

Open Meeting Presentation
February 22, 2024

Summit View Water Works
Item #3
Docket UW-230555

Good morning commissioners. My name is Ann LaRue from Kalahiki Consulting and I'm representing Summit View Water Works, in Docket UW-230555.

Before the commission makes a decision on staff's recommendation for this case, the company has asked me to speak on its behalf. A copy of this presentation and the supporting documents will be submitted under this docket.

Summit View is extremely frustrated with how commission staff has handled this general rate case. Ms. Stark has concluded that this company's general rate case does not support a rate increase, but the company believes that an increase in its tariff rates is, in fact, necessary. However, as the company enters its third year with this case, with countless staff delays, and after submitting four extension letter requests, it's apparent that this rate case cannot move forward in any meaningful way.

Fearing that subsequent company filings will be handled the same way as this, Summit View requested that I share this information at this open meeting, to hopefully avoid the same issues from this rate case recurring in future filings.

Background

Since inception, Summit View Water Works has worked diligently to be in compliance with the often complicated state and federal requirements and UTC regulations impacting investor-owned water companies.

The company worked with staff member Jim Ward to establish its first tariff with the UTC in 2006, and again in 2011 when Mr. Ward helped the company file its first rate case. And when Summit View filed its 2018 rate case, they again worked closely with staff when Mr. Ward and Greg Hammond helped them develop the company's water rate models using individual workbooks created by the UTC.

In March 2022 – as it did in 2006, 2011, and 2018 – Summit View, once again, reached out to staff requesting technical assistance with its next rate case. Utilizing a 2021 test year and the water models that Mr. Ward and Mr. Hammond developed in the 2018 rate case, Summit View requested a “pre-review” of its models' results in anticipation of filing its next general rate case, consistent with previous staff policy.

Four months later – in July 2022 – Tiffany Van Meter stated that staff would notify the company once the pre-review was complete, and also noted that staff was using the Summit View workbooks for training purposes for systems that supply both irrigation and domestic water service - indicating to the company that its workbooks were not only unique, but also properly constructed and accurate.

In February 2023 – almost a full year after Summit View first submitted its water rate models for pre-review with commission staff, and seven months after Summit View was notified that the pre-review was underway, Ms. Van Meter informed the company that any rate review would require Summit View to officially submit the rate case through the UTC portal and that the company needed to update its test year to 2022, prior to submission.

In June 2023, with the help of attorney Rick Finnigan, Summit View submitted this rate case with an updated test year and an effective date of 11/1/23 - intentionally providing staff with almost 120 days (4 times the statutory 30-day requirement) to complete its analysis and become familiar with the operational nuances of this company.

More than two months later, staff member Rachel Stark contacted Summit View stating that she had been assigned the case. The company responded timely to all staff requests for information, however Ms. Stark informed the company that staff would be unable to complete its review timely and requested Summit View file an extension letter to extend the effective date to 12/1/23, giving staff an additional 30 days to complete its analysis.

Five days before the scheduled open meeting for a December 1 implementation date, on 11/17/23, Ms. Stark sent staff's combined water model to the company. Without enough time to discuss the various proposed adjustments, the company was forced to file yet another extension letter request. This back-and-forth inexplicably continued through an additional two extension letters.

Summit View contacted me at the end of January requesting my assistance with this case. A few days later, on 2/5/24, Ms. Stark provided staff's latest revised model to Summit View. When the company responded requesting a "bit of time" to allow me to get up-to-speed and review the revised model with the company, Ms. Stark once more requested the company extend the effective date or "Staff will be ready to suspend the filing and set it for hearing at the next open meeting on 2/22/24."

Conclusion

Over two years and countless staff delays, this company has been trying to work with commission staff to file an accurate and comprehensive rate case. Summit View today has two years of sunk costs and no viable options to move this present case forward. Therefore, since the commission has not yet issued a suspension order, it is with great exasperation and disappointment that Summit View Water Works withdraws this general rate case.

My observation of the treatment of numerous general rate filings at the UTC is that far too frequently staff's practice is to run out the clock - often providing the results of their analysis to the company mere days before the open meeting, forcing companies to either accept staff's often incomplete, unilateral, or unexplained adjustments, or forfeit another month of revenue by submitting an extension letter. Staff's rather nonchalant attitude toward lost revenues month after month for regulated companies shows a lack of understanding for the challenges facing investor-owned businesses and the staff mandate to ensure regulated companies are financially viable. Additionally, it shows a fundamental lack of understanding of the UTC mission, which requires investor-owned utility services to be fairly priced.

By bringing this information to light during this open meeting, Summit View hopes that any subsequent filings will be more fairly and expeditiously handled by commission staff. We trust the commission would agree that no one should hesitate to bring legitimate issues of concern to the commission for fear of retribution or retaliation in future proceedings.

In a recent open meeting, commission staff commended some companies for working collaboratively with them saying, "Teamwork really does make the dream work," and the commissioners joined in that accolade. We hope that the Water & Transportation staff can also recognize the importance of working cooperatively with regulated companies - providing the time necessary to discuss pertinent issues and to allow for full explanations of all staff-proposed adjustments and the resulting revenue requirement impact. Summit View and I look forward to working collaboratively with commission staff in all future filings involving this family-owned company.

Thank you for your time and consideration today. I am available for questions. And the company controller is also on the line.