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#### BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Community Water Company for Approval of General Rate Increase Docket No. 15-098-01

## MOTION TO DIMISS AND MEMORANDUM IN SUPPORT THEREOF

Community Water Company, LLC ("Community Water") hereby moves the Public Service Commission of Utah ("Commission") to dismiss Community Water's proposed general rate increase filed on July 23, 2015 with the Commission as Docket No. 15-098-01 (the "Rate Case"). In support of this Motion, Community Water states as follows:

## **BACKGROUND**

Community Water is a small public utility supplying culinary and secondary water service to retain customers in Summit County, Utah. The Company's original Tariff was issued on January 1, 1989 and amended on August 16, 1991. Since 1991 Community Water has not increased its rates and has not assessed its customers for improvements, upgrades, repairs and/or reserves. When Community Water was "acquired" by new ownership in 2013 it became apparent that the operational costs of the system were not being met by the aged rates and the

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System was suffering and in need of repair. In order to understand the breadth of the issues Community Water faced it commissioned a comprehensive independent water system and water master plan analysis (the "Master Water Plan") through the engineering firm of Bowen Collins & Associates ("Bowen"). According to the Master Water Plan, which was submitted as part of the Rate Case, Community Water faced a 10-year system improvement plan obligation in excess of nearly \$3,000,000, with an estimated and recommended annual budget of nearly \$250,000. In addition to the 10-year system improvement plan, Community Water was suffering from insufficient revenue to cover its operational costs and was being subsidized by its owner.

#### **ARGUMENT**

The Commission should dismiss the Rate Case because Community Water, the Petitioner, has acquired new information and opportunities that will afford Community Water to satisfy its pending needs without the need for a public rate increase process. Ideally, Community Water would request a stay of the Rate Case proceedings pending exploration and resolution of the new opportunities, but the statutory regime imposes an outside consideration date which does not allow sufficient time for delay. As such, Community Water is hereby requesting a dismissal of its Rate Case in order to consider other alternatives, but reserves the right and opportunity to re-file at a later date.

On July 23, 2015, in response to the above-mentioned system deficiencies and rising costs, Community Water filed the Rate Case with the Commission. After filing the Rate Case Community Water held a series of meetings with its customers and consultants. In addition, Community Water commissioned a rate analysis to determine whether the rates proposed in the Rate Case were consistent with surrounding systems and utilities. In addition, during the pendency of the Rate Case, Community Water commenced discussions with other water

providers in the market to obtain knowledge and gauge interest in assuming Community Water's

system and customer base. These discussions have been instructive and productive and have

presented new alternatives to Community Water that did not exist prior to filing the Rate Case.

The customer meetings, new rate analysis and discussions with other water providers

have yielded several ideas, solutions and additional issues to be considered. Given this new

information Community Water appears to have alternatives to solve the pending issues, but

needs more time to consider which alternative(s) provide the most efficient and cost effective

result. If the Rate Case proceeds as scheduled it will continue to create a financial and time

burden on Community Water and its customers. In addition, at this stage it is uncertain whether

the Rate Case, as proposed, provides a result that is in the best interests of Community Water.

**CONCLUSION** 

As set forth herein, the Commission should grant Community Water's motion to dismiss

the Rate Case in order that Community Water may explore all alternatives.

DATED this 21<sup>st</sup> day of December, 2015.

Respectfully submitted,

COMMUNITY WATER COMPANY, LLC

By: /S/ Justin Atwater

Justin J. Atwater

Attorney for Community Water Company, LLC

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# CERTIFICATE OF SERVICE **Docket No. 15-098-01**

I hereby certify that a true and correct copy of the foregoing was served by email this 21st

day of December, 2015 on the following:

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