

<b>BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH</b>	
WANSHIP WATER COMPANY, LLC'S REQUEST FOR A RATE INCREASE	Docket No. 23-067-01 SETTLEMENT STIPULATION

**SETTLEMENT STIPULATION**

This Settlement Stipulation (“Stipulation”) is entered into in Docket No. 23-067-01 by and among Wanship Water Company, LLC (“Wanship” 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 “Party”).

1. On January 27, 2023, Wanship filed with the Public Service Commission of Utah (“Commission”) its Notice of Intent to Apply for a Water Rate Increase.

2. On May 25, 2023, Wanship filed its Application for a Rate Increase (“Application”).

3. Over the past few months, the Parties have discussed the matters presented below and recently engaged in 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. Wanship serves primary residences and second homes within the Wanship Cottages Subdivision located directly below Echo Reservoir Dam near Wanship, Utah. In 1977, Wanship Cottages Water Company was issued a Certificate of Public Convenience and Necessity (“CPCN”), No. 1925, in Docket No. 77-067-01. Mr. Grady Kohler purchased Wanship Cottages Water Company in 2022, and the Commission amended the Company’s CPCN in Docket No. 22-067-01 to reflect the Company’s new business name of Wanship Water Company, LLC.<sup>1</sup>

7. Wanship has not requested a rate increase for 35 years. The Company was last granted a rate increase in 1988 in Docket No. 88-067-01, increasing its monthly rates from \$9.00 to \$19.00.<sup>2</sup>

8. On May 25, 2023, Wanship filed its Application, which included Attachments 1-25 and supporting direct testimony from its president, Grady Kohler. The Commission held a scheduling conference on June 2, 2023, and issued a Scheduling Order on June 7, 2023.

9. Pursuant to the Scheduling Order, Mark Long, Utility Consultant, filed direct testimony on behalf of the Division on September 27, 2023.

10. After the Division’s review of the Application, evaluation of the Company’s responses to the Division’s informal data requests, and discussions with the Company, the Parties entered into settlement discussions.

11. The settlement discussions resulted in the preparation and execution of this

---

<sup>1</sup> *Notice of Sale of Wanship Cottages Water Company, Inc, Amended Certificate of Public Convenience and Necessity*, Docket No. 22-067-01, Order issued Oct. 5, 2022.

<sup>2</sup> *Application of Wanship Cottage Water Company, Inc. for Approval of its Proposed Rate Schedule*, Docket No. 88-067-01, Report and Order issued June 27, 1988.

Stipulation now presented to the Commission. The Parties request that the hearing and the public witness hearing on the Stipulation be held on November 1, 2023.

### SETTLEMENT TERMS

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

#### Specific Terms

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

Table 1. Rates and Fees

Description	Rates, Fees & Charges Amounts
<b>Monthly Water Rates and Fees</b>	
Unmetered water for connected customers	\$153.50
Standby fee	\$38.50
<b>Monthly Fees and Charges</b>	
2nd lot fee (double lot with one cabin or house)	\$6.25
Charge for construction water rental (fire hydrant use), per use per month	\$500.00
Interest rate on bills more than 30 days past due. Monthly percentage.	1.50%
<b>One-Time Fees</b>	
First time service connection fee	\$3,000.00
Turn on/off service with existing connection fee	\$125.00
Reconnection for existing connection fee	\$125.00
Reconnection for unauthorized use fee	\$150.00
Shut off notice fee	\$150.00
Disconnection fee	\$125.00
Delinquent lien fee	\$150.00
Ownership change fee	\$100.00
Return check fee	\$50.00
Late fee on bills 30 days past due	\$50.00
<b>Other Charges</b>	
Charge for unwarranted service call or service call on customers side of the connection	Actual cost of repair
Theft of service charge	\$1,000.00

13. Updated Tariff Sheets. In addition to the revised rates, fees, and charges as

shown in Table 1, the Parties have agreed on several additions and changes to Wanship's tariff. The resulting tariff is the third revision of Wanship's tariff since becoming regulated by the Commission. The revised Tariff No. 3 is provided in redline and clean form and made part of this Stipulation as Attachment 1 and Attachment 2, respectively. These changes are primarily housekeeping matters, but two changes bear mentioning:

a. Request to Approve Quarterly Billing Cycle. The Parties agree that a quarterly billing cycle is appropriate for the Company. Accordingly, pursuant to Utah Admin. Code R746-200-1(F)(2),<sup>3</sup> Wanship petitions the Commission for an exemption from Utah Admin. Code R746-200-4(A)'s requirement to "use a billing cycle that has an interval between regular periodic billing statements of not greater than two months."<sup>4</sup> As a small water company, Wanship states that billing monthly or every other month would impose an undue burden on the Company due to the unnecessary additional labor and postage costs. In addition, the Company's customers receive limited benefit from monthly or every other month billing because, in most cases, each customer will be responsible for the same fixed amount each month, as customer water use is not metered. Therefore, for these reasons, the Company requests an exemption from R746-200-4(A) and to be allowed to implement a quarterly billing cycle. The Division supports Wanship's request for this exemption and agrees that the billing cycle requirement of R746-200-4(A) imposes an undue

---

<sup>3</sup> Utah Admin. Code R746-200-1(F)(2) ("Upon a showing that specified portions of these rules impose an undue hardship and provide limited benefit to its customers, a utility may petition the Commission for an exemption from specified portions of these rules.").

<sup>4</sup> Utah Admin. Code R746-200-4(A) ("Billing Cycle -- Each gas, electric, sewer and water utility shall use a billing cycle that has an interval between regular periodic billing statements of not greater than two months. This section applies to permanent continuous service customers, not to seasonal customers.").

hardship on the Company and provides only a limited benefit to its customers.

b. Service Area Map. The Division recommends that the Commission adopt the service area map in Tariff No. 3 as the official service area map for Wanship. According to its available records, the Division notes that previous dockets, including the Company's original 1977 Tariff in Docket 77-067-01, did not include a copy of its service area map. The Company states that, to the best of its knowledge, this proposed service area map represents the true and original boundaries of the service area, and no other water companies or water service areas are adjacent or close to Wanship's service area.

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

a. On or about January 2023, Wanship sent a letter via U.S. Mail to all its customers using the addresses it has on file providing notice of Wanship's intent to file a rate case with the Commission.

b. On Wednesday, September 27, 2023, Wanship notified via email its customers for whom it has email addresses on file that the Division completed its analysis and the Division's recommended rates were available on the Commission's website. In this email, Wanship provided a direct link to Docket No. 23-067-01 on the Commission's website. Wanship also notes that it updated its website to include a direct link to Docket No. 23-067-01 on the Commission's website for the benefit of its customers for whom it does not have an email address.

c. On October 11, 2023, the Division filed an unopposed motion to vacate

the schedule and set November 1, 2023, as the date for the hearing and virtual public witness hearing. Wanship supported the motion.

d. On October 12, 2023, the Commission issued an order vacating the schedule and setting November 1, 2023, as the date for the hearing and virtual public witness hearing.

e. Wanship held an open house for customers on October 12, 2023, from 5:30 pm-7:15 pm, to answer customer questions regarding the proposed rates. Approximately 15 customers attended the meeting. A written notice with the hearing date and time was made available to each attendee.

f. Wanship notified its customers of a proposed settlement agreement on October 13, 2023. Wanship sent notice via email to each customer with an email address on file. For those customers without an email address on file, the Company sent notice via U.S. Mail. The notice indicated that the hearing is scheduled for November 1, 2023, at 1:00 p.m. and the virtual public witness hearing is scheduled for November 1, 2023, at 5:00 p.m. Also, the Company provided a direct link to the Commission's website for Docket No. 23-067-01 and encouraged its customers to view the docket and contact Wanship if they have any questions.

### General Terms

15. 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.


16. 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.


17. 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.

18. 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.

19. 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 10/16/2023  
Grady Kohler  
President  
Wanship Water Company, LLC  
grady@wincre.com

  
\_\_\_\_\_, Dated 10/17/2023  
Chris Parker  
Director  
Division of Public Utilities  
160 East 300 South, 4th Floor  
Salt Lake City, UT 84111



CERTIFICATE OF SERVICE

I certify that on October 17, 2023, I caused a true and correct copy of the foregoing to be filed with the Public Service Commission and served by the Utah Division of Public Utilities to the following in Utah Docket No. 23-067-01 as indicated below:

BY Electronic-Mail:

***Wanship Water Company***

Grady Kohler  
Sophy Kohler

[grady@wincre.com](mailto:grady@wincre.com)  
[sophy.s.miles@gmail.com](mailto:sophy.s.miles@gmail.com)

***Utah Attorney General's Office***

*Assistant Attorney Generals*

Patricia Schmid  
Patrick Grecu

[pschmid@agutah.gov](mailto:pschmid@agutah.gov)  
[pgrecu@agutah.gov](mailto:pgrecu@agutah.gov)

*ISI Madison Galt*

---

Madison Galt, Paralegal

Utah Division of Public Utilities