



Filing Receipt

Filing Date - 2023-09-14 09:01:09 AM

Control Number - 52370

Item Number - 105

DOCKET 52370

After the conclusion of the first part of the Rate Hearing, EHU acted on the recommendation by Marisa Wagley to enlist the help of a PUC contractor to verify the Utilities' need as it pertains to the affiliates.

A PUC contractor came to our office to review costs. Mrs. Eaves with PUC DUO reached out to Mrs. Wagley to clarify what exactly she is requesting. Mrs. Wagley apparently reiterated the need for clarification on how billing is done between affiliates. One recommendation that was offered was to report in on a monthly basis the profit/loss statements that had been done annually before. These profit and loss statements would be specific to the CCN and include only the revenue and expenses associated with the Whitewing Subdivision (CCN 12042) with the shared costs distributed equally among the 3 CCNs. See Profit & Loss Statements provided.

The annual need falls right in between the recommended cost of service of \$49,647 provided by the PUC Legal Staff, Mr. Quijano on 11-18-2022 **(See filing number #67 in this docket)**, and also the recommended cost of service of \$55,919 provided by the PUC Legal Staff, Mr. Quijano on 6-9-2023. **(See filing number #89 in this docket)**.

In a phone conversation with Mrs. Wagley, she indicated the current rates were calculated without the consideration of any of the common or shared expenses between affiliates. We would hope that she does not mean that EHU cannot recover these costs, only that we would need to show the costs as provided in the monthly P&L statements as shown. We hope that this will satisfy Mrs. Wagley and that her recommendation would support the evidence provided by East Houston Utilities.

We would also like to reemphasize that these requirements are in line with other communities in the area who receive revenue from both monthly bills and annual property tax.

Thanks,

Stephen Krebs

East Houston Utilities

East Houston Utilities, Inc.

CCN 12042

Profit and Loss

January 2022

	TOTAL
Income	
Sales	751.00
Total Income	\$751.00
Cost of Goods Sold	
Chemicals	21.83
Job Supplies	349.07
Labs/TCEQ	211.30
Utilities	112.60
Total Cost of Goods Sold	\$694.81
GROSS PROFIT	\$56.19
Expenses	
Bank Charges & Fees	23.95
Car & Truck	833.94
Contractors	33.33
Meals & Entertainment	44.53
Office Expense	3.33
Office Supplies & Software	75.62
Payroll Expenses	
Taxes	482.33
Wages	\$2,716.92
Total Payroll Expenses	\$3,199.25
Postage	133.33
Reimbursable Expenses	11.95
Rent & Lease	400.00
Repairs & Maintenance	636.08
Storage	70.83
Supplies	240.91
Taxes & Licenses	1,702.60
Telephone/Internet	78.59
Total Expenses	\$7,488.24
NET OPERATING INCOME	\$ -7,432.05
NET INCOME	\$ -7,432.05

East Houston Utilities, Inc.

CCN 12042

Profit and Loss

February 2022

	TOTAL
Income	
Sales	1,031.00
Total Income	\$1,031.00
Cost of Goods Sold	
Job Supplies	423.21
Labs/TCEQ	126.00
Utilities	208.58
Total Cost of Goods Sold	\$757.79
GROSS PROFIT	\$273.21
Expenses	
Bank Charges & Fees	28.76
Car & Truck	182.13
Meals & Entertainment	136.92
Office Expense	18.91
Office Supplies & Software	265.04
Payroll Expenses	
Taxes	395.74
Wages	\$3,870.76
Total Payroll Expenses	\$4,266.50
Permits	152.00
Rent & Lease	400.00
Repairs & Maintenance	1,185.00
Storage	70.83
Supplies	215.87
Taxes & Licenses	353.50
Telephone/Internet	78.48
Total Expenses	\$7,353.95
NET OPERATING INCOME	\$ -7,080.74
NET INCOME	\$ -7,080.74

East Houston Utilities, Inc.

CCN 12042

Profit and Loss

March 2022

	TOTAL
Income	
Sales	620.00
Total Income	\$620.00
Cost of Goods Sold	
Chemicals	58.33
Job Supplies	510.88
Labs/TCEQ	839.93
Utilities	101.16
Total Cost of Goods Sold	\$1,510.30
GROSS PROFIT	\$ -890.30
Expenses	
Bank Charges & Fees	28.55
Car & Truck	41.06
Contractors	16.66
Legal & Professional Services	366.66
Meals & Entertainment	122.83
Office Supplies & Software	65.03
Payroll Expenses	
Taxes	433.73
Wages	\$4,838.45
Total Payroll Expenses	\$5,272.18
Postage	345.57
Rent & Lease	400.00
Supplies	24.88
Telephone/Internet	78.59
Total Expenses	\$8,762.01
NET OPERATING INCOME	\$ -7,652.31
NET INCOME	\$ -7,652.31

East Houston Utilities, Inc.

CCN 12042

Profit and Loss

April 2022

	TOTAL
Income	
Sales	684.00
Total Income	\$684.00
Cost of Goods Sold	
Chemicals	487.67
Labs/TCEQ	106.59
Utilities	79.66
Total Cost of Goods Sold	\$673.92
GROSS PROFIT	\$10.08
Expenses	
Advertising & Marketing	6.72
Bank Charges & Fees	29.08
Car & Truck	70.61
Contractors	33.33
Legal & Professional Services	333.33
Office Supplies & Software	225.95
Payroll Expenses	
Taxes	339.27
Wages	3,870.76
Total Payroll Expenses	\$4,210.03
Permits	20.00
Rent & Lease	400.00
Storage	70.83
Supplies	87.58
Telephone/Internet	78.56
Total Expenses	\$5,566.02
NET OPERATING INCOME	\$ -5,555.94
NET INCOME	\$ -5,555.94

East Houston Utilities, Inc.

CCN 12042

Profit and Loss

May 2022

	TOTAL
Income	
Sales	1,010.00
Total Income	\$1,010.00
Cost of Goods Sold	
Job Supplies	295.20
Labs/TCEQ	285.50
Utilities	86.22
Total Cost of Goods Sold	\$666.92
GROSS PROFIT	\$343.08
Expenses	
Advertising & Marketing	68.18
Bank Charges & Fees	23.12
Car & Truck	2,237.81
Contractors	33.33
Insurance	350.00
Legal & Professional Services	1,333.33
Meals & Entertainment	78.06
Office Supplies & Software	156.20
Payroll Expenses	
Taxes	304.54
Wages	3,870.76
Total Payroll Expenses	\$4,175.30
Postage	227.68
Reimbursable Expenses	119.17
Rent & Lease	400.00
Repairs & Maintenance	333.33
Storage	70.83
Supplies	115.17
Telephone/Internet	68.84
Total Expenses	\$9,790.35
NET OPERATING INCOME	\$ -9,447.27
NET INCOME	\$ -9,447.27

East Houston Utilities, Inc.

CCN 12042

Profit and Loss

June 2022

	TOTAL
Income	
Sales	832.00
Total income	\$832.00
Cost of Goods Sold	
Chemicals	528.26
Job Supplies	499.18
Labs/TCEQ	68.00
Utilities	97.96
Total Cost of Goods Sold	\$1,193.13
GROSS PROFIT	\$ -361.13
Expenses	
Bank Charges & Fees	34.56
Car & Truck	765.40
Contractors	33.33
Meals & Entertainment	29.10
Office Supplies & Software	188.24
Payroll Expenses	
Taxes	370.14
Wages	4,838.45
Total Payroll Expenses	\$5,208.59
Permits	16.00
Rent & Lease	400.00
Repairs & Maintenance	550.00
Storage	503.94
Supplies	445.32
Telephone/Internet	80.41
Training and Seminars	99.99
Total Expenses	\$8,354.88
NET OPERATING INCOME	\$ -8,716.01
NET INCOME	\$ -8,716.01

East Houston Utilities, Inc.

CCN 12042

Profit and Loss

July 2022

	TOTAL
Income	
Sales	726.00
Total Income	\$726.00
Cost of Goods Sold	
Job Supplies	253.00
Labs/TCEQ	68.00
Utilities	204.99
Total Cost of Goods Sold	\$525.99
GROSS PROFIT	\$200.01
Expenses	
Bank Charges & Fees	74.18
Car & Truck	535.59
Legal & Professional Services	283.33
Meals & Entertainment	11.28
Office Supplies & Software	89.01
Payroll Expenses	
Taxes	297.13
Wages	3,884.09
Total Payroll Expenses	\$4,181.22
Supplies	268.58
Telephone/Internet	81.69
Total Expenses	\$5,624.88
NET OPERATING INCOME	\$ -5,424.87
NET INCOME	\$ -5,424.87

East Houston Utilities, Inc.

CCN 12042

Profit and Loss

August 2022

	TOTAL
Income	
Sales	790.00
Total Income	\$790.00
Cost of Goods Sold	
Chemicals	73.97
Job Supplies	839.45
Labs/TCEQ	76.50
Samples	221.92
Utilities	163.74
Total Cost of Goods Sold	\$1,375.58
GROSS PROFIT	\$ -585.58
Expenses	
Bank Charges & Fees	26.04
Car & Truck	208.12
Legal & Professional Services	466.66
Meals & Entertainment	104.04
Office Supplies & Software	74.72
Payroll Expenses	
Taxes	300.19
Wages	3,924.09
Total Payroll Expenses	\$4,224.28
Rent & Lease	400.00
Storage	141.66
Supplies	166.39
Taxes & Licenses	19.42
Telephone/Internet	146.78
Total Expenses	\$5,978.11
NET OPERATING INCOME	\$ -6,563.69
NET INCOME	\$ -6,563.69

East Houston Utilities, Inc.

CCN 12042

Profit and Loss

September 2022

	TOTAL
Income	
Sales	980.00
Total Income	\$980.00
Cost of Goods Sold	
Chemicals	1,181.68
Job Supplies	2,873.33
Utilities	117.67
Total Cost of Goods Sold	\$4,172.68
GROSS PROFIT	\$ -3,192.68
Expenses	
Advertising & Marketing	7.75
Bank Charges & Fees	65.51
Car & Truck	186.66
Contractors	63.00
Equipment Rental	679.46
Insurance	391.12
Office Expense	16.23
Office Supplies & Software	54.72
Payroll Expenses	
Taxes	328.17
Wages	4,289.73
Total Payroll Expenses	\$4,617.90
Rent & Lease	400.00
Storage	70.83
Telephone/Internet	92.73
Total Expenses	\$8,625.91
NET OPERATING INCOME	\$ -9,818.59
NET INCOME	\$ -9,818.59

East Houston Utilities, Inc.

CCN 12042

Profit and Loss

October 2022

	TOTAL
Income	
Sales	1,015.00
Total Income	\$1,015.00
Cost of Goods Sold	
Job Supplies	1,454.08
Utilities	125.29
Total Cost of Goods Sold	\$1,579.37
GROSS PROFIT	\$ -564.37
Expenses	
Bank Charges & Fees	22.55
Office Supplies & Software	16.52
Payroll Expenses	
Taxes	158.96
Wages	2,077.94
Total Payroll Expenses	\$2,236.90
Rent & Lease	400.00
Repairs & Maintenance	209.66
Telephone/Internet	92.21
Total Expenses	\$2,977.84
NET OPERATING INCOME	\$ -3,542.21
NET INCOME	\$ -3,542.21

East Houston Utilities, Inc.

CCN 12042

Profit and Loss

November 2022

	TOTAL
Income	
Sales	753.00
Total Income	\$753.00
Cost of Goods Sold	
Job Supplies	130.57
Labs/TCEQ	166.50
Utilities	143.22
Total Cost of Goods Sold	\$440.29
GROSS PROFIT	\$312.71
Expenses	
Advertising & Marketing	438.33
Bank Charges & Fees	25.19
Car & Truck	59.69
Meals & Entertainment	118.08
Office Supplies & Software	248.03
Payroll Expenses	
Taxes	206.03
Wages	2,693.33
Total Payroll Expenses	2,899.36
Rent & Lease	400.00
Telephone/Internet	92.21
Total Expenses	\$4,280.89
NET OPERATING INCOME	\$ -3,968.18
NET INCOME	\$ -3,968.18

East Houston Utilities, Inc.

CCN 12042

Profit and Loss

December 2022

	TOTAL
Income	
Sales	841.00
Total Income	\$841.00
Cost of Goods Sold	
Job Supplies	530.00
Utilities	103.46
Total Cost of Goods Sold	\$633.48
GROSS PROFIT	\$207.54
Expenses	
Advertising & Marketing	106.55
Bank Charges & Fees	25.23
Car & Truck	228.79
Contractors	800.00
Meals & Entertainment	148.13
Office Expense	14.64
Office Supplies & Software	174.89
Payroll Expenses	
Taxes	328.17
Wages	4,289.73
Total Payroll Expenses	\$4,617.90
Postage	158.66
Rent & Lease	400.00
Repairs & Maintenance	9.19
Telephone/Internet	133.05
Total Expenses	\$6,817.03
NET OPERATING INCOME	\$ -6,609.49
NET INCOME	\$ -6,609.49