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**SOAH DOCKET NO. 473-22-07686 WS
PUC DOCKET NO. 52370**

APPLICATION OF EAST HOUSTON UTILITIES INC. FOR AUTHORITY TO CHANGE RATES	§ § § § §	BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS
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**COMMISSION STAFF’S REQUEST FOR A CONTINUANCE OF HEARING ON THE
MERITS**

On July 29, 2021, East Houston Utilities Inc. (East Houston) filed a request for a rate increase for its Certificate of Convenience and Necessity (CCN) No. 12042.

On May 24, 2023, State Office of Administrative Hearings (SOAH) administrative law judge (ALJ) filed SOAH Order No. 5 scheduling a Hearing on the Merits for May 30, 2023 at 9:00 AM.

I. REQUEST FOR CONTINUANCE FOR CAUSE

Staff filed a change of counsel in this matter on May 24, 2023. The attorney previously assigned to this case is no longer with the Texas Public Utilities Commission. As of the time of this filing, the Staff for Public Utility Commission of Texas (Staff) requires information regarding Operations and Maintenance (O&M) and affiliate expenses from East Houston in order to better develop the record. Staff has attached the needed Request for Information for ALJ review. To accomplish the goal of representing the public interest and properly develop the record, Staff respectfully requests a continuance of the May 30, 2023 Hearing on the Merits. Staff respectfully suggests any date in June 2023. For the month of July 2023, Staff is not available the week of July 7th through the 14 and is available the rest of the July, 2023.

Staff has reached out to East Houston and all three intervenors to discuss this continuance request with the parties.

II. CONCLUSION

For the reasons stated above, Staff respectfully requests a continuance of the hearing on the merits currently scheduled for May 30, 2023, at 9:00 AM.

Dated: May 29, 2023

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

/s/ Marisa Lopez Wagley

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**SOAH DOCKET NO. 473-22-0786 WS
DOCKET NO. 52370**

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 May 29, 2023, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Marisa Lopez Wagley

Marisa Lopez Wagley

Dated: May 30, 2023

DOCKET NO. 52370

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO EAST HOUSTON UTILITIES INC.
QUESTION NOS. STAFF 1-1 THROUGH 1-11**

Financial Statements

Staff 1-1 Please provide copies of federal income tax returns which include East Houston's operations filed with the Internal Revenue Service (IRS) for 2019, 2020, and 2021.

Expenses

Staff 1-2 Please provide copies of invoices and other supporting documents for the following expenses:

a)	Office Services & Rentals	\$ 3,876.00
b)	Office Supplies & Expenses	\$ 1,243.99
c)	Insurance	\$ 64.00
d)	Regulatory Expense(other)	\$ 600.00
e)	Bank Fees	\$ 1,244.42

Taxes Other Than Income Taxes

Staff 1-3 Please provide copies of assessments and billing statements that support the requested property tax expense of \$596.87.

Affiliates

Staff 1-4 Please provide a list of any expenses included in the cost of service requested in this application that were allocated or directly billed to East Houston from an affiliate. Provide the information by NARUC account.

Staff 1-5 Please provide a list of specific benefits and/or services that East Houston receives from its affiliated companies in return for the costs allocated and/or direct billed from the affiliate. Please identify the specific costs with the specific benefit or service.

Staff 1-6 Please provide the percentage and amount of every expense category (legal, human resources, IT, accounting, etc.) allocated and/or direct billed from the affiliated companies that were included in this rate change application.

Staff 1-7 Please provide a copy of East Houston's cost allocation manual. If the cost allocation manual is not available, please describe in detail the methodology used to allocate costs to the affiliates and the different water and wastewater systems.

- Staff 1-8 Please provide a list of all companies owned by and the affiliates of East Houston, including but not limited to water and wastewater utility companies. Please include copies of an organizational chart demonstrating parent and affiliated companies, if any.
- Staff 1-9 Please provide a list of services, if any, provided by East Houston to any affiliate during the test year.
- Staff 1-10 For each of the expenses listed in response to **Staff 1-4**, please explain how the price charged to East Houston is no higher than the price charged to any third-party entity and provide supporting documentation demonstrating the prices charged to third party entities.

Rate-Case Expenses

- Staff 1-11 Does East Houston seek recovery of its rate-case expenses related to this proceeding? If yes, please provide the following information for all requested rate-case expenses, whether directly or indirectly incurred. If provided previously, please provide a cross-reference identifying the page number of the filing which contains this information.

Please provide for East Houston:

- a.) A Summary of Rate-Case Expenses Schedule showing total rate-case expenses by vendor within each discipline (legal, engineering, accounting, etc.) with subtotals for each month for which rate-case expense reimbursement is sought, broken down as follows: estimated expenses, expenses incurred and paid to date, expenses incurred and not paid to date, remaining estimated expenses, and specific areas of work by vendor. Please attach supporting invoices and receipts for all requested rate-case expenses incurred to date.
- b.) An explanation of the basis for any estimated rate-case expenses requested and when the estimated expenses are expected to be incurred.
- c.) Assurance that the total amounts provided in response to item (a) equal your total requested rate-case expenses.
- d.) Copies of third-party supporting documentation.