

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

SETTLEMENT STIPULATION

This Settlement Stipulation ("Stipulation") is entered into in Docket No. 22-540-01 by and among Lakeview Water Corporation ("Lakeview" or "the Company") and the Division of Public Utilities ("Division"), the parties whose signatures appear on the signature page(s) hereof (collectively referred to herein as the "Parties" and individually as a "Party").

1. On May 12, 2022, Lakeview filed with the Public Service Commission of Utah ("Commission") its Notice of Intent to File an Application for Approval of General Rate Increase.

2. On January 31, 2023, Lakeview filed its applications seeking an interim rate increase and a general rate increase and filed a Corrected Application for Interim Rate Increase on February 27, 2023. The Commission approved interim rates on March 16, 2023.

3. Over the past few months, the Parties have discussed the matters presented below and recently entered into settlement discussions.

4. There have been no requests to intervene in this docket.

5. The Parties recommend and request that the Commission approve the Stipulation and its terms and conditions. The Parties request that the Commission make findings of fact and reach conclusions of law based upon the evidence filed in this proceeding and upon this Stipulation and issue an appropriate order.

BACKGROUND

6. Lakeview is a for-profit water corporation with a Certificate of Public Convenience and Necessity issued by the Commission on April 28, 1982.¹ The Company's last rate increase occurred in 2010.

7. On January 31, 2023, the Company filed its Application for Interim Rate Increase, Application for General Rate Increase, and supporting direct testimony. The Commission held a scheduling conference on February 7, 2023, and issued a Scheduling Order on February 9, 2023. On February 27, 2023, the Company filed its Corrected Application for Interim Rate Increase.

8. On March 7, 2023, the Commission held a hearing on interim rates.

9. The Commission approved the interim rates on March 16, 2023, setting an effective date of March 17, 2023. The approved interim rates are presented in Table 1.

¹ Docket No. 82-540-01.

Table 1
Interim Rates Approved by the Commission

Water Rates	
Water Usage Amounts	Interim Rates
Base Rate (Minimum Fee)	\$60.00
≤ 12,000 gallons	\$2.00 per 1,000 gallons
Tier 2 12,001 to 20,000 gallons	\$3.00 per 1,000 gallons
Tier 2 20,001 to 40,000 gallons	\$4.50 per 1,000 gallons
Tier 3 40,001 to 60,000 gallons	\$6.75 per 1,000 gallons
Tier 4 60,001 to 80,000 gallons	\$10.13 per 1,000 gallons
Tier 5 ≥ 80,000 gallons	\$15.19 per 1,000 gallons
Fees and Other Charges	
Connection Fees	Interim Fees
Single Family Dwelling Unit (Developments) ¾ inch	\$1,495
Other Single Family Dwelling Unit ¾ inch	\$1,495
Multiple Family Dwellings (on single connection)	\$1,495
Standby Fee	
Single Connection	\$30.00

10. Pursuant to the Scheduling Order, Mark Long, Utility Consultant, filed direct testimony on behalf of the Division on June 29, 2023.

11. After the Division's review of the application, informal data responses from the Company, and discussions among the Parties, the Parties entered into settlement discussions.

12. The settlement discussions resulted in the preparation and execution of this Stipulation now presented to the Commission. The Parties request that the hearing and

the public witness hearing on the Stipulation be held on August 24, 2023, the hearing date established by the Scheduling Order.

SETTLEMENT TERMS

For purposes of this Stipulation, the Parties agree and recommend that the Commission approve the following:

Specific Terms

13. Rate Increase. The Parties agree that, effective October 1, 2023, the Company's rate structure and fees will be as shown in Table 2.

Table 2
Rates and Fees Recommended by the Division

Water Rates	
Water Usage Amounts	Division Recommended Rates
Base Rate (Minimum Fee)	78.50 No gallons included in Base Rate
Tier 1 1 to 8,000 gallons	\$3.50 per 1,000 gallons
Tier 2 8,001 to 16,000 gallons	\$5.50 per 1,000 gallons
Tier 3 16,001 to 24,000 gallons	\$11.00 per 1,000 gallons
Tier 4 24,001 to 32,000 gallons	\$16.50 per 1,000 gallons
Tier 5 ≥ 32,001 gallons	\$25.00 per 1,000 gallons
Fees and Other Charges	
Connection Fees	Division Recommended Fees
Single Family Dwelling Unit (Developments) ¾ inch	\$1,495
Other Single Family Dwelling Unit ¾ inch	\$1,495
Multiple Family Dwellings (on single connection)	\$1,495
Standby Fee	
Single Connection	\$23.50

14. Billing Error. The Company incorrectly started billing customers the interim rates on March 1, 2023, rather than on March 17, 2023, the effective date approved by the Commission. This billing error resulted in overbilling the connected customers \$12.90 and the standby customers \$10.64.

15. Underbilling Connected Customers. As a result of the approved interim rates for connected customers being lower than the rates recommended by the Division, each connected customer will be underbilled by \$119.95 from March 17, 2023, through September 30, 2023.

16. Overbilling Standby Customers. As a result of the approved interim rates for standby customers being higher than the rates recommended by the Division, each standby customer will be overbilled by \$42.15 from March 17, 2023, through September 30, 2023.

17. Resolution of Billing Errors for Connected Customers. Due to the aforementioned billing issues, each connected customer is required to pay an additional \$107.05 (\$119.95 minus \$12.90). Therefore, an additional \$107.05 will be billed to each connected customer through the standard billing mechanism in the first billing cycle following the effective date of the Commission's order. This amount shall be payable over three months if requested by the customer. Please note that this assumes that the Commission's order will have an effective date of October 1, 2023. If the effective date differs, then the Company should adjust its total surcharge accordingly.

18. Resolution of Billing Errors for Standby Customers. Due to the aforementioned billing issues, each standby customer will overpay by \$52.78 (\$10.64 plus \$42.15 and less a .01 rounding error). Therefore, a credit of \$52.78 shall be issued to each standby

customer through the standard billing mechanism in the first billing cycle following the effective date of the Commission's order. Please note that this assumes that the Commission's order will have an effective date of October 1, 2023. If the effective date differs, then the Company should adjust its total refund accordingly.

19. Updated Tariff Sheets. In addition to the revised rates, fees, and charges shown in Table 2, the Parties have agreed on several additions and changes to Lakeview's tariff. These changes are primarily housekeeping matters. The resulting tariff is the third revision of Lakeview's tariff since becoming regulated by the Commission. The revised Tariff No. 3 is provided in both redline and clean form and made part of this Stipulation as Attachment A (formerly Lakeview's Exhibit D1) and Attachment B (formerly Lakeview's Exhibit D2) hereto, respectively.

20. Resolution of Notes Payable of [REDACTED]. The Company's testimony supporting its Application for General Rate Increase indicated that Lakeview owes Mr. Ray Bowden [REDACTED].² In response to the Division's first data request, Mr. Bowden acknowledges that the [REDACTED] is best characterized as a subsidy, and Lakeview is not responsible for repaying Mr. Bowden this subsidy.³

21. Notice to Customers of Stipulation, Hearing, and Public Witness Hearing. The Company has provided or will provide the following notices to customers:

- a. On July 20, 2022, a letter was sent to all customers via U.S. Mail providing notice of Lakeview's intent to file a rate case. This correspondence referenced the Commission's website, listed the docket

² Confidential Direct Test. of Ray Bowden, January 13, 2023, lines 16-28.

³ Lakeview's responses to DPU Data Request 1.2 through 1.8, April 21, 2023.

number, and indicated that this matter will be available for "public inspection" on the Commission's website.

- b. On February 24, 2023, Lakeview notified all customers via a letter sent by U.S. Mail that Lakeview filed an Application for Approval of General Rate Increase and Interim Rate Increase. This notice included a copy of the scheduling order which indicated the dates and times of the hearing and public witness hearing in this docket. Also, the Company provided a direct link to the Commission's website for Docket No. 22-540-01, encouraging its customers to view the docket and contact Lakeview if they have any questions.
- c. Customers were notified of a proposed settlement agreement on July 28, 2023. This notice indicated that the hearings are scheduled for August 24, 2023. Also, the Company provided a direct link to the Commission's website for Docket No. 22-540-01, encouraging its customers to view the docket and contact Lakeview if they have any questions.
- d. Also, on August 2, 2023, the Division filed a motion to suspend the schedule, except for the hearing dates. Lakeview supported the motion.

General Terms

22. No Precedent. The Parties agree that no part of this Stipulation or the formulae and methodologies used in developing the same, or a Commission order approving the same, shall in any manner be argued or considered as precedential in any future case except with regard to issues expressly called-out and resolved by this

Stipulation. This Stipulation does not resolve and does not provide any inferences regarding, and the Parties are free to take any position with respect to, any issues not specifically called-out and settled herein.

23. Stipulation Taken as a Whole. Not all Parties may agree that each aspect of this Stipulation is supportable in isolation. Utah Code Annotated Section 54-7-1 authorizes the Commission to approve a settlement so long as the settlement is just and reasonable in result. While the Parties may not be able to agree that each specific component of this Stipulation is just and reasonable in isolation, all Parties agree that this Stipulation as a whole is just and reasonable in result and is in the public interest.

24. Confidentiality. All negotiations related to this Stipulation are confidential, and no Party shall be bound by any position asserted in negotiations. Except as expressly provided in this Stipulation, neither the execution of this Stipulation nor the order adopting it shall be deemed to constitute an admission or acknowledgment by any Party of the validity or invalidity of any principle or practice of regulatory accounting or ratemaking; nor shall they be construed to constitute the basis of an estoppel or waiver by any Party; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any Party except in a proceeding to enforce this Stipulation.

25. Witnesses. The Company and the Division will each make one or more witnesses available at the hearing to explain and offer further support for this Stipulation. As applied to the Division, the explanation and support shall be consistent with its statutory authority and responsibility.

26. Execution. This Stipulation may be executed by individual Parties through two separate, conformed copies, the aggregate of which will be considered as an integrated instrument.

DATED this 11th day of August 2023.

Ray Bowden
Ray Bowden (Aug 9, 2023 12:53 MDT)

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