

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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IN THE MATTER OF: )Docket Nos. 08-2199-01  
 ) 08-2199-T01  
The Request of White Hills )  
Water Co., Inc., for )Administrative Law Judge:  
Approval of a Rate Increase,)Ruben Arredondo  
 )  
 )TRANSCRIPT OF HEARING  
 )

January 15, 2009  
9:30 a.m.

TAKEN AT:  
PUBLIC SERVICE COMMISSION  
160 East 300 South, Room 451  
Salt Lake City, Utah 84111

\* \* \*

Karen Christensen  
- Registered Professional Reporter -  
- Certified Shorthand Reporter -

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A P P E A R A N C E S

FOR DIVISION OF PUBLIC UTILITIES: Patricia E. Schmid, Esq.  
ATTORNEY GENERAL'S OFFICE  
160 East 300 South, #500  
P.O. Box 140857  
Salt Lake City, UT 84114

FOR WHITE HILLS WATER: Kerry Jackson

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1 January 15, 2009

9:30 a.m.

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P R O C E E D I N G S

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THE COURT: We're on the record in the matter of the Request of White Hills Water Company for Approval of a Rate Increase, Docket No. 08-2199-01 and 08-2199-T01. I'm Ruben Arredondo, the ALJ assigned to hear this matter. And this is a hearing just to follow up on the last hearing that we had.

I understand we have somebody on the phone; is that correct?

MR. BUTLER: Yes, that's correct.

THE COURT: Okay. Could I have your name, please?

MR. BUTLER: My name is Kent Butler.

THE COURT: Kent Butler.

MR. BUTLER: Yes.

THE COURT: Mr. Butler, are you a customer of White Hills?

MR. BUTLER: Yes, I am.

THE COURT: Anybody else on the phone?

(No audible response.)

THE COURT: Thank you. We'll take appearances, starting with Ms. Schmid.

MS. SCHMID: Patricia E. Schmid with the Attorney's General Office representing the Division of

1 Public Utilities. And with me is Shauna  
2 Benvegna-Springer.

3 THE COURT: And Mr. Jackson?

4 MR. JACKSON: Kerry Jackson representing  
5 White Hills Water Company.

6 THE COURT: Can you make sure that your line  
7 is on? Just push it right in front.

8 MR. JACKSON: It's on.

9 THE COURT: Thank you. Let's go ahead and  
10 start with the Division. I understand you filed a  
11 modified rate.

12 MS. SCHMID: Yes, we have. Due to some  
13 concerns expressed by the customers resulting in a relook  
14 of the information, the Division expanded its analysis  
15 and filed, on January 13th, 2009, a memorandum entitled  
16 Division's Response to Public Comments Submitted and  
17 Voiced at the Public Hearing on December 16th, 2008 In  
18 the Matter of the Request of White Hills Water for  
19 Approval of a Rate Increase.

20 Ms. Benvegna-Springer, who has previously  
21 been sworn in this docket, is a witness I would like to  
22 ask a few questions of to support requesting submission  
23 of this document.

24 THE COURT: Go ahead.

25

1                   SHAUNA BENVEGNUM-SPRINGER,  
2                   having been previously duly sworn, was  
3                   examined and testified as follows:

4                   DIRECT EXAMINATION

5 BY MS. SCHMID:

6                   Q.   Ms. Benvegnum-Springer, you've been previously  
7 sworn in this docket?

8                   A.   Yes.

9                   Q.   Did you participate in the analysis and  
10 preparation of the previously mentioned January 13th,  
11 2009 memorandum?

12                  A.   Yes, I did.

13                  Q.   And that is what's been marked as DPU  
14 Exhibit 4 -- and we just need to sort of move that  
15 marking up on the corner where it would be easier to  
16 see -- is that correct?

17                  A.   Correct.

18                  MS. SCHMID: This memorandum has been filed  
19 with the Commission and distributed to the parties here  
20 this morning. With that the Division would like to  
21 request the admission of DPU Exhibit 4.0, the memorandum  
22 dated January 13th, 2009.

23                  THE COURT: And the Commission will admit  
24 Exhibit DPU 4.0.

25                  Q.   (BY MS. SCHMID) Do you have a brief summary

1 of this Exhibit DPU 4.0 to give?

2 A. Yes, I do.

3 Q. Please proceed.

4 A. In reviewing the comments made by various  
5 residents at the hearing on December 16th, the Division  
6 was concerned about the history of the water tanks, and  
7 so the Division reviewed that information. As a result  
8 of that review, we also worked with the Division of  
9 Public -- Division of Drinking Water. And through that  
10 information, we found that the infrastructure currently  
11 in place is significantly larger than what is needed for  
12 the current customers that are there.

13 As a result, we discussed with the company  
14 making an adjustment of \$168,000 to the rate base,  
15 thereby reducing the required revenue requirement. And  
16 as a result of making those changes, we added \$2,500 for  
17 repairs that need to be done on an annual basis.

18 And also in reviewing the fixed costs, we are  
19 now recommending that the company's proposed rate would  
20 be \$38 per month for the first 10,000 gallons. The next  
21 tier, or tier one, would go to \$1.25 for the second  
22 10,000. And for the third \$10,000 -- or the third 10,000  
23 gallons, the rate would go to \$2.00 per thousand. For  
24 water usage above 30,000 gallons, the rate would be  
25 \$4.40.

1                   Additionally, we provided information  
2 regarding the private residential rates that were used in  
3 the analysis to demonstrate the just and reasonableness  
4 of the rates that were being requested by the company.  
5 As we made the adjustments, it presented a position for  
6 the company to be over earning and, as such, that is the  
7 reason why we recommend the decrease in the rates as I  
8 put forth. And I believe that would conclude...

9           Q.    Ms. Benvegna-Springer, with the exception of  
10 the rates you discussed today changing, all the other  
11 recommendations remain the same?

12           A.    Correct.

13           Q.    And is it the position of the Division that  
14 the recommended rates, including the revisions set forth  
15 today, are just and reasonable and in the public  
16 interest?

17           A.    They are. We'd also like to recommend that  
18 these would be effective January 1st, due to the billing  
19 cycle of the company -- January 1st, 2009.

20                   MS. SCHMID: Thank you. That is all the  
21 Division has.

22                   THE COURT: Thank you, Ms. Benvegna-Springer.

23                   Mr. Jackson, do you have any questions?

24                   MR. JACKSON: No. And we're not opposed to  
25 the Division of Public Utilities' recommendation and

1 we're not opposed to the recommendation as far as the  
2 million gallon tank.

3 THE COURT: Thank you. Mr. Jackson, do you  
4 have anything to add?

5 MR. JACKSON: Just the request that we are  
6 able to have this new rate structure as of the first of  
7 the year. Our next billing cycle will be March 1st. We  
8 bill every other month, so they would still have plenty  
9 of time to adjust after notice.

10 THE COURT: Okay. Mr. Butler, would you like  
11 to testify?

12 MR. BUTLER: No, I'm just listening.

13 THE COURT: Anybody else? Sir, are you here  
14 to testify?

15 MR. DUNCAN: Not yet, no.

16 THE COURT: If there's nothing else, this is  
17 it. So anybody else that would like to speak, make any  
18 comment on this rate increase? Very well. Then we'll go  
19 ahead, and the Commission will take administrative notice  
20 of this new recommendation, DPU 4.0, and also all the  
21 testimony that's been submitted up to this point,  
22 filings, attachments, et cetera. And the Commission will  
23 issue an order shortly. Thank you.

24 MS. SCHMID: Thank you.

25 MR. JACKSON: Thank you.  
(The hearing was concluded at 9:37 a.m.)



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C E R T I F I C A T E

STATE OF UTAH                    )  
                                          ) ss.  
COUNTY OF SALT LAKE         )

          This is to certify that the foregoing proceedings were taken before me, KAREN CHRISTENSEN, a Registered Professional Reporter and Notary Public in and for the State of Utah.

          That the proceedings were reported by me in stenotype and thereafter caused by me to be transcribed into typewriting.

          That a full, true and correct transcription of said proceedings so taken and transcribed to the best of my ability is set forth in the foregoing pages, numbered 3 through 8, inclusive.

          I further certify that I am not of kin or otherwise associated with any of the parties to said cause of action, and that I am not interested in the event thereof.

          Witness my hand and official seal at WEST JORDAN, UTAH this 27th day of January 2009.

\_\_\_\_\_  
Karen Christensen, CSR, RPR  
My Commission Expires:  
December 30, 2011