

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of IRONTOWN
PROPERTY OWNER'S SUBDIVISION for Public
Service Commission Approval of Rate Increases.

)
)
)
)

DOCKET NO. 01-2364-02

REPORT AND ORDER

ISSUED: November 9, 2001

SYNOPSIS

The proposed rates appearing to be just and reasonable, the Commission approved the same.

By the Commission:

PROCEDURAL HISTORY

Pursuant to notice duly served, the above-captioned matter came on regularly for hearing the 25th day of October, 2001, before A. Robert Thurman Administrative Law Judge, at the Commission Offices, Heber Wells Building, Salt Lake City, Utah. Evidence was offered and received, and the Administrative Law Judge, having been fully advised in the matter, now enters the following Report, containing proposed findings of fact, conclusions of law, and the Order based thereon.

FINDINGS OF FACT

1. Applicant Irontown Property Owners is a mutual water company. Since the developer of the subdivision served by Applicant retains a majority of the shares in Applicant, the Commission retains jurisdiction over Applicant's rates.
2. In the instant Application, Applicant seeks approval of a one-time special assessment on ratepayers to finance improvements in Applicant's system needed to attain approval from the State Division of Drinking Water (DDW). Additionally, Applicant seeks approval of rate surcharges to discourage excessive water use. Applicant's rate proposals are set forth in the following table:

Usage (1000 gal.)	Conservative	Normal	Excessive	Wasteful	Total
	0-4,999 gal	5,000 - 12,000	12,001 - 20,000	over 20,000 \$200 +	
	Base Rate	Base Rate	\$3.50/1,000 gal	\$4.50/1,000 gal	
4	\$15				\$ 15.00
6		\$30			\$ 30.00
14		\$30	\$7		\$ 37.00
21		\$30	\$28	\$204.50	\$262.50

3. Additionally, Applicant proposes a \$70 per annum per lot standby fee and a \$2,000 connection fee, the latter to be applied prospectively. The \$50 assessment and the balance of the rate proposal were presented at a recent shareholders meeting and approved. No one appeared in opposition to the proposal at the hearing. The Division of Public Utilities, Utah Department of Commerce (DPU) has recommended approval of both the assessment and the rate schedule.

DISCUSSION

Since profits, if any, from implementation of the proposed rates will be at the disposal of the ratepayer/owners of Applicant, there appears to be no detriment apparent to the public interest.

CONCLUSIONS OF LAW

The Application should be approved.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

Applicant's proposed special assessment of \$50 per connection, as well as the balance of the rate proposal, be, and they are, approved effective the date of this Order.

Any person aggrieved by this Order may petition the Commission for review within 20 days of the date of this Order. Failure so to do will forfeit the right to appeal to the Utah Supreme Court.

Dated at Salt Lake City, Utah, this 9th day of November, 2001.

/s/A. Robert Thurman
Administrative Law Judge

Approved and Confirmed this 9th day of November, 2001, as the Report and Order of the Public Service Commission of Utah.

/s/Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

G#27037