

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

WATERPRO INC.'S APPLICATION
FOR A CULINARY WATER RATE
INCREASE

Docket No. 25-2443-01
SETTLEMENT STIPULATION

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This Settlement Stipulation ("Stipulation") is entered into in Docket No. 25-2443-01 by and among WaterPro, Inc. ("WaterPro" or "the Company") and the Division of Public Utilities ("Division"), the parties whose signatures appear on the signature page(s) hereof (collectively referred to as the "Parties" and individually as "Party").

The Parties recommend and request that the Public Service Commission of Utah ("Commission") approve this 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

1. On April 17, 2025, WaterPro filed with the Commission its Notice of Intent for Rate Increase.
2. On July 8, 2025, WaterPro filed its Application for Rate Increase ("Application"), which included 17 attachments (Appendices A-Q) consisting of required and supporting documentation.
3. WaterPro began its culinary water distribution service in 1911. As of December

2024, it serves approximately 8,359 residential and commercial customers within the Draper City boundary. WaterPro is a subsidiary of Draper Irrigation Company (DIC), a non-profit organization owned by its customers.¹ The Commission granted WaterPro a certificate of public convenience and necessity on November 7, 2005, in Docket No. 04-2443-01.²

4. The Commission last granted WaterPro a rate increase on March 12, 2025, in Docket No. 24-2443-01, in which it authorized a 9.5% revenue requirement increase.³

5. On July 29, 2025, the Commission held a scheduling conference, and it issued a Scheduling Order on August 1, 2025.

6. On July 22, 2025, the Division filed comments indicating the Application was comprehensive and substantially complete.

7. On August 26, 2025, WaterPro filed the direct testimony of Darrin Jensen-Peterson, its CEO/General Manager, and the direct testimony of Joshua Bean, the Company's consultant.

8. The Division filed the direct testimony of Tamra Dayley on December 8, 2025.

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

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 settlement discussions.

¹ Application for Rate Increase at 4.

² *Application of WaterPro, Inc. for a Certificate of Public Convenience and Necessity*, Docket No. 04-2443-01, Report and Order (Nov. 7, 2005).

³ *WaterPro, Inc.'s Application for a Culinary Water Increase*, Docket No. 24-2443-01, Order Approving Stipulation and Associated Tariff Changes (Mar. 12, 2025).

11. 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 January 27, 2026, as originally scheduled.

SETTLEMENT TERMS

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

Specific Terms

12. Revenue Requirement Increase. The Parties agree that the Company's revenue requirement will be increased approximately 9.5% from the revenue requirement established by the Commission in the Company's last general rate case in Docket No. 24-2443-01. The total operating revenue requirement, including the proposed increase of 9.5% and the recommended rate of return of [REDACTED], established by this Stipulation is approximately \$ [REDACTED]

13. Rate Revisions. The Parties agree that the Company's rate structure will be as shown in Table 1. If the Commission approves the proposed rate revisions in this Stipulation, WaterPro requests an effective date of April 1, 2026.

Table 1			
Customer Category	Existing	Proposed	
Residential	\$23.73	\$25.98	Monthly Fee
Lifeline	\$15.07	\$16.50	Monthly Fee
Multiplex	\$23.73	\$25.98	Each Month for First Unit
	\$17.15	\$18.78	Each Month for Each Additional Unit
Apartment	\$23.73	\$25.98	Each Month for First Unit
	\$17.15	\$18.78	Each Month for Each Additional Unit

Table 2 below shows the proposed rate adjustment to the tiers for each of the Company's five service areas.

Table 2					
Additional Usage Fees:			*(gal. = gallons)		
	Existing	Proposed			Change (\$)
All Other Residents					
Tier 1	\$1.62	\$1.77	per 1,000 gal.	0 gal. used up to 12,000 gal.	0.15
Tier 2	\$2.19	\$2.40	per 1,000 gal.	12,001 gal. up to 30,000 gal.	0.21
Tier 3	\$3.42	\$3.74	per 1,000 gal.	30,001 gal. up to 75,000 gal.	0.32
Tier 4	\$4.82	\$5.28	per 1,000 gal.	75,001 gal. per month and over	0.46
South Mountain Upper (Country Club)					
Tier 1	\$1.80	\$1.97	per 1,000 gal.	0 gal. used up to 12,000 gal.	0.17
Tier 2	\$2.38	\$2.61	per 1,000 gal.	12,001 gal. up to 30,000 gal.	0.23
Tier 3	\$3.59	\$3.93	per 1,000 gal.	30,001 gal. up to 75,000 gal.	0.34
Tier 4	\$4.99	\$5.46	per 1,000 gal.	75,001 gal. per month and over	0.47
South Mountain Lower					
Tier 1	\$1.73	\$1.89	per 1,000 gal.	0 gal. used up to 12,000 gal.	0.16
Tier 2	\$2.30	\$2.52	per 1,000 gal.	12,001 gal. up to 30,000 gal.	0.22
Tier 3	\$3.53	\$3.87	per 1,000 gal.	30,001 gal. up to 75,000 gal.	0.34
Tier 4	\$4.91	\$5.38	per 1,000 gal.	75,001 gal. per month and over	0.47
Cove of Bear Canyon					
Tier 1	\$1.84	\$2.01	per 1,000 gal.	0 gal. used up to 12,000 gal.	0.17
Tier 2	\$2.41	\$2.64	per 1,000 gal.	12,001 gal. up to 30,000 gal.	0.23
Tier 3	\$3.62	\$3.96	per 1,000 gal.	30,001 gal. up to 75,000 gal.	0.34
Tier 4	\$4.91	\$5.38	per 1,000 gal.	75,001 gal. per month and over	0.47
Little Valley					
Tier 1	\$2.03	\$2.22	per 1,000 gal.	0 gal. used up to 12,000 gal.	0.19
Tier 2	\$2.51	\$2.75	per 1,000 gal.	12,001 gal. up to 30,000 gal.	0.24
Tier 3	\$3.62	\$3.96	per 1,000 gal.	30,001 gal. up to 75,000 gal.	0.34
Tier 4	\$5.11	\$5.60	per 1,000 gal.	75,001 gal. per month and over	0.49

14. No Other Rate or Tariff Changes. The Parties agree that except for tariff sheet changes to reflect the increased rates no other rate or tariff changes are requested or required.

15. Updated Tariff Sheets. The Parties agree that WaterPro has reviewed and revised its tariff to reflect the rate increase set forth above, and the Parties seek approval of those updated tariff sheets provided here as Attachment 1 to this

Stipulation. Once approved, the revised tariff sheets will be available along with the rest of the Company's tariff for public viewing at its offices in Draper, Utah.

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

- a. On or about December 20, 2025, WaterPro notified its customers of its proposed rate revisions in the current rate case with the Commission on its website. The information regarding the current rate case remains on the Company's website.
- b. On or about December 31, 2025, the Company again notified its customers of the current rate case in its billing statements.
- c. On or about December 31, 2025, WaterPro notified its customers of the hearing and public witness hearing dates and times in its monthly newsletter, which is emailed to customers who have opted for electronic communications and sent via U.S. mail to all other customers.
- d. On January 2, 2026, the Division filed its Unopposed Motion to Suspend the Scheduling Order Except for Hearing Dates and for Expedited Consideration.
- e. On January 5, 2026, the Commission granted the motion and, if the Parties reached an agreement, required the Parties to file the settlement with the Commission on or before January 21, 2026.
- f. After this Stipulation is filed with the Commission, WaterPro will notify its customers of its filing, and will inform the customers that the hearing and the public witness hearing will be held as originally scheduled on January

27, 2026. WaterPro will also inform the customers that, if a rate change is granted, it has requested an effective date of April 1, 2026.

General Terms

17. Admission into Evidence. The Parties agree that all prefiled testimony and exhibits will be admitted as evidence into the record.

18. 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.

19. Stipulation Taken as a Whole. Not all Parties may agree that each aspect of this Stipulation is supportable in isolation. Utah Code 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, the Parties agree that this Stipulation is just and reasonable in result and is in the public interest.

20. Commission Approval. In the event the Commission rejects any part or all of this Stipulation or imposes any additional material conditions on approval of this Stipulation, each Party reserves the right, upon written notice to the Commission and the other Party, within 15 days of the date of such action by the Commission, to withdraw from this Stipulation. In such case, no Party shall be bound or prejudiced by

the terms of this Stipulation, and each Party shall be entitled to seek reconsideration of the Commission's order, file testimony as it chooses, cross-examine witnesses, or otherwise present its case in a manner consistent with the Commission's rules.

21. 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.

22. 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.

23. 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 16 day of January, 2026.



Darrin Jensen-Peterson
CEO/General Manager
WaterPro, Inc.



Chris Parker
Director
Division of Public Utilities