

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of the Application of North Fork Water Company for a Certificate of Convenience and Necessity to Operate as a Public Utility Rendering Culinary Water Service, or for an Exemption from Public Service Commission Regulation	)	<u>DOCKET NO. 08-2492-01</u>
	)	<u>REPORT AND ORDER</u>
	)	<u>CERTIFICATE NO. 2492</u>
	)	
	)	

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ISSUED: June 19, 2008

SYNOPSIS

Applicant, having demonstrated its fitness to serve, and no opposition to the application appearing, the Commission grants the certificate and approves rates as indicated.

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By the Commission:

PROCEDURAL HISTORY

On March 14, 2008, North Fork Water Company (“Applicant”) filed an Application for a Certificate of Public Convenience and Necessity (“Certificate”) to operate as a public utility providing culinary water service to the Chamberlain Ranch Residential Subdivision, Kane County, Utah, more particularly described by the parcel description attached to the Application at Exhibit A.

On May 12, 2008, the Division of Public Utilities (“Division”) filed a memorandum detailing its investigation of the Application and recommending issuance of the requested Certificate and approval of the water service rates proposed by Applicant.

Hearing on the Application was held before the Administrative Law Judge (“ALJ”) on June 10, 2008, pursuant to Notice issued on May 28, 2008. Bruce C. Jenkins of

Jenkins Ronnow Jensen & Bayles LLP appeared on behalf of Applicant. Bentley W. Smith, Applicant's Secretary-Treasurer, testified for Applicant. Patricia Schmid, Assistant Attorney General, State of Utah, appeared on behalf of the Division with Ron Slusher, Utility Technical Consultant, testifying for the Division. Those appearing presented evidence that establishes there is a need for water service to the area to be served by Applicant, that Applicant is qualified to provide such service, and that granting the requested Certificate is in the public interest and appropriate under Utah law. No one appeared in opposition to Commission regulation.

BACKGROUND, DISCUSSION, FINDINGS AND CONCLUSIONS

Applicant proposes to serve a new residential development with 19 residential connections and 1 commercial connection. Applicant was organized in November 2007 and has an "Active" status in "Good Standing" with the Division of Corporations. As evidenced by determinations of the Division of Water Rights and the Division of Drinking Water, respectively, Applicant maintains sufficient water rights to supply its customers and its system meets the requirements for a New Community and New Non-transient Non-community Water System. Therefore, the Division concludes granting a Certificate would be in the public interest and recommends issuance of said Certificate.

Having determined that Applicant has received all required consent and permits, and that provision of service within its proposed service territory will not adversely affect the operations of any existing certificated public utility, the ALJ concurs with the Division's recommendations and concludes, as a matter of law, that the Application should be granted and Certificate issued accordingly.

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Applicant requests approval of the following rates:

Annual Water Usage Rate – Residential	
First .25 acre feet (81,250 gallons)	\$624.00 (\$52.00 per month)
Annual Water Usage Rate – Commercial	
First .25 acre feet (81,250 gallons)	\$1,248.00 (\$104.00 per month)
Additional Usage Water Rate	\$0.25 per gallon
Connection Fee	\$6,000.00 upon each transfer/sale of each lot
Late Fee	\$25.00 and 12% interest per annum for all payments not made by the 1 <sup>st</sup> of the month due date
Meter Installation	\$2,500.00

At hearing, the ALJ noted the proposed tariff sheet filed with the Application does not clearly indicate the Annual Water Usage Rate – Commercial noted above. Applicant will file a revised tariff sheet specifying said rate.

Having reviewed Applicant's financial data, the Division notes the proposed rates will not recover the capital cost of the water system, but that said costs will instead be recovered through the sale of lots in the subdivision. Total system cost was \$1,423,650.00 and has been completely paid such that there is no debt associated with construction of the water system. The Division believes the proposed rates are just and reasonable and recommends Commission approval of the same.

The ALJ concurs with the Division's recommendation and finds the proposed rates to be just and reasonable.

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:

- NORTH FORK WATER COMPANY is hereby granted Certificate of Public Convenience and Necessity No. 2492 to operate as a water corporation providing culinary water within the Chamberlain Ranch Residential Subdivision, Kane County, Utah, as more particularly described in its Application.

- Applicant shall comply with all requirements of the Utah Division of Drinking Water.

- Applicant's rates are approved as set forth *supra*. Applicant shall file a revised tariff consistent with this Report and Order within 30 days of the date of this Order. The Division of Public Utilities shall review the revised tariff sheets for compliance with this Report and Order.

Pursuant to *Utah Code Annotated* §§ 63-46b-12 and 54-7-15, agency review or rehearing of this order may be obtained by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply

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with the requirements of *Utah Code Annotated* §§ 63-46b-14, 63-46b-16 and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 19<sup>th</sup> day of June, 2008.

/s/ Steven F. Goodwill  
Administrative Law Judge

Approved and Confirmed this 19<sup>th</sup> day of June, 2008, as the Report and Order of the Public Service Commission of Utah.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard  
Commission Secretary

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