

**In the Matter Of:**

In Re: Community Water Company - Rate Case

**PUBLIC HEARING, DOCKET NO. 17-098-01**

*April 10, 2018*

*Job Number: 423991B*

1 BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

2

3 In the Matter of the Application of  
 4 Community Water Company for Approval )  
 of General Rate Increase and )  
 5 Special Charge for Major Plant )Docket No. 17-098-01  
 Upgrade/Repair )  
 )  
 6 )Public Witness Hearing  
 )

7

8

9

10

11

12

PUBLIC HEARING PROCEEDINGS

13

14 TAKEN AT: Utah Public Service Commission  
 15 160 East 300 South, Fourth Floor  
 Salt Lake City, Utah 84114  
 16 DATE: April 10, 2018  
 TIME: 4:00 p.m.  
 17 REPORTER: Mary R. Honigman, R.P.R.

18

19

Job No. 423991B

20

21

22

23

24

25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

APPEARANCES

FOR THE UTAH PUBLIC SERVICE COMMISSION:  
Michael Hammer, Presiding Officer

FOR THE DIVISION OF PUBLIC UTILITIES:  
Patricia E. Schmid  
160 East 300 South, Fifth Floor  
Salt Lake City, Utah 84114  
(801) 366-0380  
Pschmid@agutah.gov

VIA TELEPHONE: Terry Lange, Red Pine Community Association  
Leanne Miller, Hidden Creek Homeowner's  
Association

1 PROCEEDINGS

2 OFFICER HAMMER: Good afternoon,  
3 everyone. This is the time and place noticed for a  
4 public witness hearing in the Application of  
5 Community Water Company for Approval of General Rate  
6 Increase and Special Charge for Major Plant  
7 Upgrade/Repair. That's Commission Docket  
8 No. 17-098-01. My name is Michael Hammer and I am  
9 the Commission's designated presiding officer for  
10 this docket.

11 Looking around the room, I see  
12 representatives from the Division of Public  
13 Utilities and no one else. Does the Division have  
14 any remarks it would like to make at the public  
15 witness hearing?

16 MS. SCHMID: The Division does not  
17 have any remarks.

18 OFFICER HAMMER: Okay. And I  
19 understand that there are some individuals on the  
20 phone as well.

21 MR. LANGE: That's correct. I'm  
22 Terry Lange. I'm an intervenor, or course, in the  
23 rate case and was unable to participate via phone  
24 this morning during the hearing, so I'm calling in  
25 now, I guess, as a general public and, perhaps, an

1 intervenor also, to have a couple of comments.

2 OFFICER HAMMER: And who else do we  
3 have on the phone?

4 MS. MILLER: My name is  
5 Leanne Miller. I'm with the Hidden Creek  
6 Homeowner's Association. I also have been an  
7 intervenor in the rate case, but could not  
8 participate this morning via phone, so I'm calling  
9 in.

10 OFFICER HAMMER: Is there anyone  
11 else? All right. Mr. Lang, we'll start with you.

12 MR. LANGE: So I want to thank  
13 everyone, of course, for all the hard work that  
14 you've done, everyone's done, on this whole thing,  
15 and hopefully we can bring this to a conclusion  
16 sooner rather than later.

17 As we all know, there's an annexation  
18 about to happen. I'm quite confident that will  
19 happen. I have testified in front of the Summit  
20 County council about how the majority of the  
21 customer base that the HOAs consist of are for the  
22 annexation. So, with that being said, the testimony  
23 rendered earlier today by Scott Savage indicating  
24 that extra monies collected through the rate with  
25 the 6,000-gallon tiers, that that be returned back

1 to customers as an overpayment because work is not  
2 going to be done. Work will not be going forward  
3 with tank building. I'm quite confident of that.  
4 So if that were to happen, the annexation goes  
5 through, then that money would be refunded. If the  
6 money is not refunded, it should go with the  
7 customer base over to Mountain Regional, rather than  
8 what Larry white was suggesting.

9           Mr. White was suggesting that it be  
10 used to satisfy monies that were spent in the past  
11 that were not covered by the -- I guess, the rate  
12 increase -- whether it be two years ago, three years  
13 ago, however long ago he was thinking. I don't  
14 think it's quite right. If the money were to go  
15 with the customer base over to Mountain Regional, it  
16 would not change the amount of the loan; it would  
17 only change the term of the loan. In other words,  
18 rather than a 20-year bond, 20-year loan, it might  
19 shorten the length of time by several months or  
20 maybe a year, depending on what the dollar amount  
21 is, but that would not benefit any of the current  
22 customers right now who would be paying the higher  
23 rate for the next several months.

24           So that's my comment, and hopefully  
25 that's all understood, what I'm talking about.

1 That's all I have to say.

2 MS. SCHMID: I have a comment I'd  
3 like to make, if I may. Mr. Savage was not sworn as  
4 a witness this morning. He participated as an  
5 attorney and his testimony, I believe, thus he had  
6 no testimony before the Commission. I just wanted  
7 to let you know that, or no sworn testimony before  
8 the Commission.

9 OFFICER HAMMER: That's consistent  
10 with the PSC's view.

11 MS. SCHMID: Okay. Thank you.

12 OFFICER HAMMER: Ms. Miller.

13 MR. LANGE: So --

14 OFFICER HAMMER: I'm sorry,  
15 Mr. Lange. Were you not finished?

16 MR. LANGE: Does that weigh in on  
17 what I'm saying here or is it just a correction?

18 OFFICER HAMMER: I believe Ms. Schmid  
19 just wanted to clarify that issue for you.

20 MR. LANGE: Okay. I appreciate that.  
21 Thank you.

22 OFFICER HAMMER: Thank you,  
23 Mr. Lange. Ms. Miller.

24 MS. MILLER: Thank you. And I do  
25 want to thank everybody who's been involved in this

1 whole rate case because it has been a lot of work  
2 for many, many people. But it is very important to  
3 the customer base that we get a resolution and move  
4 on with getting some stability into our water  
5 company.

6 I echo what Terry Lange just said  
7 regarding the increase in water rates. If it's used  
8 for current operations that's one thing, but if it  
9 just is being collected and not being spent for the  
10 current customers, I think that that's wrong. So  
11 I'd like to see there be some conditions set on  
12 money and how it will be spent, either it's spent on  
13 current operations and improvements, or it's  
14 transferred over to Mountain Regional once that  
15 annexation is complete. And that's my only comment.

16 OFFICER HAMMER: All right. Let me  
17 ask you, Mr. Lange and Ms. Miller, are you aware of  
18 anyone else from your associations or any other  
19 customers who might have an interest in appearing  
20 and speaking today or who intend to?

21 MR. LANGE: I know of no one.

22 MS. MILLER: I'm not aware of anyone  
23 either.

24 MR. LANGE: If I may add this,  
25 please. I neglected to say that I am the president



1 of the board of the Red Pine Community Association,  
2 260 customers there, so just for the record.

3 OFFICER HAMMER: Thank you. I recall  
4 from the interim rate hearing, Mr. Lange.

5 All right. Well, it's about ten  
6 after the hour and no one else is present, so I  
7 believe we have taken all the comments that we will  
8 today from the public. Thank you everyone for your  
9 participation. We're adjourned.

10 (The hearing concluded at 4:10 p.m.)

11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

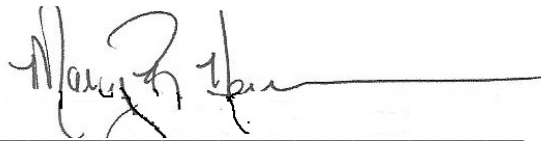
REPORTER'S CERTIFICATE

STATE OF UTAH )  
COUNTY OF SUMMIT )

I, Mary R. Honigman, a Registered Professional Reporter, hereby certify:

THAT the foregoing proceedings were taken before me at the time and place set forth in the caption hereof; That the proceedings were taken down by me in shorthand and thereafter my notes were transcribed through computer-aided transcription; and the foregoing transcript constitutes a full, true, and accurate record of such testimony adduced and oral proceedings had, and of the whole thereof.

I have subscribed my name on this 14th day of April, 2018.



Mary R. Honigman  
Registered Professional Reporter #972887

<b>1</b>	<b>all</b> 4:11,13,17 5:25 6:1 7:16 8:5,7	<b>aware</b> 7:17,22	<b>CERTIFICATE</b> 9:1	<b>conclusion</b> 4:15
<b>17-098-01</b> 3:8	<b>also</b> 4:1,6	<b>B</b>	<b>change</b> 5:16, 17	<b>conditions</b> 7:11
<b>2</b>	<b>amount</b> 5:16, 20	<b>back</b> 4:25	<b>Charge</b> 3:6	<b>confident</b> 4:18 5:3
<b>20-year</b> 5:18	<b>annexation</b> 4:17,22 5:4 7:15	<b>base</b> 4:21 5:7, 15 7:3	<b>clarify</b> 6:19	<b>consist</b> 4:21
<b>260</b> 8:2	<b>anyone</b> 4:10 7:18,22	<b>before</b> 6:6,7	<b>collected</b> 4:24 7:9	<b>consistent</b> 6:9
<b>4</b>	<b>appearing</b> 7:19	<b>being</b> 4:22 7:9	<b>comment</b> 5:24 6:2 7:15	<b>correct</b> 3:21
<b>4:10</b> 8:10	<b>Application</b> 3:4	<b>believe</b> 6:5,18 8:7	<b>comments</b> 4:1 8:7	<b>correction</b> 6:17
<b>6</b>	<b>appreciate</b> 6:20	<b>benefit</b> 5:21	<b>Commission</b> 3:7 6:6,8	<b>council</b> 4:20
<b>6,000-gallon</b> 4:25	<b>Approval</b> 3:5	<b>board</b> 8:1	<b>Commission'</b> <b>s</b> 3:9	<b>County</b> 4:20
<b>A</b>	<b>around</b> 3:11	<b>bond</b> 5:18	<b>Community</b> 3:5 8:1	<b>couple</b> 4:1
<b>add</b> 7:24	<b>Association</b> 4:6 8:1	<b>bring</b> 4:15	<b>company</b> 3:5 7:5	<b>course</b> 3:22 4:13
<b>adjourned</b> 8:9	<b>associations</b> 7:18	<b>building</b> 5:3	<b>complete</b> 7:15	<b>covered</b> 5:11
<b>after</b> 8:6	<b>attorney</b> 6:5	<b>calling</b> 3:24 4:8	<b>concluded</b> 8:10	<b>Creek</b> 4:5
<b>afternoon</b> 3:2		<b>C</b>		<b>current</b> 5:21 7:8,10,13
<b>ago</b> 5:12,13		<b>case</b> 3:23 4:7 7:1		<b>customer</b>

4:21 5:7,15 7:3	<b>everybody</b> 6:25	<b>H</b>	<b>I</b>	<b>Lange</b> 3:21, 22 4:12 6:13, 15,16,20,23 7:6,17,21,24 8:4
<b>customers</b> 5:1,22 7:10, 19 8:2	<b>everyone</b> 3:3 4:13 8:8	<b>Hammer</b> 3:2, 8,18 4:2,10 6:9,12,14,18, 22 7:16 8:3	<b>important</b> 7:2	
<b>D</b>	<b>everyone's</b> 4:14	<b>happen</b> 4:18, 19 5:4	<b>improvement s</b> 7:13	<b>Larry</b> 5:8
<b>depending</b> 5:20	<b>extra</b> 4:24	<b>hard</b> 4:13	<b>increase</b> 3:6 5:12 7:7	<b>later</b> 4:16
<b>designated</b> 3:9	<b>F</b>	<b>hearing</b> 3:4, 15,24 8:4,10	<b>indicating</b> 4:23	<b>Leanne</b> 4:5
<b>Division</b> 3:12, 13,16	<b>finished</b> 6:15	<b>here</b> 6:17	<b>individuals</b> 3:19	<b>length</b> 5:19
<b>docket</b> 3:7,10	<b>forward</b> 5:2	<b>Hidden</b> 4:5	<b>intend</b> 7:20	<b>let</b> 6:7 7:16
<b>dollar</b> 5:20	<b>front</b> 4:19	<b>higher</b> 5:22	<b>interest</b> 7:19	<b>like</b> 3:14 6:3 7:11
<b>done</b> 4:14 5:2	<b>G</b>	<b>HOAS</b> 4:21	<b>interim</b> 8:4	<b>loan</b> 5:16,17, 18
<b>during</b> 3:24	<b>general</b> 3:5, 25	<b>Homeowner's</b> 4:6	<b>intervenor</b> 3:22 4:1,7	<b>long</b> 5:13
<b>E</b>	<b>getting</b> 7:4	<b>hopefully</b> 4:15 5:24	<b>into</b> 7:4	<b>Looking</b> 3:11
<b>earlier</b> 4:23	<b>goes</b> 5:4	<b>hour</b> 8:6	<b>involved</b> 6:25	<b>lot</b> 7:1
<b>echo</b> 7:6	<b>Good</b> 3:2	<b>however</b> 5:13	<b>issue</b> 6:19	<b>M</b>
<b>either</b> 7:12,23	<b>guess</b> 3:25 5:11		<b>L</b>	<b>Major</b> 3:6
			<b>Lang</b> 4:11	<b>majority</b> 4:20
				<b>make</b> 3:14 6:3

<b>many</b> 7:2	<b>neglected</b> 7:25	<b>participate</b> 3:23 4:8	<b>PSC'S</b> 6:10	<b>remarks</b> 3:14, 17
<b>may</b> 6:3 7:24	<b>next</b> 5:23	<b>participated</b> 6:4	<b>public</b> 3:4,12, 14,25 8:8	<b>rendered</b> 4:23
<b>maybe</b> 5:20	<b>noticed</b> 3:3		<hr/> <b>Q</b> <hr/>	
<b>Michael</b> 3:8	<hr/> <b>O</b> <hr/>	<b>participation</b> 8:9		<b>REPORTER'S</b> 9:1
<b>might</b> 5:18 7:19	<b>officer</b> 3:2,9, 18 4:2,10 6:9, 12,14,18,22 7:16 8:3	<b>past</b> 5:10	<b>quite</b> 4:18 5:3,14	<b>representativ es</b> 3:12
<b>Miller</b> 4:4,5 6:12,23,24 7:17,22		<b>paying</b> 5:22	<hr/> <b>R</b> <hr/>	<b>resolution</b> 7:3
<b>money</b> 5:5,6, 14 7:12	<b>once</b> 7:14	<b>people</b> 7:2	<b>rate</b> 3:5,23 4:7,24 5:11, 23 7:1 8:4	<b>returned</b> 4:25
<b>monies</b> 4:24 5:10	<b>one</b> 3:13 7:8, 21 8:6	<b>perhaps</b> 3:25	<b>rates</b> 7:7	<b>room</b> 3:11
<b>months</b> 5:19, 23	<b>only</b> 5:17 7:15	<b>phone</b> 3:20, 23 4:3,8	<b>rather</b> 4:16 5:7,18	<hr/> <b>S</b> <hr/>
<b>morning</b> 3:24 4:8 6:4	<b>operations</b> 7:8,13	<b>Pine</b> 8:1	<b>recall</b> 8:3	<b>said</b> 4:22 7:6
<b>Mountain</b> 5:7, 15 7:14	<b>over</b> 5:7,15 7:14	<b>place</b> 3:3	<b>record</b> 8:2	<b>satisfy</b> 5:10
<b>move</b> 7:3	<b>overpayment</b> 5:1	<b>Plant</b> 3:6	<b>Red</b> 8:1	<b>Savage</b> 4:23 6:3
<hr/> <b>N</b> <hr/>	<hr/> <b>P</b> <hr/>	<b>present</b> 8:6	<b>refunded</b> 5:5, 6	<b>say</b> 6:1 7:25
<b>name</b> 3:8 4:4	<b>p.m.</b> 8:10	<b>president</b> 7:25	<b>regarding</b> 7:7	<b>saying</b> 6:17
		<b>presiding</b> 3:9	<b>Regional</b> 5:7, 15 7:14	<b>Schmid</b> 3:16 6:2,11,18
		<b>PROCEEDING S</b> 3:1		

<b>Scott</b> 4:23	<hr/> <b>T</b> <hr/>	<b>today</b> 4:23 7:20 8:8	6:25
<b>set</b> 7:11	<b>taken</b> 8:7	<b>transferred</b> 7:14	<b>wanted</b> 6:6, 19
<b>several</b> 5:19, 23	<b>talking</b> 5:25	<b>two</b> 5:12	<b>water</b> 3:5 7:4, 7
<b>shorten</b> 5:19	<b>tank</b> 5:3	<hr/> <b>U</b> <hr/>	<b>weigh</b> 6:16
<b>should</b> 5:6	<b>ten</b> 8:5	<b>unable</b> 3:23	<b>whether</b> 5:12
<b>sooner</b> 4:16	<b>term</b> 5:17	<b>understand</b> 3:19	<b>white</b> 5:8,9
<b>sorry</b> 6:14	<b>Terry</b> 3:22 7:6	<b>understood</b> 5:25	<b>whole</b> 4:14 7:1
<b>speaking</b> 7:20	<b>testified</b> 4:19	<b>Upgrade/ repair</b> 3:7	<b>will</b> 4:18 5:2 7:12 8:7
<b>Special</b> 3:6	<b>testimony</b> 4:22 6:5,6,7	<b>used</b> 5:10 7:7	<b>witness</b> 3:4, 15 6:4
<b>spent</b> 5:10 7:9,12	<b>than</b> 4:16 5:7, 18	<b>Utilities</b> 3:13	<b>words</b> 5:17
<b>stability</b> 7:4	<b>thing</b> 4:14 7:8	<hr/> <b>V</b> <hr/>	<b>work</b> 4:13 5:1,2 7:1
<b>start</b> 4:11	<b>thinking</b> 5:13	<b>via</b> 3:23 4:8	<b>wrong</b> 7:10
<b>suggesting</b> 5:8,9	<b>three</b> 5:12	<b>view</b> 6:10	<hr/> <b>Y</b> <hr/>
<b>Summit</b> 4:19	<b>through</b> 4:24 5:5	<hr/> <b>W</b> <hr/>	<b>year</b> 5:20
<b>sworn</b> 6:3,7	<b>tiers</b> 4:25	<b>want</b> 4:12	<b>years</b> 5:12
	<b>time</b> 3:3 5:19		