



State of Utah  
Department of Commerce  
Division of Public Utilities

FRANCINE GIANI  
*Executive Director*

THAD LEVAR  
*Deputy Director*

CHRIS PARKER  
*Director, Division of Public Utilities*

GARY HERBERT.  
*Governor*

GREGORY S. BELL  
*Lieutenant Governor*

MEMORANDUM

**To:** Public Service Commission

**From:** Division of Public Utilities

Chris Parker, Director

Bill Duncan, Telecommunications / Water Manager *BD*

Mark Long, Utility Analyst *ML*

**Date:** March 9, 2011

**Re:** Docket No. 11-2534-01, In the Matter of the Application of North Valley Ranches Culinary Water Corporation for an Exemption from Public Service Commission Regulation

**RECOMMENDATION:                      APPROVE**

The Division of Public Utilities recommends the Utah Public Service Commission (Commission) issue a Letter of Exemption to North Valley Ranches Culinary Water Corporation (Water Company).

**EXPLANATION:**

On January 11, 2011, the Division of Public Utilities (Division) received an application from Dave Montgomery, President of North Valley Ranches Culinary Water Corporation requesting an exemption from Commission regulation.

The Water Company was incorporated October 3, 2001, and according to the Division of Corporations, has an "Active" status and is in "Good Standing." Michael Grange of the Division of Drinking Water (DDW) verified that the Water Company is not subject to DDW jurisdiction because currently they do not meet the minimum number of connections or people served.

*DPU Recommendation for Letter of Exemption for  
North Valley Ranches Culinary Water Corporation*

The water system has been in operation since October 3, 2001, but has failed to register with the Commission until now. The assets and water rights were turned over to the Water Company's shareholders (users) during the first part of 2010, and as such, is now run by its members as a non-profit corporation that can supply water only to its members who must reside or own property in North Valley Ranch Subdivisions Phases 1, 2 and 3 and/or Red Butte Terraces in Washington County, Utah. The Water Company's revised bylaws gives each shareholder one vote.

The applicant appears to have sufficient water rights for 45 connections, the maximum number of connections at full build-out. Currently, the water system provides domestic, irrigation and stock watering for ten (10) single family lots.

North Valley Ranches Culinary Water Corporation appears to have the basis for exemption from Public Service Commission regulation. The Division, therefore, recommends that North Valley Ranches Culinary Water Corporation be issued a Letter of Exemption.