheet "WP COSS Alloc table," row 24. Please confirm or deny that the CVOL class allocation was calculated based on water volumes billed.

Response :      Confirm. Please refer to the Company's response to Staff 6-2.

Prepared By:    Chuck Loy

Sponsored By:   Chuck Loy

Staff 6-5      If the response to Staff 6-4 is confirm, please explain the rationale behind Timbercrest' s proposal to allocate sewer-related costs to the commercial and residential class based on water volumes billed.

Response :      Please refer to the Company's response to Staff 6-2.

Prepared By:    Chuck Loy

Sponsored By:   Chuck Loy



Staff 6-6      Please refer to spreadsheet "Class\_C\_Rate-Tariff\_Change\_Schedules - TIMBERCREST FINAL," sheet "WP COSS Alloc table," row 25. Please confirm or deny that the CCUSTDEM class allocation was calculated based on water meter equivalents.

Response :      Confirm. Please refer to the Company's response to Staff 6-2.

Prepared By:    Chuck Loy  
Sponsored By:   Chuck Loy

Staff 6-7      If the response to Staff 6-6 is confirm, please explain the rationale behind Timbercrest' s proposal to allocate sewer-related costs to the commercial and residential class based on water meter equivalents.

Response :      Please refer to the Company's response to Staff 6-2.

WP-Cust Class Cost of Ser Study  
Dkt 50197

CUSTOMER CLASS COST OF SERVICE STUDY

Timbercrest Village

HISTORICAL REVENUES

40510 Water Income	\$78,060
40520 Sewer Income Res	\$61,439
40750 Commercial Water	\$17,604
40750 Commercial Sewer	\$40,439
Total Rate Revenues	\$197,542
4030 Late Fees Income	\$4,498
40625 Application Fee	\$301
Total Revenues	\$202,340

NARUC ACCT

EXPENSE

618	52020 Utilities - N.Harris County Water Auth	\$204,607
718	52030 Utilities - Sewer	\$117
601.2/702.2	5010 Salaries	\$19,533
601.2/702.2	501070 Salaries - Bonus	\$3,543
603/703	501060 Salaries - Admin Fee	\$399
603/703	502060 Mice - Admin Fee	\$409
604/704	501045 Salaries - Benefits	\$14
604/704	502045 Mice - Benefits	\$22
613-636/731-736	50820 Sanitation - Lab Fees	\$6,655
613-636/731-736	50830 Sanitation - Operators	\$17,880
615.1/715.1	52040 Utilities - Electricity	\$37,243
618/718	50810 Sanitation - Chemicals	\$8,125
650/750	6070 Auto	\$42
650/750	60710 Auto - Gas	\$415
650/750	60720 Auto - Repairs & Maintenance	\$467
664/764	5020 Maintenance Wages	\$14,347
664/764	502070 Mice - Bonus	\$29
664/764	50310 Repairs & Maint - Building	\$500
664/764	50320 Repairs & Maint - General	\$734
664/764	50330 Repairs & Maint - Grounds	\$5,724
664/764	50350 Repairs & Maint - Roads	\$34
664/764	50360 Repairs & Maint - Utility Line	\$908
664/764	6240 Waste Management	\$16,396
664/764	6241 Waste Management Roll Off	\$417
667/775	6015 Annual Filing Fees	\$1,166
667/775	6090 Fees & Permits	\$11,412
676/776	6080 Bank Charges	\$2,898
676/776	6219 Cell Phone	\$172
676/776	6220 Telephone	\$504
676/776	61510 Office - Cable & Internet	\$289
676/776	61515 Office - Security	\$32
676/776	61520 Office - Copier & Fax	\$198
676/776	61530 Office - Courier & Postage	\$252
676/776	61535 Credit Checks	\$235
677/777	61540 Office - Miscellaneous	\$431
677/777	61550 Office - Stationary	\$52
677/777	9000 Bad Debts	\$94
678/778	6010 Accounting Expense	\$4,385
678/778	6011 Legal expense	\$1,390
678/778	9040 Consulting Fee	\$3,540
684/756-759	501040 Salaries - WCB	\$20
684/756-759	502040 Mice - WCB	\$252
684/756-759	6105 Insurance - Umbrella	\$2,210
684/756-759	6110 Insurance - General	\$13,007
684/756-759	6120 Insurance - Auto	\$546
684/756-759	6125 Insurance - Bond coverage	\$316
711/731-736	50840 Sanitation - Other	\$25,172
	Total O&M Expense	\$407,131
408	501005 Salaries - Fed/State Deduct	\$1,287
408	502005 Mice - Fed/State Deduct	\$1,341
408	6210 Property Taxes - General	\$21,679
408	6214 Property Taxes - Adjustment	(\$963)
	Total Expense	\$430,475
	DEPRECIATION EXPENSE PER OCS	
	Water Direct	\$16,339
	Sewer Direct	\$15,257
	INCOME TAX EXPENSE	\$20,880
	RETURN	\$113,941
	LESS: Other Revenues	\$4,799
	TOTAL REVENUE REQUIREMENT	\$596,891

Allocable Amount	WATER			SEWER			Alloc Water/Sewer	Alloc WTR Res/Com
	Total	Residential	Commercial	Total	Residential	Commercial		
	\$78,060	\$78,060		\$61,439	\$61,439		Direct Assign	Direct Assign
	\$17,604		\$17,604	\$40,439		\$40,439	Direct Assign	Direct Assign
	\$197,542	\$95,664	\$78,060	\$101,878	\$61,439	\$40,439		
	\$4,498	\$2,236	\$1,782	\$2,262	\$1,815	\$447	COM	CCOMW
	\$301	\$150	\$119	\$151	\$122	\$30	COM	CCOMW
	\$202,340	\$98,049	\$79,960	\$104,291	\$63,376	\$40,915		
	\$204,607						PASSTHROUGH AMOUNT	
	\$117	\$0	\$0	\$117	\$94	\$23	SEWER	CCOMW
	\$19,533	\$9,709	\$7,737	\$9,824	\$7,884	\$1,939	COM	CCOMW
	\$3,543	\$1,761	\$1,403	\$1,782	\$1,430	\$352	COM	CCOMW
	\$399	\$198	\$158	\$201	\$161	\$40	COM	CCOMW
	\$409	\$203	\$162	\$206	\$165	\$41	COM	CCOMW
	\$14	\$7	\$6	\$7	\$6	\$1	COM	CCOMW
	\$22	\$11	\$9	\$11	\$9	\$2	COM	CCOMW
	\$6,655	\$0	\$0	\$6,655	\$5,341	\$1,314	SEWER	
	\$17,880	\$8,888	\$6,267	\$8,992	\$6,260	\$2,732	COM	CWDEP
	\$37,243	\$16,149	\$12,869	\$21,094	\$16,929	\$4,164	ELEC	CCOMW
	\$8,125	\$0	\$0	\$8,125	\$5,407	\$2,718	SEWER	
	\$42	\$21	\$17	\$21	\$17	\$4	COM	CCOMW
	\$415	\$206	\$164	\$209	\$168	\$41	COM	CCOMW
	\$467	\$232	\$185	\$235	\$188	\$46	COM	CCOMW
	\$14,347	\$7,132	\$5,029	\$7,216	\$5,024	\$2,192	COM	CWDEP
	\$29	\$14	\$10	\$14	\$10	\$4	COM	CWDEP
	\$500	\$249	\$175	\$252	\$175	\$76	COM	CWDEP
	\$734	\$365	\$257	\$369	\$257	\$112	COM	CWDEP
	\$5,724	\$2,845	\$2,267	\$2,879	\$2,311	\$568	COM	CCOMW
	\$34	\$17	\$13	\$17	\$14	\$3	COM	CCOMW
	\$908	\$451	\$318	\$457	\$318	\$139	COM	CWDEP
	\$16,396	\$8,150	\$6,495	\$8,246	\$6,618	\$1,628	COM	CCOMW
	\$417	\$207	\$165	\$210	\$168	\$41	COM	CCOMW
	\$1,166	\$580	\$462	\$586	\$471	\$116	COM	CCOMW
	\$11,412	\$6,232	\$4,395	\$5,180	\$3,653	\$1,527	PLT	CWDEP
	\$2,898	\$1,451	\$1,156	\$1,447	\$1,161	\$286	CUST	CCOMW
	\$172	\$86	\$68	\$87	\$69	\$17	COM	CCOMW
	\$504	\$252	\$201	\$252	\$202	\$50	CUST	CCOMW
	\$289	\$145	\$115	\$144	\$116	\$28	CUST	CCOMW
	\$32	\$16	\$13	\$16	\$13	\$3	CUST	CCOMW
	\$198	\$99	\$79	\$99	\$79	\$19	CUST	CCOMW
	\$252	\$126	\$100	\$126	\$101	\$25	CUST	CCOMW
	\$235	\$118	\$94	\$117	\$94	\$23	CUST	CCOMW
	\$431	\$216	\$172	\$215	\$173	\$42	CUST	CCOMW
	\$52	\$26	\$21	\$26	\$21	\$5	CUST	CCOMW
	\$94	\$47	\$38	\$47	\$38	\$9	CUST	CCOMW
	\$4,385	\$2,196	\$1,750	\$2,189	\$1,757	\$432	CUST	CCOMW
	\$1,390	\$696	\$554	\$694	\$557	\$137	CUST	CCOMW
	\$3,540	\$1,773	\$1,413	\$1,767	\$1,418	\$349	CUST	CCOMW
	\$20	\$10	\$8	\$10	\$8	\$2	CUST	CCOMW
	\$252	\$126	\$101	\$126	\$101	\$25	CUST	CCOMW
	\$2,210	\$1,099	\$876	\$1,112	\$892	\$219	COM	CCOMW
	\$13,007	\$6,466	\$5,152	\$6,542	\$5,250	\$1,291	COM	CCOMW
	\$546	\$271	\$216	\$274	\$220	\$54	COM	CCOMW
	\$316	\$157	\$125	\$159	\$127	\$31	COM	CCOMW
	\$25,172	\$0	\$0	\$25,172	\$17,525	\$7,647	SEWER	
	\$407,131	\$79,002	\$60,816	\$123,522	\$93,000	\$30,522		
	\$1,287	\$640	\$510	\$647	\$519	\$128	COM	CCOMW
	\$1,341	\$732	\$583	\$608	\$488	\$120	PLT	CCOMW
	\$21,679	\$11,839	\$8,348	\$9,840	\$6,851	\$2,989	PLT	CWDEP
	(\$963)	(\$526)	(\$371)	(\$437)	(\$304)	(\$133)	PLT	CWDEP
	\$430,475	\$91,687	\$69,887	\$134,181	\$100,554	\$33,627		
	\$16,339	\$16,339	\$11,522	\$0	\$0	\$0	WATER	CWDEP
	\$15,257	\$0	\$0	\$15,257	\$10,622	\$4,635	SEWER	CSDEP
	\$20,880	\$11,708	\$8,266	\$9,172	\$6,398	\$2,775	DIRECT COMP	DIRECT COMP
	\$113,941	\$63,889	\$45,104	\$50,052	\$34,911	\$15,141	DIRECT COMP	DIRECT COMP
	\$4,799	\$2,385	\$1,901	\$2,413	\$1,937	\$476	SEE ABOVE	SEE ABOVE
	\$592,093	\$181,237	\$132,877	\$206,248	\$150,547	\$55,701		
		\$181,237	\$127,338	\$206,248	\$134,980	\$71,268	ORIGINAL COSS	
		\$0	\$5,539	\$0	\$15,567	(\$15,567)	IMPACT OF CHANGE	
	(\$394,551)	(\$85,574)	(\$54,817)	(\$104,370)	(\$89,108)	(\$15,263)		
		(\$85,574)	(\$49,278)	(\$104,370)	(\$73,541)	(\$30,805)	ORIGINAL COSS	
		\$0	\$5,539	\$0	\$15,567	(\$15,543)	IMPACT OF CHANGE	

WP-Cust Class Cost of Ser Study  
Dkt 50197

**CUSTOMER CLASS COST OF SERVICE STUDY**

Timbercrest Village

**RATE BASE**

Water Distribution - Gross  
Water Distribution- Accum Depr  
  
Sewer Distribution - Gross  
Sewer Distribution-Accum Depr  
  
Water Treatment Plant - Gross  
Water Treatment Plant - Accum Depr  
  
Sewer Treatment Plant - Gross  
Sewer Treatment Plant -Accum Depr

Land

Cash Working Capital

Total Rate Base

ROR

**ROR - Hypothetical Capital Structure 50/50**

Debt  
Equity

**INCOME TAX**

Return Before Interest  
Less: Interest  
Taxable Income  
  
Income Tax @ 21%  
Gross Up Income Tax (1-.21)

Allocable Amount	W A T E R			S E W E R			Alloc	Alloc
	Total	Residential	Commercial	Total	Residential	Commercial	Water/Sewer	WTR Res/Com
Water Distribution - Gross	\$410,477	\$272,801	\$137,676	\$0	\$0	\$0	WATER	CVOLW
Water Distribution- Accum Depr	(\$180,587)	(\$120,017)	(\$60,570)	\$0	\$0	\$0	WATER	CVOLW
Sewer Distribution - Gross	\$513,296	\$0	\$0	\$513,296	\$341,598	\$171,698	SEWER	CVOLS
Sewer Distribution-Accum Depr	(\$238,237)	\$0	\$0	(\$238,237)	(\$158,546)	(\$79,691)	SEWER	CVOLS
Water Treatment Plant - Gross	\$508,797	\$375,434	\$133,363	\$0	\$0	\$0	WATER	CCUSTDEMW
Water Treatment Plant - Accum Depr	(\$192,530)	(\$142,065)	(\$50,465)	\$0	\$0	\$0	WATER	CCUSTDEMW
Sewer Treatment Plant - Gross	\$286,913	\$0	\$0	\$286,913	\$215,506	\$71,407	SEWER	CCUSTDEMS
Sewer Treatment Plant -Accum Depr	(\$181,223)	\$0	\$0	(\$181,223)	(\$136,121)	(\$45,103)	SEWER	CCUSTDEMS
Land	\$457,929	\$250,078	\$175,302	\$207,851	\$145,701	\$62,150	PLT	CPLT
Cash Working Capital	\$53,809	\$10,441	\$8,038	\$43,368	\$32,652	\$10,716	O&M EXP	O&M EXP
Total Rate Base	\$1,438,645	\$806,677	\$569,493	\$631,967	\$440,790	\$191,177	DIRECT COMP	DIRECT COMP
ROR	\$113,941	\$63,889	\$45,104	\$50,052	\$34,911	\$15,141	RATE BASE	RATE BASE
ROR - Hypothetical Capital Structure 50/50								
Debt	50.00%	2.46%	4.92%					
Equity	50.00%	5.46%	10.92%					
ROR		7.92%						
Return Before Interest	\$113,941	\$63,889	\$45,104	\$50,052	\$34,911	\$15,141		
Less: Interest	\$35,391	\$19,844	\$14,010	\$15,546	\$10,843	\$4,703		
Taxable Income	\$78,550	\$44,045	\$31,094	\$34,505	\$24,067	\$10,438		
Income Tax @ 21%	\$16,495	\$9,249	\$6,530	\$7,246	\$5,054	\$2,192		
Gross Up Income Tax (1-.21)	\$20,880	\$11,708	\$8,266	\$9,172	\$6,398	\$2,775		