

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of)	
)	
WATERPRO, Inc.)	
)	Docket No. _____
for a Certificate of Convenience and Necessity)	
to Operate as a Public Utility Rendering)	
Culinary Water Service)	
)	
)	

APPLICATION

To: The Public Service Commission of Utah
Salt Lake City, Utah

1. **Exact name of applicant:** WaterPro, Inc.
2. **Principal office address:** 12421 South 800 East, Draper, Utah 84020.
3. **Name of state in which applicant is incorporated and date of incorporation. A certified copy of the articles of incorporation and bylaws should accompany this application unless a copy is on file with the Commission. If not incorporated, describe the type of organization and state in which it is organized:**

WaterPro, Inc. ("WaterPro") is a Utah corporation, incorporated August 8, 1997. WaterPro Inc. is a wholly-owned subsidiary of Draper Irrigation Company, ("DIC") a Utah nonprofit corporation, which was incorporated March 27, 1888. A brief narrative, describing the relationship between the companies and reasons for the filing of this application, is attached hereto as Appendix A.

Copies of the articles of incorporation and the bylaws for each entity, certified as true and correct by the corporate secretaries, are attached hereto as Appendix B. (The articles of incorporation for DIC have been approved by the board of directors, and DIC is currently seeking stockholder approval. DIC will supplement this application with final articles of incorporation upon their approval by the stockholders.) Additionally, a copy of the historical articles of incorporation for DIC, as filed with the Third District Judicial Court for the Territory of Utah in 1888, is attached hereto for the Commission's reference as Appendix C.

4. **The officers and directors (or partners) of applicant are as follows:**

At the current time, the officers and directors of WaterPro are the same as the officers and directors of DIC, which are:

<u>Office Held</u>	<u>Name and Principal Business Address</u>
Chief Executive Officer	Bruce C. Cuppett, 12421 South 800 East Draper, Utah 84020
Chief Financial Officer/ Comptroller	Darrin L. Jensen, 12421 South 800 East Draper, Utah 84020
President/Director	Stephen L. Tripp, 12421 South 800 East Draper, Utah 84020
Vice President/Director	Richard Skeen, 12421 South 800 East Draper, Utah 84020
Secretary/Treasurer/Director	Curtis DeYoung, 12421 South 800 East Draper, Utah 84020
Director	Sherman Fitzgerald, 12421 South 800 East Draper, Utah 84020
Director	Noel Enniss, 12421 South 800 East Draper, Utah 84020
Director	Ryan Daw, 12421 South 800 East Draper, Utah 84020
Director	Jay Webb, 12421 South 800 East Draper, Utah 84020

5. The type of service (water, sewer or both) which applicant proposes to render is (indicate here and on page 1):

WaterPro proposes to continue to provide culinary water service.

6. Applicant is in compliance with and agrees to comply with all regulations and requirements of all state and local government agencies. Copies of all required permits and approvals are made a part of this application. Applicant will be receiving through its water distribution system water from a Commission approved supplier or has attached to this application proof of ownership of sufficient water rights, of sufficient storage, of an approved source with sufficient water flow and of an approved point of diversion.

WaterPro will receive its water from Draper Irrigation Company under a Water Supply Agreement, a copy of which is attached hereto as Appendix D, and will provide certain management services to Draper Irrigation Company under a Management Services Agreement, a copy of which is attached hereto as Appendix E. Draper Irrigation Company has certain water rights of its own (copies of the Utah State Water Rights Reports are attached as Appendix F) and has an agreement to purchase water from the Jordan Valley Water Conservancy District (attached

as Appendix G). For confirmation of the sufficiency of the water rights, the water storage, and of the approved source with sufficient water flow and an approved point of diversion, see the letters from Epic Engineering, Inc., attached hereto as Appendix H.

7. If the applicant is conducting operations at the present time, furnish the following information:

(a) A description of the nature and extent of the service rendered.

DIC, through WaterPro, provides culinary water service pursuant to a franchise agreement with Draper City, a copy of which is attached as Appendix I. DIC has provided such service under the Public Service Commission's Letter of Exemption No. 082, dated June 13, 2001. Prior to the issuance of Letter of Exemption No. 082, DIC operated as a private corporation pursuant to the Public Service Commission's Order of January 27, 1977, dismissing a petition that would have subjected DIC to Public Service Commission regulation. Copies of Letter of Exemption No. 082 and the Public Service Commission's Order of January 27, 1977, are attached as Appendix J.

(b) The date applicant commenced rendering such service.

Draper Irrigation Company began providing culinary water service in 1911 and began providing culinary water service under the franchise agreement with Draper City in 1999. Draper began providing the culinary water service through its subsidiary, WaterPro Inc., in 1997.

8. The areas which the applicant proposes to serve, and those presently served, if any, are as described below (legal description) and as shown on a map attached hereto (for public utilities a map should also be part of the tariff).

The Service Area includes Draper City, which historically has provided culinary service to various areas within and adjacent to the city limits. In an effort to resolve issues respecting whether Draper City or DIC would serve new demands in areas that could have been served by either Draper City or DIC, in March 1999, Draper City adopted an ordinance granting to DIC a franchise to construct, operate, and maintain a culinary water system within specified areas of Draper City. The effect of this resolution was to delineate the borders of the separate service areas of Draper City and DIC. DIC's franchise rights are to be assigned to WaterPro, with Draper City's consent.

The exterior borders of the Service Area are defined by the U.S. Forest Service land or undevelopable steep slopes and by the culinary service areas of Draper, Riverton, Sandy, and Bluffdale. A map of the service area is attached as Appendix K.

9. How Many Connections will the company serve?

WaterPro current provides culinary water service to approximately 6500 connections.

10. The names of any water companies that are providing (or proposing to provide) similar service near or in any part of the area covered by this applicant are as follows:

There are no other water companies providing culinary water service within the area currently served by Draper Irrigation Company through its subsidiary, WaterPro. The following water companies provide culinary water service to areas bordering the area served by Draper Irrigation: Draper City, Sandy City, Riverton City, and Bluffdale.

11. The applicant is financially responsible as shown by a true and correct financial statement attached hereto and made a part of this application.

A copy of Draper Irrigation's audit for the fiscal year ended December 31, 2003, is attached hereto as Appendix L.

12. Applicant's proposed tariff, including a map and rate schedules, along with workpapers showing how the proposed rates were determined, is also attached as a part of this application.

A copy of the proposed tariff is attached as Appendix M, and the supporting documentation for the proposed tariff is attached hereto as Appendix N. Copies of WaterPro's standard agreements with culinary water users are attached hereto as Appendix O.

WHEREFORE, applicant prays that the Commission grant a certificate of convenience and necessity to the applicant to operate as a public utility as described above and approve the rates of service as reflected in the proposed tariff.

Signature, _____

Title, _____

Dated this ___ day of November, 2004.

Subscribed and sworn to before me this ___ day of November, 2004.

Notary Public

Residing at:

My Commission Expires

Name, address, and signature of attorney representing application:

James R. Kruse
Kevin C. Timken
Kruse Landa Maycock & Ricks, LLC
Bank One Tower, Eighth Floor
50 West Broadway
Salt Lake City, Utah 84101
Telephone: (801) 531-7090
Facsimile: (801) 531-7091

(a \$100.00 filing fee must accompany this application)

NOTE: A COMPANY THAT IS BOTH OWNED AND CONTROLLED BY ITS WATER USERS MAY QUALIFY FOR AN EXEMPTION FROM RATE REGULATION AS A MUTUALLY OWNED WATER COMPANY SERVING ONLY ITS STOCKHOLDERS .

IF THIS IS THE CASE, DO NOT SUBMIT A FILING FEE BUT WRITE ACROSS THE BOTTOM OF THIS FORM "PLEASE CONSIDER THIS AS AN APPLICATION FOR A LETTER OF EXEMPTION AND COMPLETE THE SUPPLEMENTARY INFORMATION FOR MUTUAL WATER COMPANIES. "

DOCKET NO.

I, _____ swear that the information provided in this application is complete and accurate to the best of my knowledge .

Signature, Title _____

Dated this ___ day of November, 2004.

Subscribed and sworn to before me this ___ day of November, 2004.

Notary Public

Residing at:

My Commission Expires
