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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of Cedar Point  
Mutual Water Company

DOCKET NO. 09-2404-01

**PETITION FOR AN ORDER TO MANDATE  
CESSATION OF CHARGING  
UNAPPROVED RATES, RESUME  
CHARGING APPROVED RATES, AND TO  
SHOW CAUSE WHY FINES SHOULD NOT  
BE IMPOSED**

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The Division of Public Utilities (Division) hereby petitions the Utah Public Service Commission (Commission), pursuant to UCA § 54-4-2, for an Order to Show Cause against Cedar Point Mutual Water Company (Cedar Point) ordering that Cedar Point cease charging rates that have not been approved by the Commission and resume charging approved rates. Additionally, the Division requests that Cedar Point be ordered to show cause why it should not be fined a minimum of \$500 to a maximum of \$2,000 per day per offense. Each day that Cedar Point has charged unapproved rates and each day that Cedar Point failed

to comply with the Commission's rule to answer complaints within the prescribed time constitutes a separate offense.

In support of its petition, the Division submits:

1. On April 28, 2004, the Division filed for the issuance of an order to show cause against Cedar Point to require the named principals to explain the water system and why the water system has been operated without a certificate of convenience and necessity or a letter of exemption from the Commission.
2. On August 2, 2004, after contacting the Division, Cedar Point filed an application with the Commission.
3. On August 25, the Division filed with a withdrawal of its order to show cause with the Commission.
4. On September 2, 2004, the Commission granted the withdrawal request pertaining to the order to show cause.
5. On January 21, 2005, the Commission granted Cedar Point a certificate and approved the following rates:

	Usage	Charges
	First 12,000 gallons	\$ 30.00 minimum charge for each service connection
	Usage over 13,000 gallons	\$ 1.18 per each 1,000 gallons
	Stand-by Fee	\$ 10.00 per month
	Turn on Service where Meter is already in place	\$ 100.00

Premises temporarily without meters to be charged the minimum charge.

\$	
Service Connection Charges	
5/8" Service to Property	\$
Line	1000.00
3/4" Service to Property	\$
Line	1,500.00
Turn on service where	
meter is	
already in place	\$ 100.00

6. On May 4, 2006, Cedar Point filed a tariff incorporating the above rates.
7. On November 18, 2008, a Cedar Point customer informed the Division that Cedar Point intended to charge increased, unapproved rates for water service. On November 18, 2008, the Division sent Cedar Point and its attorney a letter informing Cedar Point that pursuant to UCA § 54-7-12(2)(a) public utilities are required to file rate increases or decreases with the Commission which must be approved before changed rates can be charged. The letter stated, "If you feel that your company needs a rate increase to maintain its viability please file the appropriate paperwork with the commission [sic]. Until such time that the new rates have been approved by the commission [sic] you cannot modify rates charged to your customers." A copy of this letter is attached as Exhibit A.
8. The Division received complaints from customers that Cedar Point has ceased charging the approved rates, and is now charging unapproved,

higher rates. Copies of these complaints are attached as Exhibit B (confidential).

9. Pursuant to R746-200-8, on January 8, 2008, the Division sent Cedar Point notice via email of complaints concerning the rate increase and of Cedar Point's duty to respond to the complaints within five business days. A copy of this notice is attached as Exhibit C, **(CONFIDENTIAL)**.
10. Cedar Point did not respond to the complaints within the five business days as required by the above-cited rule.
11. On February 17, 2009, the Division was informed by a customer that Cedar Point has charged the higher unapproved rates. A copy of a bill showing that Cedar Point is charging unapproved higher rates is attached as Exhibit D, **(CONFIDENTIAL)**.
12. Because Cedar Point is charging its customers unapproved rates, Cedar Point is failing to comply with the Commission order dated January 21, 2005 approving and establishing rates.
13. Pursuant to UCA § 54-7-25, any public utility that fails to comply with an order issued by the Commission is subject to a penalty of not less than \$500 nor more than \$2,000 per day for each offense. Each day's violation of the order is a separate offense. Beginning on January 1, 2009 and continuing today, constituting 50 days, Cedar Point has violated the Commission's January 21, 2005 rate order by charging unapproved rates and, under the cited statute, sanctions of not less than \$25,000 nor more than \$100,000 could be justified against Cedar

Point for this violation. Cedar Point also has violated the Commission's rules by failing to respond to complaints within the time required and, under the cited rule, sanctions of not less than \$64,000 nor more than \$272,000 could be justified against Cedar Point for this violation beginning on January 8, 2009 and continuing today. Therefore, the Division requests that the Commission order Cedar Point to show cause why it should not be fined a minimum of \$500 to a maximum of \$2,000 per day per offense.

Wherefore, the Division respectfully requests that the Commission order Cedar Point to cease charging water rates that have not been approved by the Commission, to resume charging approved rates, and to show cause why it should not be fined a minimum of \$500 to a maximum of \$2,000 per day per offense as discussed above.

RESPECTFULLY submitted this 19th day of February 2009.

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(801) 366-0380

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the Petition for an Order to Show Cause filed by the Division of Public Utilities in Docket Number 09-2404-01 was mailed or hand delivered on the 19<sup>th</sup> day of February 2009 to the following:

Mr. Jerry Eaves  
Cedar Point Mutual Water Company  
525 West State, #2  
Hurricane, UT 84737

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