



Control Number: 48342



Item Number: 43

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**PUC DOCKET NO. 48342**

**APPLICATION OF GUM ISLAND  
UTILITY FOR AUTHORITY TO  
CHANGE RATES**

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**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**COMMISSION STAFF'S STATUS REPORT**

**COMES NOW** the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Commission Staff's Status Report. Staff has discussed the contents of this status report with Gum Island and it is unopposed.

**I. BACKGROUND**

On May 3, 2018, Gum Island Utility Company (Gum Island) filed an application as "Whitewing" utility for a Class B rate change. On May 30, 2018, the administrative law judge (ALJ) issued Order No. 2, finding the application and notice deficient and suspending the effective date of the requested rate change in accordance with Texas Water Code (TWC) § 13.1871(e) and 16 Texas Administrative Code (TAC) § 24.26(b)(1).

On August 8, 2018, the ALJ issued Order No. 6, finding the application administratively complete and suspending the effective date of the rate change to 265 days from the date of Gum Island Utility's new proposed effective date. On February 12, 2019, the Commission referred this docket to the State Office of Administrative Hearings (SOAH). On March 13, 2019, the Commission issued a request that the SOAH ALJ dismiss the proceeding and remand it back to the Commission for further processing. On March 14, 2019, the SOAH ALJ issued Order No. 2 dismissing the proceeding from the SOAH docket and remanding it to the Commission. On March 27, 2019, the ALJ issued Order No. 8, requiring Staff and Gum Island to file a joint status report and propose ad procedural schedule on or before April 24, 2019. Therefore, this pleading is timely filed.

**II. STATUS REPORT**

In order to move forward with the processing of this docket, Staff has concluded that responses to the first 10 questions listed in the Preliminary Order filed on March 6, 2019 should be provided by Gum Island. Once that information has been provided, Staff will be able to conduct

a review of the information submitted by Gum Island and make a recommendation. Therefore, Staff requests that Gum Island be required to provide the following information:

1. What is the legal name of the utility making the application in this docket?
2. If Gum Island Utility Company is no longer authorized to conduct business in this state due to a forfeiture, should the Commission request SOAH to abate the proceeding to allow the proper entity to file an amended application or request SOAH return to the docket for further action by the Commission?
3. Are the customers for which the rate change is requested in this docket located within the service area included in CCN number 12042?
4. What is the legal name of the utility that currently holds CCN number 12042? In answering this issue, please address who owns the equipment and facilities used to provide water service under CCN number 12042. Who operates such equipment and facilities?
5. If the legal name of the entity owning the equipment and facilities used to provide service under CCN number 12042 is not Gum Island Utility Company, should the Commission refrain from issuing a final order in this case until an application to transfer the CCN has been approved?
6. Is there a business or corporate relationship between Whitewing, Gum Island, East Houston Utilities, Inc., and Krebs Utilities? If so, describe the relationship and functions of the various entities in owning and operating the utility serving the customers for which the rate change is requested in this docket.
7. Which entity (or entities) owns the assets used in providing water service to the customers for which the rate change is requested in this docket?
8. Which entity (or entities) employs the individuals who perform the day-to-day operations used in providing water service to the customers for which the rate change is requested in this docket?
9. Which entity (or entities) performs the day-to-day operations used in providing water service to the customers for which the rate change is requested in this docket?
10. If a combination of entities constitutes the utility, which entities should be joined in this proceeding? 16 Texas Administrative Code (TAC) § 22.104(a).

### **III. PROCEDURAL SCHEDULE**

Staff proposes the following procedural schedule for the further processing of this docket:

<b>Event</b>	<b>Date</b>
Deadline for Gum Island to file with the Commission Responses and any other supporting documentation relating to Questions 1 through 10 of the Preliminary Order	May 15, 2019
Deadline for Staff to file a recommendation regarding the ownership of Gum Island and propose additional deadlines	June 5, 2019

Staff has discussed the proposed schedule with Gum Island and it is unopposed.

### **IV. CONCLUSION**

Staff respectfully requests the issuance of an order consistent with the above recommendation.

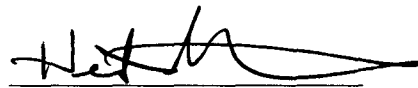
Date: April 24, 2019

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF  
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Stephen Mack  
Managing Attorney

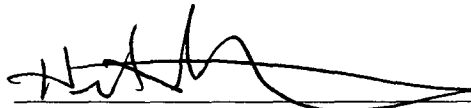


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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on April 24, 2019, in accordance with 16 TAC § 22.74.



Heath D. Armstrong