



Control Number: 44236



Item Number: 72

Addendum StartPage: 0

SOAH DOCKET NO. 473-15-4944.WS  
PUC DOCKET NO. 44236

APPLICATION OF  
CUSTOM WATER COMPANY, LLC  
FOR A WATER RATE/TARIFF CHANGE §  
§  
§

BEFORE THE STATE OFFICE: 03  
OF  
ADMINISTRATIVE HEARINGS

RESPONSE TO  
STAFF'S MOTION FOR INTERIM RATES

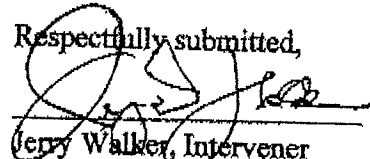
My name is Jerry Walker, Intervener, and I received Staff's Motion for Interim Rates on September 18, 2015. I am an Accountant by profession and have been in the accounting profession since 1974. I just retired as a Senior Revenue Agent with the IRS after 28 years. I have reviewed the application of Custom Water Company, LLC for a Rate/Tariff Change, and it appears the applicant has included in its cost of service some expenditures that should not be allowed pursuant to 16 TAC § 24.31(b) or with the Internal Revenue Code.

Applicant has obviously double-dipped operating expenses by claiming both depreciation expenses in addition to the note payments made for the same assets in question. This would potentially violate IRC Code Sections 162, 167, 168 and 179. Applicant has also claimed what appear to be personal expenses that would not be deductible under IRC Section 262. Further, Applicant has claimed fines and penalties that are expressly denied under IRC Section 162(f). Plaintiff has claimed a substantial amount of certain operating expenses that appear to be out of the norm for those type expenses. Plaintiff has possibly included either operating expenses that should be allocated to his other business interests or should be allocated between business and personal.

I also believe the submitted financial statements of Custom Water Company, LLC to be materially deficient. As a result, I believe the Applicant's request for interim rates do not support an increase and the proposed rates are unjust and unreasonable.

Accordingly, I recommend that the Commission set aside the previously approved interim rates as requested by Applicant and that the PUC revert back to the previously approved rates.

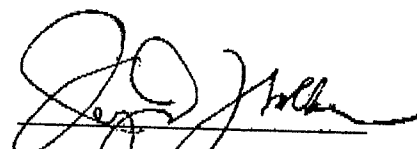
Respectfully submitted,

  
Jerry Walker, Intervener  
(940) 782-2527

2 Red Bluff, Wichita Falls, TX 76308

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on September 22, 2015 in accordance with 16 TAC § 22.74.

  
Jerry D. Walker

12