



State of Utah
Department of Commerce
Division of Public Utilities

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MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities

Chris Parker, Director *CP*

Bill Duncan, Telecommunications / Water Manager *BD*

Mark Long, Utility Analyst *ML*

Date: May 19, 2017

Re: Docket No. 17-097-T01, In the Matter of Mountain Sewer Corporation's Filing to Comply with the Commission's Order Issued on October 30, 2012, in Docket No. 11097-03, Application of Mountain Sewer Corporation for a General Rate Increase

RECOMMENDATION:

APPROVE

The Division of Public Utilities (Division) recommends the Utah Public Service Commission (Commission) approve the amended tariff page with revised rates as submitted by Mountain Sewer Corporation (Mountain Sewer).

EXPLANATION:

On October 30, 2012, in Docket No. 11-097-03, pursuant to a rate increase, the Commission ordered Mountain Sewer to file new rates not later than June 1, 2017, reflecting the completion of the recovery of legal expenses that were being amortized in rates over five years.

The rates approved in Docket 11-197-03 include one-time, significant legal fees incurred by Mountain Sewer, primarily to resolve the complaints and allegations (unsubstantiated and ultimately dismissed because of the lack of evidence) brought forth by the intervenor(s) in this docket. The Division reviewed and verified the outstanding legal fees of \$112,817.28 owed by Mountain Sewer. Because of the large dollar amount of these legal fees, the Division believed that it would be too burdensome to the ratepayers to recover the entire amount immediately. The

Division recommended to the Commission that the legal fees be amortized over five years at a 6% rate interest rate and paid to the attorneys owed money via a five-year payment plan.

The current rates also include a provision for annual legal fees of \$4,000 to cover its normal legal expenses incurred conducting its normal course of business. This annual legal fee is not impacted in this docket.

RATE COMPUTATIONS:

The Division verified the revised rates submitted by Mountain Sewer and find them to be accurate.

cc: Mountain Sewer
Adam Long, Attorney, Smith Hartvigsen PLLC