

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Wolf Creek Water)
Company Bankruptcy)
)
)
)

DOCKET NO. 10-071-01
REPORT AND ORDER

ISSUED: December 9, 2010

By The Commission:

This matter is before the Commission on Wolf Creek Water Company’s apparent bankruptcy. The Commission received correspondence from the Moose Hollow Homeowner’s Association, which receives water service from the Company. The correspondence alleged that the Company has failed to pay the annual assessment due on the water it received from the Weber Basin Water Conservancy District, and also raised some additional concerns about accounting discrepancies. The Commission, on September 20, 2010, ordered the Division of Public Utilities (Division) to conduct an investigation into the Company’s compliance with its obligations as a public utility.

The Division conducted that investigation, issuing data requests to the Company, reviewing responses, speaking with Company personnel and personnel from the Weber Basin Water Conservancy District. *See Division Recommendation*, November 2, 1010. The Division found that:

- the Company’s bill had been paid to Weber Basin;
- though their might have been some accounting balance changes, the Division discovered that the Company was in the initial stages of being sold to the Wolf Creek Sewer Improvement District, a municipal sewer and water district, over which the Commission

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and Division would have no authority. Therefore, based on that pending sale, the Division decided to decline further investigation as any such concerns would be outside the Commission's jurisdiction;

- The Division also noted that customers for both the Wolf Creek water Company and Wolf Creek Water Conservancy Company support the sale of the Company to the municipal district. In a public meeting held October 27, 2010, the audience in attendance voted for the sale of bonds by the municipal district to acquire the two water companies. A public hearing was also held on November 2, 2010 and it is expected that the bankruptcy court will rule on the bankruptcy plan, which includes the sale of the Companies to the municipal district. Based on information from the Company, it is expected that the bankruptcy court will approve the sale.

The Division found that the Company was complying with its obligations a public utility, including payment of obligations to its water supplier, maintenance of service-quality, testing, etc. The Division recommended ongoing monitoring pending sale of the Company to the municipal district.

ORDER

1. The Division shall continue to monitor the Company, and give the Commission a status update by Monday, March 7, 2011, informing the Commission if the Company has been sold to the municipal district.

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DATED at Salt Lake City, Utah, this 9th day of December, 2010.

/s/ Ruben H. Arredondo
Administrative Law Judge

Approved and confirmed this 9th day of December, 2010, 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
G#69913