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Investigation re: the Rates of Legacy  
Sweetwater, Inc.

DOCKET NO. 26-2280-01

NOTICE OF INVESTIGATION AND ACTION  
REQUEST TO THE DIVISION OF PUBLIC  
UTILITIES

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ISSUED: February 13, 2026

Based on documents attached to a recent customer complaint (“Complaint”) and Legacy Sweetwater, Inc.’s (LSI) recent filing history with the Public Service Commission (PSC), the PSC believes questions exist concerning whether LSI’s existing rate structure is sufficient to facilitate LSI’s provision of continuing safe, reliable, and adequate service to its customers.<sup>1</sup>

Exhibits attached to the Complaint suggest LSI may be experiencing serious difficulties in meeting its service obligations under its existing rate structure.<sup>2</sup> LSI’s recent filing history with the PSC also raises concerns regarding the sufficiency of LSI’s rate structure. Twice in 2025, LSI initiated dockets with the PSC to increase rates but subsequently withdrew or elected not to prosecute those requests.<sup>3</sup> In those previous filings, LSI represented its “costs have increased significantly, and [its]

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<sup>1</sup> See *Formal Complaint of Sam Ray against LSI*, Order Dismissing Complaint issued Feb. 13, 2026 [hereafter “Complaint Docket”].

<sup>2</sup> See *id.*, Complaint at Ex. 2 (correspondence explaining the Division of Drinking Water had advised that rates should be “10 times higher” and potential for bankruptcy).

<sup>3</sup> See *LSI’s Request for a Rate Increase*, Docket No. 25-2280-01, Notice of Intent to File a Request for a Rate Increase filed Jan. 14, 2025; *LSI’s Request for a Rate Increase*, Docket No. 25-2280-03, Notice of Intent to File a Request for a Rate Increase filed Jul. 30, 2025.

system is in need of repairs.”<sup>4</sup> Earlier, in 2022, LSI submitted a notice of intent to request a rate increase, but again LSI did not further pursue the request.<sup>5</sup>

LSI also filed a request to be exempted from the PSC’s regulation in 2025 and later withdrew the request.<sup>6</sup> Correspondence attached to the Complaint in Docket No. 25-2280-04 further suggests LSI may have been advised to seek the exemption because of a pressing need to increase its rates.<sup>7</sup>

LSI has previously represented to the PSC its current rates stem from a proceeding in 2006,<sup>8</sup> and LSI’s tariff currently on file with the PSC is dated September 26, 2006.<sup>9</sup>

Given the foregoing, the PSC is concerned that LSI’s existing rate structure may not be sufficient to adequately fund LSI’s continued provision of safe, reliable, and adequate service to its customers. The PSC, therefore, asks the Division of Public Utilities (DPU) to investigate and submit comments to the PSC by **Tuesday, April 7, 2026**, addressing whether LSI’s existing rate structure is adequate to fund LSI’s continued provision of safe, reliable, and adequate service to its customers and

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<sup>4</sup> *Id.*

<sup>5</sup> See *LSI’s Request for a Rate Increase*, Docket No. 22-2280-01.

<sup>6</sup> See *Request of LSI for Exemption*, Docket No. 25-2280-02.

<sup>7</sup> See Complaint Docket, Complaint at Ex. 2.

<sup>8</sup> See *LSI’s Request for a Rate Increase*, Docket No. 25-2280-03, Notice of Intent to File a Request for a Rate Increase filed Jul. 30, 2025 (explaining that, prior to 2025, LSI’s last rate increase occurred in September of 2006).

<sup>9</sup> See LSI Tariff for Water Service in the State of Utah, effective Sept. 26, 2006, available at [https://commerce.utah.gov/wp-content/uploads/2021/11/Legacy-Sweetwater-Tariff\\_Date-09-26-06\\_Docket-06-2265-T01.pdf](https://commerce.utah.gov/wp-content/uploads/2021/11/Legacy-Sweetwater-Tariff_Date-09-26-06_Docket-06-2265-T01.pdf) [hereafter “Current Tariff”].

recommending whether additional regulatory proceedings are necessary or warranted to ensure LSI's rates are just, reasonable, and sufficient.

The PSC encourages LSI to collaborate with DPU in this investigation and any further proceedings that may be necessary to better enable LSI to fund its operations and any necessary capital improvements

DATED at Salt Lake City, Utah, February 13, 2026.

/s/ Michael J. Hammer  
Presiding Officer

Attest:

/s/ Gary L. Widerburg  
PSC Secretary  
DW#343877

CERTIFICATE OF SERVICE

I CERTIFY that on February 13, 2026, a true and correct copy of the foregoing was delivered upon the following as indicated below:

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