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Attorneys for Community Water Company

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of Community Water Company, LLC)	DOCKET NO. 16-098-01
)	Community Water Company's
)	Request for Clarification on Order
)	Granting Interim Rate Increase
)	Application
)	
)	
)	

Community Water Company (“Company”) respectfully submits this Request for Clarification on “Order Approving Interim Rate Increase” (“Order”) issued on September 15, 2016. The Company appreciates the Commission’s and Judge Jonsson’s timely issuance of the Order one day after the conclusion of the interim rate increase hearing.

The present status of the Order leaves several matters unclear that are frustrating the Company’s implementation of the Order. The Company does not intend for this Request to be a rehearing or argument of the interim rate hearing, but believes that in the intervening time between the interim rate hearing and now, the parties have developed a much greater understanding of the Division’s recommended rate structure and substantially more information is now available to the Commission to interpret the Division’s recommended rate structure.

Understanding that the Non-Applicant Parties' direct testimonies filed yesterday are separate and distinct from pleadings submitted for the interim hearing, much of the testimony, especially that of the Company focuses on how to implement and bill customers under the Division's recommended rate structure. The present Order speaks to and orders the Company to implement the recommended rate. Accordingly, the recently filed direct testimony is instructive in how to best execute the Order.

The Company respectfully requests clarification on the following issues:

1) How is the Company to Understand and Apply Term "Metered Connection"?

The Order requires the Company to "apply [the interim rate increase] to each metered connection, regardless of whether the connection is used for domestic or irrigation purposes." Finding 6 of the Order states, "The Division designed its proposed rate schedule to apply to each meter, without regard as to whether the meter measures domestic use or irrigation use." Similarly, several of the Order's Findings of Fact discuss declining irrigation use during the interim period as a relevant factor. These statements lead the Company to believe the Order requires the Company to interpret "metered connection" as charging a base rate for each physical meter and determining usage charges for water passing through that meter regardless of how that meter supplies end users. Lines 99 -141 of the Company's Direct Testimony discuss the Company's understanding and support in the Division's Petition for Understanding "metered connection" to mean each customer connected the Company system regardless of what kind or how many meter services that customer has.

While it is unclear what the difference in usage charges in the two interpretations would be, especially moving into the end of irrigation season, revenue from base rates would substantially decrease if connections are interpreted to be physical meters. The Company has 186

meters and 498 customers. The difference in monthly base rate charges would be \$6,175.20 versus \$16,533.60.

- 2) If the rate is to be effective October 1, 2016, is the rate to be applied solely for prospective water use occurring after October 1st or is the Company to apply the interim rate to usage in the-rears as is the Company's established practice.**

Company practices are to bill for usage in-the-rears, or for usage that occurred over the prior month. If "metered connections" are interpreted to be physical meters, and many of the HOA's concerns are focused on inequitable billing for irrigation meters, then having the Interim Rate apply prospectively is an avenue to alleviate some of their concerns. However, its "metered connection" is interpreted to mean "customer" as discussed in the Company's Direct Testimony, then the inequities raised in the HOA's comments are alleviated as usage and base rates are determined by customer regardless of the type of meter servicing that customer.

If "customer" is the appropriate understanding of "metered connection" the Company would prefer to continue its general billing practices of billing in-the-rears and applying the interim rate to September usage on October 1.

A hearing on the Company's Interim Rate Increase Application held on September 13, 2016, and subsequent discussions amongst the parties, have brought to light several matters regarding the application of the Division's proposed rate structure and the appropriate billing methodology to effectuate that recommendation. The Company would like adequate time to appropriately address these concerns in its direct testimony.

The Company notified the other intervenors and the Division of its intention to file an extension via email on the afternoon of September 13, 2016, and through phone calls on the morning of the September 14, 2016. The Division expressed support for the extension, but

recommended maintaining the original hearing date. Intervenors Francis Amendola, Terry Lange, William Grenney, and Van J. Martin voiced support for the extension. The Company did not receive a response from Intervenor Scott Savage who has already filed his direct testimony. The Company has no opposition allowing Mr. Savage to refile any direct testimony if the extension is granted.

Per the Division's recommendation, the Company proposes the following new schedule:

Non-Applicant Direct Testimony due **Wednesday September 21, 2016**

All Parties' Rebuttal Testimony due **Wednesday November 2, 2016**

Dispositive and Evidentiary Motions due **Wednesday November 2, 2016**

All Parties Sur-Rebuttals Testimony due **Monday November 14, 2016**

General Rate Increase Hearing **Wednesday November 16, 2016 9:00 AM**

Public Witness Hearing **Wednesday November 16, 2016 12:00 PM**

Respectfully submitted this 22nd day of September, 2016.

CLYDE SNOW & SESSIONS



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing COMMUNITY WATER COMPANY'S REQUEST FOR CLARIFICATION was emailed on the 22nd day of September, 2016 to the following:

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