



OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

State of Utah
Department of
Commerce

KLARE BACHMAN
Executive Director

JASON PERRY
Deputy Director

**Division of
Public Utilities**

IRENE REES
Director

October 1, 2004



TO: Utah Public Service Commission

FROM: Division of Public Utilities
Irene Rees, Director
Wesley Huntsman, Manager

RE: In the Matter of the Investigation of the Water System Operations of Bridge Hollow Water Association for Certification as a Public Utility or Exemption as a Mutual Water Company, Docket No. 04-2437-01.

Subsequent to the initial telephone conversation on August 23, 2004, the Division has been unable to contact the attorney representing Bridge Hollow regarding the issues which prompted the petition for an order to show cause scheduled for hearing by the Commission on October 5, 2004. The attorney intended to work with the developer of the Bridge Hollow and Surry Ridge subdivisions served by the water system and attempt to resolve the problems created by the current organization. As the association is currently structured, the developer has voting control of the company even though the system operations have been turned over to the homeowners. The Division has been unable to determine whether or not any progress has been made in resolving the ownership and control issues.

Additionally, Lee R. Brown and Sheila Brown, who are lot owners served by the water system have applied for and been granted intervention in this case by Commission order this date. The Division is aware that Mr. Brown has submitted a substantial data request to the officers of the water company which has not been answered at this time. In a telephone conversation with the Division staff on September 30, 2004, Mr. Brown indicated that he would prefer to delay the scheduled hearing on October 5, 2004 until the Company officers answered his data request.

Accordingly, the Division requests that the response and hearing Scheduled for October 5, 2004 be delayed for at least 30 days.

CC: Patricia E. Schmid
Dan Hunter, Esq. - Attorney for Bridge Hollow
Duane Fluckinger - Officer Bridge Hollow