



## Filing Receipt

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**II. COMMENTS ON PROCEDURAL SCHEDULE**

Staff proposes the following procedural schedule for the continued processing of this application:

<b>Event</b>	<b>Date</b>
Deadline for applicant to cure deficiencies identified in Staff's memoranda	May 2, 2022
Deadline for Commission Staff to file a supplemental recommendation on sufficiency of the application and a proposed procedural schedule for the continued processing of this application	June 2, 2022

**III. CONCLUSION**

For the reasons discussed above, Staff respectfully requests that the application be deemed deficient and respectfully requests the entry of an order consistent with the above recommendation.

Dated: March 30, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Keith Rogas  
Division Director

Robert Dakota Parish  
Managing Attorney

/s/ Merritt Lander  
Merritt Lander  
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**DOCKET NO. 51614**

**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 March 30, 2022 in accordance with the Order Suspending Rules filed in Project No. 50664.

/s/ Merritt Lander  
Merritt Lander

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Merritt Lander, Attorney  
Legal Division

**FROM:** Patricia Garcia, Senior Engineering Specialist  
Infrastructure Division

**DATE:** March 30, 2022

**RE:** Docket No. 51614 – *Application of East Houston Utilities to Amend its Certificate of Convenience and Necessity in Harris County*

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On December 11, 2020, East Houston Utilities, Inc. dba Krebs Utilities (East Houston) filed with the Public Utility Commission of Texas (Commission) an application to amend its water certificate of convenience and necessity (CCN) No. 11984 in Harris County, Texas under Texas Water Code (TWC) §§ 13.242 to 13.250 and 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237.

Based on the mapping review by Gary Horton, of the Commission’s Infrastructure Division, and my technical and managerial review of the information filed by East Houston, I recommend that the application be deemed administratively incomplete and not accepted for filing due to the deficiencies detailed below:

### **Application Content:**

#### 1. Application Summary

The application states that East Houston Utilities is requesting to amend CCN number 11984 for dual certification with East Houston Utilities under CCN number 11984. Based on the rest of the information provided in the application, Staff believes that the request for dual certification is in error, and that this is an application for a CCN amendment for uncertificated area that will be the site of a new subdivision. However, CCN number 11984 is assigned to Stephen P. Krebs dba Krebs Utilities, Inc. and East Houston dba Krebs Utilities, Inc. was assigned water CCN number 12042 in Docket No. 50038.<sup>1</sup> Please provide the following:

- a. 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. Please make sure the CCN number and utility name match,
- b. A copy of the “Certification of Account Status” from the Texas Comptroller,

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<sup>1</sup> *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*, Docket No. 50038, Notice of Approval at Ordering Paragraph No. 1 (Dec. 8, 2020).

- c. A list of stockholders & their respective percentages of ownership (if applicable),
- d. A copy of an organizational chart showing the relationship between East Houston and Krebs Utilities (if applicable),
- e. A list of all directors, including titles (if applicable), and
- f. A list of all affiliated organizations (if any) and explain the affiliate's business relationship with the applicant.

The Application Summary has both the water and sewer boxes checked. However, no sewer CCN number was provided. Please clarify whether the requested CCN amendment is for both water and sewer service area or for water service area only.

2. 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.

3. 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.

4. 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.

5. 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.

7. 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.

**Mapping Content:**

I recommend that East Houston submit the following items to resolve the mapping deficiencies:

- A general location map identifying only the requested area, in reference to the nearest county boundary, city, or town.
- A detailed map identifying only the requested area, in reference to verifiable man-made and natural landmarks, such as roads, rivers, and railroads.

- 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.

Note: Any confidential items should be submitted as confidential filings with the PUC. The instructions for filing confidential documents can be found on our website at: (<http://www.puc.texas.gov/industry/filings/FilingProceed.aspx>).

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Merritt Lander, Attorney  
Legal Division

**FROM:** Kathryn Eiland, Financial Analyst  
Fred Bednarski III, Financial Analyst  
Rate Regulation Division

**DATE:** March 30, 2022

**RE:** Docket No. 51614 – *Application of East Houston Utilities to Amend its Certificate of Convenience and Necessity in Harris County*

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On December 11, 2021, East Houston Utilities (East Houston) filed an application to amend its water Certificate of Convenience and Necessity (CCN) number 11984 in Harris county under the provisions of Texas Water Code §§ 13.242 to 13.250 and 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237.

We reviewed the answers and supplemental information provided to questions 30 and 31 of the application and recommend the application be deemed administratively incomplete and that East Houston be required to provide the following information to cure the deficiencies:

1. Clarification if the application is for Krebs Utilities, Inc. or East Houston Utilities,
2. An updated application indicating if the applicant is requesting to obtain a sewer CCN for East Houston Utilities based on the terms of the developer agreement provided on March 8, 2022.
3. If Krebs Utilities, Inc. is going to provide the water and sewer service to the requested area provide and updated developer agreement indicating this,
4. Provide an updated application containing the CCN(s) holders name and CCN numbers as appropriate,
5. Copy of the applicant's most recent financial statements for 3 years of annual reports pursuant to 16 TAC § 24.129,
6. A complete projected Appendix B to provide full water service to the requested area, and a complete projected Appendix B to provide full sewer service to the requested area as appropriate,
7. A capital improvement plan, including a budget and an estimated timeline for construction of all facilities necessary to provide full water service to the requested area, keyed to a map showing where such facilities will be located to provide water service,
8. A capital improvement plan, including a budget and an estimated timeline for construction of all facilities necessary to provide full sewer service to the requested area, keyed to a map showing where such facilities will be located to provide sewer service,



# *Public Utility Commission of Texas*

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## **Memorandum**

9. A description of the sources of funding for all facilities that will be constructed to serve the requested area,
10. Disclosure of all affiliated interests,
11. A copy of East Houston Inc. or Krebs Utilities, Inc.'s most recent approved water tariff,
12. A copy of Krebs Utilities, Inc.'s most recent approved sewer tariff or a proposed East Houston Utilities, Inc. sewer tariff to serve the requested area as appropriate,