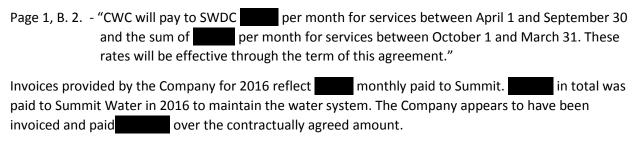
Confidential Exhibit 2.1

This document highlights issues the Division has discovered in its initial review of the Company's filing and request for interim rates. These issues prevent the Division from concluding that an interim rate increase is warranted at this time.

Regarding the Water and System Service Agreement dated March 22, 2004 between Community Water Company, Inc. and Summit Water Distribution Company (see Confidential Attachment A to this Exhibit).



Regarding the Administrative Services Agreement (New Agreement) dated January 2, 2017 between the Company and ASCU, LLC (see Confidential Attachment B to this Exhibit)

Page 2, Article 2.1 – "a monthly administrative services fee of

Other documents, including Response to 1st Data Request reference this to be an annual amount. This is most likely a typographical error, but it is the governing document so it would require an amendment and clarification by the Company. The Division was made aware and received this document on October 6, 2017 and has not sufficient time to evaluate, nor has the Company given clear information regarding reallocation of duties and expenses, or their anticipated impact on the Company and its customers. This amount appears to represent a significant increase over past amounts for similar services.

Regarding the Testimony of Justin Atwater¹ dated October 6, 2017

Page 4, Line16 – "the daily operation and maintenance expenses of Community Water Company have been subsidized by affiliate loans"

It is unclear from this statement if the Company has any outstanding loans with affiliates. The Division has no knowledge of these loans and not received any details, terms or covenants of these affiliate loans. The application process as outlined per rule R746-700-50 D.10 requires disclosure of loans. Since

¹ The Division is uncertain whether the Company intends Mr. Atwater to serve as a witness or as counsel in this matter.

the application filed by the Company in November 2014 under Docket No. 14-098-01, the Division has not been provided with any information regarding affiliate loans.

Page 6, Line 44 – "The additional O&M requested in the Application (which are nominal) are all expenses either not understood or subsidized at the time of the 2016 Approval."

It is unclear from this statement if the nominal addition to operation and maintenance would account for the level of interim increase in rate the Company has requested. An interim adjustment to rates should reflect the demonstrated operations and maintenance needs of the Company and not its plans for future capital improvements.

Page 6, Line 63 – "the DDW will not proceed with the loan until the Commission approves a rate sufficient to cover the costs of the proposed debt service and principal repayment."

It is unclear from this statement if the Company believes, or if DDW requires, an interim rate increase prior to proceeding with the proposed DDW loan. Furthermore, approving a rate increase for the full amount of future potential spending is not generally in the public interest.

Regarding the Testimony of Keith J. Larson dated October 6, 2017

Page 3, Line 26 – "The company has additional information since filing the Application regarding reserves, system profit, and certain O&M costs. In order to ensure the financial viability of the Company and to avoid future system shutdown, the modifications in the update are critical to the Company and its customers"

It is unclear what information the Company has since filing the Application. The only additional information the Division has received from the Company was included in the Division's 1st Data Request response. It appears that this additional information may have relevance in evaluating the Company's financial requirements. In the absence of the information, the Division cannot support increases based on it.

Page 5, Line 64 – "10. Contractual Services Water System Maintenance – this represents the amount paid to Summit Water Distribution Company... This includes Salaries, Testing and Lab Equipment, Water Sampling, System Maintenance, Office Supplies, Telephone, Payroll Taxes, and Other Misc. Expenses."

The above appears to address only the Company's 2004 Water System Service Agreement with Summit Water (2004 Agreement). However, the items listed appear to be items covered in the Administrative Services Agreement (New Agreement) between the Company and ASCU, LLC. with an effective date of January 2, 2017. Summit's role and ASCU's role in connection the Company's 2004 Agreement and the New Agreement are unclear. Likewise, the proposed cost and benefit (including any reallocation of expenses) of the New Agreement remain unclear. It appears the cost of the two agreements (2004 Agreement and the New Agreement) would total \$140,600 for a system of relatively few customers (503).

Page 4, Line 54 – 5. Chemicals "this line was removed inasmuch as the Company does not anticipate using the treatment plant going forward."

It is unclear why the Company would not anticipate using the treatment plant nor chemicals in its operations. This statement appears to contradict information provided on Page 8, Line 138 of Mr. Larson's Testimony "\$523,600 – Repair existing water treatment plant building and replace water treatment system components." It also contradicts the Testimony of Justin Atwater Page 9, Line 109 which includes \$523,600 of loan proceeds for Water Treatment Plan Refurbishment. Discontinued use of the treatment plant would have additional related changes in expenses beyond chemicals, including power, administration and maintenance. The Division requires more information and time to evaluate discontinuation of the treatment plant and the impact to the Company and its customers.

Page 4, Line 60 – 8. Contractual Services Accounting.

The need for the services represented by this line item is unclear with the New Agreement and the Company's agreement with Summit Water seeming to provide similar services.

Page 5, Line 75 – 11. Administrative Expenses.

The need for the expenses represented by this line item is unclear with the New Agreement and the Company's agreement with Summit Water seeming to cover similar expenses.

Page 5, Line 77 – 12. Customer Information Management System, Postage & Mailing, Winter Transportation and Access Expense.

The need for the expenses represented by this line item is unclear with the New Agreement and the Company's agreement with Summit Water seeming to cover similar expenses.

NOTE: the response to the Division's 1st Data Request included both a reference to the New Agreement and these potentially duplicative listings of anticipated costs without a clarifying explanation.