

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application for a)	<u>DOCKET NO. 04-2438-01</u>
Certificate of Convenience and Necessity)	
for PINEVIEW WEST WATER)	
COMPANY for Culinary and Secondary)	<u>REPORT AND ORDER</u>
Water Services)	<u>CERTIFICATE NO. 2438</u>
)	

ISSUED: September 30, 2004

SYNOPSIS

Applicant, having demonstrated its fitness to serve, and no opposition to the application appearing, the Commission grants the certificate and approves rates as indicated.

By the Commission:

PROCEDURAL HISTORY

On November 21, 2003, Edward E. Radford, President of Pineview West Water Company, submitted an application on behalf of Pineview West Water Company (Applicant) for a Certificate of Convenience and Necessity to operate as a public utility providing culinary and secondary water service.

Notice of Hearing on the Application was issued by the Commission on September 14, 2004, and the hearing held on September 28, 2004, before the Administrative Law Judge. Mr. Edward E. Radford appeared on behalf of Applicant. Patricia Schmid, Assistant Attorney General, State of Utah, appeared on behalf of the Division of Public Utilities (Division).

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Mr. Dan Bagnes, an analyst employed by the Division, testified for the Division. Those appearing presented evidence that establishes that there is a need for water service to the area to be served by Applicant, that the Applicant is qualified to provide such service, and that granting the requested certificate is appropriate under Utah law. No one appeared in opposition to Commission regulation. The Division of Drinking Water has currently approved Applicant to provide service to one-hundred thirty-three lots. The Division recommends granting the Application and issuing a certificate limiting connections to the number approved by the Division of Drinking Water. We concur and conclude, as a matter of law, that the Application should be granted and certificate issued accordingly.

Applicant initially requested approval of the following rates:

<u>Usage</u>	<u>Charges</u>
First 6,000 gallons	\$15.00 minimum charge for each service connection
Over 6,000 gallons	\$2.50 per each 1,000 gallons
Unmetered lots (Lots 2, 3, 4, 5, 6 Pineview West Subdivision No. 1)	\$15.00 per month flat rate
Premises temporarily without meters	\$15.00 per month.
Stand-by Fee for vacant lots	\$50.00 per year
Irrigation water	\$125.00 per year for lots up to 1/4 acre \$250.00 per year for lots 1/4 to 1/2 acre
Connection Fee	\$3,500.00 for both culinary and secondary water

In support of these rates, Applicant stated that the homes on the five unmetered lots in Pineview West No. 1 subdivision were constructed in the 1970s long before construction in Applicant's

Radford Hills subdivision, and that these homes—only one of which currently serves as a full-time residence—average only 900 square feet in size. For these reasons, these lots use far less water than the forty-one year-round residences in the Radford Hills subdivision to which the metered rates would apply. Applicant indicated that approval of flat rates for the homes in Radford Hills (which average 3,000 to 4,000 square feet in size) would severely impact the company's financial situation.

In recognition of these facts, as well as the fact that with winter fast approaching meter installation soon will not be possible until spring, the Division recommends approval of the metered rates for the Radford Hills subdivision and the flat rates for the Pineview West No. 1 subdivision. However, the Division conditions this recommendation on the Commission requiring Applicant to install meters on the five Pineview West No. 1 properties by July 1, 2005, at which time all customers would be charged the approved metered rates. Applicant agrees to this condition and with the Division's recommendation. We concur with the Division's recommendation and find the proposed rates to be just and reasonable.

The Administrative Law Judge, having been fully advised in the premises, now recommends and the Commission enters the following

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

- PINEVIEW WEST WATER COMPANY is hereby granted Certificate of

Convenience and Necessity No. 2438 to operate as a water corporation serving the area designated in its Application.

- Applicant shall comply with all requirements of the Utah Division of Drinking Water.
- Applicant's rates are approved as set forth *supra*. Applicant shall file a tariff consistent with this Report and Order within 30 days of the date of this Order. The Division of Public Utilities shall review the revised tariff sheets for compliance with this Report and Order.
- Any person aggrieved by this Order may petition the Commission for review/rehearing pursuant to the *Utah Administrative Procedures Act, Utah Code Ann.* §63-46b-1 *et seq.* Failure so to do will preclude judicial review of the grounds not identified for review. *Utah Code Ann.* §54-7-15.

DATED at Salt Lake City, Utah, this 30th day of September, 2004.

/s/ Steven F. Goodwill
Administrative Law Judge

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Approved and Confirmed this 30th 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#40607