



Control Number: 48640



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P.U.C DOCKET NO. 48640

RATEPAYER COMMENT

To be filed with:

**Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326**

CUSTOMER INFORMATION

First Name: L. Warren Last Name: Funk

Phone Number: (830) 238-7949 Fax Number: _____

Address, City, State: 297 Cave Springs Drive, Hunt, TX 78024

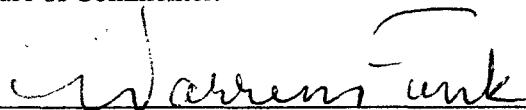
COMMENT ON CAUSE OF COST INCREASES

The applicant has provided the historical expense information required, but claims that "Any difference in the total between the test year and previous years was due to the allocation of expenses in different cost catagories (*sic*) by the accountant who prepared the utility's general ledger for that year." Expenses in the test year increased by \$66,678 (36.6%) with respect to the previous year's unadjusted data, and by \$39,396 (21.6%) with respect to the adjusted data. I think the only way the applicant's explanation for these increases could be correct is if there were some payments made in the past which were not expenses then, but which have been reclassified as expenses for the purposes of this application.

It is not strictly relevant to this application, but it also raises doubts about the nature of the very similar (22.6%) increase between 2015 and 2016.

I make no accusations, but this situation casts a dark cloud over the legitimacy of this rate increase application. I suggest that to dispel that cloud, the applicant should, at a minimum, be required to present more details to support his assertion as to the nature of the increase, perhaps to include an auditor's report.

Signature of Commenter:

 Date: 10/15/18

**Si desea informacion en Espanol, puede llamar al
1-88-782-8477**