

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Iron Town Property Owners)
Rate Proposal)
)

DOCKET NO. 04-2364-01

REPORT AND ORDER

ISSUED: September 2, 2004

By The Commission:

Pursuant to notice duly served, public hearing in this matter was held on August 31, 2004, before the Commission's Administrative Law Judge. Ken Russell, president of the Iron Town Property Owners' Association (Iron Town or Petitioner) and his wife, Linda Russell, secretary of the Association, appeared on behalf of Petitioner. Patricia Schmid, Assistant Attorney General, appeared for the Division of Public Utilities (Division) with Barry Golding, a Division staff member. Mr. Golding provided the Division's analysis of the rate proposal, as well as its resulting recommendation that the Company's requested rates be approved. Mr. Golding also opined that the Division had received no complaints or objections from Iron Town customers and that, based upon his experience with Iron Town customers in prior dockets, he would expect to have received objections if any customers were dissatisfied with Petitioner's request. Finally, he noted that the proposed rates had been approved by a majority of the Iron Town shareholders at a special meeting held January 10, 2004.

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 AND CONCLUSIONS OF LAW

1. Iron Town Property Owners Association is a certificated water corporation operating in the State of Utah, subject to Commission jurisdiction.
2. The Company's current rates are insufficient to provide adequate revenues to recover reasonable

operating expenses.

3. The rates proposed by the Company, and recommended by the Division, are just and reasonable. The proposed rate changes are as follows:

Rates

<u>Entitlement</u>	<u>Usage</u>	<u>Current</u>	<u>Proposed</u>
Temporary Residents	0-6,999 gallons per year	\$15.00 per month	\$20.00 per month
	7,000 gallons or more per year	\$6.00 per additional 1,000 gallons	\$6.00 per additional 1,000 gallons
Permanent Resident	0-146,000 gallons per year	\$30.00 per month	\$35.00 per month
	146,001 gallons or more per year	\$6.00 per additional 1,000 gallons	\$6.00 per additional 1000 gallons

Standby Fee

Current/Proposed

Non-user Lots (no meter or connection)	\$70.00 per year/\$30.00 per year
Developer Lots*	\$70.00 per year/\$15.00 per year

*A Developer Lot is a lot owned by any individual who owns 10 or more lots.

Other Fees

Current/Proposed

Connection Fee (including meter)	\$3,500.00/\$3,000.00
Disconnect Fee	\$200.00/\$200.00
Reconnect Fee	\$200.00/\$200.00

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. Iron Town Property Owners' Association proposed rates are approved as set forth *supra*, effective the

date of this Order.

2. Any person aggrieved by this Order may petition the Commission for review/rehearing pursuant to *Utah Administrative Procedures Act, Utah Code Ann. §63-46b-1 et seq.* Failure to do so will preclude judicial review of the grounds not identified for review. *Utah Code Ann. §54-7-15.*

Dated at Salt Lake City, Utah, this 2nd day of September, 2004.

/s/ Steven F. Goodwill
Administrative Law Judge

Approved and Confirmed this 2nd day of September, 2004, as the Report and Order of the Public Service Commission of Utah.

/s/ Ric Campbell, Chairman

/s/ Constance B. White, Commissioner

/s/ Ted Boyer, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

G#40202