

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Cedar)
Point Water Company for an Expansion of) DOCKET NO. 10-2404-01
Service Area and Additional Types of)
Service and Applicable Rates) ORDER DENYING EXPANSION OF
) SERVICE AREA
)

ISSUED: December 9, 2010

By The Commission:

This matter is before the Commission on the Application of Cedar Point Water Company for an Expansion of Service Area and Additional Types of Service and Applicable Rates.

Expansion of Service Area

The Company applied for the expansion on September 9, 2010. The Company requested they be allowed to expand to 450 residential connections and 10 commercial connections, an expansion from the current 169 residential connections.

The Division of Public Utilities (Division) conducted their review of the application by consulting with the Division of Drinking Water (DDW), reviewing the Company's annual reports, and reviewing the application. The Division noted that though the Company stated that it had 6 wells that produce a total of 564-589 gallons per minute, the DDW indicated that the Company has two active wells that produce a safe yield of 94 gpm. In order to service the proposed 460 additional connections, the DDW stated that 256 gpm was required for indoor water use. Additionally, the Apple Valley Planning Commission requires .2 acre-feet of culinary water per connection for outdoor irrigation and the average irrigated acreage per connection is .074 acre, which makes the total source capacity required to serve the 460

proposed connections to 481 gpm. The Company's current capacity, as reflected by the DDW, is enough to supply no more than 169 residential customers. The DDW stated in a Water System Requirements Report that the Company needed at least 592,344 gallons of storage capacity and 180,000 additional gallons for fire suppression. As far as *storage capacity* and *fire suppressions requirements* are concerned, the Company does meet those requirements as it has a 1MM gallon steel water storage tank it installed in 2008. However, as to *water rights*, the DDW stated the Company needed 356 acre feet of water for the proposed 460 connections, and it only has 246 acre feet of water recorded. It would need an additional 110 acre feet to expand its areas.

The Division concluded that because the Company lacked sufficient resources to expand its service area, the application for expansion should be denied until the Company obtains sufficient ability to provide for the proposed expansion.

Additional Service Types and Applicable Rates

The Company requested approval of a commercial, industrial, agriculture and an institutional rate for those customers who meet the definition of the various types. The submitted tariff did not include definitions for the various classes. Currently, the Company does not have any customers who might qualify for the commercial, industrial, agriculture or institutional rates. Until the Company amends the tariff to include the definitions of the various service type classifications and submits it to the Commission, the Division recommended the Commission deny the tariff addition of the applicable types of service and applicable rates as submitted.

ORDER

Based on the findings stated above, the Commission denies the Company's application to expand their service area and make the proposed changes to their tariff.

Pursuant to Sections 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the Commission within 30 days after the issuance of this 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 does not grant a request for review or rehearing within 20 days after the filing of the request, 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 with the requirements of Sections 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

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

/s/ Ruben H. Arredondo
Administrative Law Judge

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Approved and confirmed this 9th day of December, as the Order Denying
Expansion of Service Area 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#69967