

# MEMORANDUM

**DATE:** March 6, 2007

**TO:** **Public Service Commission**

**FROM:** **Division of Public Utilities**  
Constance B. White, Director  
Rea B. Petersen, Complaint Supervisor

**RE:** Markham and Gasporra vs. Dammeron Valley Water Works  
Docket No. 07-2025-01

**Recommendation: Dismiss**

**Complaint Analysis:**

Markham and Gaspora (Petitioners) make the following claims:

1. Dammeron Valley Water Works (DVW) improperly manipulated previous billings to some customers in a way that (a) is in violation of filed tariffs, (b) is discriminatory, (c) has encouraged the customer to use quantities of water significantly beyond levels they would have used, (d) may establish that DVW current rates are not just and reasonable, and (e) may establish that DVW's current rates were improperly established in Docket 04-2025-01, page 1 of the complaint.
2. An over charge for water service for the months of May through October 2006, page 2 of the complaint.
3. Dammeron agreed to bill the Bradley's (the previous property owner) \$.25 per thousand gallons of use, regardless of whether they were into the overage block of tariff rate specified at \$2.00 per thousand gallons, paragraph 8 of the complaint.
4. Other users paid the tariff overage rate when the Bradley's and other customers did not pay the tariffed rate from 2004 to the present time, paragraph 9 of the complaint.

5. Complainant received bill for Irrigation water for May/June 2006 in the amount of \$485 for 1,700,000 gallons, paragraph 10 of the complaint.
6. The next bill for July/August 2006 was in the amount of \$1,684.00. The amount is for the tariff rate for the overage of \$2.00 per thousand gallons billed as “non-owner”. An increase of 350%, paragraph 11 of the complaint. When DVW was questioned about the July/August bill, Dammeron sent a corrected bill for May/June in the amount of \$2,824.00, paragraph 12 of the complaint.
7. The September/October 2006 bill was in the amount of \$1,388.25, paragraph 13 of the complaint.
8. Some customers of DVW were billed at a rate of \$.25 per thousand gallons regardless of the amount of water usage or overage and billing others at the full rate, first paragraph of the discussion.
9. DVW actions encouraged the wasteful water usage that was designed to “prove up” the need for additional water rights for an unregulated commercial development is contrary to public policy, third paragraph of the discussion

The petitioner is requesting that the Commission require the DPU to conduct a complete and thorough audit of DVW’s books, record keeping and billing practices and that the PSC order refunds to Petitioners and other DVW customers as it deems just and reasonable upon completion of it’s investigation into the operations of DVW.

**Dammeron Valley Water’s Response:**

DVW denied the allegation that they encouraged customers to use extensive amounts of water. Instead DVW warned its customers not to let their property become fire hazards due to the extensive drought in Southern Utah and consequential wild fires that occurred due to dry earth. To further reduce the risk of wild fires DVW offered to loan irrigation rights to owners in Dammeron Valley.

DVW claims they allowed customers to utilize extra water rights to reduce the fire danger during the drought.

DVW denies allegations that some customers were allowed to pay the lesser amount for irrigation water rather than the higher rate for “overage block”.

When DVW discovered an error in billing tariffed rates a corrected bill was sent.

**DPU Comments:**

Petitioners have provided no proof to back their claim in No. 1.

Petitioners have provided no proof to back their claim in No. 3.

Petitioners have provided no proof to back their claim in No. 4.

Petitioners have provided no proof to back their claim in No. 8

The PSC has established rules for Billing Adjustments for Electric and Natural Gas utilities. These rules do not apply to Water utilities; however, the DPU would support the utility company for correcting a bill in accordance to established rules that may set precedence. Evidence was not provided that other customers were billed other than tariffed rates.

The Division did not find any evidence that Dammeron Valley Water had violated any provision of statute, rule or tariff.