

Pursuant to Utah Code 63G-4-207 and Utah Admin. Code R746-1-108, Highlands Water Company (HWC) petition for leave to intervene in Mountain Green Mutual Water Company's (MGMWC) Application for Exemption before the Public Service Commission of Utah (Commission)

In support of this petition, Petitioners state as follows:

1. Highlands Water Company is a for profit, Commission regulated water utility CPCN # 1520.
2. Highlands provides water service to about 440 customers and plans to serve additional customers within its service area.
3. MGMWC has petitioned the Commission to serve members in an area certificated to HWC in 1976.
4. HWC has been approached many times in the past and as recently as October 2023 to provide water service to this area.
5. MGMWC has indicated in their petition for exemption that they plan to take current customers from HWC when their system is in place. (see page 8, end of last paragraph of document 330621 MtnGrnVlgTrprsLpOpstn 11-3-2023.pdf Docket 23-010-01)
6. In applying MGMWC fails to show HWC service area in their application although HWC has a service area that is next to and indeed included in MGMWC's proposed service area.
7. In certifying that MGMWC's application will not "conflict with or adversely affect an existing certified public utility", MGMWC relies solely on an April 2021 Settlement and Mutual Release Agreement between Highlands Water Company Inc. and MGMWC shareholder Soderby LLC. (see page 40, Explanatory paragraph, last sentence of document 330621 MtnGrnVlgTrprsLpOpstn 11-3-2023.pdf Docket 23-010-01)
8. MGMWC's interpretation of the settlement agreement is flawed and asks the Commission to make a determination based on insufficient information and background.
9. The legal rights and interests of the Petitioners will be substantially affected by the outcome of this proceeding unless the Commission grants leave for Petitioners to intervene, because the Commission will decide the validity of the application without a full understanding of the service area and infrastructure of the Petitioners.
10. MGMWC's application for exemption is adverse to the legal rights and interests of HWC as a regulated water company with a certificated service area, including the area MGMWC proposes to serve.
11. Petitioners have an obligation to protect the interests of our customers and investment of our shareholders.
12. Petitioners are a For Profit Company dependent upon their customer base, without potential to apply for grants or low-interest loans and therefore developers and additional customers help sustain and improve the infrastructure of the company, keep water rates lower and satisfy the shareholders of the company.
13. Petitioners note that Lee's Market (Duane Johnson is an actual partner in Lee's) has asked for and received a Will-Serve Letter from Cottonwood Mutual Water Company

(CMWC), yet MGMWC, whose only members are Duane Johnson and Rulon Gardner, state very clearly that MGMWC will serve Lee's Market and the surrounding lots. Serving this property is the very reason for forming their water company.

14. Both MGMWC and CMWC have issued Will-Serve letters in Petitioner's service area without acknowledging or communicating with Petitioners.
15. Petitioners have pipelines on three sides of the property in question and have concerns that other company's pipelines may interfere with Petitioner's established infrastructure.
16. Petitioners believe there could potentially be pipelines belonging to MGMWC, CMWC, and Northwest Secondary Water Company in addition to the established lines belonging to Petitioners.
17. For these reasons, Petitioners do not believe that MGMWC meets the criteria established by the Commission to be issued a letter of exemption and to operate as an unregulated utility.
18. We believe that the Commission needs additional information in order to make a determination on the merits of this application for exemption.

In conclusion, this is not about serving Lee's Market, because Petitioners respect that the land belongs to Duane Johnson. We are willing to remove his property from our service area, if needed, with the exception of customers we already serve. We are applying to intervene in this request because of the aggressiveness that has been shown by MGMWC and believe our interests may be better protected if MGMWC is a regulated company. We are willing to work with MGMWC and/or CMWC but we need a seat at the table in working through these conflicting service areas. We also need to protect our current and future service area and our customers. Because we, as a regulated company, are required to have a certified service area, there should be some protection of that service area by the Commission, and we believe that protection comes by holding unregulated companies to the standards of unregulated companies as outlined in the rules established by the Commission.

For the foregoing reasons, Highlands Water Company does not believe that MGMWC meets the criteria established by the PSC to operate as an unregulated utility. We respectfully request that the Public Service Commission deny MGMWC's request to issue a Letter of Exemption to MGMWC in Docket No. 23-2643-01 at least until Docket No. 23-010-01 is concluded and HWC's service area is determined.