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**APPLICATION OF GUM ISLAND
UTILITY AND EAST HOUSTON
UTILITIES, INC. DBA KREBS
UTILITIES FOR A SALE, TRANSFER,
OR MERGER OF FACILITIES AND
CERTIFICATE RIGHTS IN LIBERTY
COUNTY**

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PUBLIC UTILITY COMMISSION

OF TEXAS

COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY OF NOTICE

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Recommendation on Sufficiency of Notice and would show the following:

I. BACKGROUND

On September 20, 2019, Gum Island Utility (Gum Island) and East Houston Utilities, Inc. d/b/a Krebs Utilities (Krebs Utilities) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of water facilities and certificate rights in Liberty County. Specifically, Krebs seeks to acquire Gum Island's public water system and water service area held under Certificate of Convenience and Necessity (CCN) No. 12042.

Order No. 5, issued March 13, 2020, deemed the application sufficient and adopted a procedural schedule establishing April 10, 2020, as the deadline for Applicants to provide proof of notice. Applicants filed proof of notice on April 1, 2020, and April 15, 2020. The procedural schedule also established April 24, 2020, as the deadline for Staff to file a recommendation on sufficiency of notice. Therefore, this pleading is timely filed.

II. RECOMMENDATION ON NOTICE

Staff has reviewed the proof of notice filed by Applicants and recommends that the notice be found sufficient. The affidavit of Stephen Krebs, owner of Krebs Utilities, indicates that notice was mailed on March 26, 2020, and the list included as Attachment A confirms that notice was provided to all customers and other affected parties identified in Staff's third supplemental recommendation on administrative completeness filed on March 10, 2020. Further, the copy of the notice demonstrates that Applicants used the form of notice recommended by Staff and

provided a map of the area subject to the proposed transaction. Thus, Applicants have complied with the applicable requirements of 16 Texas Administrative Code (TAC) § 24.239.

IV. PROCEDURAL SCHEDULE

Staff proposes the following procedural schedule:

Event	Date
Notice completed	March 26, 2020
Deadline to intervene	April 27, 2020 ¹
Deadline for Staff to request a hearing or file a recommendation on approval of the sale and on the CCN amendment	May 27, 2020
Deadline for parties to file a response to Staff's recommendation on approval of the sale	June 10, 2020
Deadline for parties to file a joint motion to admit evidence and proposed order approving sale and allowing transaction to proceed.	June 17, 2020
120-day deadline for the Commission to approve the sale or require a hearing	July 24, 2020 ²

V. CONCLUSION

For the reasons detailed above, Staff respectfully recommends that Applicants' notice be found sufficient and that the proposed procedural schedule be adopted.

Dated: April 24, 2020

¹ Pursuant to 16 TAC § 24.239(b), the intervention period shall not be less than 30 days unless good cause is shown. Notice was mailed on March 26, 2020, and 30 days after March 26, 2020, is April 25, 2020. Because, the Commission is closed for business on April 25, 2020, the deadline becomes April 27, 2020 under 16 TAC § 22.4(a).

² Pursuant to 16 TAC § 24.239(a) and (j), the deadline for Commission action is 120 days after the mailing or publication of notice, whichever occurs later. One hundred and twenty days after March 26, 2020 is July 24, 2020.

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
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CERTIFICATE OF SERVICE**

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on April 24, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Eleanor D'Ambrosio
Eleanor D'Ambrosio