

ORIGINAL

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UTAH PUBLIC
SERVICE COMMISSION

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

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RE: Comments regarding Hi-Country Estates Water Rate Case: Docket No. 13-2195-02

To Whom It May Concern,

The Hi-Country Estates proposed rate changes for its Home Owners Association (HOA) customers are **disproportional in nature**, and I feel in that disproportion, they violate the spirit of the Utah Code. Due to the rate change disproportion, the rate changes are **unnecessarily aggressive toward the individual Utah citizens owning and using water rights within the HOA** as Standby Customers of the water company. I realize that every HOA member's duty (and hopefully choice) is to support the water company. However, given that free water is built into the base rate, I feel there are more equitable solutions to funding the water company.

To outline the comments in this letter, the following points will clarify the purpose of this letter:

1. The change in standby charge is too high (\$12.41 changed to \$27.60 [+122%]), considering the other rate changes and that free water is built into the base rate.
2. The Connected Customer overage rates have decreased too much (-37% at all usage levels) considering the 122% increase in standby charges. This is a 159% difference in the changed rates.
3. To make the standby charge more equitable, I propose either of the following rate changes:
 - o Apply the same net % increase as the base rate (64%) and overage (-37%) charges, resulting in a new standby charge of \$17.00 (27% increase).
 - OR-
 - o Increase the overage charges to reflect a 64% increase over current rates:
 - 10,001-20,000 gallons - \$3.78 per 1,000 gallons
 - 20,001-30,000 gallons - \$4.38 per 1,000 gallons
 - 30,001-40,000 gallons - \$5.08 per 1,000 gallons
 - 40,000 gallons plus - \$5.89 per 1,000 gallons
4. I have no issue with a flat \$20.09 Reserve Fund service charge as it was applied equally to all customers to support the future of the water company.

As Docket No. 13-2195-02 stands, the proposed rate changes place a high financial burden on Standby Customers according to the following considerations:

- Standby Customers infrequently use the system and have NO control (no input) over system wear, tear and upkeep:
 - o Stand-by customers only utilize the system when HOA properties are threatened by fire.
- Standby Customers have little input/control over system maintenance costs due to upkeep, wear and tear:

- A majority of system maintenance costs due to wear and tear is a direct result of supplying usage volumes (gallons per month), of which Standby Customers have no contribution or control (except in the case of an HOA fire). **High Volume users tax the system the most and have the most contribution in controlling maintenance costs (repairs, treatment, etc.), but with the rate change they will proportionally pay less.**
- Standby Customers have the right to exercise their own water rights (upkeep their own systems):
 - Utah Code (Title 73) is clear regarding the right and obligation of those holding water rights to put them to "beneficial use".
 - Disproportionally high standby charges to "incentivize" switching to the public system violate this right to put individual citizen water rights to beneficial use.
 - Stand-by customers with water rights and wells already fund the maintenance of their own systems, and this level of funding is within their control through self-regulation of usage.
- While having the lowest control over the operation of the water system, the Standby Customers experience the HIGHEST percent increase in cost for maintaining and operating the water system while **High Volume users receive the largest subsidized benefit.**
 - High volume users benefit the most under the proposed rate changes (291% inequity), **actually paying less (including the reserve fee) than with the current rate schedule:**

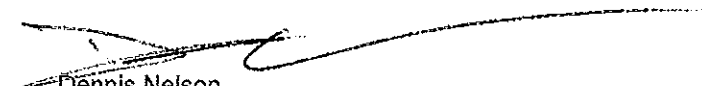
High Volume User 50,000/month (ALL CHARGES INCLUDED)			
	Old Charge	New charge	% difference
Base Rate	\$42.19	\$69.00	64%
Reserve Fee	\$0.00	\$20.09	-
Overage Charge	\$180.00	\$113.50	-37%
Total	\$222.19	\$202.59	-9%
Standby User			
	Old Charge	New charge	% difference
Standby	\$12.41	\$27.60	122%
Reserve Fee	\$0.00	\$20.09	-
Total	\$12.41	\$47.69	284%

- Even when removing the reserve fee (which was applied equally to all), High Volume users still benefit the most under the proposed rate changes (with a 140% inequity):

High Volume User 50,000/month (RESERVE FEE REMOVED FOR ILLUSTRATION PURPOSES)			
	Old Charge	New charge	% difference
Base Rate	\$42.19	\$69.00	64%
Overage Charge	\$180.00	\$113.50	-37%
Total	\$222.19	\$182.50	-18%
Standby User			
	Old Charge	New charge	% difference
Standby	\$12.41	\$27.60	122%
Total	\$12.41	\$27.60	122%

Overall, the rate change inequities would be more tolerable if Standby Customers received an immediate commodity of which usage was within their control. While neighbors could overwhelm the water system with overages and increased maintenance costs, they will be paying less than with the old rate schedule while Standby customers will be paying more for the system they rarely utilize. **This sends the message that funding the water company is the burden of stand-by, light users rather than heavy users, who tax the system more.** Please re-consider the purpose of the rate changes and the burden of the system as it relates to Stand-by and High Volume users. Please also consider more evenly distributing the burden as it relates to commodity usage, bearing in mind that I (as a Stand-by customer) want to support the water company to ensure it is able to meet my future needs.

Respectfully Yours,



Dennis Nelson

