



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: May 23, 2011

Re: Docket No. 10-2529-01, Approval of the Tariff for Grand Staircase Water Company, L.L.C.

RECOMMENDATION/REQUEST:

- The Utah Division of Public Utilities (Division) recommends that the Utah Public Service Commission (Commission) does NOT approve the tariff for Grand Staircase Water Company, LLC (GSW) at this time.
- The Division requests a scheduling conference to set a hearing date and to establish deadlines for pre-hearing briefs, responsive briefs and discovery requests.

EXPLANATION:

On March 14, 2011, the Division was ordered by the Commission, to attempt to resolve the outstanding issues regarding the approval of the tariff for GSW no later than May 23, 2011.

Pursuant to the Commission's order, the Division has issued two data requests to GSW, the first dated February 28, 2011 and the second dated May 2, 2011, requesting information to assist in resolving the outstanding issues and to obtain the necessary financial information to ensure

GSW's financial viability. The responses to the first data request were submitted by GSW to the Division on April 21, 2011. Despite several emails and phone conversations between the Division and GSW, the Division failed to receive accurate, complete and current financial documents as well as all the information requested in the first data request from GSW. Therefore, the second data request was issued, and its response is still pending.

In summary, notwithstanding the vigorous attempts by the Division to obtain the information from GSW necessary to make a recommendation, to date, the Division has not been provided with adequate financial information to ascertain the financial viability of GSW. Additionally, the Division has requested basic information from GSW to support GSW's positions, which it has not received. Therefore, the outstanding issues referenced in the Commission's Order of March 14, 2011 have not been resolved.

CC Bryan C. Bryner, Smith Hartvigsen, PLLC
Patricia Schmid, Assistant Attorney General, State of Utah