



Control Number: 48342



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**PUC DOCKET NO. 48342**

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

§  
§  
§

**PUBLIC UTILITY COMMISSION  
OF TEXAS**

2019 SEP 26 11:21:15  
FILED  
CLERK

**COMMISSION STAFF'S RECOMMENDATION**

**COMES NOW** the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Commission Staff's Recommendation and would show the following:

**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 July 10, 2019, the ALJ issued Order No. 11, denying Commission Staff's recommendation as to the further processing of this docket, stating that Gum Island is free to submit a sale, transfer, or merger (STM) application under Texas Water Code (TWC) § 13.301 and pursue that application concurrently with the processing of this docket or to agree to a further extension of the effective date of the proposed rates, and ask for an abatement accordingly. On September 24, 2019, Gum Island filed a revised Notice of Proposed Rate Change with a revised effective date of November 1, 2019. On September 20, 2019, Gum Island filed an STM application (Docket No. 50038). Order No. 11 did not provide any further filing deadlines for the parties in this proceeding. Therefore, this pleading is timely filed.

**II. STAFF RECOMMENDATION**

Based on the filings of Gum Island, Staff recommends that the effective date be suspended pursuant to TWC § 13.1871(g) and 16 TAC § 24.33(a)(2) for 265 days from the date of Gum Island's new proposed effective date of November 1, 2019 and that the ALJ abate this proceeding to provide sufficient time for Staff to process the STM application filed by Gum Island and East Houston Utilities DBA Krebs Utilities (Krebs) as any other transfer of ownership without

Commission approval is void under TWC § 13.301(h). Once the STM application is processed and approved, this proceeding can resume. On or before January 25, 2020, Staff would file an update on the status of the STM application and a recommendation with regard to the further processing of this docket, including a procedural schedule recommendation that completes the processing of this docket prior to the expiration of the rate change effective date suspension on July 23, 2020.

### **III. CONCLUSION**

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

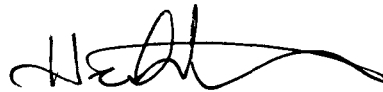
Date: September 26, 2019

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF  
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Rachelle Nicolette Robles  
Managing Attorney

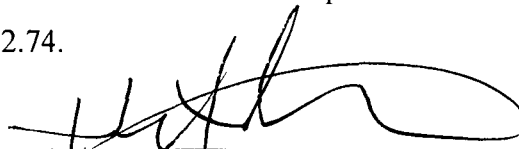


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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on September 26, 2019, in accordance with 16 TAC § 22.74.



Heath D. Armstrong