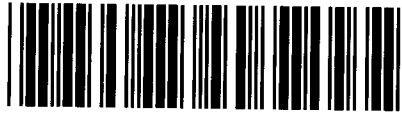


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APPLICATION OF § BEFORE THE STATE OFFICE
CUSTOM WATER COMPANY, LLC § PUBLIC UTILITY COMMISSION
FOR A WATER RATE/TARIFF CHANGE § OF FILING CLERK
ADMINISTRATIVE HEARINGS

WRITTEN OBJECTIONS TO
CUSTOM WATER'S DIRECT CASE TESTIMONY

Cris Lemon, CPA, presented Direct Case Submission for his client, Custom Water Company, LLC and its sole member, Edward A. Fenoglio.

Mr. Lemon failed to address most, if not all, of the issues previously listed by the PUC and Interveners. Mr. Lemon failed to produce any case evidence to my knowledge and used only conjecture and oral arguments on behalf of Mr. Fenoglio in his brief letter to the Court. Mr. Lemon failed to present his direct case submission in the proper question and answer format required. Mr. Lemon is considered an expert in accounting matters. However, Mr. Lemon is not an expert on drilling or drilling costs. As stated above, Mr. Lemon uses the figure of \$700,000 for the cost of drilling two shallow wells but submits no evidence of such estimate. Mr. Lemon also attempted to compare the cost of drilling wells thru an outside contractor and Mr. Fenoglio acting as his own contractor as a cost savings to the water company customers as if this was real "cash basis" savings. The cost is actual cost expended and not anticipated cost. Mr. Fenoglio is the owner-operator of these water systems and it saves him money to reduce the cost of operations and any improvements made to the systems just as much or more so than it does to the customers. Mr. Lemon, as a CPA, should be discussing the "actual cost" and leave the estimates of savings for the experts who would know what it actually cost to drill a well or replace a tank.

In other remarks in his submission, Mr. Lemon suggests a misrepresentation. Oak Shores did not have both of its storage tanks replaced. Mr. Fenoglio replaced only one tank in order to comply with TCEQ requirements. He was not in compliance with TCEQ regulations in regards to the water tank and was being fined for such non-compliance. Mr. Fenoglio did not do anything to improve the "quality" of water to its Oak Shores customers and has admitted so in prior settlement negotiations between Intervener Walker and Edward Fenoglio.

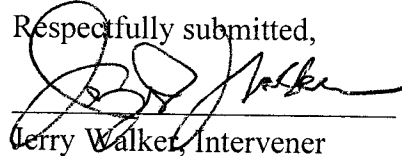
Additionally, Mr. Lemon states that Mr. Fenoglio is a customer himself of the Montague Water System. Mr. Fenoglio resides in that water district and thus enjoys the improvements made to the "quality" of water made to all customers of that system. However, nothing is discussed about Mr. Fenoglio being a customer of Oak Shores Water System and for good reason. Mr. Fenoglio has admitted to Intervener that the water is both unfit to drink and is currently out of compliance with TCEQ standards. Yet, Mr. Fenoglio sees it fit to do nothing about this non-compliance while at the same time proposing to increase the water rates by 172% over a three year period. During this period, no "water quality" issues have been addressed. This points directly to the fact that the Montague Water System is operated at a different level of quality control than the

Oak Shores Water System. Yet, Mr. Fenoglio has no problem charging both sets of customers the same exorbitant rates. We will address this issue further in our own Direct Testimony.

As Intervener, I would state to the Court and to the PUC that Custom Water Company LLC has failed to address the real issues of presenting legitimate "cost analysis" of its operation to the Court in a manner sufficient to support the proposed Rate Tariff Increase that has been requested. I propose that their request be summarily denied in full.

Furthermore, a Motion before the Court has been made by the PUC Staff to reverse the current charged rates back to the previously approved rates. No interim rates should be allowed to continue to be charged. We respectfully request the Court to so rule in this manner.

Respectfully submitted,



Jerry Walker, Intervener

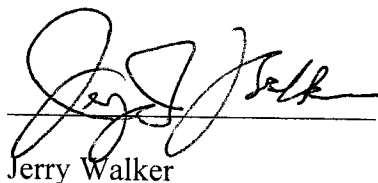
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2 Red Bluff

Wichita Falls, TX 76255

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on October 5, 2015 in accordance with 16 TAC § 22.74.



Jerry Walker