



State of Utah
Department of Commerce
Division of Public Utilities

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MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Philip Powlick, Director
Bill Duncan, Telecommunications / Water Manager
Ron Slusher, Utility Technical Consultant

Date: August 14, 2008

Re: Expansion of Service Area to South Duchesne Culinary Water, Inc. Case No. 08-2372-01

RECOMMENDATION:

The Division of Public Utilities recommends that the Utah Public Service Commission should grant the Expansion of Service Area South Duchesne Culinary Water, Inc. for a maximum of 298 connections.

EXPLANATION:

The Division of Public Utilities received an application from Frank J. Steed Jr.; Director of South Duchesne Culinary Water, Inc. requesting that Commission grant them permission to expand the service area in the Utah Min Ranches Subdivision to 804 connections.

The Company filed for and was granted a CPCN on December 18, 2001, Docket #01-2372-01, for a maximum of 75 connections. At the end of December 2007 they currently serve 121 connections. South Duchesne Culinary Water, Inc. contracts with the City of Duchesne for the water to service the Utah Mini Ranches Subdivision and have purchased the water rights for 804 connections. According to the report issued by the Department of Drinking Water on March 21, 2006, South Duchesne Culinary Water, Inc. has installed sufficient water storage, two storage tanks equaling 330,000 gallons, to provide water for 804 connections. The problem is the water line that currently is installed to the Utah Mini Ranches Subdivision can only carry enough water to serve 298 connections. The City of Duchesne is in the process of upgrading the current water line to a 12" to meet the needs of their contract but as of the date on this memorandum have not committed to a time frame.

South Duchesne Culinary Water, Inc. has on file a tariff with rates that are just and reasonable and appear to financially responsible based on the company's annual reports filed with this application.

Until such time that the City of Duchesne has upgraded the current water line and can supply the water needed to expand the service area to the 804 connections requested, the Division recommends that the Utah Public Service Commission should grant the Expansion of Service Area South Duchesne Culinary Water, Inc. for a maximum of 298 connections.