



State of Utah

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June 19, 2026

Chris Parker
Director, Division of Public Utilities
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84111

Re: *Investigation re: the Rates of Legacy Sweetwater, Inc.*; Docket No. 26-2280-01

Dear Mr. Parker,

The Public Service Commission ("PSC" or "Commission") reviewed the Division of Public Utilities' (DPU) Comments ("Initial Comments") filed on April 1, 2026, and Amended Comments ("Amended Comments") filed on April 29, 2026. The Initial Comments were filed in response to the PSC's February 13, 2026, Notice of Investigation and Action Request to the DPU ("Initial Action Request") and the Amended Comments were filed in response to the PSC's April 1, 2026, Amended Action Request to the DPU ("Amended Action Request").

The Initial Action Request was initiated due to documents attached to a recent customer complaint¹ and Legacy Sweetwater, Inc.'s ("LSI") filing history. The PSC asked the DPU to investigate whether LSI's existing rate structure is adequate to fund LSI's continued provision of safe, reliable, and adequate service to its customers and whether additional regulatory proceedings are necessary or warranted to ensure LSI's rates are just, reasonable, and sufficient. As part of its investigation, the DPU met with representatives of LSI and evaluated its current revenue, expenses, assets and accumulated depreciation from 2024, 2025, and 2026 year-to-date. The Initial Comments concluded that while the initial rates are insufficient, LSI has filed its Application for a General Rate Increase, Interim Rate Increase, and Approve New Tariff ("General Rate

¹ See *Formal Complaint of Sam Ray against Legacy Sweetwater, Inc.*, Docket No. 25-2280-04.

Case”) on March 26, 2026², therefore no additional regulatory filings are necessary currently. The DPU did recommend, however, that LSI’s rates be evaluated every 5 years to prevent rate shock and to true-up any expense projections that may not accurately reflect current situations due to inflation or unforeseen circumstances.

The Amended Action Request directed the DPU to investigate whether LSI’s collection practices are consistent with Utah Code § 54-3-7 and determine the status of the community’s boil water notice. To conduct its investigation, the DPU submitted a data request to LSI on April 16, 2026, for detailed customer billing and account information, subsequently engaging with LSI management to resolve technical questions regarding the data provided. Additionally, the DPU investigated the boil order’s underlying causes and mitigation efforts by consulting with John Chartier, an engineer from the Division of Drinking Water (“DDW”), and speaking with the local Homeowners Association (“HOA”) leadership.

The DPU found no evidence that LSI is violating Utah Code § 54-3-7, as the review confirmed all customers are being billed uniformly according to the tariff. While the investigation identified several delinquent accounts, attributed to LSI’s limited resources and the transient nature of the service area, the DPU noted that LSI has recently implemented electronic payment options to streamline collections and ensure prompt payment. Regarding the water safety status, the DPU clarified that the mandatory boil order issued by the DDW in 2025 is no longer in effect; the current notice is a voluntary advisory maintained by LSI as a proactive safety precaution concerning backflow prevention. Backflow protection was recently codified in HOA policy³ and the HOA is working with LSI to resolve backflow protection compliance.

The PSC appreciates the DPU’s diligent efforts in investigating LSI’s billing practices and water safety status to ensure the utility’s operations remain in the public interest. Based on the DPU’s findings in the Amended Comments, and there being no evidence of improper billing practices under Utah Code § 54-3-7 or a continuing mandatory boil order, the PSC concludes that no additional action is necessary or warranted at this time. As the broader issue regarding LSI’s rate adequacy is currently being addressed in the pending General Rate Case, the PSC finds the DPU’s reports to be comprehensive and the investigative phase of this request to be complete.

Sincerely,

/s/ Gary L. Widerburg
PSC Secretary
DW#345849

² See *Legacy Sweetwater, Inc.’s Request for a Rate Increase*, Docket No. 25-2280-03.

³ See DPU’s Amended Comments: DPU Exhibit 1, Cross Connection Control Policy; and DPU Exhibit 2, Cross Connection/Backflow Ordinance.