



State of Utah  
Department of Commerce  
Division of Public Utilities

KLARE BACHMAN  
Executive Director

JASON PERRY  
Deputy Director

IRENE REES  
Director, Division of Public Utilities

OLENE S. WALKER

*Governor*

GAYLE F. MC KEACHNIE

*Lieutenant Governor*

**MEMORANDUM**



**Date:** December 22, 2003

**To:** Public Service Commission

**From:** Irene Rees  
Wes Huntsman  
Bary M. Golding

**Subject:** Wolf Creek Water Conservancy Certificate Application  
Docket No. 03-2417-01

---

**Recommendation**

The Division recommends that the Commission take no action on the Wolf Creek Water Conservancy's certificate application until after an order has been issued in the Wolf Creek Water and Sewer Company's rate increase request, Docket No. 03-071-T01.

The Division also requests that the Commission extend the deadline for the Division's recommendation in the Wolf Creek Water Conservancy's certificate application until after an order has been issued in the Wolf Creek Water and Sewer Company's rate increase request.

The Division has been working with the Company and representatives of its customers and anticipates recommending that the Commission hold a hearing before taking final action on the Wolf Creek Water Conservancy's application.

**Discussion**

Wolf Creek Water and Sewer Company and Wolf Creek Water Conservancy are owned and operated by substantially the same principals. Both companies also provide service in the same service area to the same customers. Wolf Creek Water and Sewer provides culinary water and sewer service while Wolf Creek Water Conservancy is organized for the purpose of providing secondary water for irrigation purposes. Connecting to the secondary system is optional for existing customers but required for new homes.

The Division has been working with the attorney representing several customers of Wolf Creek Water and Sewer to address concerns which have been raised about that company's rate proposal. On December 10, 2003, the Division and the Division's attorney met with the customers' attorney and several customers representing various developments within the Wolf Creek service area. At that meeting it was determined

that it is difficult to evaluate the

appropriateness of the Wolf Creek Water Conservancy's proposed rates until an order has been issued in the Wolf Creek Water and Sewer case. The customers at that meeting said that some customers who have not already done so may opt to connect to the secondary system when they know what rates the Commission approves for Wolf Creek Water and Sewer. This could have a significant effect on revenue and expenses for Wolf Creek Conservancy.

At the December 10<sup>th</sup> meeting the parties also agreed that it is best to keep the two cases separate so that the Wolf Creek Water and Sewer rate case can move ahead without further delays.

A delay in Commission action on the Wolf Creek Water Conservancy's application should not have a negative impact on the company since the irrigation service is provided on a seasonal basis from approximately May to October.

Once the Commission has issued its order in the Wolf Creek Water and Sewer case the Division will meet with the Company and the customers' attorney and then request hearing date from the Commission. The Division will then file its recommendation regarding the Wolf Creek Water Conservancy's application.