



State of Utah
Department of
Commerce
FRANCINE GIANI
Executive Director
THAD LEVAR
Deputy Director
**Division of
Public Utilities**
CONSTANCE B. WHITE
Director

JON HUNTSMAN Jr.
Governor

GARY HERBERT
Lieutenant Governor

Sep 28, 2007

MEMORANDUM

TO: Utah Public Service Commission

FROM: Division of Public Utilities
Constance B. White, Director *CBW*
Laura Scholl, Manager, Telecom and Water Section
Bill Duncan, Technical Consultant *BD*

RE: CPCN for Coyotes 'N Cowboys Line Camp Subdivision
Docket No. 07-2483-01

Recommendation:

The Division recommends the Utah Public Service Commission issue a Certificate of Public Convenience and Necessity (CPCN) to Coyotes 'N Cowboys Line Camp Subdivision.

Summary:

The Division of Public Utilities has reviewed the application of Coyote 'N Cowboys Line Camp Subdivision (company) and finds it is in compliance with UCA 54-4-25.

The company was organized in 2006 by filing of "Articles of Organization" as an LLC and currently has an "Active" status and is in "Good Standing" with the Division of Corporations. The Company is licensed as a LLC - Domestic. The company intends to provide water service to the Coyote 'N Cowboy subdivision, a 36 lot subdivision approximately two miles northwest of Antimony, UT. The subdivision is adjacent to Otter Creek reservoir and Otter Creek State Park.

The company has sufficient water rights to supply their customers, and their system meets the requirements for a New Community and New Non-transient Non-community Water System. See attached documents from the Division of Water Rights and the Division of Drinking Water.

The company has submitted a proposed tariff (see attached) with rates that are just and reasonable and are comparable to other small water companies across the state. The applicant acknowledges that the rates charged will not recover the capital cost of the water system. Water rates are intended only to cover operational expense. Instead, capital costs will be recovered through the sale of lots in the subdivision. The total system cost was \$159,500. The applicant indicates that the cost has been completely paid and there is no debt associated with the construction of the water system.

The Division therefore recommends that the Commission approve the application of Coyotes 'N Cowboys Line Camp Subdivision.

cc: Marcia Tobiasson