

**Public Service Commission - Mountain Sewer Docket Number 11-097-03 Rate Case**

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**From:** Don Harder [REDACTED]  
**To:** "psc@utah.gov" <psc@utah.gov>  
**Date:** 4/18/2012 8:21 AM  
**Subject:** Mountain Sewer Docket Number 11-097-03 Rate Case

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Utah Public Service Representatives-

I am writing to express my concerns regarding the above referenced Mountain Sewer rate case request. My name is Don Harder. I own lots at [REDACTED] through East of Eden LLC.

I have owned the lots for a little of 2 years. During that period, Mountain Sewer has consistently demonstrated a lack of documentation and what appear to be questionable accounting practices. As a result, I am not comfortable that the exorbitant new fees, rate increases and special assessment requested by Mountain Sewer are justifiable:

- A monthly sewer rate increase of 159% for current users,
- A \$165,000 Special Assessment,
- A connection fee is increased by 67% (raised from \$3,000 to \$5,000 per lot),
- A new "hookup fee" of \$300 and a new "turn on" fee of \$100. (Isn't "turn on" and "hook up" part of "connection"?), and
- The worst for me is the new \$24.40 a month charge for standby fees for non-connected lots. There is no charge now and in my opinion, there should not be a monthly charge for non-connected lots until they are connected and begin using the system.

Regarding the \$165,000 special assessment; I understand that as a system ages, large scale upgrades and repairs may be needed beyond the ability of the normal fees and charges to cover. Unfortunately in this case, the system is relatively new, so I question the underlying reason for the special assessment. It appears to me that we are not financing betterment of the system, but rather covering the new owner's problems arising from poor construction, financing costs, legal fees, bad

business dealings and accounting practices of the past. The cost of such problems should have been factored into the purchase price and not been passed on in a special assessment.

In addition, even if the special assessment were justified, the \$165,000 does not seem to be properly divided since 2009 records show 230 customers: Shouldn't the calculation be  $\$165,000 / 230 = \$717.39$ , not \$1,300 per customer as is being requested?

Based on what I know at this point, I see little to no justification for the special assessment, the high rate increases, or the new fees.

Thank you in advance for taking my concerns under consideration.

*Don Harder*

