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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the matter of the) Docket 17-098-01
Community Water proposed)
Rate Increase)
) **Comments of Terry Lange**

September 29, 2017

Public Service Commission of Utah
Fourth Floor Heber M Wells Bldg.
160 E 300 S, Salt Lake City, UT 84111

Subject: Comments for Scheduling Hearing 10/03/2017 Docket No. 17-098-01

SENT ELECTRONICALLY SEPTEMBER 29, 2017 TO COMMISSION OFFICE

Commission Representative:

I am an interested party in Docket 17-098-01 and have filed a Petition to Intervene. I will be out of the county and unfortunately unable to participate in the scheduling hearing on October 3, 2017. Therefore, I am submitting these comments to seek clarification on those items which I believe are important as they have an immediate bearing on the interim rate and its implementation. While some of the comments below may appear to be outside of a scheduling hearing, they all relate to providing critical information to support a much-needed accelerated approval relating to the storage tank to avoid an exasperated situation beyond which currently exists.

I hope they will engender further discussion at the scheduling hearing. Mr. Fran Amendola may also speak at the hearing on behalf of Red Pine.

I am the President of the Red Pine HOA. Red Pine consists of 200 Chalets all sharing a common meter for interior water usage. There are 7 meters for exterior communal area watering. There are 60 individually metered Townhomes with 5 additional meters for communal area watering. All in all, there are 260 units at Red Pine. Finally, there is the standalone Clubhouse Facility with 2 meters; 1 for irrigation and 1 for interior consumption. I was an Intervener on Docket 16-098-01 which is the current tariff.

Tank Assessment

In its application, Community Water is asking for a general rate increase for overall system improvements and a special assessment to replace a failed storage tank. It is unclear if the special assessment stands separate from the General Rate increase or is an integral component. Based upon life safety issues exasperated by a limited window of opportunity to execute the replacement of the failed tank, it is critical that work on the tank begin immediately. Otherwise, customers may be forced to go through the entire winter and early spring with only one third of its original reservoir capacity. It should be noted that during a meeting with Community Water, they brought in representatives of the Park City Fire Department to emphasize the dire nature of the problem.

Therefore a discussion should occur at the scheduling hearing as to whether it is prudent to put the tank assessment on its own hearing schedule if necessary, and if possible an expedited approval schedule to approve a funding plan so that tank design can be completed and construction commence as soon as possible. I believe it is.

It is imperative that a new storage tank be installed as soon as possible. To that end Red Pine and other HOAs based upon my conversations with them are in favor of collecting the necessary funding. However, it is impossible for Red Pine (or for that matter the other HOAs and customers) to pay its assessment share of over \$240,000 (\$1100 x 218 ERUs) in just 15 days as proposed. This amount of money is significant and therefore more time is needed to collect money from the individual owners. The owners of Red Pine are willing to pay money upfront to act as "seed money" to jump start this process.

In previous discussion and meetings with CWC, we were told the parent company of TC-FC was committed to lend money to Community Water for a new tank with a payback time of 18 months. We don't know why CWC suddenly stopped working on the new tank engineering and construction, especially since no fewer than 3 HOA's representing 421 of the approximate 502 users told Community Water that each was committed to pay their share of an assessment for a new tank.

Determination of Billing Units

In addition to the special assessment for the new storage tank, the basis of billing units needs to be clarified before an interim general rate increase is granted. CWC is proposing a switch to an ERU based billing system. For Red Pine, they determined that it consists of 218 ERU's with no breakdown between the 60 Townhomes and the 200 Chalets. There also is no mention of the Clubhouse Facility. At this point it is impossible to calculate the cost implications to the 3 entities within Red Pine without further clarification.

Billing Methodology

CWC has also told me that they intend to send only 1 bill to Red Pine. They intend to combine the 60 individually metered Townhome owners into 1 lump sum and add that amount to the 200 Chalet owners. Thus, faced with only 1 bill, Red Pine must somehow deconstruct the demand portion of the bill and do all the accounting that CWC already has the capability of doing based upon how ERUs were determined. This billing methodology becomes even more complicated if the Clubhouse is included in the single billing. Under Red Pine's CC&R's, a single bill from CWC would have to be paid by 3 checks each signed by a different individual. This further leads to the complexity of the situation and Red Pine

would, as a whole, run the risk of late charges if say for instance the check for the Townhome portion was unavoidably detained.

The same combined billing as proposed at Red Pine is also planned for the 30 individually metered units at Plat B&D. I'm reasonably sure Mr. Scott Savage will address his concerns.

In conclusion, the following topics merit a discussion at the schedule hearing:

1. The urgent need for a separate schedule for the tank assessment, and reasonable payback schedule for tank design and construction.
2. Clarification and separation of billing units at Red Pine.
3. Clarification of billing methodology at Red Pine. Without billing clarification, Red Pine will not know how to allocate costs among its owners to pay its bill.

/s/ Terry Lange