

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Application of Community Water Company for Approval of General Rate Increase and Special Charge for Major Plant Upgrade/Repair	<u>DOCKET NO. 17-098-01</u> <u>REPORT AND ORDER</u>
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ISSUED: May 14, 2018

The Public Service Commission (“PSC”) denies Community Water Company’s (“CWC”) Application to Approve Proposed Water Service Schedules and Rates (“Application”), filed September 14, 2017, and directs CWC to file proposed tariff revisions that are consistent with the Division of Public Utilities’ (“DPU”) recommendations.

On September 14, 2017, CWC filed its Application, seeking a general rate increase and authorization to impose a “one-time special charge” to fund the approximately \$500,000 cost to replace a failed water tank. (Application at 6.) The Application included a request to impose these charges on an interim basis, pending final approval after a hearing on the merits.

On October 19, 2017, the PSC conducted a hearing on the interim rates request and issued an order, on October 30, 2017, denying the request. On February 13, 2018, the DPU filed written direct testimony from three witnesses, recommending the PSC reject the rates CWC sought in its Application and recommending an alternative rate structure. CWC did not file written rebuttal testimony.

The PSC held a hearing on the merits and a public witness hearing on April 10, 2018. During the hearing, CWC represented it “would like to accept and adopt the [DPU’s] recommendation as the rate[s] for [CWC] going forward and the desired result for this hearing.” (Hr’g Tr. at 6:5-9.) One intervenor, Park West Village Plat B and D (“Park West”) appeared at

hearing and also supported the DPU's proposal, although Park West did express concern that CWC might enjoy a windfall in the event it pays less for water purchases from a third-party than the DPU assumed in its analysis. (*See, e.g.*, Hr'g Tr. at 8:24-9:12.)

As CWC no longer advocates for its requested relief and good cause otherwise appearing, the PSC denies the Application. However, we find the DPU's written confidential testimony and testimony at hearing, in addition to the materials and testimony CWC submitted in support of its Application, are sufficient to demonstrate that a change in rates is necessary to enable CWC to reliably fulfill its obligation to provide utility service to its customers. We further find the DPU's recommended revisions to CWC's rate schedule, which CWC has adopted and endorsed, are just, reasonable and in the public interest. Finally, we note that settlements are encouraged in matters before the PSC and, while no formal stipulation or agreement was executed, all parties that testified at hearing were generally supportive of the DPU's recommendations. Utah Code Ann. § 54-7-1.

Accordingly, the PSC denies the Application. The PSC orders CWC to file proposed tariff revisions with the PSC as soon as is practicable that are consistent with and implement the DPU's recommended changes, as discussed in the DPU's filed written testimony and as it testified at hearing.

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DATED at Salt Lake City, Utah May 14, 2018.

/s/ Michael J. Hammer
Presiding Officer

Approved and Confirmed May 14, 2018, as the Order of the Public Service Commission
of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#302070

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on May 14, 2018, a true and correct copy of the foregoing was delivered upon the following as indicated below:

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