



State of Utah  
 Department of  
 Commerce  
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**Division of  
 Public Utilities**  
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GARY HERBERT  
 Lieutenant Governor

February 11, 2005

MR DAVID Z THOMPSON  
 CEDAR RIDGE DISTRIBUTION COMPANY  
 12435 N HILLCREST DR  
 DEWEYVILLE UT 84309-9705

Dear Mr. Thompson:

The Division of Public Utilities has reviewed your application for exemption and verified with the Utah Division of Water Rights that your water system has sufficient water rights for the operation of your water company. The incorporating documents however currently do not provide a "commonality of interest" which is required for exemption from regulation. In order for your water company to comply you will have to amend your articles of incorporation as well as your by-laws that will provide all Class A & B stockholders all voting rights, including to vote for Board members, change in by-laws, etc. If you choose not to amend these documents with the Division of Corporations then your water company will need to apply for a Certificate of Public Convenience and Necessity with the Public Service Commission as a regulated utility company.

Currently in order for Cedar Ridge Distribution Company to qualify for a Letter of Exemption the articles of incorporation and by-laws will need to be amended and filed with the State Division of Corporations and a copy sent to our office as well. Until such an exemption is actually granted you could be considered as operating as a public utility without authority and be subject to fines and other sanctions by the Public Service Commission.

Please complete the requested action as soon as possible in order for your application for exemption to proceed. Your co-operation in resolving this matter is appreciated. Feel free to contact me if you have any questions.

Sincerely,

Bruce Scott Moio  
 Utility Analyst  
 State of Utah Department of Commerce  
 Division of Public Utilities  
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