

On December 29, 2017, Great Basin Water Company (GBWC) filed a General Rate Case (GRC) application with the Public Utilities Commission (Docket 17-12022). The full testimony submitted by GBWC can be found on the PUCN's website:

<http://pucweb1.state.nv.us/PUC2/Dktinfo.aspx?Util=Water>

The Spring Creek Association is closely following these proceedings and filed a petition for leave to intervene in the docket with the PUCN. This request was granted by the PUCN on March 6, 2018.

The approval means that the SCA is now a legal party to the proceedings allowing them to participate in the discovery process by submitting questions to GBWC and to submit sworn testimony supporting SCA's position to the PUCN.

The PUCN has set Wednesday, April 5, 2018 for a consumer session to be held at Spring Creek High School at 6:00 pm. Attendees typically include representatives from the PUCN Staff, the Bureau of Consumer Protection (BCP), and GBWC. This session will provide an opportunity for customers to ask questions to the parties and make comments regarding the rate case and other issues.

SCA is currently developing a number of discovery questions that will be submitted to the parties which are designed to support its position. SCA will then submit its sworn testimony by May 10, 2018. GBWC will then submit rebuttal testimony by May 31, 2018. The hearing to decide the case is scheduled for June 11-13, 2018. The SCA will be at the hearing and due to its intervenor status will be at the hearing and allowed to present its testimony and cross examine the other witnesses.

The GRC requests a number of items including:

- ☐ A description of the GBWC – Spring Creek Division (GBWC-SCD) organization
- ☐ Update on their Water Conservation Program
- ☐ Status of the Sarman (Oakmont Water Tank) litigation
- ☐ Summary of their legal costs associated with Docket 16-12006 (Meter Reading Issue)
- ☐ Discussion of a proposed Deferred Water Service Adjustment (DWSA) which is also known as decoupling.
- ☐ A rate increase for water service and a decrease for sewer service
- ☐ Request to place 7 capital projects that were recently placed into service into rate base.
- ☐ Summary of preventative maintenance programs used by GBWC.

Below is a brief summary of key requests from GBWC's application.

**Water Conservation Program:** GBWC has issued two customer rebates totaling \$100 for high efficiency toilet replacements and four customer rebates totaling \$300 for high efficiency washing machine replacements. GBWC is asking to continue tracking ongoing water conservation programs through a regulatory asset to allow them the option of recovering these costs in a future rate case.

**Sarman (Oakmont Water Tank) Litigation:** This litigation refers to judicial action taken to condemn land for the replacement of the tank which was needed to provide improved fire protection and operation storage for the east half of the 300 tract. The litigation is still pending with total current costs of \$68,674.14. GBWC is seeking approval to continue tracking the litigation costs as a regulatory asset to provide an opportunity to recover these costs in a future rate case.

**Meter Reading Issue Legal Fees:** The current legal fees are \$67,359.59. GBWC is seeking recovery of these costs in this rate case as they claim the fees were incurred in the ordinary course of business that are just, reasonable, and prudently incurred.

**DWSA (Decoupling):** GBWC seeking approval to implement DWSA due to Spring Creek customers' efforts to reduce water consumption. The Nevada legislature has provided an option for utilities to request DWSA to help recover fixed costs due to reduced demand in water consumption.

Decoupling, as proposed, would allow GBWC to recover the difference between the water sales forecast from the preceding 12 months and the actual water consumption from that 12 month period. If the actual usage is less than the forecast than that difference will be spread equally over all customers through a monthly rate increase to recover that amount over the next 12 months. The cycle will begin again at the end of each 12 month period. The opposite will happen if the actual usage is more than the forecast providing customers with a monthly rate decrease over the next 12 months. The results will be "trued up" in the next GRC filing.

**Water Rate Decrease:** GBWC is requesting approval to decrease its water service rate base by \$400,774 for an overall revenue requirement of \$4,423,197 which is an average decrease of 8.31%. GBWC provides calculations showing that its total weighted cost of capital is 7.704%. This cost of capital is a factor in the discussion to determine GBWC's authorized rate of return.

GBWC has two water systems, one that serves the 200 Tract with the second serving the other tracts. They have 4,870 metered water customers. Twelve ground well supply water which can be stored in ten water tanks.

**Sewer Water Increase:** GBWC is seeking approval to increase its sewer revenue requirement by \$28,280 for an overall revenue requirement of \$176,278 which is an average increase of 19.11%. The sewer system waste water treatment facilities, septic tanks, leach fields and a package secondary treatment plant. These facilities have a current average annual usage of 34,000 gallons per day. GBWC says the facilities will require expansion when it reaches 42,500 gallons per day to satisfy NDEP requirements.

**Projects Placed-in-Service:** Seven projects totaling \$800,369 were placed into service since the last GRC. Six of the seven projects were approved by the PUCN in the 2015 Integrated Resource Plan (IRP).

The SCA has a number of questions in all aspects of the GRC and will follow up on them through the discovery process and then will submit our concerns and recommendations through testimony to be submitted by May 10 to the PUCN.

In addition, GBWC filed their 2018 Integrated Resource Plan on March 1, 2018 which has been identified as Docket 18-03005. The IRP is required to be filed every 3 years and is intended to provide an outlook of GBWC projects over the next 20 years to help the company and its customers plan for potential impacts of proposed projects. The SCA and Senator Goicoechea and Assemblyman Ellison met with GBWC in February to begin understanding the projects GBWC will be proposing in this 20 year plan. We will continue to stay involved in reviewing this plan as it will directly affect the citizens in Spring Creek.

The SCA intends on petitioning the PUCN for intervenor status to allow its full participation in these proceedings. The SCA wants to make sure its membership has input into the future of the water system. A pre-hearing has been scheduled for April 16, 2018 at 1:30 pm which will likely determine the key deadlines for submitting testimony and the hearing.