

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

)
) DOCKET No. 07-2025-01
)
In the Matter of the Formal Complaint of)
Douglas J. Markham and Andrea Gasporra vs.) ORDER INITIATING AUDIT AND
Dammeron Valley Water Works) INVESTIGATION OF THE OPERATIONS
) AND BILLING PRACTICES OF
) DAMMERON VALLEY WATER WORKS
)

ISSUED: April 18, 2007

By the Commission:

On January 3, 2007, Complainants Douglas J. Markham and Andrea Gasporra filed a Complaint and Request for Investigation (“Complaint”) alleging Respondent Dammeron Valley Water Works (“DVWW”) has significantly overcharged them for water service for the months of May through October 2006, and that DVWW has improperly manipulated previous billings to some customers in a way that (a) is in violation of DVWW’s filed tariff, (b) is discriminatory, and (c) has improperly encouraged customers to use quantities of water significantly beyond levels they would otherwise have used. Complainants also allege DVWW’s current rates may not be just and reasonable and were improperly established in Docket No. 04-2025-01. Complainants therefore seek a Commission order requiring the Division of Public Utilities (“Division”) to conduct a complete and thorough audit of DVWW’s books, record-keeping and billing practices.

On January 26, 2007, DVWW filed its Answer generally denying that it has violated its filed tariff or engaged in discriminatory practices and requesting the complaint be dismissed.

On March 6, 2007, the Division filed its analysis of the complaint, recommending dismissal of the same.

On March 28, 2007, Complainants filed a Response to Recommendation of Division of Public Utilities on Complaint and Request for Investigation in which they challenge the Division's recommendation and renew their request for an audit of DVWW's billing practices and operations.

At a duly-noticed Technical and Procedural Conference on April 11, 2007, the parties' discussed, among other things, DVWW's practice of loaning water shares to certain customers so that said customers could use more than the tariffed water limit without incurring overage charges. At the conclusion of the Conference, the Administrative Law Judge notified the parties that he intended to recommend the Commission initiate an audit and investigation as requested. However, while our review of this matter persuades us that an audit and investigation of the operations and billing practices of DVWW is appropriate, necessary, and in the public interest, we express no judgment at this time about the issues raised by Complainants.

Wherefore, based upon the foregoing information, and for good cause appearing, the Administrative Law Judge enters the following proposed

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. Complainants' Request for Investigation is granted and approved to the extent stated herein.
2. The Division of Public Utilities will initiate an audit and investigation of the operations and billing practices of Dammeron Valley Water Works from 2004 forward, and

report the results of said audit and investigation to the Commission not later than August 5, 2007.

3. In order to address the concerns raised by Complainants, said audit and investigation shall inquire into, but need not be limited to, the following:

a. Whether DVWW billed customers for water usage in a manner inconsistent with its filed tariff;

b. Whether DVWW loaned additional water shares to certain customers to enable them to use more water at lower rates than they would have otherwise been entitled to, and, if so, (1) the criteria used by DVWW to determine to which customers water shares should be loaned; (2) the number of customers to whom water shares were loaned; and (3) whether and to what extent the loaning of water shares resulted in reduced revenue to DVWW; and

c. Whether, during the period May through October 2006, Complainants were correctly billed in accordance with DVWW's filed tariff.

4. In reporting to the Commission, the Division shall include a summary statistical table indicating: (a) the number of DVWW customer accounts, (b) the number of accounts showing monthly consumption high enough to qualify them to have incurred tariffed overage charges, (c) the number of said accounts for which overage charges were actually assessed, (d) the number of said accounts that avoided overage charges due to receipt of loaned water shares from DVWW, (e) a listing of any other method, if any, by which said accounts avoided overage charges and the number of said accounts that avoided said charges by these methods.

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DATED at Salt Lake City, Utah, this 18th day of April, 2007.

/s/ Steven F. Goodwill
Administrative Law Judge

Approved and Confirmed this 18th day of April, 2007, as the Report and Order of
the Public Service Commission of Utah.

/s/ Ric Campbell, Chairman

/s/ Ted Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#53087