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Filing Date - 2023-06-16 02:10:13 PM

Control Number - 52370

Item Number - 95

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

APPLICATION OF EAST HOUSTON	§	BEFORE THE STATE OFFICE
UTILITIES INC. FOR AUTHORITY TO	§	
CHANGE RATES	§	OF
	§	
	§	ADMINISTRATIVE HEARINGS

**COMMISSION STAFF’S UNOPPOSED MOTION TO SET INTERIM RATES AND
MOTION FOR ABATEMENT**

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 June 12, 2023, a hearing on the merits was held at the State Office of Administrative Hearings (SOAH). During the hearing, the Staff (Staff) of the Public Utility Commission of Texas (Commission) made an oral motion for interim rates and an oral motion for abatement of these proceedings. Staff was instructed to follow up its requests with written motions in this docket by June 16, 2023. Therefore, this pleading is timely filed.

I. MOTION FOR INTERIM RATES

Under 16 Texas Administrative Code (TAC) § 24.37(b), Staff may petition to set interim rates to remain in effect until a final rate determination is made at any time after the filing of a statement of intent to change rates under Chapter 13 of the Texas Water Code (TWC). To avoid economic hardship for ratepayers, allow East Houston adequate time to work with Staff to achieve full compliance with TWC § 13.1858(e), and to allow the Commission adequate time to review and issue a final decision in this proceeding, Staff respectfully requests an order approving interim rates until a final order is issued by the Commission consistent with the notice provided to ratepayers pursuant to 16 TAC § 24.37(j). If the Commission ultimately approves rates that are lower than the interim rates, East Houston must refund or credit customers with any amount collected in excess of the final rates plus interest as approved by the Commission in a reasonable number of monthly installments. If the Commission ultimately approves rates that are higher than the interim rates, East Houston may surcharge customers the amount under-collected in a reasonable number of monthly installments.

The Commission may set interim rates if "failure to set interim rates could result in an unreasonable economic hardship on the utility's customers or unreasonable economic hardship on the utility."¹ The parties have agreed to the attached interim rates and the recommendation for interim rates in this docket for 32 connections is a \$55.95 base rate, and \$1.79 per 1,000 gallons after the first 3,000 gallons.

Staff requests that the SOAH ALJ set interim rates in this case as agreed to by the parties in settlement and outlined in the attached tariff to be approved on an interim basis effective immediately upon entry of SOAH order.

II. MOTION FOR ABATEMENT

During the hearing on the merits, Staff recommended that the Commission open a compliance proceeding to monitor East Houston's progress and require it to reach full compliance with TWC § 13.185(e) by September 18, 2023. Staff respectfully requests an abatement of the proceedings in this docket until September 18, 2023, to provide time for East Houston to demonstrate compliance with TWC § 13.185(e).

III. CONCLUSION

For the reasons stated above, Staff respectfully requests that the ALJs enter an order setting interim rates and abating this proceeding until September 18, 2023.

¹ 16 TAC § 24.37 (d)

Date: June 16, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez Wagley
Division Director

/s/ Marisa Lopez Wagley
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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 via electronic mail on June 16, 2023 in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Marisa Lopez Wagley
Marisa Lopez Wagley



WATER UTILITY TARIFF

Docket Number 52370

East Houston Utilities, Inc. dba Krebs Utilities
(Utility Name)

11015 Sheldon Rd, Ste 102
(Business Address)

Houston, TX 77044
(City, State, Zip Code)

281/456-0883
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

12042

This tariff is effective in the following county(ies):

Liberty

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions or systems:

Whitewing Subdivision: PWS ID #1460061

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

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SECTION 3.0 -- EXTENSION POLICY	3

APPENDIX A -- DROUGHT CONTINGENCY PLAN

APPENDIX B -- APPLICATION FOR SERVICE

NOTE: Appendix A – Drought Contingency Plan (DCP) is approved by the Texas Commission on Environmental Quality (TCEQ); however, the DCP is included as part of your approved tariff pursuant to PUCT rules. If you are establishing a tariff for the first time, please contact the TCEQ to complete and submit a DCP for approval.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes <u>5,000</u> gallons all meters)	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$55.95</u>	<u>\$1.79</u> per 1,000 gallons over 3,000

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card , Other (specify)

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS. AT THE CUSTOMER'S OPTION, ANY BILLING TRANSACTION OR COMMUNICATION MAY BE PERFORMED ON THE INTERNET. THIS INCLUDES THE UTILITY SENDING PAPERLESS BILLS BY EMAIL.

REGULATORY ASSESSMENT.....1.0%

PUCT RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT FEE TO THE TCEQ.

Section 1.02 – Miscellaneous Fees

TAP FEE.....\$310.00

TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION OF 5/8" METER PLUS UNIQUE COSTS AS PERMITTED BY PUCT RULE AT COST.

RECONNECTION FEE

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- a) Non-payment of bill (Maximum \$25.00).....\$25.00
 - b) Customer's request\$25.00
- or other reasons listed under Section 2.0 of this tariff

LATE CHARGE (EITHER \$2.00 OR 5%).....5%

A ONE-TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE\$15.00

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)\$0.00

METER TEST FEE (actual cost of testing the meter up to).....\$25.00

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY.

SECTION 2.0 - SERVICE RULES AND REGULATIONS

The utility will have the most current Public Utility Commission of Texas (PUCT or commission) rules relating to Water and Wastewater Utility regulations, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.1 - Application for Service

All applications for service will be made on the utility's standard application or contract form and will be signed by the applicant before water service is provided by the utility. A separate application or contract will be made for each service at each separate location.

Section 2.2 – Water Installation

After the applicant has met all requirements, conditions, and regulations herein set forth, the utility will then install a tap, meter, and cut-off valves and take all necessary actions to initiate service.

Section 2.3 – Billing

Water utility bills shall be rendered monthly unless otherwise authorized by the Commission, or unless service is terminated before the end of a billing cycle. Service initiated less than one week before the next billing cycle may be billed with the following month's bill. Bills should be rendered as promptly as possible following the reading of meters.

Bills are considered late if not received at the Utility's postal address within 16 days of the billing date. Service can be disconnected for nonpayment of a bill only after a 10 day written notice.

SECTION 3.0--EXTENSION POLICY

Section 3.1 - Standard Extension Requirements

Contributions in aid of construction shall not be required of individual residential customers for production, storage, treatment, or transmission facilities.

The utility will bear the cost of the first 200 feet of water main necessary to extend service to an individual residential customer. The utility shall bear the full cost of any oversizing of water mains to serve other residential customers in the area.

Section 3.2 – Specific Utility Extension Policy

- (1) Residential customers may be required to pay for additional main beyond the first 200 feet;
- (2) Residential customers who place unique or non-standard service demands on the system may be charged the actual costs of any additional transmission or storage required over and above the standard requirements;
- (3) Developers may be required to provide contributions in aid of construction in amounts to furnish the system with facilities compliant with Texas Commission on Environmental Quality (TCEQ) minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water.
- (4) Commercial customers may be required to pay the cost of the entire length of water main necessary to extend service to their point of use;
- (5) Commercial customers who place unique or non-standard service demands on the system may be charged the actual costs of any additional transmission or storage required over and above the standard requirements;
- (6) All extensions shall be negotiated with the utility on an individual basis, subject to the above extension policy rules, and taking into consideration additional demands on the system for water production, transmission, and storage.

APPENDIX A - DROUGHT CONTINGENCY PLAN

(This page incorporates by reference the utility's Drought Contingency Plan, as approved and periodically amended by the Texas Commission on Environmental Quality.)

APPENDIX B -- APPLICATION FOR SERVICE
(Utility Must Attach Blank Copy)