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DOCKET NO. 51614

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**APPLICATION OF EAST HOUSTON §
UTILITIES TO AMEND ITS §
CERTIFICATE OF CONVENIENCE §
AND NECESSITY IN HARRIS COUNTY §**

**PUBLIC UTILITY COMMISSION
OF TEXAS**

**AGREED STATUS REPORT,
REQUEST FOR EXTENSION, AND PROPOSED PROCEDURAL SCHEDULE**

On December 11, 2020, East Houston Utilities dba Krebs Utilities (East Houston) filed an application to amend its water certificate of convenience and necessity (CCN) No. 11984 in Harris County, Texas.

On June 3, 2021, the administrative law judge (ALJ) filed Order No. 5, establishing a deadline of June 18, 2021 for the Staff of the Public Utility Commission of Texas (Staff) and East Houston (collectively, Parties) to file a status report describing the measures East Houston has taken to resolve the deficiencies in the application, and what deficiencies still need to be resolved. Therefore, this pleading is timely filed.

I. STATUS REPORT

Staff has communicated with East Houston regarding the remaining deficiencies. To facilitate communication, Staff created a 23-point list of deficiencies that is drawn from Staff's January 11, 2021 recommendation on administrative completeness. East Houston's response is attached to this pleading. Based on the information provided by East Houston, it will not be able to cure the deficiencies identified until it completes the sale of the property that East Houston proposes to amend to its CCN service area. The expected closing date for this transaction is July 27, 2021. Staff has conferred with a representative for East Houston who indicated that East Houston is in agreement with this status report.

II. REQUEST FOR EXTENSION AND PROPOSED PROCEDURAL SCHEDULE

Under 16 Texas Administrative Code § 22.4(b), Staff may request that the time allowed for filing any documents be extended for good cause. Because East Houston requires additional time to obtain the information and documents necessary to cure the identified deficiencies, Staff

respectfully requests an extension of its deadline to file a supplemental recommendation on administrative completeness and the adoption of the following procedural schedule.

Event	Date
Deadline for East Houston to cure the deficiencies identified in Staff's January 11, 2021 memo	August 17, 2021
Deadline for Staff to file a supplemental recommendation on administrative completeness	September 16, 2021

III. CONCLUSION

For the reasons specified above, Staff respectfully requests the issuance of an order consistent with the foregoing recommendation.

Dated: June 16, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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/s/ Merritt Lander
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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 on June 16, 2021 in accordance with the Order Suspending Rules filed in Project No. 50664.

/s/ Merritt Lander
Merritt Lander

1. A copy of East Houston's most recent financial statements for 3 years of operations including a balance sheet and income statement;

ANSWER: I am working with our CPA on the financial statements. Please allow 2 weeks to get this information.

2. A completed Appendix B with financial projections that include provision of water service to the requested area;

ANSWER: We are set to close for the sale of this land on 7/26/2021. Once closing is finished, I will be able to get all the development plans in detail.

3. A copy of any agreement where the developer has pledged to pay for improvements required to provide water service to the requested area;

ANSWER: We are set to close for the sale of this land on 7/26/2021. Once closing is finished, I will be able to get all the development plans in detail.

4. A capital improvement plan, including a budget and an estimated timeline for construction of all facilities necessary to provide full service to the requested area, keyed to a map showing where such facilities will be located to provide service;

ANSWER: We are set to close for the sale of this land on 7/26/2021. Once closing is finished, I will be able to get all the development plans in detail.

5. A description of the sources of funding for all facilities that will be constructed to serve the requested area;

ANSWER: We are set to close for the sale of this land on 7/26/2021. Once closing is finished, I will be able to get all the development plans in detail.

6. Disclosure of all affiliated interests; and

ANSWER: We are set to close for the sale of this land on 7/26/2021. Once closing is finished, I will be able to get all the development plans in detail.

7. A copy of East Houston's recent approved tariff.

ANSWER: Please allow 2 weeks for this information to be provided.

8. Clarification as to the utility that is requesting the CCN amendment and the CCN number to which the requested area is being proposed to be added.

ANSWER: The utility that is requesting the CCN is East Houston Utilities for CCN #12042.

9. A copy of the "Certification of Account Status" from the Texas Comptroller.

ANSWER: Please allow 2 weeks for this information to be provided.

10. A list of stockholders & their respective percentages of ownership (if applicable),

ANSWER: N/A

11. A copy of an organizational chart showing the relationship between East Houston and Krebs Utilities (if applicable),

ANSWER: East Houston Utilities is the same entity as Krebs Utilities. Krebs Utilities is the DBA under East Houston Utilities.

12. A list of all directors, including titles (if applicable),

ANSWER: Stephen Paul Krebs is owner of East Houston Utilities.

13. A list of all affiliated organizations (if any) and explain the affiliate's business relationship with the applicant.

ANSWER: N/A

14. Please clarify whether the requested CCN amendment is for both water and sewer service area or for water service area only.

ANSWER: Requested CCN is for both Water and Sewer.

15. Annual Report Filings (Application Question No. 3)- When the CCN number and utility are confirmed, please verify that the annual reports for 2018 and 2019 have been submitted for that utility. At this time there are no annual reports on file for either Krebs Utilities, Inc., East Houston, or Stephen P. Krebs.

ANSWER: East Houston Utilities was unaware that Annual Reports were due for each separate CCN. East Houston Utilities is working on the Annual Reports for 2018-2020.

16. Requests for Service (Application Question No. 9)- The application states there are no requests for service but that a 300 connection residential subdivision is proposed for the requested area. Please provide additional information regarding why this amendment is needed if East Houston has not received any requests for service and explain whether East Houston has been contacted by the developer for the proposed residential subdivision about providing water service.

ANSWER: Developer is currently under contract to purchase the property. Stephen Krebs is the seller of the property and is also the owner of East Houston Utilities. Developer requested for East Houston Utilities to provide water and sewer to the requested area. Once closing is finished, we can provide their development plan. I have the proposed Plat that the developer provided. See attachment "A".

17. Texas Commission on Environmental Quality (TCEQ) approval letters (Application Question No. 11) The application states that plans for the construction of new facilities to serve the requested area are in progress. Please submit proof that plans for any needed water treatment plant, facilities, or distribution system have been submitted to the TCEQ for review and approval.

ANSWER: Once closing is finished, 7/26/2021, we can work on submitting the plans to TCEQ.

18. Public Water System Information (Application Question No. 20) The public water systems provided in response to this question are listed under the CCN number 11984 for Stephen P. Krebs dba Krebs Utilities, Inc. Please clarify if the requested area will be served by one of these public water systems or if the requested area will require the construction of a new public water system. a. If the requested area will be served by a new public water system, please provide a revised response for Application Question Nos. 12.A. through 12.D.

ANSWER: We will require new construction for the new PWS. See attachment "B".

19. Existing and Additional Connections (Application Question Nos. 21 and 22) Provide the number of existing connections and the estimated number of additional connections for the proposed area. "N/A" is not a sufficient response for these questions.

ANSWER: There are no existing connections. It is a raw piece of land.

20. Licensed Operators (Application Question No. 25) The application lists Hanna and Stephen Krebs as the licensed operators who will be responsible for the operations of the service provided to the requested area but no TCEQ license numbers are provided. Please provide the TCEQ license numbers.

ANSWER: TCEQ license numbers; Stephen Krebs: WO0017879, Hannah Krebs: WO0042164

Once we finish the construction of the site, we will hire a full time Class C water operator to operate the PWS.

21. Mapping- provide a general location map identifying only the requested area, in reference to the nearest county boundary, city, or town.

ANSWER: SEE ATTACHED MAPS

22. Mapping- provide a detailed map identifying only the requested area, in reference to verifiable man-made and natural landmarks, such as roads, rivers, and railroads.

ANSWER: SEE ATTACHED MAPS

23. Mapping- provide digital mapping data for the requested area, as a single polygon record, in shapefile (SHP) format, georeferenced in either NAD83 Texas Statewide Mapping System (Meters) or NAD83 Texas State Plane Coordinate System (US Feet); OR metes and bounds survey sealed or embossed by either a licensed state surveyor or a registered professional land surveyor.

ANSWER: PLEASE ALLOW 2 WEEKS TO GET THE METES AND BOUNDS