



State of Utah
Department of Commerce
Division of Public Utilities

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Recommendation

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director

William Duncan, Manager

Mark Long, Utility Analyst

Date: September 24, 2018

Re: Request for Exemption for McBride Enterprises/Pine Meadows PUD, Docket No. 18-2606-01

Recommendation (No Action Required)

The Utah Division of Public Utilities (Division) recommends that “No Action” is required for McBride Enterprises/Pine Meadows PUD (Pine Meadows) request for an exemption from Public Service Commission (Commission or PSC) regulation because they are not a public water utility subject to the Commission’s jurisdiction.

Discussion

On or about August 24, 2018, the Commission received an Application and Exhibit for Exemption for Pine Meadows. The Division reviewed the application and found the following:

Pine Meadows is a trailer court that purchases water from Ashley Valley Water & Sewer Improvement District (Ashley Valley Water) and redistributes the water to its 70 tenants at Pine Meadows’ cost. According to the Division of Drinking Water, Ashley Valley Water is “an approved Public Drinking Water System source.”

Pine Meadows has two master meters and 70 sub-meters serving each of its tenants. The owner of Pine Meadows, Mr. Renn McBride, stated about two years ago, Pine Meadows installed individual meters on each of its lots to encourage its customers to conserve water by making them aware and responsible for their water usage. McBride reports that water consumption dropped by about 50 percent.

The Utah Division of Drinking Water (Drinking Water) has determined that Pine Meadows meets Drinking Water's definition of being a public water system. Pine Meadows is presently working with Drinking Water to ensure its compliance with all Drinking Water requirements.

Conclusion

The Division believes that Pine Meadows is a customer of Ashley Valley Water and merely redistributes its purchased water to its tenants only. The water is not treated in any way by Pine Meadows and is sold to its tenants at Pine Meadows' cost. This practice using master meters and sub-meters is common among many trailer courts, apartment building, condos, etc. Purchasing water and redistributing it does not make it a public water utility subject to the Utah Public Service Commission's rules and laws.

Additionally, although specifically applicable only to electric utilities regarding sub-metering as an alternative to individual metering, Utah Administrative Rule R746 210 5 states, "... customers of master metered utility customer are not customers of a regulated public utility" The DPU believes this concept applies in this instant case based on its facts and circumstances.

The Division recommends that the Commission take no action concerning the exemption requested by Pine Meadows since its role is that of a customer of Ashley Valley Water and is not a public water utility and therefore, is not required to be regulated or granted a letter of exemption by the PSC.

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