

ORIGINAL



State of Utah  
Department of Commerce  
Division of Public Utilities

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GARY HERBERT  
Governor  
GREG BELL  
Lieutenant Governor

MEMORANDUM

**TO:** Public Service Commission of Utah

**FROM:** Division of Public Utilities  
Chris Parker, Director *CP/PD*  
William Duncan, Manager, Telecommunication & Water Section *BD*  
Shauna Benvegnu-Springer, Utility Analyst *[Signature]*

**SUBJECT:** In the Matter of Hi-Country Estates Homeowners' Association's Phase 1 Request for Reassessment of the Commission's Jurisdiction

**RE:** Docket No. 11-2195-01

**DATE:** June 15, 2012

**CORRECTED RECOMMENDATION:** Revoke Letter of Exemption and Re-apply to Re-instate Certificate of Public Convenience and Necessity

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) revoke the Hi-Country Estates Homeowners' Association Phase 1 (Company) Letter of Exemption issued by the Commission and order the Company to re-apply to reinstate the Certificate of Public Convenience of Necessity #2737 under the name Hi-Country states Homeowner's Association Phase I Company, based on the investigation completed by the Division. The Division also recommends the Commission order the Company to submit its current tariff for review and approval as a regulated public utility.

**EXPLANATION:**

The Division issued two data requests to the Company for information of who the customers were that received culinary water service from the Company. The Division also conducted a site visit on April 5, 2012 with Jean Crane. The Company has 132 customers/connections that comprise 33 standby connections, 92 water connections and 6 connections in process. Of the 132 customers/connections, there are 123 customers who are members and have membership/stockholder and voting rights in the Company. The remaining nine (9) customers do not have membership in the Company and do not have voting rights. Seven of the nine

customers have expressed that they do not have nor want membership in the Company. Two of the nine do not pay HOA dues to the Company, only water charges. The remaining two connections (R Dansie) have requested water access. The Company expressed that they do not intend to provide membership to the remaining seven customers/nine connections. These customers are:



**CONCLUSION:**

Based on the findings of the Division and information presented, the Company is serving both members and non-members. As such, the Company is acting as a public utility as defined by Utah Code Annotated 54-2-1(16) (a) and 54-2-1(29). The Division recommends that the Commission revoke the Company's Letter of Exemption issued by the Commission and order the Company to re-apply to reinstate the Certificate of Public Convenience of Necessity #2737 under the name Hi-Country Estates Water Company, based on the investigation completed by the Division. The Division also recommends the Commission order the Company to submit its current tariff for review and approval as a regulated public utility.

cc: Hi-Country Legal Committee (via-email)  
Rodney (Jesse) Dansie  
Patricia Schmid, Assistant Attorney General