



**Highlands Water Co.
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Docket No. 23-010-01

To the Public Service Commission of Utah,

Highlands Water Company respectfully asks that our service area be updated as applied for on September 20, 2023. I offer the following comments -

In the process of filing for a rate increase, it came to our attention that the Public Service Commission (PSC) did not have an accurate record of the Service Area for Highlands Water Company. Highlands Water Company was issued a Certificate of Convenience and Necessity, No. 1520 in an order dated May 28, 1965, authorizing the applicant to operate as a public utility.

We have records of multiple times the company applied to expand its service area, but these were not reflected in the map the PSC had on file. We felt it was important to update the records held by the PSC and filed an application in what became Docket No. 23-010-01.

Before filing we had a map with a legal description drawn up which included the land where we are currently serving customers. It also included a parcel that was certified to be in Highlands Service area in 1976. That parcel seems to have caused a firestorm in the last few days. We already serve customers within the parcel area. On one side we serve the Bank and on the other side of the parcel we serve an office building that we often refer to as the Dentist's Office. Right in the middle of these two buildings, Lee's Market is putting in a grocery store.

We have been approached multiple times over the years to supply water to that area and it is already in our service area, so it seemed reasonable to include it on the map as we updated our service area. We have been attacked as though it was a sinister plot to harm MGMWC or CMWC.

While I feel obligated to defend the attacks on my company, I think the opposition to our service area has shown some serious issues. What infrastructure does MGMWC actually have. Both mutual water companies have claimed the same infrastructure. It appears to me that MGMWC is planning to remove infrastructure that has been permitted under CMWC and used by that company for years. That is, to me an aggressive move, however, I do not know the dealings of those two companies.

Now concerning the behavior of MGMWC toward Highlands Water Company – documents were submitted last week not just protesting our service area but asking to be an intervenor. They used incorrect information as their reasoning and they have threatened to take away our existing customers, (see page 8 of the Opposition document, last paragraph) yet they are applying to the PSC to be a MUTUAL water company! An unregulated, mutual water company must certify that they serve only their own customers and that “the proposed water utility will not conflict with or adversely affect the operations of any existing certified public utility which supplies the same product or service to the public and that it will not constitute an extension into the territory of an existing public utility.”

MGMWC has already adversely affected Highlands Water Company. We now find ourselves spending a great deal of time, effort and money defending the reputation of our company in order to continue to do business in Mtn. Green. MGMWC has never approached Highlands about the possibility of serving in the area they are protesting. Had they done so, I believe we could have worked something out. But up until only a few days ago, we were waiting for a response from Stokes Stevenson about being the water provider for Lee’s Market. On Monday, Nov. 6, Zach Swenson of Stokes Stevenson finally told me, in a phone conversation, that they had chosen not to use Highlands as the water provider. This information came after the postings by MGMWC, but before I had read their opposition to our service area, or an email sent by their attorneys.

Highlands has been concerned about having another water company serve Lee’s Market and the other five lots seeking approval because we have so many pipelines in the area that will have to be crossed. That can become messy and difficult during construction and over the years. It is also inefficient but can be dealt with if needed. Again, civil conversations with other water companies who have sound reason to serve that area would be welcome.

I kindly ask the Public Service Commission to update and certify our service area as applied for. I believe it is reasonable to do so, given the evidence. We would be willing to discuss the possibility of de-annexing the parcels that belong to Duane Johnson if we are approached in a non-aggressive manner. But, at this point, given the accusations in the comments on this docket, I would like it to be clear that Highlands was not at fault in sending in the service area to be updated.

Sincerely,

Marjalee Smith,
President, HWC