

WaterPro, Inc.'s Application for Culinary Water Rate Increase	<p style="text-align: center;"><u>DOCKET NO. 20-2443-01</u></p> <p style="text-align: center;"><u>ORDER APPROVING STIPULATION</u> <u>AND ASSOCIATED TARIFF</u> <u>CHANGES</u></p>
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ISSUED: August 28, 2020

BACKGROUND

On March 6, 2020, WaterPro, Inc. (“WaterPro”) filed with the Public Service Commission (PSC) an application for approval of a rate increase of 5% for each base rate category and each tiered rate level. WaterPro states that it has not increased rates since mid-year 2017 and its proposed increase is necessary to cover rising costs of production, distribution, and maintenance to continue to provide water and other services to its existing customers.

On March 17, 2020, WaterPro filed direct testimony and accompanying exhibits in support of its application (combined with the application filed March 6, 2020, the “Application”). On March 20, 2020 the PSC issued its Scheduling Order, Notice of Hearing, and Notice of Public Witness Hearing, setting a schedule in the docket.

On March 23, 2020, the Division of Public Utilities (DPU) filed comments stating the Application was comprehensive, substantially complete, and in compliance with Utah Admin. Code R746-700-50.

On June 9, 2020, DPU filed an Unopposed Motion to Suspend the Procedural Schedule Except for the Hearing Dates and Request for Expedited Consideration (“Motion”). DPU explained that WaterPro and DPU had engaged in settlement discussions and were working toward negotiating a settlement agreement to present to the PSC for approval. DPU stated that

there were no intervenors in the docket, and requested the PSC suspend the remainder of the testimony deadlines, with the exception of the hearing and public witness hearing date. DPU also requested expedited treatment due to the approaching June 12, 2020 testimony deadline. On June 10, 2020, the PSC granted the Motion.

On June 30, 2020, DPU filed a settlement agreement (“Settlement Agreement”).

On July 29, 2020, the PSC held the scheduled hearing and public witness hearing. During the evidentiary hearing, DPU and WaterPro testified that the Settlement Agreement is just, reasonable, and in the public interest. DPU also made a correction to the agreement, and acknowledged the Settlement Agreement referenced tariff sheets that were not attached. The parties indicated that they would file an amended Settlement Agreement, along with the proposed tariff sheets after the hearing. Subsequently, during the public witness hearing, two witnesses entered public comment recommending the PSC reject the proposed rate increase. On July 13, 2020, the PSC received one written comment from a WaterPro customer which was also critical of the proposed rate increase.

On August 6, 2020, the PSC received a “corrected” settlement agreement, along with clean and redlined tariff sheets (“Corrected Settlement Stipulation”).

DISCUSSION, FINDINGS, AND CONCLUSIONS

Under the Corrected Settlement Stipulation, the parties agreed that, effective October 1, 2020, WaterPro’s annual revenue requirement will increase by approximately 5%, or approximately \$295,348 from the currently approved revenue requirement;¹ its Base Fee

¹ The current revenue requirement was approved in WaterPro’s last general rate case filing, Docket No. 16-2443-01.

Residential rate will increase by approximately 5% for all five zones within WaterPro's service area (as detailed in the stipulation); and, the tiered rates for usage in each of WaterPro's service zones will increase by 5%.

As set forth by statute and as we have previously stated in other orders, settlements of matters before the PSC are encouraged at any stage of the proceedings. Utah Code Ann. § 54-7-1. The PSC may approve a settlement proposal if it finds the settlement proposal to be in the public interest. Utah Code Ann. § 54-7-1(2)(a). In addition, the PSC may adopt a settlement stipulation if the PSC finds, based on the evidence of record, that the proposal is just and reasonable in result. Utah Code Ann. § 54-7-1(3)(d)(i)(A)-(B).

The PSC acknowledges the public comments requesting the PSC reject the Corrected Settlement Stipulation and the rate increase. The PSC finds the evidence supports the rate increase as being necessary to keep pace with needed capital improvements. WaterPro testified that the rate increase was not intended to accommodate new service connections which are covered by impact fees; rather, the increase is needed to assist in the continued operation of WaterPro's current system to serve existing customers. Therefore, based on our review of the record, the Corrected Settlement Stipulation, including the key terms referenced in our Order, and the parties' support of the Corrected Settlement Stipulation, the PSC finds the Corrected Settlement Stipulation is just, reasonable, and in the public interest.

ORDER

The Corrected Settlement Stipulation, filed August 6, 2020, along with the attached tariff sheets, are approved.

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DATED at Salt Lake City, Utah, August 28, 2020.

/s/ Yvonne R. Hogle
Administrative Law Judge

Approved and confirmed August 28, 2020 as the Order of the Public Service Commission
of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#315186

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 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 30 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. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on August 28, 2020, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Email:

Darrin L. Jensen-Peterson (jensen@waterpro.net)
WaterPro, Inc.

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