

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Investigation of the Water	:	Docket No.
System Operations of Cedar Ridge Distribution	:	Petition for an Order
Company for Certification as a Public	:	to Show Cause
Utility or Exemption as a Mutual Culinary	:	
Water Company	:	

PETITION FOR AN ORDER TO SHOW CAUSE

Pursuant to Commission Rule R746-100-3, the Division of Public Utilities ("Division") hereby submits its petition for an Order to Show Cause against Cedar Ridge Distribution Company ("Company"), and its officer, David Z. Thompson. The Division petitions the Utah Public Service Commission ("Commission"), pursuant to UCA § 54-4a-1, to open a docket for the purpose of requiring the named principal of the Company: (1) To explain why the Company has been operating a culinary water system as a public utility without a certificate of convenience and necessity; (2) to show cause why the Company should not be fined \$2,000 per day for each day that the Company has not been in compliance with Public Utility Statutes and (3) to show cause why the named principal should not face criminal sanctions provided by statute.

In support of the petition, the Division submits:

1. In July 2003, the Division received a listing of Public Water Systems from the Utah Division of Drinking Water ("DDW") which indicated that the Company operated Water System Number 05051 in Box Elder County. The listing indicated that the system was approved on March 7, 2003 for a maximum of 50 culinary water connections.

2. A DDW listing of all water systems dated September 11, 2002 listed David Z. Thompson as the manager of the system and the contact address as 12435 No. Hillcrest, Deweyville, UT 84309. The listing indicated that the system had 23 active connections at that time.

1. On September 1, 2003, the Division sent a letter to the Company requesting information necessary for the Division to determine whether the Company was operating the water system as a mutual culinary water company or needed to be certificated as a public utility (See Attachment # 1).

2. On October 1, 2003, the Division sent a second letter to the Company requesting completion of the survey form to facilitate a Division review to determine whether the Company was operating the water system as a mutual culinary water company or needed to be certificated as a public utility (See Attachment # 2).

3. On November 3, 2003, the Division of Public Utilities sent a third letter to the Company requesting completion of the survey form designed to provide the necessary information for the Division to determine whether the Company was operating the water system as a mutual culinary water company or needed to be certificated as a public utility. The letter indicated that failure to respond would result in the Division referring the matter to the Attorney General's office for more formal action (See Attachment # 3).

4. On December 8, 2003, the Assistant Attorney General representing the Division sent the Company a certified letter providing a "Notice of Intention to file a petition for an order to show cause for failure to respond to requests for information and for operation of a public utility without a certificate of convenience and necessity," as well as providing another copy of the survey form (See Attachment # 4). The letter informed the Company representatives that if the requested information was not filed with the Division on or before January 16, 2004, the Division would without further notice petition the Commission for an Order to Show Cause why the Company and its officers should not be fined for violations of specific Utah Statutes.
5. The U.S. Postal Service certified mail return receipt documented that the letter was delivered to 12435 North Hillcrest, Deweyville, UT 84309, on December 10, 2003 and the return receipt signed for by Jennifer Ashton (See Attachment # 5).
6. To date, the Division has not received any response from the Company to the above mentioned four attempts to obtain information from Cedar Ridge Distribution Company and its representatives.
7. The Utah Division of Corporation's records show that David Z. Thompson is the registered agent for Cedar Ridge Distribution Company and that the address to which the Division's requests for information were mailed is the address on file for the Company with that agency (See Attachment # 6).

8. Pursuant to UCA § 54-4-1, the Commission is empowered to supervise and regulate public utilities providing service within Utah. Under UCA § 54-4a-1 (c), the Division is empowered to, “investigate or study, upon complaint, upon order of the Public Service Commission, or upon its own initiative, any matter within the jurisdiction of the commission.”

9. UCA § 54-4-25, provides that: “A . . . water corporation, or sewerage corporation may not establish, or begin construction or operation of a line, route, plant, or system or any extension of a line, route, plant, or system, without having first obtained from the commission a certificate that present or future public convenience and necessity does or will require the construction .”

10. Administrative Rule R746-331-1 provides that “Upon the Commission’s own motion, complaint of a person, or request of an entity desiring a finding of exemption, the Commission may undertake an inquiry to determine whether an entity organized as a mutual, non-profit corporation, furnishing culinary water, is outside the Commission’s jurisdiction.”

11. Pursuant to UCA § 54-7-25, any public utility that fails to comply with the statute, any rule or order issued by the Commission is subject to a penalty of not less than \$500 nor more than \$2,000 for each offense. The statute also states that in circumstances where violations are of a continuing nature, each day’s continuance of the violation shall be a separate and distinct offense.

12. Pursuant to UCA § 54-7-26 and 28, any officer or agent of the Company, or other individual who either individually, or acting as an officer, agent or employee of a corporation other than the public utility, violates any provision of the statute is guilty of a class A misdemeanor.

Wherefore, the Division respectfully requests that the Commission open a docket for the purpose of requiring the Company, its officers and its agents to appear and show cause why the Company and its officer, David Z. Thompson, should not be sanctioned for failing to comply with applicable statutes. The Division recommends that failing an adequate cause showing, the Commission should impose the maximum fine of \$2,000 per incident and should find the individual guilty of numerous violations.

Dated this 20th day of February, 2004.

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I hereby certify that a copy of the Petition for an Order to Show Cause in the Matter of the Investigation of the Water System Operation of Cedar Ridge Distribution Company for Certification as a Public Utility or Exemption as a Mutual Culinary Water Company was sent by U. S. Postal Service certified mail on the 20th day of February, 2004 to the following:

DAVID Z THOMPSON
CEDAR RIDGE DISTRIBUTION COMPANY
12435 NORTH HILLCREST
DEWEYVILLE UT 84309

Dennis Miller, Legal Assistant
Division of Public Utilities

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Investigation of the)
Water System Operations of Cedar Ridge)
Distribution Company)

DOCKET NO. 04-2423-01

ORDER GRANTING WITHDRAWAL OF
PETITION FOR ORDER TO SHOW CAUSE

ISSUED: March 18, 2004

By The Commission:

On February 20, 2004, the Division of Public Utilities sought the issuance of an Order to Show Cause against Cedar Ridge Distribution Company; for failure of the company to provide information concerning its operation as a utility without a certificate for utility operations. Subsequent to the filing, Cedar Ridge has responded to the Division's requests and is proceeding to apply for an exemption as a mutual water company. On March 5, 2004, the Division filed its Motion to Withdraw the Petition for an Order to Show Cause. Based thereon, the Motion is hereby granted.

DATED at Salt Lake City, Utah, this 18th day of March, 2004.

/s/ Ric Campbell, Chairman

/s/ Constance B. White, Commissioner

/s/ Ted Boyer, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary