

JON HUNTSMAN Jr. Governor GARY HERBERT Lieutenant Governor

State of Utah Department of Commerce Division of Public Utilities

FRANCINE GIANI Executive Director JASON PERRY Deputy Director CONSTANCE B. WHITE Director, Division of Public Utilities

January 4, 2006

MEMORANDUM

TO: Public Service Commission of Utah

FROM: Division of Public Utilities

Constance B. White, Director

Kent Evans, Manager, Customer Service and Water Section

Bruce Scott Moio, Utility Analyst

RE: In the Matter of the Proposed Amended Rate Increase for Bridgerland Water

Company.

Docket No. 05-001-T02

RECOMMENDATION

Based on its previous audit and analysis the Division concludes that the amended rates proposed by Bridgerland Water Company are just and reasonable. The Division recommends that the Commission allow the amended rates to become effective immediately upon its final order.

SUMMARY

On August 26, 2005 the Commission approved a proposed rate increase for the Bridgerland Water Company (Company) under Docket No. 05-001-T01. The DPU recommended approval of the new tariff in a memorandum sent to the Commission on August 31, 2005. On December 8, 2005 the DPU was notified by the Company that it had inadvertently left out the late fee charge that it intended to include on the tariff approved by the DPU on August 31, 2005. This notice was memorialized in the form of an amended tariff filing. The new tariff is now to include:

"A late fee of 1.5% per month will be charged on any account which is 30 days past due from billing date."

The DPU has in past rate cases for water companies allowed a late fee to be included in water company tariffs and the majority of water companies have some form of a late fee included in their tariffs. Utah Code Title 54 R746-200-4(D) allows for such a fee. There are no other changes or additions to the amended tariff and the DPU recommends the addition of the late fee for the Company on its amended tariff.