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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

**In the Matter of Community Water
Company, LLC**

Docket No. 16-098-01

**Direct Testimony of Intervenor E. Scott
Savage to the Application Submitted by
Community Water Company, LLC on
August 24, 2016 for an Interim Rate
Increase**

Being duly sworn, I, E. Scott Savage, hereby state that I am an intervenor in the above-captioned matter. I am also the President of the Plat B & D Homeowners Association (“Plat B&D”). I have reviewed the subject Application and it appears to me that the Application does not address an inequity that could occur between users like Plat B&D and single household users who have their landscaping water included on their bill.

Plat B&D has thirty (30) homeowners who are separately metered and billed by Community Water. However, Plat B&D also has two (2) other meters that are separately billed to the homeowners’ association for water used on the landscaping of Plat B&D. The landscaping water that flows through those two meters is paid for by the thirty Plat B&D homeowners. Since this landscaping water is for all of the Plat B&D thirty property owners, Community Water currently provides the first 150,000 gallons each month without any extra charge for those first

150,000 gallons. Currently, individual homeowners are charged \$12 per month and receive the first 5000 gallons without any additional charge per gallon. Thirty (the number of Plat B&D households using the Plat B&D landscaping water) times 5000 gallons produces the figure of 150,000 gallons that presently are provided through the two Plat B&D landscaping meters without any additional charge per gallon.

The present Application does not make it clear that this equitable practice will continue. Plat B&D should not be billed at higher tiers of usage on the two meters for its landscaping water without regard to the fact that those two meters provide water to thirty Plat B&D homeowners and that those homeowners would also be charged for their separately metered inside the home water use. For Plat B&D to be put on an equal footing with other residential owners, the Application should be modified to recognize the fact that these two meters service thirty separate users.

By way of an extreme example, assume all thirty of the Plat B&D homeowners were out of town one month and each used zero gallons of water through their individual meters. The Application, however, could be read to mean that the Plat B&D two meters for landscaping water would get no credit for this conservation. The two meters for the Plat B&D landscaping water could be billed as if the thirty individual Plat B&D homeowners did not exist, even though the water passing through the two landscaping meters waters the lawns of those thirty homeowners. This would not be the case for thirty individual residences.

To put Plat B&D on an equal footing with individual users, Community Water should not charge Plat B&D's two landscaping meters at any higher tier rate until thirty times the gallonage that would result in the higher tiers is attained. Since this water is used on the lawns of thirty

households, triggering the higher tiers for water through the Plat B&D landscaping water meters on the basis of just the gallonage in the Application's rate table would mean that the Plat B&D homeowners would have their landscaping rates increased with only one-thirtieth ($1/30^{\text{th}}$) of the use that would trigger higher rates per gallon for thirty individual users not on the Plat B&D sprinkling system.

For example, the Plat B&D landscaping water should not be billed at \$.60 per thousand gallons until thirty times 12,000 gallons passed through those meters (360,000 gallons). Likewise, each successive higher tier should not apply to these two meters until thirty times the amount set forth in the Application rate table is pumped through those two meters. This would put Plat B&D on the same footing as the individual residence homeowners on the system. If an individual homeowner went on vacation for a month and left his or her timed landscaping water in operation, he or she would only be billed at \$.60 per thousand gallons after 12,000 gallons went through their meter. The Plat B&D landscaping meters provide water for the lawns of thirty users and \$.60 per thousand gallons should not be billed to those meters until 360,000 gallons have passed through those meters.

The Community Water System has the capability to eliminate this inequality, and, I believe, it has done so in the past. Plat B&D simply requests that this practice be continued. If the Commission thinks the individual inside the home use of these thirty homeowners should be combined each month with the outside water use passing through the two Plat B&D landscaping meters to determine thirty times the monthly use for the sprinkling system water, that could be done, although it probably would take some additional software for Community Water to do this.

Community Water knows how much water is used through each of the Plat B&D individuals' meters so it has the raw data. All that has to be done is for Community Water to total the separate thirty meters' usage and the usage through the two Plat B&D landscaping meters and only bill the two landscaping meters for the higher tiers when thirty times the usage for each tier is achieved. Of course, this would not be as fair to Plat B&D as simply amending the Application to multiply each usage amount by thirty for the Plat B&D two landscaping meters. This is because each of the thirty individual Plat B&D homeowners will no longer receive any "free" water by just paying the base rate. Under the rate proposed in the Application, each meter will be charged a dramatically increased base rate **and** be required to pay \$.30 per 1000 gallons on the first 12,000 gallons used. Since each of the 30 Plat B&D homeowners will be paying a base rate **and** at least \$.30 per gallon for their inside the home water, it still would be a disadvantage for them to be charged (through the HOA) their share of the **base rate** for the two landscaping meters. Other homeowners on the Community Water system would not have any comparable charge. Since very few, if any, of the Plat B&D homeowners use significant amounts of inside the home water, it is probably not worth the additional accounting to combine the usage each month of the thirty separate meters and the usage through the Plat B&D landscaping meters to determine when the higher rates for Plat B&D landscaping water should become applicable. However, to be completely fair to the thirty Plat B&D homeowners and the other non-commercial users on the system, this could be done so long as there was no base rate for the two Plat B&D landscaping meters. The Application should not be approved without the Commission requiring that the two Plat B&D landscaping meters must total thirty times the gallons specified in the rate schedule

before any higher tier rate is to be charged to those two meters.

DATED this 13th day of September, 2016.

/s/ E. Scott Savage
E. Scott Savage, President of
Park West Village
Plat B&D HOA and
Intervenor

CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of September, 2016, I caused a true and correct copy of the within and foregoing **Direct Testimony of Intervenor E. Scott Savage to the Application Submitted by Community Water Company, LLC on August 24, 2016 for an Interim Rate Increase** to be electronically served:

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/s/ E. Scott Savage
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