- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Request of Highland Water Co. for Approval of a Rate Increase	))))))	DOCKET NO. 08-010-01 REPORT AND ORDER APPROVING INCREASE IN RATES

ISSUED: June 4, 2009

By The Commission:

Pursuant to prior notice, the Commission conducted a hearing, May 19, 2009, to consider Highland Water Company's (Highland) request for approval of a rate increase, filed October 27, 2008. Appearing at the hearing on behalf of Highland was Roger Smith, Highland's Manager, and, on behalf of the Division of Public Utilities (DPU), Patricia Schmid, Assistant Attorney General, and Shauna Benvegnu-Springer, Utility Analyst. Ms. Benvegnu-Springer testified relative to the DPU's analysis of Highland's request and material provided in support of Highland's requested changes and summarizing the DPU's May 11, 2009, Memorandum, in which the DPU recommended alternative rates and tariff changes to those requested by Highland. Mr. Smith represented that Highland agreed with the DPU's recommendations and supported Commission approval of the rate and tariff changes recommended by the DPU. No other individuals appeared at the hearing; the only comment received regarding Highland's request was a written comment submitted by Mr. Douglas Washburn, a Highland customer, received May 18, 2009. The recommendations include a phased implementation of the increase in the basic service charge; moving to $22 beginning May 1, and to $32 beginning November 1, 2009.

Based upon the evidence received and the representations made by the parties appearing at the hearing, the rate and tariff changes recommended by the DPU in its May 11, 2009, Memorandum are just and reasonable and may be approved by the Commission. They may become effective on the issuance date of this Report and Order. At the hearing, Highland requested an additional rate change to permit Highland to charge a stand-by fee of $15 per month. The DPU supported this additional rate change, indicating that such a charge and the requested amount were similar to like charges included in other water companies' tariffs approved by the Commission. The Commission will consider this specific rate change pursuant to Rule 110, in as much as the stand-by fee was not identified until the day of the hearing. Interested persons will be provided an opportunity to respond to the request and recommendation before the stand-by fee is approved by the Commission. Interested persons may have 20 days from the date of this order in which they may submit an objection to the proposed stand-by fee. If objection is made, the stand-by fee shall be suspended pending hearing on the charge. If no objection is made, the stand-by fee shall be considered approved, without further action by the Commission, and shall become effective on the same date as the other rate changes approved herein.

Tariff sheets incorporating the rates and tariff changes recommended by the DPU have not been filed. Highland represented it will submit corresponding tariff sheets shortly and the DPU will review them to insure compliance with its recommendations. Should the final tariff sheets, corresponding to the tariffs revisions approved by the Commission, be submitted

after the issuance date of this Report and Order, their effective date will, nonetheless, be the issuance date of this Report and Order.

ORDER

Therefore, based on the request of Highland Water Company, and the Division of Public Utility's recommendations, the Commission orders as follows:

1. The overall rate increase requested by Highland Water Company is approved, as modified by the Division of Public Utilities' May 11, 2009, Memorandum.
2. The rates and tariff changes requested by Highland Water Company, as modified by the Division of Public Utilities' May 11, 2009, Memorandum are approved by the Commission
3. The stand-by fee shall be considered as discussed in this Report and Order. Interested persons may file objections to the approval of the fee within 20 days from the date of this Report and Order. If objection is made, the fee shall be suspended, pending hearing by the Commission. If no objection if filed, the stand-by fee shall be approved, without further action by the Commission.
4. Highland shall submit revised tariff sheets incorporating the tariff changes recommended by the Division of Public Utilities. The Division of Public Utilities shall review the revised tariff sheets to ensure their conformance to the recommendations and this Report and Order. The rate changes shall become effective on the date of issuance of the Report and Order.

5. Pursuant to Utah Code § 63G-4-301 and 54-7-15, an aggrieved party may request agency review or rehearing of this Order by filing a written request for review or rehearing with the Commission within 30 days after the issuance of the Order. Responses to a request for agency review or rehearing must be filed within 15

days of the filing of the request for review or rehearing. If the Commission does not grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of Utah Code §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 4th day of June, 2009.

/s/ Sander Mooy
Hearing Officer

Approved and confirmed this 4th day of June, 2009, as the Report and Order of the Public Service Commission of Utah.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#62093