



State of Utah
Department of Commerce
Division of Public Utilities

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MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities

Chris Parker, Director

Bill Duncan, Telecommunications / Water Manager *BD*

Mark Long, Utility Analyst *ML*

Date: March 7, 2011

Re: In the Matter of the sale of Wolf Creek Water Company, Inc. and Wolf Creek Water Conservancy, Inc. to Wolf Creek Water and Sewer Improvement District per the Order of the Public Service Commission of Utah dated December 9, 2010, Docket No. 10-071-01.

RECOMMENDATION:

The Utah Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) cancel the Certificate of Public Convenience and Necessity (CPCN) held by Wolf Creek Water Company, Inc. and Wolf Creek Water Conservancy, Inc., Certificate Nos. 2545 and 2417, respectively.

Background on Companies:

On February 7, 1991 Wolf Creek Water and Sewer Company was granted a CPCN by the Commission in Docket No. 90-071-01 which authorized Wolf Creek Water and Sewer Company to operate as public utility rendering culinary and sanitary sewer service. On March 4, 2005, per Docket No. 05-071-01, the Commission Ordered that the CPCN for Wolf Creek Water and Sewer Company be amended to remove authorization to provide sanitary sewer service to reflect the fact that the sewer operations were sold to Wolf Creek Sewer Improvement District. Subsequently, on May 25, 2006 in Docket No. 06-071-01 the Commission approved the name change from Wolf Creek Water and Sewer Company to Wolf Creek Water Company, Inc. to reflect the fact that sanitary sewer services were no longer provided.

Commission Order, Docket No. 03-2417-01, granted CPCN No. 2417 to Wolf Creek Water Conservancy, Inc. to operate as a water corporation.

Explanation:

This Docket originated via a homeowners association complaint that Wolf Creek Water Company, Inc. had declared bankruptcy and they were concerned that this may cause a disruption in water customers receiving a safe, adequate, and reliable water service. During the early phases of the Division's investigation, it was learned that Wolf Creek Water Company, Inc. and Wolf Creek Water Conservancy, Inc were in negotiations to be sold to a public entity, Wolf Creek Water and Sewer Improvement District. Both companies in question, Wolf Creek Water Company, Inc. and Wolf Creek Water Conservancy, Inc. are regulated by the Public Service Commission.

Pursuant to its investigation, the Division was informed that Wolf Creek Water and Sewer Improvement District was formerly known as Wolf Creek Sewer Improvement District. It was created in 1984, and although it did not operate for a number of years, it has become a very active and effective public district in the Ogden Valley. In preparation of purchasing the Wolf Creek Water companies it petitioned the Court to also become a water district. On November 2, 2010, Judge Ernest Jones ruled in favor of the petition. Subsequently, to reflect its expanded service, Wolf Creek Sewer Improvement District recently changed its name to Wolf Creek Water and Sewer Improvement District.

On December 9, 2011 the Commission issued an Order for the Division to continue to monitor the Water Company(s) and to inform the Commission when the Company(s) had been sold to the municipal improvement district. The Division was informed that the sale of Wolf Creek Water Company, Inc. and Wolf Creek Water Conservancy, Inc. to Wolf Creek Water and Sewer Improvement District was completed on January 31, 2011.

On March 3, 2011 the Division received the Bill of Sale verifying the January 31, 2011 sale to Wolf Creek Water and Sewer Improvement District. Wolf Creek Water Company, Inc. and Wolf Creek Water Conservancy, Inc. have ceased business and will be officially dissolved on the Utah Division of Corporation's records upon completion of items required by the Bankruptcy Court.

All customers were notified of the transfer of ownership. Additionally, Wolf Creek Water and Sewer Improvement District does not intend to change the rate structure and therefore, the sale should have no impact to customers. Since Wolf Creek Water and Sewer Improvement District is a public entity and is not under the jurisdiction of the Public Service Commission of Utah, the Division recommends that CPCNs 2545 and 2417 be cancelled.

CC:

Patricia Schmid, Attorney, State of Utah
Annette Ames, Wolf Creek Water and Sewer Improvement District,
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