



JON HUNTSMAN Jr.  
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State of Utah  
Department of Commerce  
Division of Public Utilities

FRANCINE GIANI  
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THAN LEVAR  
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PHILIP POWLICK  
*Director, Division of Public Utilities*

**MEMORANDUM**

**To:** Public Service Commission

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

**Date:** May 12, 2008

**Re:** Issuance of a Certificate of Public Convenience and Necessity (CPCN) to North Fork Water Company, Case No. 08-2492-01

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**RECOMMENDATION:**

The Division of Public Utilities recommends that the Utah Public Service Commission should issue a Certificate of Public Convenience and Necessity (CPCN) to North Fork Water Company.

**EXPLANATION:**

The Division of Public Utilities received an application from Bruce C Jenkins; Register Agent for North Fork Water Company that indicates the Company qualifies for a Certificate of Public Convenience and Necessity (CPCN).

The Company was incorporated in November 13, 2007 and has an "Active" status which means it is in "Good Standing" with the Division of Corporations. The Company also has an "Approved" rating from the Division of Drinking Water for the Chamberlain Ranch Residential Subdivision, Kane County, Utah which is located approximately on the North Fork of the Virgin River.

The applicant appears to have sufficient water rights for their needs (19 of residential connections and 1 commercial connection) and their system meets the requirements of 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.

North Fork Water 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 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 \$1,423,650.00. The applicant indicates that the cost has been completely paid for and there is no debt associated with the construction of the water system.

The Division therefore recommends that the Commission approve the application of North Fork Water Company for Certificate of Public Convenience and Necessity (CPCN).