

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Rates of Community
Water Company, LLC

DOCKET NO. 16-098-01
ORDER APPROVING GENERAL
RATE INCREASE

ISSUED: November 28, 2016

I. Procedural History.

1. On June 13, 2016, the Division of Public Utilities (Division) filed a petition with the Public Service Commission of Utah (Commission) to increase rates and establish other fees and charges in the tariff of Community Water Company, LLC (CWC).
2. On August 25, 2016, CWC filed an application for an interim rate increase, pursuant to Utah Code § 54-7-12(4).
3. The hearing on the interim rates was held on September 13, 2016. On September 15, 2016, the Commission issued an order approving the following interim rate schedule:

Rate Schedule

Monthly rates		Monthly water usage in Kgals ¹
Standby rate	\$17.25	
Base rate per connected customer	\$33.20	0 Kgals
Tier 1	\$0.30/Kgal	0 Kgals to 12 Kgals
Tier 2	\$0.60/Kgal	12.001 Kgals to 24 Kgals
Tier 3	\$1.20/Kgal	24.001 Kgals to 36 Kgals
Tier 4	\$2.40/Kgal	36.001 Kgals to 48 Kgals
Tier 5	\$4.80/Kgal	over 48 Kgals

¹ One Kgal equals 1,000 gallons of water.

Miscellaneous Fees and Charges

Service connection fee	\$3,750.00
Turn-on service for existing connection	\$25.00
Turn-off service for non-payment of charges or at owner's request	\$25.00
Customer late fee (plus 18% interest)	\$10.00/month
Returned check fee	\$10.00

4. CWC applied the interim rates to customers' water usage during the month of October 2016.
5. Following the hearing on the interim rates, the Division obtained and reviewed additional data concerning CWC's operations, and therefore proposed an amended rate schedule, as follows:

Rate Schedule

Monthly rates		Monthly water usage in Kgals
Standby rate	\$16.05	
Base rate per connected customer	\$30.65	0 Kgals
Tier 1	\$0.70/Kgal	0 Kgals to 12 Kgals
Tier 2	\$1.40/Kgal	12.001 Kgals to 24 Kgals
Tier 3	\$2.80/Kgal	24.001 Kgals to 36 Kgals
Tier 4	\$4.20/Kgal	36.001 Kgals to 48 Kgals
Tier 5	\$6.30/Kgal	over 48 Kgals

Miscellaneous Fees and Charges

Service connection fee	\$3,750.00
Turn-on service for existing connection	\$25.00
Turn-off service for non-payment of charges or at owner's request	\$25.00
Customer late fee (plus 18% interest)	\$10.00/month
Returned check fee	\$10.00

6. The Division has also proposed changes to provisions other than rates that are set forth in CWC's tariff.

7. The hearing regarding a general rate increase for CWC was held on November 16, 2016. Emily Lewis and Steven Clyde appeared as counsel for CWC, joined by witnesses Mike Folkman and Stacy Wilson.² Assistant Attorney General Patricia Schmid appeared as counsel for the Division, joined by witnesses William Duncan and Mark Long.³ Intervenors Francis Amendola, E. Scott Savage, Terry Lange, William Grenney, and Van J. Martin appeared in person. Intervenors Art Brothers and Guy Rawson did not participate.
8. A public hearing was held on November 16, 2016. No members of the public appeared to comment or testify.

II. Findings of Fact.

1. CWC's infrastructure is aged and partially non-functional.
2. In order to pay for the equipment and maintenance necessary to keep CWC operational, CWC requires additional revenue.
3. The final rate schedule proposed by the Division is sufficient to cover CWC's fixed costs and to fund a capital reserve account that will allow CWC to begin making necessary repairs. The Division's proposed final rate schedule is acceptable to all parties.
4. The additional tariff changes proposed by the Division are acceptable to all parties.

² Mr. Folkman is a system operator with Summit Water Distribution Company and is contracted to do business with Community Water Company. Ms. Wilson is an office coordinator for Community Water Company.

³ Mr. Duncan is the manager of the Telecommunications and Water section of the Division. Mr. Long is a utility analyst for the Division.

5. The billing plan proposed by CWC complies with the Division's proposed final rate schedule and will allot each connected customer full usage at each tier of that schedule. For purposes of CWC's billing plan, "connected customer" includes:
- a. a single-family dwelling with an individual meter that tracks both culinary and irrigation use;
 - b. a commercial building with one or more meters to track both culinary and irrigation use;
 - c. a unit in a condominium complex with an individual meter to track culinary use and a shared meter to track irrigation use;
 - d. a unit in a condominium complex with a shared meter to track both culinary and irrigation use; and
 - e. a clubhouse in a condominium complex.

CWC's proposed billing plan is acceptable to all parties.

6. The Hidden Pine condominium complex is one of CWC's customers. In order to allot the Hidden Pine clubhouse full usage at each tier, CWC must install a dedicated meter to track usage at the clubhouse.
7. CWC is able and willing to install a dedicated meter at the Hidden Pine clubhouse by or before December 1, 2016, and does not object to being ordered to do so.
8. CWC is able to begin charging final approved rates by or before December 1, 2016.
9. CWC is able, within 60 days of the Commission's order, to true-up its billing under the interim rates to reflect the final approved rates.

10. CWC is able, within 60 days of the Commission's order, to file a revised tariff incorporating both the final approved rates and the other tariff changes recommended by the Division.

III. Conclusions of Law.

Where the record demonstrates that all parties agree to the final rate schedule proposed by the Division, the Commission concludes that rate schedule to be just, reasonable, and in the public interest. Similarly, where there is no dispute regarding the other tariff changes proposed by the Division or the billing plan proposed by CWC, the Commission concludes both to be just, reasonable, and in the public interest.

ORDER

Based on the foregoing, the Commission approves the Division's final rate schedule as follows:

Rate Schedule

Monthly rates		Monthly water usage in Kgals
Standby rate	\$16.05	
Base rate per connected customer	\$30.65	0 Kgals
Tier 1	\$0.70/Kgal	0 Kgals to 12 Kgals
Tier 2	\$1.40/Kgal	12.001 Kgals to 24 Kgals
Tier 3	\$2.80/Kgal	24.001 Kgals to 36 Kgals
Tier 4	\$4.20/Kgal	36.001 Kgals to 48 Kgals
Tier 5	\$6.30/Kgal	over 48 Kgals

Miscellaneous Fees and Charges

Service connection fee	\$3,750.00
Turn-on service for existing connection	\$25.00
Turn-off service for non-payment of charges or at owner's request	\$25.00
Customer late fee (plus 18% interest)	\$10.00/month
Returned check fee	\$10.00

Community Water Company shall install a dedicated meter to track usage at the Hidden Pines clubhouse no later than December 1, 2016.

The final approved rates shall apply retroactively to customers' water usage in any month during which Community Water Company billed under the interim rate schedule. Within 60 days of the date of this order, Community Water Company shall true-up its billing to reflect the final approved rates, effective as of October 1, 2016.⁴

Within 60 days of the date of this order, Community Water Company shall file a revised tariff to reflect the final approved rates and the other tariff modifications recommended by the Division.

DATED at Salt Lake City, Utah, November 28, 2016.

/s/ Jennie T. Jonsson
Administrative Law Judge

⁴ Community Water Company is not required to obtain Commission approval of any true-up calculation. If a customer disputes Community Water Company's calculation, the parties should attempt to resolve the dispute privately. If the parties cannot reach a resolution, the affected customer has the option of filing a complaint with the Division.

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Approved and confirmed November 28, 2016 as the Order of the Public Service
Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#290489

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on November 28, 2016, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

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