

# APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

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Includes Instructions, Checklist of Documents,  
Application and Sample Tariff Document

SMBS

3/22/2011

## INSTRUCTIONS

### Companies applying for Certificate of Convenience and Necessity or Expansion of Service Area

Enclosed is an **application** designed by the Division of Public Utilities (DPU) intended to assist an applicant in providing the appropriate information to the Utah Public Service Commission (PSC). This form can be used as a guideline in applying for authority to operate as a public utility. This form can also be used in applying for expansion of a service area.

Each utility should have a **tariff with a service area map** on file with and approved by the PSC. The tariff should be designed for each company's specific situation and needs and should explain the rules and policies of the water company. Included with this application is a sample tariff, following the application that you will need to replace the highlighted areas with the correct information, that is required by the PSC.

The PSC also has jurisdiction over rates. The PSC approves rates if they are determined to be just and reasonable. The DPU and the PSC have found in working with small water companies and especially those built by developers that the same information is needed to grant either a certificate to operate as a public utility or a letter of exemption from PSC regulation. Copies of the **financial statements** to include a balance sheet and income statement (pro-forma in necessary) will be necessary.

An important step in the approval by the PSC of a Certificate, is the review of the system by the Division of Drinking Water. The PSC has adopted the standards of the Drinking Water Board for quality of water including all standards for designing, building and maintaining a system capable of delivering water of the required quality. For new systems, **plan approval** by the Division of Drinking Water is required **with water source documentation**. This is not to be confused with "Feasibility" which is sometimes requested by local agencies or by the developer himself.

If application is made for a Certificate of Convenience and Necessity, please make **check for \$100.00** payable to the Utah Public Service Commission but mail it to the Division of Public Utilities as it is the DPU that will be processing the application.

If you have any questions regarding the information the Division is requesting, please feel free to contact us at (800) 874-0904 or (801) 530-7622.

Please mail **six (6) completed copies** of the application and one electronic copy and necessary paperwork to:

**Heber M. Wells Building 4<sup>th</sup> Floor  
160 East 300 South  
SM Box 146751  
Salt Lake City, UT 84114-6751**

## CHECKLIST

### Items to Be Included With This Application

- A. **APPLICATION:** Applicant has submitted a certified copy of the articles of incorporation and by-laws unless a copy is on file with the Commission.
- B. **SOURCE OF WATER:** Applicant will be receiving through its water distribution system:
1. water from a Commission approved supplier (copy of the contract or agreement) or
  2. has attached to this application:
    - a. Proof of ownership of water rights, in the name of the company to be regulated or exempted, sufficient to provide the water promised to each customer.
    - b. Proof of ownership of sufficient water storage.
    - c. Proof of ownership of an approved water source with sufficient water flow.
    - d. Evidence of an approved point of diversion (by Division of Water Rights) from a source that is owned by the water company.
- C. **SERVICE AREA MAP:** Applicant **MUST** provided maps (8 1/2" by 11") showing location of water system relative to nearby towns and highways and the proposed platted subdivision.
- D. **FINANCIAL INFORMATION:** Applicant has provided financial statements to indicate financial viability for the past calendar or fiscal year including:
1. A balance sheet for the water company to include a list of all assets with a depreciation schedule, itemized liabilities (both long and short term) and list of shareholders or stockholders who own equity in the company with their proportion shares or percentage of ownership and contact information.
  2. An historical operating statement if the water company is already operating, a projected statement if not yet operating.
  3. Copy of the general ledger for the past calendar or fiscal year to include all revenue and expenses, liabilities, assets, etc. for all transactions.
- E. **TARIFF:** Applicant has provided a proposed tariff which includes proposed rates and service rules and regulations (See TARIFF SAMPLE). Applicant has provided:
1. Calculations to show that the proposed rates are reasonable based upon actual cost of service.  
or
  2. A statement that the proposed rates are less than the full cost of service but that the developer

will subsidize such rates until the system has enough customers on line to operate and cover costs at the proposed rates.

3. A balance sheet for the developer if the water company is to be or was constructed by a developer.
- F. **PLAN OF WATER SYSTEM:** A copy of the proposed plan or the current plan of water system to include engineer's drawings, diagrams, schematics, models with descriptions and explanations of the operating system and distribution.
- G. CHECK for \$100.00
- H. The above checklist covers the items of interest to the Division of Public Utilities. The list does not necessarily include all items the Public Service Commission and the Division of Public Utilities need to review in the application procedure. Additional items may be requested as the Division and Commission become more familiar with the applicant's particular circumstances.

If you have any questions regarding the information the Division is requesting, please feel free to contact us at (800) 874-0904 or (801) 530-7622.

Please mail **six (6)** completed copies of the application and one electronic copy with the necessary paperwork to:

**PUBLIC SERVICE COMMISSION OF UTAH**  
**Heber M. Wells Building 4<sup>th</sup> Floor**  
**160 East 300 South**  
**P O Box 146751**  
**Salt Lake City, UT 84114-6751**

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-BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH-

IN THE MATTER OF THE APPLICATION OF	)	
_____ FOR	)	
A CERTIFICATE OF CONVENIENCE AND	)	DOCKET NO. _____
NECESSITY TO OPERATE AS A PUBLIC	)	
UTILITY RENDERING CULINARY WATER	)	
SERVICE OR EXPANSION OF SERVICE AREA.	)	

APPLICATION

To the Public Service Commission of Utah Salt Lake City, Utah.

1. Exact name of applicant (company name):

**Cedar Ridge Distribution Company**

2. Principal office address, phone number, and email address:

**12435 N Hillcrest Dr.**

**Deweyville, UT 84309**

**435-257-7152**

zcabinets@comcast.net

3. Name of state in which applicant is incorporated and date of incorporation

**Utah – March 3, 1981**

A certified copy of the Articles of Incorporation and By-laws should accompany this application unless a copy is on file with the Commission. If not incorporated, describe the type of organization and state in which it is organized.

N/A

4. The officers and directors (or partners) of applicant are as follows:

Name and Principal  
Office Held

Business Address

**David Z. Thompson**

**12435 N Hillcrest Dr.  
Deweyville, UT 84309**

**Jon Z. Thompson**

**11790 N Hwy 38  
Deweyville, UT 84309**

**Henry Z. Thompson**

**4065 E 9600 N  
Tremonton, UT 84337**

**David Z. Thompson - Manager**

**Same as above**

5. The type of service (water, sewer or both) which applicant proposes to render is:  
**Water (culinary plus outside water)**
  
6. Applicant is in compliance with and agrees to comply with all regulations and requirements of all state and local government agencies. Copies of all required permits and approvals are made a part of this application. Applicant will be receiving through its water distribution system water from a Commission approved supplier or has attached to this application proof of ownership of sufficient water rights, of sufficient storage, of an approved source with sufficient water flow and of an approved point of diversion.  
**Our system will be receiving water from Tremonton City as well as from our own source.**
  
7. If the applicant is conducting operations at the present time, furnish the following information:
  - (a). A description of the nature and extent of the service rendered.  
**Cedar Ridge Dist. Co. is presently providing water service to 32 customers. Water is used both inside and outside (irrigation) for single family residences.**
  
  - (b). The date applicant commenced rendering such service.  
**Water service began in 1980 but the water company was not incorporated until March 3, 1981.**
  
8. The areas which the applicant proposes to serve, and those presently served, if any, are as described below (legal description) and as shown on a map attached hereto (for public utilities a map should also be part of the tariff).  
**The 26 lots of Phase one Cedar Ridge Subdivision (near Deweyville) in Box Elder County as well as 6 customers that are outside of said subdivision.**
  
9. How Many Connections will the company serve and type (residential / commercial)?  
**At present there are 31 residential and one (1) commercial. There are 57 more residential customers in future development.**

10. The names of any water companies that are providing (or proposing to provide) similar service near or in any part of the area covered by this applicant are as follows:

**None. Deweyville City limits are about 1.5 miles from Cedar Ridge Subdivision.**

11. The applicant is financially responsible as shown by a true and correct financial statement attached hereto and made a part of this application.

**This information will be subsequently submitted as part of this application.**

12. Applicant's proposed tariff, including a map and rate schedules, along with work papers showing how the proposed rates were determined, is also attached as a part of this application.

**This information will be subsequently submitted as part of this application.**

WHEREFORE, applicant prays that the Commission grant a Certificate of Convenience and Necessity to the applicant to operate as a public utility as described above.

I, \_\_\_\_\_, swear that the information provided in this application is complete and accurate to the best of my knowledge.

Signature, Title, \_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Notary Public: \_\_\_\_\_

Residing at: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

My Commission Expires: \_\_\_\_\_



Name, address, phone number, and signature of attorney representing application:

**Parsons Behle & Latimer**

**201 South Main Suite 18000**

**801-532-1234**

**Lee Kapaloski**

**(A \$100.00 filing fee must accompany this application)**