



State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

THOMAS BRADY
Deputy Director

CHRIS PARKER
Director, Division of Public Utilities

GARY HERBERT
Governor
SPENCER J. COX
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: January 16, 2014

Re: In the Matter of the sale of Sherwood Water Company to the City of Delta, Delta, Utah.
Reference Docket 14-075-01

RECOMMENDATION:

The Utah Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) cancel the Certificate of Public Convenience and Necessity (CPCN) held by Sherwood Water Company.

Background on Company:

On March 31, 1983 Sherwood Water Company was granted a CPCN by the Commission in Docket No. 82-075-01 which authorized Sherwood Water Company to operate as public utility rendering culinary water service. Sherwood Water Company served the subdivision of Sherwood Shores which is located approximately two and one half miles west of Delta, Utah on the Gunnison Bend Reservoir. The subdivision consists of a mixture of permanent structures, trailers and mobile homes which includes full-time residents as well as seasonal users.

Explanation:

In October of 2013 the Division received information regarding the sale of Sherwood Water Company to the City of Delta, Delta Utah. The Division had no prior knowledge or notification that a sale was being considered. On November 20, 2013 Jody Tasker, Delta City Treasurer, submitted a copy of the executed Bill of Sale of the water system and all assets from Sherwood Water Company to the City of Delta in May of 2013. For further information and verification, please see attached Bill of Sale and Warranty Deed.

The Division believes that this sale is in the public interest. The sale allows former Sherwood Water Company's customers to be included in a larger customer base with full-time water management. Sherwood's 100 water connections is now part of Delta's customer base of approximately 1,000 water connections. The rates remained about the same, but a larger customer base should help in stabilizing the rates in the long run. Sherwood customers were paying \$31.25 per month base fee, which included 8,000 gallons, and \$1.75 per 1,000 gallons over 8,000 gallons. The former customers of Sherwood are now paying Delta \$50.00 per month base fee, which includes 4,000 gallons, and from \$1.20 to \$1.60 per 1,000 gallons over 4,000 gallons.

Attachments