

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of WOLF CREEK)
WATER AND SEWER COMPANY)
regarding Schedule of Rates, Rules)
and Regulations)

DOCKET NO. 03-071-T01
REPORT AND ORDER
SETTING INTERIM RATES

ISSUED: January 27, 2004

By The Commission:

A hearing in this matter was held on January 21, 2004. Lee Kaposki represented Wolf Creek Water and Sewer Company ("Wolf Creek"). Ted Barnes represented some customers of Wolf Creek. Patricia Schmidt represented the Division of Public Utilities.

The parties presented a proposal to settle this matter on an interim basis. The Division of Public Utilities presented a memorandum, marked as DPU Exhibit 1, containing the terms of the proposal. In summary, the proposal is to enact the first two levels of the proposed rate increase on an interim basis, with those rates to remain in effect until an order is issued in Docket 03-2417-01 - the application of a related entity, Wolf Creek Conservancy, for a Certificate of Public Convenience and Necessity. Wolf Creek Conservancy is a secondary water system that will serve almost all of the customers of Wolf Creek. The proposal also includes approval of other specific charges, changes in the tariff language proposed by Wolf Creek, and direction that Wolf Creek formalize its procedures for tracking and distribution of costs between related entities. The proposal also included the agreement of the parties to pursue discovery and advance the case in the Wolf Creek Conservancy docket such that a hearing can be scheduled no later than May 1, 2004.

Counsel for Wolf Creek, and counsel for some customers, indicated their agreement to this interim resolution.

The proposal is a reasonable interim solution. Finalizing rates in this docket at the same time the issues in Docket No. 03-2417-01 are decided is appropriate and the proposal to implement interim rates, as set forth below, should be approved.

Based upon the evidence presented and the agreement of the parties, the Administrative Law Judge recommends entry of the following:

FINDINGS OF FACT AND CONCLUSION OF LAW

1. Wolf Creek Water and Sewer Company is a certificated water corporation operating in the State of Utah, subject to Commission jurisdiction.
2. Wolf Creek's current rates are insufficient to provide adequate revenues to recover the Company's reasonable operating expenses.
3. The proposed rates requested by the Company, and agreed to on an interim basis by the Division of Public Utilities and some customers, are just and reasonable. The proposed changes in rates are:
 - a. Base charge per month, including the first 8,000 gallons: \$20.00.
 - b. Usage rates per month:
 - 8,001 to 20,000 gallons: \$2.00 per 1,000 gallons.

c. Stand-by fee: \$10.00 per month

d. Service fees:

Turn on service for new customer where a meter is in place: \$250.00

Reconnection fee after disconnection: \$100.00

e. Customer account change: \$15.00

f. Meter tested at customer request within 12 months after meter was tested and found to be working properly: \$40.00

g. Sewer stand-by fee: \$10.00 per month.

All other charges and fees are unchanged.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. The proposed rates set forth in this Report and Order are approved on an interim basis by the Commission. Wolf Creek Water and Sewer Company may make the interim rates effective February 1, 2004, or such later date as its billing practices allow.
2. The tariff language revisions proposed by the Division of Public Utilities are adopted. Wolf Creek Water and Sewer Company shall submit revised tariff sheets reflecting the new rates, and including the language revisions. The Division of Public Utilities shall review the revised tariff sheets for compliance with this Report and Order.
3. Wolf Creek is also ordered to formalize its procedures for tracking and distribution of costs between related entities as suggested by the Division of Public Utilities.
4. 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 27th day of January, 2004.

/s/ Doug Tingey
Administrative Law Judge

Approved and Confirmed this 27th day of January, 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#36826