

**February 8, 2018**

**Update on rate case filed by Great Basin Water Company**

On December 29, 2017 GBWC filed an application with the Public Utilities Commission of Nevada (PUCN). The major components of this case include a request to decrease water rates by approximately 8.3%, an increase to sewer service rates and a request to decouple water sales from actual use which would allow GBWC to recover its authorized water revenue without regard to the difference in the quantity of water actually sold, recovery of \$68,172.29 in legal costs associated with the recent meter reading issue case, and to continue deferring costs associated with the Oakmont Tank litigation.

In order to assure the SCA is representing its membership and because the SCA is the largest GBWC water customer in Spring Creek, the SCA has filed a petition for leave to intervene with the PUCN. If this request is granted, the SCA will be able to participate in the discovery process which would allow the SCA a seat at the table, give us the ability to query GBWC experts who submit testimony in the case and most importantly allow the SCA the opportunity to prepare testimony that would be part of the record and considered as the PUCN makes decisions related to this case. The SCA is working with various entities to help participate in these proceedings and to help prepare expert testimony to support our positions.

The PUCN has scheduled a pre-hearing conference to consider our request to intervene and to set the procedures and time tables to submit testimony. This hearing is scheduled on February 22 at 9:30. The SCA will be participating remotely rather than traveling to Carson City or Las Vegas. You can watch the hearing by going to the PUCN's website under the agenda tab. If you wish to review the testimony that GBWC has already submitted, please go to this link <http://pucweb1.state.nv.us/puc2/Dktinfo.aspx?Util=Water> and look for Docket 17-12022.

If their rate increase is granted with no changes, the Water Service rates would change as summarized in the below table:

<b>Consumption</b>	<b>Present Charge (per 1,000 gallons)</b>	<b>Proposed Charge (per 1,000 gallons)</b>	<b>Percent Change</b>
Tier 1 (5,000 gallons or less)	\$3.47	\$3.30	-4.90%
Tier 2 (5,001 to 99,999 gallons)	\$4.57	\$4.24	-7.22%
Tier 3 (100,000 gallons or more)	\$5.29	\$4.51	-13.70%

The Sewer Service Rates are summarized in the below table.

<b>Property Type</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Percent Change</b>
Residential	\$44.80	\$57.84	29.11%
Commercial	\$197.81	\$203.29	2.78%
¾"	\$197.81	\$203.29	2.78%
1"	\$197.81	\$203.29	2.78%
1.5"	\$197.81	\$203.29	2.78%

The SCA will be closely following the request to decouple their revenue from actual usage. If this request is granted, the GBWC will adjust the water rates once every 12 months to match the actual usage with sales forecasts. If the usage is less than forecast, GBWC would be allowed to increase water rates and vice-versa if the usage is more than forecast. The intent for allowing decoupling is to help recover "lost revenue" due to water conservation efforts. However, the SCA believes that their proposed methodology may have intended consequences and may limit accountability in developing an accurate sales forecast.

We will also follow their request to recover their legal costs associated with the meter reading issue which affected many of our members. This was a problem created by lack of controls and procedures. We should not have to bear the burden of their legal costs which will continue to increase as GBWC has stated their intent to appeal the case in the judicial system.

Next, the GBWC is preparing to file an application to approve their Integrated Resource Plan which summarizes the preferred projects they believe are needed over the 3 to 20 years. We will update you more as information becomes available.

Call SCA with any questions or comments and ask for Jessie.