

Terry Lange
President Red Pine HOA
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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of Community Water)
Company) **Docket No. 16-098-01**
)
) **Comments of Terry Lange to**
) **the Application Submitted by**
) **Community Water on 8/24/16**
) **for an Interim Rate Increase**

I, Terry Lange, am an intervener in Docket 16-098-01. I am also the President of the Red Pine Homeowners Association. Red Pine is the largest collective of Unit Owners within the Community Water customer base. I was an intervener for docket 15-098-01 (withdrawn) and an interested party for docket 14-098-01 (deemed incomplete). The current application (and two previous dockets) does not address the potential inequity that could occur if the water usage for the landscaping system of the Red Pine campus is not included in the proposed 12,000 gallon/month per-unit-owner allotment, at Tier 1 pricing. This interim rate application and the eventual final rate should **not** be approved by the Commission until Community Water can demonstrate that its intent and corresponding billing software will, in fact, include landscaping water usage in the 12,000 gallon Tier 1 pricing, per month, per Unit Owner.

BACKGROUND

The Red Pine complex has five (5) phases consisting of two hundred (200) Chalets in four (4) phases) and sixty (60) Townhomes. A Recreation Center also exists for the exclusive use of the 260 Unit owners. All of the land in the 5 phases is common area with an undivided interest shared by all 260 units in each of their respective phases.

All 200 Chalet units share a common water meter. The 60 Townhome units are individually metered as is the Recreation Center. No Unit Owner has the capability of watering any landscaping within the common areas. Thus when Red Pine was built by Jack Roberts, who was also the founder of Community Water, he installed a separate landscaping system with 13 meters (#'s 106 – 118) to meet the landscaping needs of the community.

Currently each Townhome owner receives their own water bill and the Red Pine HOA receives the bill for the Chalet water and a separate bill for landscaping water for the entire complex. This HOA bill is then apportioned to owners through their HOA dues.

Under the current tariff **02-098-T01**, as adopted from docket **01-098-01**, each of the 200 Red Pine Chalets are deemed to have a monthly allotment of 5,000 gallons. This amount of water times 200 individual units equates to a total of 1,000,000 gallons included in the base rate. Beyond this amount, the next tier pricing of the current tariff takes effect. This is the same as any individually metered home which is allocated 5000 gallons per month before higher rates apply. I will refer to this as Chalet internal water usage. Internal-use water is billed separately from the landscaping water. The current tariff clearly addresses and defines the methodology for billing Red Pine landscaping water. This methodology, with its obvious absence in the proposed rate is at the heart of my comments.

The current tariff states as follows:

“Example: Service identification numbers 106 – 118. Users are defined as the total Units being served within the Red Pines Owners Association. This includes Red Pine Townhomes, Pool House, and Red Pine Chalets. This incorporates 261 dwellings or units. The association would be sent one billing notice computed using 13 irrigation only meters @ minimum charge (including oversize meter charge) plus 261 units times tier 1 gallons billed at the tier 1 rate plus all additional gallons billed at the tier 2 rate”

With respect to the aforementioned service numbers, it should be noted that meters 106 – 113 service the landscaping needs for the 200 shared-meter Chalet Units and numbers 114 – 118 service the landscaping needs for the 60 individually-metered Townhomes.

Solution

An easy approach to maintaining an equitable rate to Red Pine is to have Community Water clarify their intention for landscaping water and provide appropriate language in the proposed tariff, and then insure that the billing software is reconfigured so that it combines the consumption of meters 106 -113 with the consumption of the shared meter that supplies water to the 200 Chalet Units. The proposed Tier1-rate usage of 12,000 gallons per unit, times 200 Units equaling 2,400,000 gallons per month for the collective 200 Chalet Units is the basis for Tier 1 billing. Any water usage less than 2.4M gallons would be billed at a Tier 1 and consumption in excess of 2.4M gallons would then be billed at the applicable higher tier price.

The same approach holds true for the 60 individually metered Townhomes in Phase 5. Here 60 units times 12,000 gallons equals 720,000 per month. The usage of meters 114 – 118 would then be added to the total consumption of the 60 individual units. Any total usage over 720,000 gallons would generate additional costs from the next higher tiers. Any higher costs would then be billed to meters 114 – 118. Each individually metered Townhome would still be responsible for its own individual bill. The effect here would be that any Townhome which exceeds 12,000 per month would cause the Townhomes collective landscaping water to reach Tier 2, or higher, pricing more quickly.

A single billing notice could still be sent to the Association so long as it properly itemizes and separates the cost of meters 114 – 118 from the costs of meters 106 – 113.

Conclusion

I know that there are other Home Owner Associations within the customer base that have similar concerns. Both Hidden Creek, with One Hundred and Thirty (130) Unit owners, and Plat B & D with thirty (30) owners, have similar concerns. They along with Red Pine represent 420 of the approximately 500 Community Water customer base. The omission of how Community Water intends to bill collective meters like those found at Red Pine, Hidden Creek, and Plat B & D will have grave implications to over 80% of the customer base of Community Water. This issue was not addressed in the two previous rate proposals and is not clarified in the proposed rate case to be heard by the Commission.

I had occasion to speak many months ago with Ron Slusher at the Division of Public Utilities. Mr. Slusher authored the Division's rate proposed and presented in the Division's testimony for Docket 15-098-01. This proposed rate then formed the foundation upon which Mark Long of the Division acted along with additional information requested of Community Water so as to further refine the new rate put forth in Docket 16-098-01.

I speak of this because Mr. Slusher told me in our conversation that the Division did indeed look at all water usage for Red Pine, i.e. both indoor and outdoor landscaping usage and considered the combination of the two as helping to calculate the 12,000 gallon consumption figure used for Tier 1 pricing in Docket 15-098-05.

It appears readily evident that this same consideration was brought forward and still applies to the rate proposed by the Division in Docket 16-098-01.

Furthermore, it is important that this billing issue be resolved now because landscape watering will cease by the end of September this year and will not restart until late spring of 2017, long after a final rate has been approved. By not having a clear and definitive understanding of the billing process, at this point, may very well bring about the "Law of unintended consequences". I again urge the Public Service Commission to withhold any approval until such time as Community Water addresses our billing concerns.

DATED this 7th day of September, 2016

A handwritten signature in black ink that reads "Terry Lange". The signature is written in a cursive, flowing style.

**Terry Lange
President Red Pine HOA and
Intervener**

CERTIFICATE OF SERVICE

I hereby certify that on this 7th day of September, 2016, I caused a true and correct copy of the foregoing **Comments of Terry Lange to the Application Submitted by Community Water on 8/24/16 for an Interim Rate Increase** to be electronically served to the following:

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