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UTAH PUBLIC  
SERVICE COMMISSION

July 25, 2013

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Utah Public Service Commission  
Heber M. Wells Building  
160 East 300 South  
Salt Lake City, UT 84114

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Re: Hi-Country Estates Phase I Water Co Docket No. 13-2195-02

Commissioners;

My wife and I own a home in Hi-Country Estates and are customers of the Hi-Country Estates Phase I Water Company. We object to the proposed rates in the Rate Case Filing. We concur with the objection filed by Mr. and Mrs. Thomas Urban. In our case the unreasonableness of the rate structure is even more severe and evident if only the usage of the active lot is included. We do not have two lots, so we pay no additional standby fee. In fairness, the standby fee is for no water, and the amount paid for actual water use for the active lot is significantly less. However based on the \$69 per month base rate and \$20 reserve fund, our monthly water bill would be about \$89 for less than 3000 gallons or about \$23 per 1000 gallons. This is obviously not fair, but we would like to provide some additional comments.

Our water usage is less than 3000 gallons per month, but we have been charged for a base amount of 10,000 gallons per month. During the time we have lived here we have paid for over one million gallons of water that we did not use. The current and proposed tariffs penalize us for conserving water and force us to subsidize the water used by heavier users. While we believe that some rate increase is necessary to operate the water system, build a reserve fund, and provide necessary improvements to remedy the inadequate storage of water for fire protection, we do not believe that we should have to subsidize other users.

A standby fee is just and necessary because those who have their own wells or who own property without current water service benefit from the availability of the water system for both fire protection and enhancement of property values as well as providing a back-up source for those currently on their own wells. Similarly, payments to a reserve fund are fair and necessary since the current reserves are inadequate to cover any major repair or necessary future improvements.

We believe the cost of improvements, reserve fund, and basic operations, as well as the high cost of being regulated should be shared by all users and property owners. As such, the basic rate should be the same as the standby fees, except, perhaps, for the small additional cost of reading and maintaining meters for those who are active customers. All charges beyond that should be based on actual usage. This would be much more fair to all customers because all customers, both standby and active, would support their own usage and no customer would have to subsidize others. Alternatively, if the base water rate must include some minimum usage charge, it should be based on minimal usage, such as the historical average use of the lowest users, not based on usage far beyond that of many customers or

even the average user. Many users do not engage in any significant outside watering or watering of animals. Heavy users do both and they should pay their fair share for what they use.

We suggest that an appropriate and fair rate schedule would provide for costs for regulation and legal fees, reserve fund, and basic operations equally divided between all active or standby residential customers. This would make the base rate and the standby fee essentially the same and the reserve fund exactly the same for both active and standby customers. The proposal to spread costs of water for firefighting equally among all customers also seems fair. But any additional costs for water, pumping, and second source should be reflected in overage rates, whether the overage begins at zero or at some minimal usage.

We also believe that it is absolutely necessary that the unreasonable demands made by the Dansie Family under the "Well Lease Agreement" need to be addressed and settled once and for all. Previous rulings by the PSC determined that the agreement was "grossly unreasonable" and that the costs could not be imposed on the other water users. Nothing in the well lease allows for free water from any source other than a well owned by the Dansies, that has not been connected or "leased" for almost two decades. Even the claim for water from another source was based on paying the incremental cost of pumping and that has also been found to be unreasonable. If the Dansies are to reconnect their source, the cost of delivering water to them through the Hi-Country system should be based on pro-rata costs as previously ruled. We believe that the only water that is free under the "plain language" of the agreement is water from a Dansie source and a Dansie water right; and it is only the commodity that is free, not the transportation or treatment of the water through the HOA system. This must be settled and addressed in the tariff.

Sincerely,



Noel Williams



Susan Wrathall

cc: Utah Division of Public Utilities