



OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

State of Utah  
Department of  
Commerce

KLARE BACHMAN  
*Executive Director*

JASON PERRY  
*Deputy Director*

**Division of  
Public Utilities**

IRENE REES  
*Director*

August 25, 2004



TO: Utah Public Service Commission

FROM: Division of Public Utilities  
Irene Rees, Director  
Wesley Huntsman, Manager

RE: In the Matter of the Investigation of the Water System Operations of Bridge Hollow Water Association for Certification as a Public Utility or Exemption as a Mutual Water Company, Docket No. 04-2437-01.

This letter memorializes an agreement between the Division of Public Utilities and Bridge Hollow Water Association to delay until September 30, 2004, Bridge Hollow's response and the hearing now scheduled for September 2, 2004 in this docket.

The Attorney representing Bridge Hollow contacted the Division regarding this matter on August 23, 2004 requesting additional time to work with the developer of the Bridge Hollow and Surry Ridge subdivisions served by the water system and attempt to reorganize the association. As the association is currently structured, the developer has voting control of the company even though the system operations have been turned over to the homeowners. They want to explore the possibility of converting the developers stock to nonvoting shares to avoid the mutual company becoming a regulated utility. Such a restructuring appears to be in the water customers interests; therefore, the Division agreed to a postponement.

Accordingly, the Division requests that the response and hearing be delayed as requested above.

CC: Patricia E. Schmid  
Dan Hunter, Esq.  
Attorney for Bridge Hollow