



Control Number: 52370



Item Number: 49

Tracy Hightower
82 County Road 4867
Dayton, TX 77535
907-301-8675

2022 MAY 26 AM 9:15

FILED IN THE PUBLIC UTILITY COMMISSION
FILING CLERK

May 23, 2022

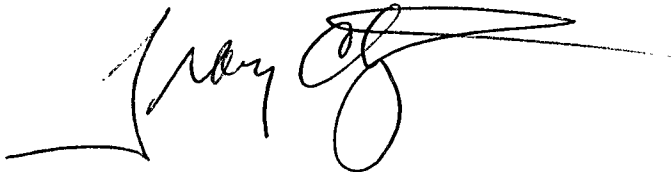
Filing Clerk
Public Utility Commission of Texas
P.O. Box 13326
Austin, TX 78711-3326

RE: PUC DOCKET NO. 52370
NOTICE OF PROPOSED RATE CHANGE
EAST HOUSTON UTILITIES
WHITEWING./GUM ISLAND UTILITY

To Whom it May Concern:

See attached extortion letter from East Houston Utilities. Their whole application appears to be a rate increase scam. Currently we have no water because of a power outage. Power goes out and the pump quits. No backup generator. No email alerts, and no other communications. Their bullying on this issue needs to be investigated or at least consider in your discussions.

Sincerely,



East Houston Utilities, Inc.

11015 Sheldon Rd. #102
Houston, TX 77044
(281) 456-0883

Customers at Whitewing Subdivision,

By now you are aware of the proposed rate change submitted to the PUC by EHU.

After the proposed \$51 rate change was denied due to protests in 2018, a lengthy investigation was performed by the PUC that revealed issues that needed to be corrected before a rate would be approved. Some of these included things such as certain paperwork not being submitted during the transfer of ownership and certain costs by the utility company that weren't included in the original \$51.

We have now corrected all the errors in the transfer of ownership and have used a PUC document to include all the costs associated with this system.

The PUC requires a lengthy 60 page application for rate changes, where data including utility costs, depreciation of plants, etc. are used to establish the costs for the PWS. The proposed \$215/month was derived from the schedules included in this application. You can access the Rate Change application we filed on the PUC Interchange by putting in Docket #52370.

While the proposed rate increase accurately reflects the costs to an operator of your system, we believe that our company can operate this system for significantly less. Several costly issues that would normally have to be contracted out can be corrected internally using salary employees and other measures that would allow you to maintain the quality services you have been receiving at a lower cost structure than what the PUC recommends. Therefore, I am suggesting that the proposed rate be lowered to **\$87/month** as the base rate for the first 5,000 gallons of usage. This would only apply if there are no protests in this proposed rate and it gets approved without delay.

Keep in mind that excessive delays at this point forward will incur more deficit spending to your system and will require higher rates.

Things to keep in Mind:

- Since EHU acquired this system, there has never been a positive (bacteria present) monthly bacteriological test associated with this PWS.
- Since EHU acquired this system, there has never been an overnight loss of water pressure.
- Since EHU acquired this system, there has only been four incidents with loss of pressure less than 3 hours.
- Since EHU acquired this system, yearly contaminant reports continue to show water contains less than the MCL in all fields.
- EHU does not charge yearly property taxes as most subdivisions do.
Example: Newport Subdivision in Crosby charges .61% of your appraised property value taxes annually.
In Newport, if your home is appraised at \$300,000, you'd pay the water company \$1,830 a year (or \$153/month) in addition to their \$62 monthly water bill. That's \$215/month for water service. Surprisingly, this is what the PUC schedules recommend.

We hope this explains the significant increase in rates and hope that this can be done quickly to avoid further costs being applied.

Thank You,
East Houston Utilities, Inc.
281-456-0883