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Attorneys for Lakeview Water Corp.

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH	
IN THE MATTER OF THE APPLICATION OF LAKEVIEW WATER CORPORATION FOR GENERAL RATE INCREASE	APPLICATION FOR GENERAL RATE INCREASE Docket No. 22-540-01

Lakeview Water Corporation (“**Lakeview**” or “**Company**”), hereby applies to the Public Service Commission of Utah (“**Commission**”), pursuant to Utah Code Annotated §54-7-12, for an order approving a general rate increase as set forth herein. In support of this Application, Lakeview states as follows:

A. Background

1. Lakeview is a privately-owned public utility that provides water service to residential and other customers near Huntsville, Weber County, Utah.
2. Lakeview was originally established in 1982 to provide water service to a new development near Huntsville, Utah. Weber County created the Ski Lake Special Service District (“**District**”) to act as the body politic for the water services within the District. The District entered into a water service agreement with Lakeview which allowed Lakeview to own, operate, and maintain the water facilities and provide water services within the District.

3. Lakeview has been regulated by the Commission since it first began providing water service. On April 28, 1982, the Commission issued a Report and Order granting Lakeview's Certificate of Public Convenience and Necessity ("CPCN") No. 2080. On March 3, 2022, the Commission granted Lakeview's petition to expand its service area, under its existing CPCN to provide water in the expanded service area. A map showing Lakeview's current service area is attached as **Exhibit B**.

4. Lakeview's service area currently includes the following platted and recorded subdivisions:

- Ski-Lake Estates
- Valley Lake Estates
- Summit at Ski Lake
- Chalets at Ski Lake
- Edgewater Beach Resort
- Lakeside Village
- Catholic Church
- Commercial
- Snow Basin Lot
- Samarel Subdivision
- Langeland Subdivision
- Schlaf Subdivision
- Legacy Mountain Estates

Lakeview currently serves 291 residential connections, 103 unconnected lots on standby within its service area, along with water for approximately 26 acres of landscaping near Huntsville, Utah. Lakeview's principal place of business is located at 1196 S Old Snowbasin Rd. Huntsville, UT 84317.

5. Lakeview's initial Tariff was issued on May 10, 1982, with an effective date of May 15, 1982. Its last revised fee schedule was issued and became effective January 1, 2008.

The Tariff has not subsequently been changed. A copy of Lakeview’s current Tariff dated December 14, 2007, effective January 1, 2008, is attached as **Exhibit C**.

6. Lakeview’s fees and rates have not changed since 2008. The currently approved fee schedule has long been insufficient to meet Lakeview’s ongoing operation and maintenance expenses, pay outstanding obligations, and establish reserves for future maintenance and capital infrastructure replacement. As a result, Lakeview is heavily subsidized by Ray Bowden, its owner. Lakeview has also taken out private loans to meet expenses and continue providing water service to its customers.

B. Proposed General Rate Increase

7. Lakeview’s requested general rate increase will allow Lakeview to operate at a net gain, meet all current obligations, be self-sustaining, and build capital reserves for future repairs and replacement of capital facilities. The following requested rate increase is necessary, just, and reasonable:

Current Rates		Proposed Rates	
Water Usage Rates			
Base Rate	\$35.00 min. fee	Base Rate	\$73.57
-0- to 12,000 gallons	Included in base rate	Base Rate -0- to 12,000 gallons	\$3.00 per 1,000 gallons
Tier 1 12,001 to 15,000 gallons	\$3.25 per 1,000 gallons	Tier 1 12,001 to 20,000 gallons	\$4.49 per 1,000 gallons
Tier 2 15,001 to 40,000	\$3.75 per 1,000 gallons	Tier 2 20,001 to 40,000	\$6.74 per 1,000 gallons
Tier 3 40,001 to 60,000	\$4.25 per 1,000 gallons	Tier 3 40,001 to 60,000	\$10.11 per 1,000 gallons
Tier 4 60,001 to 80,000	\$5.50 per 1,000 gallons	Tier 4 60,001 to 80,000	\$15.17 per 1,000 gallons
Tier 5 80,000 or more	\$7.00 per 1,000 gallons	Tier 5 80,000 or more	\$22.75 per 1,000 gallons
Connection Fees			

Single Family Dwelling Unit (Developments) ¾ inch	\$3,500		Single Family Dwelling Unit (Developments) ¾ inch	\$1,495
Other Single Family Dwelling Unit and Single Business Connections ¾ inch	\$4,000		Other Single Family Dwelling Unit and Single Business Connections ¾ inch	\$1,495
Multiple Family Dwellings	\$3,000		Multiple Family Dwellings (price per unit/connection)	\$1,495
Stand-By Fee				
Single Connection	\$10.00		Single Connection	\$41.33

The requested general rate increase is set forth in the revised Proposed Tariff attached hereto as **Exhibit D**.

8. The increased rates will result in a projected increase in annual revenue from customers of approximately \$ [REDACTED] (about \$ [REDACTED] from an increase in monthly flat-fee revenue from the connected customers and about \$ [REDACTED] from standby fees charged to owners of currently unconnected lots).

9. The proposed rates are also just and reasonable under standards adopted by the Water Quality Board (“WQB”). The WQB has determined that, for 2020, an “affordable” water bill is no more than 1.75% of the of the community’s median adjusted gross income (MAGI). See State of Utah Drinking Water Construction Assistance Programs, available at <https://deq.utah.gov/drinking-water/drinking-water-construction-assistance-programs>. The 2020 MAGI for Huntsville, Utah is \$69,500. See <https://deq.utah.gov/drinking-water/magi-by-city>. Accordingly, an “affordable” water bill is \$1,216.25 per year, which equates to a \$101.35

monthly user fee. Lakeview's proposed base rate of \$73.57 is within the Water Quality Board's target "affordable" water fee.

10. Lakeview has also filed concurrently herewith an Application for Approval of Interim Rates, pursuant to Utah Code Ann. § 54-7-12(4).

C. Test Year

11. Lakeview has used the calendar year 2021 as the test year. This test year "best reflects the conditions that [Lakeview] will encounter during the period when the rates determined by the commission will be in effect." Utah Code Ann. § 54-4-4(3)(a).

D. Conclusion

12. This Application for General Rate Increase substantially complies with the minimum filing requirements established by the Commission in Utah Admin. Code R746-700-10, R746-700-50, and R746-700-51 for a general rate case filing. A list of the information required by the Commission's rules is exhibited at the end of this Application, with a reference to the location in this filing for the required information.

13. For good cause shown in this Application and the Exhibits hereto, Lakeview respectfully requests approval of this General Rate Increase as set forth in the attached revised Proposed Tariff sheets.

14. This Application for General Rate Increase is accompanied by the necessary information and schedules in accordance with Utah Code Ann. § 54-7-12(2) to support a determination by the Commission that the proposed rate increase is just and reasonable.

WHEREFORE, for good cause shown, Lakeview respectfully requests that the Commission:

1. Enter an order approving Lakeview Water Corporation's Application for General Rate Increase, as outlined herein.

Respectfully submitted this 30th day of January, 2023

SMITH HARTVIGSEN, PLLC

/s/ Jennifer Bowen-Crockett

J. Craig Smith

Jennifer Bowen-Crockett

Attorneys for Lakeview Water Corporation

LIST OF EXHIBITS

EXHIBIT A	Most Recent Division of Drinking Water Reports
EXHIBIT B	Map of Lakeview's Service Area
EXHIBIT C	Current Tariff Information
EXHIBIT D	Revised Tariff
EXHIBIT E	Water System Report
EXHIBIT F	Engineering Information
EXHIBIT G	Financial Information
EXHIBIT H	General Ledger & Check Register
EXHIBIT I	Balance Sheet
EXHIBIT J	2020 and 2021 Income Statements
EXHIBIT 2.1	Pro Forma Income Statement – Exhibit 2.1 of William Duncan's Direct Testimony
EXHIBIT K	Billing Documentation / Reports
EXHIBIT 2.7	Utility Plant Information – Exhibit 2.7 of William Duncan's Direct Testimony
EXHIBIT 2.7	2020 and 2021 Assets and Depreciation – Exhibit 2.7 of William Duncan's Direct Testimony
EXHIBIT 2.7	Projected Asset Purchases - Exhibit 2.7 of William Duncan's Direct Testimony
EXHIBIT L	Customer Notice Information