



**Summit View Water Works LLC
Docket UW-240589**

Staff Informal Data Request Set #1
Ref# 4-1242
Issued 8/2/24 & Due 8/9/24

The remaining responses for staff's first set of informal data requests (IDR #1-5, 1-6 and 1-7) are provided here. Responses for Staff IDRs #1-1 through 1-4 and 1-8 through 1-10 were submitted on August 7, 2024. We are still locating a few invoices for IDR #1-7 as noted below but given the considerable amount of information being requested spanning a six-year period, we would like to request additional time to provide those few remaining items.

Staff Informal Data Request #1-5

Please explain why the company is adding 300 basis points to the prime rate, which is above the 200 basis points normally added by commission models.

Response for IDR #1-5

We added 300 basis points to bring the company's artificially low cost of equity to 11.5 percent. However, we now understand that the commission provides water companies with a 12 percent cost of equity, which would be a 3.5 percent increase to prime (as of 7/31/24). Therefore, we request that 350 basis points be added to the prime rate for calculating SVWW's cost of equity for this rate case.



Staff Informal Data Request #1-6

Please identify the lenders on DPK-03, 4.2 Cost of Debt. Are any of the loans from affiliated interests?

Response for IDR #1-6

For tracking purposes, I've exported the lender information from Exhibit DPK-03, Sch 4.2, into the table below, with letters identifying each lender, and the corresponding file names for the documents provided in this request.

The lenders from Sch 4.2 are Candy Mountain LLC (CMLLC), Tri City Development Corp (TCDC), Ally Financial, and M/s Clark and Rathbun. All notes except Ally Financial are affiliated interest loans.

Also being provided (in the attached zip file, "240589 – IDR #1-6 response – Prom Notes") are the promissory notes with Candy Mountain LLC and Tri City Development. Although not requested, we believe this information will be useful for staff's review and provide support for these arms-length transactions. The notes payable for the Ditch Witch (E1 and E2) represent funds provided by the owners to purchase this asset and were characterized as a "handshake" agreement, on advice of previous counsel. Therefore, the company has been appropriately tracking its payments for these loans on an amortization schedule.

Export from Exh DPK-03, Sch 4.2		
Notes Payable	Amount	Response File Name
C N/P CMLLC SV Infra Dom Ph 12-14	\$379,067	240589 – IDR #1-6 Prom Note - C
B N/P CMLLC SV Infra Ir Ph 12-14	317,108	240589 – IDR #1-6 Prom Note - B
A N/P CMLLC Reservoir 2	425,375	240589 – IDR #1-6 Prom Note – A
H N/P CMLLC Infra D Ph 8-11 R 1-4	844,986	240589 – IDR #1-6 Prom Note – H
G N/P CMLLC Infra I Ph 8-11 R 1-4	543,781	240589 – IDR #1-6 Prom Note – G
E2 N/P KR Ditch Witch	28,945	
E1 N/P GC Ditch Witch	28,945	
N/P Ally Financial	52,839	
D N/P CM LLC	132,040	240589 – IDR #1-6 Prom Note – D
F N/P TC Development	132,040	240589 – IDR #1-6 Prom Note - F



Staff Informal Data Request #1-7

Please provide invoices for all assets placed in service on or after November 1, 2018.

Response for IDR #1-7

For tracking purposes, I’ve exported the assets in question from Exhibit AML-02 – Regulatory Depreciation, into the table below, with letters identifying each asset.

There are more than 20 assets listed on the company’s regulatory depreciation schedule that were placed into service after 10/31/2018. Understandably, we are still working on locating a few of the requested invoices (identified in the following table with blue font) and will provide those as soon as they can be identified. The requested invoices, for the remaining assets, are included and identified in the attached zip file, “240589 – IDR #1-7 response – Invoices.”

SVWW Assets place into service after 10/31/18				
	Description	Original Cost	In-service Date	
Domestic	A	Ph 8-11	\$844,986	1/1/2019
	B	Ph 12-14	379,067	3/20/2023
	C	Meters	14,464	various in-service dates
	D	Water System Plan	15,620	8/17/2023
	E	Kamstrup Meters	25,103	8/1/2024
Irrigation	F	Ph 8-11	543,871	1/1/2019
	G	Ph 12-14	317,108	3/20/2023
	H	Pond Rehab	30,063	1/18/2021
	I	Layne Pump Irrig	60,000	6/7/2021
Common	J	#2 Reservoir – dev costs	9,093	8/24/2019
	K	#2 Reservoir	425,375	3/20/2023
	L	Layne Pump S02	22,950	3/7/2019
	M	Ditch Witch	57,890	10/1/2020
	N	Hydrant Wrench	25,572	1/26/2023
	O	Fire Hydrant Meter	1,042	6/11/2021
	P	Detector	769	3/4/2020
	Q	Starlink Security System	606	3/16/2023
	R	Computers	4,569	3/28/2023
	S	2019 Chevy Silverado	36,991	12/31/2019
T	2019 Dodge Ram 5500	72,839	6/6/2020	