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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

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Choose an item.

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Artie Powell, Manager
Brenda Salter, Utility Technical Consultant Supervisor
Mark Long, Utility Technical Consultant

Date: September 9, 2022

Re: **Docket No. 22-067-01**, Notice of Sale of Wanship Cottages Water Company, Inc.

Recommendation (Acknowledge)

The Utah Division of Public Utilities (Division) recommends that the Public Service Commission (Commission or PSC) acknowledge the requested sale of Wanship Cottages Water Company, Inc. from Ms. DeAnn Geary to Mr. Grady Kohler. The Division also recommends that the PSC recognize the name change from Wanship Cottages Water Company, Inc., tentatively, to Wanship Water Company, LLC.

Issue

The seller, Ms. DeAnn Geary, has served as the Wanship Cottages Water Company, Inc.'s president for over 30 years. She wishes to leave the water business and has agreed to assist in whatever capacity is needed to finalize the sale and ensure a smooth transition to the new Company. The purchaser, Mr. Grady Kohler, has agreed to purchase the Company for \$50,000 and generally assumes the obligations and responsibilities of the Company. The parties anticipate closing on the sale shortly after this 30-day notice expires or sometime in mid-September 2022.

Division of Public Utilities

Heber M. Wells Building • 160 East 300 South • P.O. Box 146751 Salt Lake City, UT 84114-6741
www.dpu.utah.gov • telephone (801) 530-7622 • toll-free in Utah (877) 874-0904 • fax (801) 530-6512

Mr. Kohler plans on keeping the new Company, Wanship Water Company, LLC, under the jurisdiction of the PSC.

Background

The tariff for Wanship Cottages Water Company, Inc. was issued in 1988 and has never been updated or amended. The rates are set at \$19 per month regardless of the amount of water used. Customer water use is not monitored with meters. Although no official service area map is included with its tariff, Wanship Cottages Water Company, Inc. generally serves part-time and full-time homes within the Wanship Cottages Subdivision located directly below Echo Reservoir Dam near Wanship, Utah. The service area will generally remain the same as it is today and serve all current customers. The Utah Division of Drinking Water (DDW) recognizes the Company as serving 30 connections.

The sale will not conflict with or adversely affect the operations or result in the extension or expansion into the territory of any existing certificated public utility supplying culinary water. The Company's address is 320 Old Farm Road, Coalville, Utah, 84107.

Discussion

The Division believes the sale to Mr. Kohler will bring much-needed financial sustainability by providing financial and professional assistance to the Company. Mr. Kohler wishes to initiate a long-overdue water rate increase to address infrastructure repairs, proper fire flows, and compliance with DDW. The Company states that informal customer discussions indicate customer support for a rate increase to address several critical issues.

Conclusion

The Division recommends that the PSC acknowledge the requested sale to Mr. Grady Kohler. The Division also recommends that the PSC recognize the name change, tentatively, to Wanship Water Company, LLC.

Cc: Emily E. Lewis, Clyde Snow Attorneys at Law, eel@clydesnow.com
Grady Kohler, Wanship Water Company, LLC, grady@wincre.com