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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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**IN THE MATTER OF COMMUNITY  
WATER COMPANY, LLC**

DOCKET NO. 16-098-01

**DIVISION OF PUBLIC UTILITIES'  
OBJECTION TO COMMUNITY WATER  
COMPANY, LLC'S AMENDED INTERIM  
RATE HEARING EXHIBIT B**

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On September 14, 2016, Community Water Company, LLC (Company) filed its Amended Interim Rate Hearing Exhibit B (Amended Exhibit B). For the following reasons, the Division of Public Utilities objects to Amended Exhibit B.

On September 13, 2016, a hearing was held on the Company's application for interim rates. During the hearing, original Exhibit B, which the Company stated reflected the Division's proposal, was offered for "illustrative purposes."<sup>1</sup> The Division noted that the best representation of the Division's proposal was found in the pleadings filed by the Division, not in original Exhibit B. The Division also noted that it had not had an adequate opportunity to

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<sup>1</sup> Company's Amended Interim Rate Hearing Exhibit B pleading at p. 1.

evaluate original Exhibit B on its merits because Exhibit B was provided during the hearing itself. Original Exhibit B was accepted as a Company exhibit at the hearing.

Original Exhibit B was discussed during the hearing. The Company noted that there were typographical errors in original Exhibit B. Witnesses, including the Division's witness Mark Long, discussed original Exhibit B at the hearing.

In its pleading filed today seeking admission of Amended Exhibit B, the Company represents that after the hearing it had discussion with Mr. Lange and made changes to original Exhibit B.<sup>2</sup>

The Company states:

After the hearing, the Company was contacted by intervenor Terry Lange to discuss Exhibit B. Mr. Lange attended the September 13, 2016 hearing telephonically. Mr. Lange made several recommendations the Company feels are appropriate and merit amendment of Exhibit B. Specifically, to calculate the Monthly Usage Charges for the Red Pine Chalets the price blocks within each recommended Tier should remain at (per 1000 gallons). The price blocks should not be multiplied by the number of units as originally recommended, as this multiplication results in a gross undervaluation of the water. The Company has amended Exhibit B to make the appropriate numeric changes, as well as relabeling several of the table columns for clarity. The Company has not changed Exhibit B to reflect any other discussions about pricing, such as whether to charge base rate charges for irrigation meters. Amended Exhibit B also corrects several small typos corrected on the record during the hearing.<sup>3</sup>

The Company further asserts, "The Company feels that Amended Exhibit B is a more accurate representation of the Division's recommended rate structure, the Company's proposed billing methodology, and is the best information from which the Commission and the parties should operate."<sup>4</sup>

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<sup>2</sup> Id. at p. 2.

<sup>3</sup> Id.

<sup>4</sup> Id.

The Division objects to Amended Exhibit B for two reasons. First, the Division objects because Amended Exhibit B contains changes made pursuant to information the Company gained after the hearing, and that information and the merits of the amended exhibit obviously were not subject to examination at the hearing. Second, the Division objects to Amended Exhibit B because the Division asserts, as it did with regard to original Exhibit B, that the best representation of the Division's proposal is found not in a hearing exhibit prepared by the Company, but in the filed testimony of Mr. Long and as he discussed the Division's proposal at the hearing. Accordingly, the Division requests that the Commission not accept Amended Exhibit B.

Respectfully submitted this 14th day of September, 2016.

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/s/  
Patricia E. Schmid  
*Assistant Attorney General for the  
Division of Public Utilities*

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **DIVISION OF PUBLIC UTILITIES' OBJECTION TO COMMUNITY WATER COMPANY, LLC'S AMENDED INTERIM RATE HEARING EXHIBIT B** in Docket No. 16-098-01 was emailed on the 14<sup>th</sup> day of September 2016 to the following:

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