

Marsha Smith

UTAH PUBLIC
SERVICE COMMISSION

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September 10, 2012
302705

Chris Parker - Director Division of Public Utilities
Mark Long - Utility Analyst
Bill Duncan - Manager Telecom and Water Section
David Clark - Hearing Officer
160 E 300 S
PO Box 146751
Salt Lake City, UT 84114-6741

Subject: The Application of Mountain Sewer Corporation to increase its Sewer Utility Service Rates

Re: Docket#11-097-01, #11-097-02, and #11-097-02

My name is Marsha Smith and I am on the negotiating committee representing the customers of Mountain Sewer and in particular the 32 customers of The Summit at Ski Lake Gated Community Association, Inc.

We have received the recommendations of the Utah Division of Public Utilities (DPU) for the upcoming hearing on Mountain Sewer's rate case and special assessment. In general, we accept and understand the recommendations that the DPU have shared with us and the Public Service Commission. We appreciate the effort and endless hours spent by the DPU in reviewing the facts of this rate case. I personally want to thank the DPU for their willingness to answer the many questions and concerns raised by customers during this long and confusing process. I found the employees to be very timely and informative in their communications with the customers.

We would like to ask for one specific consideration before these recommendations become final. We believe this consideration would represent a reasonable and fair conclusion for everyone involved.

Our specific concern is the magnitude of legal fees being ascribed to this case by the two law firms of Smith-Knowles and Smith-Hartvigsen. While we certainly will not consume everyone's time disputing the billing record line by line, we feel the total legal costs are excessive or possibly inflated for the following reasons:

1. The first accounting of legal fees assigned to this rate case was \$50,000 on July 26th, 2012 and within a matter of less than two months a new revised figured was introduced of \$112,000. According to my calculations from the bills Smith-Knowles charged \$22,072.50 and Smith-Hartvigsen charged

\$25,910 after July 26th for a grand total of \$47,982.50. The numbers do not add-up which seems hard to believe given to normal exacting methods that legal firms use to track billable hours.

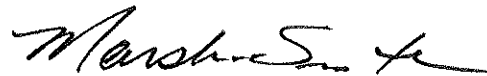
2. Hard to imagine that the use of two law firms representing one client both attending the same meetings didn't cause some duplication of effort that tends to be an expensive inefficiency for the ratepayers to pay.
3. The billing record is somewhat vague, lacking the typical attorney names and hours involved in each billing record. One example that I found was on May 11, 2012 with Smith-Knowles of \$400 "Telephone call with Ray Bowden. Work on outlining results of Scheduling Conference; Meeting with Marsha following hearing". I recall the meeting with me to be a few words on the way to the elevator as I was also having a conversation with Ray Bowden. If I had known my fellow customers and neighbors would have been charged, I would have said nothing to attorney Melvin Smith.
4. While not necessarily the fault of the new owner, significant legal fees were involved in the development of nonexistent past billing records from the years the former owner operated the sewer company. Weber County was the governing body responsible to ensure that the business was run in a legal and financially sound manner. Failure on the part of the county resulting in these costs to reconstruct financial data seems unfair to apply to the ratepayers.

In light of these concerns and in the spirit of fairness we would propose the following two adjustments to the rate case:

1. A 30% reduction in the legal fees currently included in the rate case.
2. A statement to confirm that the intended 5-year amortization of the legal fees will be applied to the ratepayers for a 5-year period and that portion of the charges to the ratepayers will cease after the 5th year of this new rate schedule.

Thank-you again for all of your work and we hope to settle this in the very near future with NO MORE legal fees incurred upon the customers.

Sincerely,



Marsha Smith
Secretary/Treasurer and
Negotiating Representative
For the Summit at Ski Lake
Gated Community Association, Inc.

