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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of Lakeview Water Corporation's Application for Approval to Expand its Service Area	APPLICATION FOR APPROVAL TO EXPAND SERVICE AREA
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Docket No. _____

Applicant Lakeview Water Corporation (“**Lakeview**”), by and through its undersigned counsel, respectfully requests that the Utah Public Service Commission (“**Commission**”) grant this Application for Approval to Expand Service Area (“**Application**”). Lakeview provides the following information in support of this Application:

INTRODUCTION

Lakeview's Public Utility Status

1. Pursuant to Utah Code Ann. § 54-2-1(22)(a) and (38), Lakeview is a “public utility” and/or “water corporation” subject to regulation by the Commission under Utah law.
2. Lakeview operates a water system (“**Water System**”) that serves water to the public within the Huntsville, Utah area.
3. Lakeview’s current service area (“**Current Service Area**”) includes the following developments and units:

- Catholic Church (1 connection)
- Chalets at Ski Lake (76 lots)
- Edgewater Beach Resort (63 lots)
- Lakeside Village (86 condominiums)
- Langeland Subdivision (1 connection)
- Samarel Subdivision (2 connections)
- Schlaf Subdivision (1 connection)
- Ski-Lake Estates 21 lots)
- Summit at Ski Lake (54 lots)
- Valley Lake Estates (39 lots)

(Copies of map images showing Lakeview’s Current Service Area are attached hereto as **Exhibit A.**)

4. Lakeview currently serves 347.25 equivalent residential connections and provides irrigation water for 26.214 acres of landscaping.

5. Lakeview’s principal place of business is located at 5393 East 3850 North, Eden, Utah 84310.

6. Lakeview’s current Tariff (“**Governing Tariff**”) has been in effect since January 1, 2008. No requests to increase the rates of Lakeview have been made since that date.

Lakeview Water Rights

7. Lakeview is the record holder of approved Exchange Application E5608 (Water Right 35-13149) (“**Water Right**”) through Weber Basin Water Conservancy District. (See copy of Water Right Data Printout, attached hereto as **Exhibit B.**)

8. The Water Right entitles Lakeview to divert a total of 303 acre-feet (“**af**”) of water from Pineview Reservoir for irrigation, domestic, municipal, industrial, power, and stockwatering purposes. (See Ex. B.)

Lakeview Water System

9. The Water System is located just south of Pineview Reservoir along State Road 39 and Snow Basin Road in the Huntsville, Utah area. The Water System can also be described as being located in Sections 13, 23, and 24 of Township 6 North, Range 1 East, Salt Lake Base and Meridian.

10. The Water System was first constructed in the 1960's.

11. Since that time, the Water System has been upgraded several times and currently includes the following components:

- 449,000 gallon concrete reservoir (South Side)
- 52,200 gallon concrete reservoir (South Side)
- 52,200 gallon concrete reservoir (West Side) (needs some repairs)
- Two (2) culinary water wells (collectively, the “**Wells**”):
 - Well #1 (approved at 245 gallons per minute (“**gpm**”))
 - Well #2 (approved at 310 gpm)
- Distribution System including 4”, 6”, 8”, and 10” PVC pipe, fire hydrants, pressure reducing stations, service laterals, and meters

12. The Water System's total available source is two-thirds of the approved test pump rates for the Wells, which roughly equates to 501,200 gallons of active water storage and a flow rate of 370 gpm.

13. The total amount of storage currently allocated is 385.19 gallons and the total amount of flow rate currently allocated is 281.8 gpm.

14. The remaining storage capacity is 116,031 gallons and the remaining source availability is 88.2 gpm.

COMMISSION JURISDICTION

15. Pursuant to Utah Code Ann. § 54-4-1, Lakeview is subject to the Commission's supervisory and regulatory jurisdiction over all public utilities within the State of Utah.

16. Under Utah Code Ann. § 54-3-3, a public utility may not expand its service area unless such expansion is approved by the Commission. *See also McMullin v. Public Service Commission*, 320 P.2d 1107, 1109 (Utah 1958) (noting that a public utility “could not, even by formal contract, have extended its service beyond its designated area without the approval of the Public Service Commission”).

EXPANSION OF SERVICE AREA

17. Legacy Mountain Estates, LLC (“**LME**”) has requested that Lakeview expand its Current Service Area to provide water service (“**Connection Service Request**”) for a 52-lot residential subdivision known as the “Legacy Mountain Estates Subdivision” (“**LME Subdivision**”), which is located adjacent to but outside of the Current Service Area of Lakeview.

18. LME has requested a total of sixty (60) water connections from Lakeview for the purpose of serving fifty-two (52) Single-Family Residential Dwellings and up to eight (8) Accessory Dwelling Units within the LME Subdivision.

19. LME has agreed to construct all necessary additional infrastructure to serve the LME Subdivision at LME’s sole cost. LME has also agreed to pay any incidental costs incurred by Lakeview related to the expansion of the Current Service Area of Lakeview. Current customers of Lakeview will not bear any expansion cost.

20. The LME Subdivision may not be connected to the Water System unless and until the Commission approves this Application to expand the Current Service Area of Lakeview to include the LME Subdivision.

21. LME’s Connection Service Request entails the annexation of 257.509 acres of platted land to Lakeview’s Current Service Area. This entire 257.509 acres is owned by LME and

only the 60 water connections may be added within the LME Subdivision. (A copy of the proposed Annexation Plat is attached hereto as **Exhibit C**; *see also* diagram of LME Subdivision Project Map, attached hereto as **Exhibit D**.)

22. The total developed water source required for the Water System to serve the LME Subdivision is 78.056 gpm, 37,929 gallons of storage, and 180,000 gallons of fire-protection storage.

23. At present, Lakeview's Water System has sufficient capacity to serve the LME Subdivision. But due to the elevation difference with the Water System, a new water tank will be built at LME's expense for purposes of (a) storing the needed potable and irrigation water and (b) providing fire protection to the LME Subdivision's lots and future homes.

24. A new 250,000-gallon tank has been designed and has sufficient capacity to meet the additional source demand from the LME Subdivision.

25. LME as a condition of service will be required to dedicate sufficient water rights to fully cover their culinary and irrigation water needs for the LME Subdivision. A minimum of 36.95 af of additional water rights will need to be dedicated to Lakeview to serve the LME Subdivision.

GROUND FOR COMMISSION APPROVAL

26. Lakeview's request to expand its service area ("**Service Area Expansion Request**") fully satisfies all necessary criteria for Commission approval of such request. Indeed, five principal criteria legally justify Commission approval of the Service Area Expansion Request.

27. First, Lakeview's Water Right, coupled with the additional water rights to be transferred to Lakeview from LME, is more than sufficient to provide water for the LME

Subdivision and its sixty (60) new connections. Thus, adding the LME Subdivision to Lakeview's Current Service Area will not cause existing customers to suffer or experience any decline or reduction in the quantity or quality of water service currently provided by Lakeview.

28. Second, the Water System has sufficient facilities to provide additional service connections. As noted above, a new reservoir has been designed to help ensure that all the potable, irrigation, and fire-protection needs of the LME Subdivision are fully covered. Accordingly, the Water System will have sufficient facilities to add the LME Subdivision's sixty (60) additional service connections within the Proposed Expansion Area.

29. Third, adding the LME Subdivision to the Current Service Area will not be detrimental to Lakeview's existing customers. The Water System contains sufficient underused capacity so as to avoid any reduction or impairment in the quality and efficiency of treatment services currently provided to existing customers. Thus, expansion of the Current Service Area to include the LME Subdivision will not disadvantage, inconvenience, burden, or harm Lakeview's existing customers in any manner.

30. Fourth, expansion of Lakeview's Current Service Area will not adversely impact Lakeview's current approved rates under its Governing Tariff. Because the Water System contains sufficient underused capacity to add additional service connections, Lakeview's current approved rates will not be increased by the inclusion of the LME Subdivision within Lakeview's Current Service Area. The mere expansion of the Current Service Area will not require any change in Lakeview's approved service rates under its Governing Tariff.

31. And fifth, the expansion of Lakeview's Current Service Area will provide a benefit to its customers. The addition of sixty (60) new connections will increase the revenue to Lakeview and allow it to take advantage of economies of scale.

CONCLUSION

Based on the foregoing, Lakeview requests the Commission grant and approve this Application and thereby allow Lakeview to expand its Current Service Area to include the LME Subdivision and its sixty (60) new connections.

RESPECTFULLY SUBMITTED this 23rd day of November 2021.

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/s/ J. Craig Smith

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