

BEFORE THE PUBLIC UTILITIES COMMISSION
STATE OF COLORADO

Proceeding No. 22AL-0192W

IN THE MATTER OF ADVICE LETTER NO. 8 FILED BY DALLAS CREEK WATER COMPANY TO INCREASE UTILITY RATES AND FEES, TO BECOME EFFECTIVE JUNE 1, 2022.

UNANIMOUS COMPREHENSIVE SETTLEMENT AGREEMENT

INTRODUCTION AND IDENTIFICATION OF PARTIES

This Unanimous Comprehensive Settlement Agreement (“Settlement Agreement” or “Agreement”) is filed on behalf of Dallas Creek Water Company, Inc. (“Dallas Creek” or the “Company”), Trial Staff (“Staff”) of the Colorado Public Utilities Commission (“Commission”), and the homeowners’ associations Loghill Village Home and Property Owners Association, Fisher Canyon South Property Owners Association, and Fairway Pines Estates Owners Association, Inc (collectively, the “Associations”) (each a “Settling Party” and collectively the “Settling Parties”). There are no parties in this proceeding outside of the Settling Parties.

This Settlement Agreement is intended to resolve all issues (the “Settled Issues”) raised by the Settling Parties in this Proceeding with respect to the Company’s Advice Letter No. 8 dated April 29, 2022, as amended on May 3 and May 23, 2022 (the “Advice Letter”) requesting an increase in utility rates and fees and tariff changes.

SETTLEMENT AGREEMENT

The following terms comprise the Settlement Agreement reached by the Settling Parties. All other provisions of the Advice Letter not altered by this Settlement Agreement, shall have their plain meaning, and shall become effective upon a final decision.

I. Revenue Requirement

The Settling Parties agree to the following terms for Dallas Creek's revenue requirement.

1. Dallas Creeks' revenue requirement is \$1,200,211.
2. Dallas Creek's Operating Ratio is set at 87 percent.
3. In its revenue requirement, Dallas Creek shall recover a Manager salary expense increase of \$10,000 per year. This increase is inclusive of any payroll tax impact. Dallas Creek shall not recover the requested \$42,042 in "dividends in arrears" expense.
4. In its revenue requirement, Dallas Creek shall recover an Administrator salary expense increase of \$11,236 per year. This increase is inclusive of any payroll tax impact.
5. In its revenue requirement, Dallas Creek shall not recover the requested \$70,000 per year in legal fees. Rather, Dallas Creek shall recover \$70,000 in legal fees amortized over a 4-year period, or \$17,500 per year.

II. Rate Design

The Settling Parties agree to the following terms for Dallas Creek's rate design.

1. The Base Service Fee shall be set at \$56.50.
2. The Meter In Service Fee shall be set at \$46.00.
3. Dallas Creek shall impose a tiered volumetric rate for water usage.

4. The In Meter Volumetric Rate for consumption up to 10,000 gallons shall be set at \$11.65 per thousand gallons.
5. The In Meter Volumetric Rate for all consumption greater than 10,000 gallons shall be set at \$16.30 per thousand gallons.
6. The tap transfer fee will be set at \$300. The Settling Parties anticipate this shall result in an additional \$15,000 in revenue for Dallas Creek.
7. The remainder of Dallas Creek's Advice Letter and rate design proposal is unchanged.

III. Customer Notice

The Settling Parties agree to the following terms for future customer notice.

1. Dallas Creek shall publish a notice in the newspaper of general circulation notifying customers about the results and decisions of this proceeding within 10 days of a final Commission decision.
2. Dallas Creek shall publish a notice in the newspaper of general circulation notifying its customers of all future rate proceedings. The notice shall be published at least once each week for two consecutive weeks during the first twenty days of the thirty-day period prior to the effective date of the increase or change. Pursuant to C.R.S. § 40-3-104(1), Dallas Creek shall also publish notice on its public website in a conspicuous manner.
3. Additionally, Dallas Creek shall notify its rate payers of all future rate proceedings by insertion of an advisory message in its billing statements contemporaneous with the filing of any future rate proceeding. The advisory message shall be given to all rate payers, either in the monthly written billing statement, or in the monthly electronic

billing notice given to rate payers who have selected electronic billing. The notice shall advise the rate payers how to access information pertaining to the rate proceeding.

IV. Future Rate Case

The Settling Parties agree to the following terms for Dallas Creeks' next rate case.

1. Dallas Creek is precluded from filing a rate case before June 1, 2024.

GENERAL PROVISIONS

1. Except as expressly set forth herein, nothing in this Settlement Agreement is intended to have precedential effect or bind the Settling Parties with respect to positions they may take in any other proceeding regarding any of the issues addressed in this Settlement Agreement. No Settling Party concedes the validity or correctness of any regulatory principle or methodology directly or indirectly incorporated in this Settlement Agreement. Furthermore, this Settlement Agreement does not constitute agreement, by any Settling Party, that any principle or methodology contained within or used to reach this Settlement Agreement may be applied to any situation other than the above-captioned proceeding, except as expressly set forth herein.
2. The Settling Parties agree the provisions of this Settlement Agreement, as well as the negotiation process undertaken to reach this Settlement Agreement, are just, reasonable, and consistent with and not contrary to the public interest and should be approved and authorized by the Commission.
3. The discussions among the Settling Parties that produced this Settlement Agreement have been conducted in accordance with Rule 408 of the Colorado Rules of Evidence.
4. Nothing in this Settlement Agreement shall constitute a waiver by any Settling Party with respect to any matter not specifically addressed in this Settlement Agreement.
5. The Settling Parties agree to support, or not oppose, all aspects of the Settlement Agreement embodied in this document in any hearing conducted to determine whether the Commission should approve this Settlement Agreement, and/or in any other hearing, proceeding, or judicial review relating to this Settlement Agreement or the implementation

or enforcement of its terms and conditions. Each Settling Party also agrees that, except as expressly provided in this Settlement Agreement, it will take no formal action in any administrative or judicial proceeding that would have the effect, directly or indirectly, of contravening the provisions or purposes of this Settlement Agreement. However, except as expressly provided herein, each Settling Party expressly reserves the right to advocate positions different from those stated in this Settlement Agreement in any proceeding other than one necessary to obtain approval of, or to implement or enforce, this Settlement Agreement or its terms and conditions.

6. The Settling Parties do not believe any waiver or variance of Commission rules is required to effectuate this Settlement Agreement but agree jointly to apply to the Commission for a waiver of compliance with any requirements of the Commission's Rules and Regulations, if necessary, to permit all provisions of this Settlement Agreement to be approved, carried out, and effectuated.
7. This Settlement Agreement is an integrated agreement that may not be altered by the unilateral determination of any Settling Party. There are no terms, representations or agreements among the parties which are not set forth in this Settlement Agreement.
8. This Settlement Agreement shall not become effective until the Commission issues a final decision addressing the Settlement Agreement. In the event the Commission modifies this Settlement Agreement in a manner unacceptable to any Settling Party, that Settling Party may withdraw from the Settlement Agreement and shall so notify the Commission and the other Settling Parties in writing within ten (10) days of the date of the Commission order. In the event a Settling Party exercises its right to withdraw from the Settlement Agreement,

this Settlement Agreement shall be null and void and of no effect in this or any other proceeding.

9. There shall be no legal presumption that any specific Settling Party was the drafter of this Settlement Agreement.
10. This Settlement Agreement may be executed in counterparts, all of which when taken together shall constitute the entire Agreement with respect to the issues addressed by this Settlement Agreement. This Settlement Agreement may be executed and delivered electronically and the Settling Parties agree that such electronic execution and delivery, whether executed in counterparts or collectively, shall have the same force and effect as delivery of an original document with original signatures, and that each Settling Party may use such facsimile signatures as evidence of the execution and delivery of this Settlement Agreement by the Settling Parties to the same extent that an original signature could be used.

Dated this 8th day of September 2022.

Agreed on behalf of:

DALLAS CREEK WATER COMPANY, INC.

By: /s/ James A. Willey
James A. Willey
President,
Dallas Creek Water Company, Inc.

Approved as to form:

**ATTORNEY FOR DALLAS CREEK WATER
COMPANY, INC.**

By: /s/ Scott C. Miller
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Agreed on behalf of:

Trial Staff of the Colorado Public Utilities Commission

Approved as to form:

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By: /s/ Christopher Duncan
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Agreed on behalf of:

**Loghill Village Home and Property Owners Association,
Fairway Pines Estates Owners Association, Inc., and
Fisher Canyon South Property Owners Association**

DUFFORD WALDECK, LLP

By: 
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9-8-22
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