Guy Rawson Vice President, Hidden Creek Condominiums Residence Address: 2100 Canyons Resort Drive Unit 4D Park City, Utah 84098 Billing Address: PO Box 981643 Park City, Utah 84098 Telephone: 713-408-3918 Email: <u>808rawson@gmail.com</u>

September 21, 2016

Subject: Comments on Pending Rate Application for Community Water Company LLC, **Docket 16-098-01**

Commissioners:

My name is Guy Rawson. I live in the Hidden Creek Condominiums within the Service Area of Community Water Company ("CWC") and will be subjected to the new rates developed through the ongoing process of Docket 16-098-01. I am also Vice President of the Hidden Creek Condominium Homeowners Association ("HOA"). While I was an intervener in the previous rate case under Docket 15-098-01, I have not officially intervened on the current Docket. I am planning to do so as this process continues until the Hearing on the Final Rate which schedule for November 16, 2016 occurs. As Vice President of the HOA, I am presenting comments that represent the interests of the Board and residents of Hidden Creek.

First, I want to endorse previous comments and Direct Testimony to the Docket submitted by Mr. Terry Lange of Red Pine HOA, Mr. Scott Savage of Plat B&D HOA, and those of Mr. Fran Amendola, Intervenor. These comments address, in part, the critical concerns of our HOA. They are the water allocation to each paid connection, and how the CWC billing system will address this issue once the Final Rate is approved.

Hidden Creek has one hundred and thirty (130) connected customers that, under the current Tariff which dates back to 2001, serves as the basis for billing by CWC. These 130 connected customers receive their water from CWC through nine (9) meters—meter #s241 through 249. While meter #247 is a dedicated irrigation meter, meter #s 243, 245, 248, and 249 deliver culinary water. Meter numbers 241, 242, 244, and 246 deliver both culinary water and irrigation. This is a rather complicated metering system that serves the 130 connected customers of Hidden Creek.

The current Tariff specifically calls out how water will be allocated and billed under the tiered billing system of CWC for Service Identification numbers 241-249 at Hidden Creek. The last

page of the current Tariff allocates 5,000 gallons of water per month for the base rate of \$12.00 for every connected customer (130) defined as a "multiple dwelling" where the customers are served by culinary or combined culinary/irrigation meters. This allocation establishes equity in the Tariff between all customers, especially between single family homes and customers residing in larger complexes with mixed metering systems like Hidden Creek.

The Interim Tariff approved by the Commission on September 15, 2016, fails to address this critical issue of the Rate and corresponding billing system. During the Hearing held on September 13, CWC attempted to address this issue by offering Exhibit B at the Hearing. While Exhibit B identified that the base charge of \$33.20 entitles each customer to receive 12,000 gallons of water per month, it only addressed complex metering (shared meters, and combined culinary/irrigation meters) for Red Pine Chalets, Red Pine Townhomes and Plat B & D customers. Exhibit B clarifies that these customers will receive 12,000 gallons for each paid connection. This allocation will be combined for all the customers within an HOA complex and billed at the Tier 1 rate. Water use above the combined amount (units X 12,000 G) will then be billed at the applicable Tier above Tier 1. Hidden Creek is not identified on Exhibit B. This is a serious omission and needs to be remedied before the Rate becomes finalized. In the case of Hidden Creek, it should be entitled to 1,560,000 (130 X 12,000 G) gallons per month at Tier 1 pricing prior to being billed for any water use at a higher tier.

While Exhibit B attempted to address customer concerns related to the allocation of water to connected customers with common meters (irrigation or culinary/irrigation), there were some problems identified with Exhibit B. After the Hearing, interested parties discussed Exhibit B with CWC representatives. In response, CWC made changes to the Exhibit and requested that an amended version of the exhibit (Amended Exhibit B) be accepted as part of the Interim Rate. The Division objected to the inclusion of Amended Exhibit B. Therefore, while Exhibit B attempts to address the problems related to allocating water and billing methodology, it has errors that need to be amended before it accomplishes the intended corrections. Amended Exhibit B further improves the Rate, and the changes provided in Amended Exhibit B need to be incorporated into the Final Rate prior to approval by the Commission.

It is also worth noting that, based upon comments made by CWC at the Hearing on September 13, 2016, they intend to bill connected customers in HOAs both for the base rate/customer and for separate irrigation meters. This approach to billing, if approved, will in essence raise the base rate for customers in HOAs like Hidden Creek, Red Pine and Plat B & D. This represents, in my assessment, another inequity in the billing system. It is worth noting that the 3 large HOAs noted above constitute over 420 customers in the CWC Service Area. This equates to over 80% of the customer base which deserves equitable treatment.

In closing, I respectfully request on behalf of the owners in Hidden Creek that the Final Rate not be approved by the Commission until these inequities are corrected. The Final Rate needs to address the water allocation for each connected customer and how that allocation will be

managed appropriately in the billing system of CWC. Revisions provided in Amended Exhibit B should be incorporated into the Final Rate. Additionally, the application of the base rate for separate irrigation meters needs to be corrected before the Final Rate is approved by the Commission.

Thank you for the opportunity to submit these comments.

Guy Rawson

Resident of Hidden Creek, and Vice President Hidden Creek HOA

Electronically submitted to the Public Service Commission on September 21, 2016.