



Filing Receipt

Filing Date - 2024-08-27 02:10:54 PM

Control Number - 55783

Item Number - 32

DOCKET NO. 55783

**STACIE SMITH'S APPEAL OF THE § PUBLIC UTILITY COMMISSION
COST OF OBTAINING SERVICE §
FROM LIBERTY CITY WATER § OF TEXAS
SUPPLY CORPORATION §**

JOINT PROPOSED ORDER

This Order addresses the appeal of the cost of obtaining service filed by Stacie Smith (Ms. Smith) on October 31, 2023, to contest the cost of obtaining new water service from Liberty City Water Supply Corporation (Liberty City WSC) under Texas Water Code (TWC) § 13.043(g) and 16 Texas Administrative Code (TAC) § 24.101(g).

The Public Utility Commission of Texas (Commission) adopts the proposed Order, including findings of fact and conclusion of law to the extent provided in this Order.

I. Findings of Fact

The Commission makes the following findings of fact.

Respondent

1. Liberty City WSC is a Texas corporation registered with the Texas secretary of state under filing number 0020145701.
2. Liberty City WSC owns and operates a public water system registered with the Texas Commission on Environmental Quality (TCEQ) under identification number 0920016.
3. Liberty City WSC operates, maintains, and controls facilities for providing retail water in portions of Gregg and Smith Counties under Certificate of Convenience and Necessity No. 10408.

Appellant

4. Ms. Smith is an individual who resides at a property located at 302 Barnett Road, Kilgore, Texas.
5. On October 28, 2019, Ms. Smith executed two service agreements with Liberty City WSC to re-establish water service using existing service connections previously installed on her property to serve a single-family home and a garage apartment (Unit 1).

6. Ms. Smith paid total re-service fees of \$365.00 for the home and \$275.00 for Unit 1. Liberty City WSC installed a gate valve at the meter serving the home for \$90.00, which was included in the \$365.00 total re-service fees.
7. On March 1, 2023, Liberty City WSC became aware of a Facebook advertisement placed by Ms. Smith to rent a second garage apartment on her property (Unit 2). Based on the description and photo in the advertisement, Liberty City WSC determined that Unit 2 qualified as a residence and notified Ms. Smith that she would need a third service connection on the property to serve Unit 2.
8. On September 12, 2023, Ms. Smith executed a third service agreement and paid a total of \$4,003 for the new standard service connection, which is the same amount charged to every new residential service applicant pursuant to Liberty City WSC's tariff.

Appeal

9. On October 31, 2023, Ms. Smith filed an appeal of the cost of obtaining service from Liberty City WSC for Unit 2 under TWC § 13.043(g) and 16 TAC § 24.101(g). Ms. Smith confirmed she paid \$4,003 for the new service.
10. Ms. Smith's appeal was filed within 90 days after written notice of the amount to be paid to obtain service was provided to her by Liberty City WSC.
11. In Order No. 2 filed on December 4, 2023, the administrative law judge (ALJ) found the appeal administratively complete.

Notice

12. On December 6, 2023, Ms. Smith filed a response to Order No. 2, providing proof that a copy of the appeal was sent by United States Postal Service to Liberty City WSC on October 26, 2023 but stating that it was returned because the envelope was sent to a physical address, not a mailing address. Ms. Smith stated she then delivered a copy of the appeal to Liberty City WSC by personal delivery, and emailed a copy of the appeal to Liberty City WSC's General Manager Craig Sherwood and Liberty City WSC's legal counsel James W. Wilson and Maria Huynh.
13. In Order No. 4 filed on March 6, 2024, the ALJ found the notice sufficient.

Response to Appeal

14. On January 11, 2024, Liberty City WSC filed its response to the appeal based on (i) Liberty City WSC’s tariff and standard service agreement prohibiting more than one residential connection per meter, and (ii) that Ms. Smith paid the same amount to establish a new standard service connection as every other new service applicant.
15. On February 20, 2024, Liberty City WSC filed an itemization of the fees Liberty City WSC charges for a new residential water service connection with a standard 3/4” x 5/8” size meter which, in addition to the fees paid by a re-service applicant totaling \$275, consist of the following:

<u>Type of Fee</u>	<u>Amount</u>	<u>Tariff</u>
Customer Service Inspection Fee	\$35.00	Section G.5
Equity Buy-in Fee	\$2,708.00	Section G.9
Installation Fee (Tap Fee)	\$1,020.00	Section G.13
Membership Fee	\$200.00	Section G.16
Transfer Fee/Activation Fee	\$40.00	Section G.3[1]

Amount Paid to Obtain Service

16. Every amount included in Liberty City WSC's \$4,003.00 quote to Ms. Smith for a new residential water service connection is a fee stated in Liberty City WSC's tariff.
17. The membership and tap fees that Ms. Smith paid to obtain water service are the regular membership and tap fees of Liberty City WSC.
18. The amount Ms. Smith paid to obtain water service is consistent with Liberty City WSC's tariff and is reasonably related to the cost of installing on-site and off-site facilities to provide service to Ms. Smith.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over this appeal under Texas Water Code (TWC) § 13.043(g).
2. The appeal meets the requirements of TWC § 13.043(g) and 16 TAC § 24.101(g).
3. Ms. Smith provided notice of the appeal that complies with 16 TAC § 22.55.
4. This proposed order was issued in accordance with Texas Government Code § 2001.062 and 16 TAC § 22.261(a).

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission adopts the proposal for decision, including findings of fact and conclusions of law, to the extent provided in this Order.
2. The Commission affirms the decision of Liberty City WSC to charge Ms. Smith a total of \$4,003 to obtain water service.
3. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

Dated: August 27, 2024

Respectfully submitted,

JAMES W. WILSON & ASSOCIATES, PLLC
103 W. Main Street
Allen, Texas 75013
Tel: (972) 727-9904
Fax: (972) 755-0904

/s/ James W. Wilson

James W. Wilson
State Bar No. 00791944
jwilson@jww-law.com
Maria Huynh
State Bar No. 24086968
mhuynh@jww-law.com

**ATTORNEYS FOR LIBERTY CITY WATER
SUPPLY CORPORATION**

and

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez Wagley
Division Director

Phillip Lehmann
Managing Attorney

/s/ Kelsey Daugherty

Kelsey Daugherty
State Bar No. 24125054
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3480
(512) 936-7255
(512) 936-7268 (facsimile)
Kelsey.Daugherty@puc.texas.gov

DOCKET NO. 55783

CERTIFICATE OF SERVICE

I certify that unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on August 27, 2024, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ James W. Wilson

James W. Wilson