



## State of Utah

### Department of Commerce Division of Public Utilities

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## Action Request Response

**To:** Public Service Commission of Utah

**From:** Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Brenda Salter, Utility Technical Consultant Supervisor

Mark Long, Utility Analyst

**Date:** January 25, 2021

**Re:** **Docket No. 21-2625-01**, Request of North Fork Cottages Water Company for exemption from regulation.

### Recommendation (Approve)

The Utah Division of Public Utilities (Division) recommends that North Fork Cottages Water Company's (North Fork Cottages, Company or Applicant) request for exemption from regulation by the Public Service Commission (Commission or PSC) be approved. The Division recommends that the Commission issue North Fork Cottages a Letter of Exemption (LOE).

### Issue

On January 6, 2021, the Company filed an exemption with the Commission requesting the Commission exempt it from regulation. The Commission issued an Action Request to the Division on January 6, 2021, with a due date of February 5, 2021.

## **Background**

The Company currently has ten residential water customers in its service area located in the North Fork area of Provo Canyon, Utah. In its application, the Company indicates that the water system has been in use since the 1940s and has existed in its current form with existing infrastructure since the 1960s.

According to the Utah Division of Corporations' records, North Fork Cottages is listed as a domestic non-profit corporation. It shows North Fork Cottages as an "Active" corporation and is in "Good Standing."

In its application, the Company indicates that it is currently working with the Utah Department of Environmental Quality (DEQ), Utah Division of Drinking Water, to obtain approval for its existing system and will make updates as required.

## **Discussion**

North Fork Cottages' Articles of Incorporation indicates that it is

*A nonprofit mutual benefit water company that is meant to provide water services for company shareholders that are not currently services [sic] by any other local water company.*

Additionally, the Applicant indicates

*The spring and water system are the only source of water for approximately 10 parcels of land which are not served by any other water provider. This system will only provide water to shareholders of the water company and will not provide any services to other individuals/parcels.*

Since North Fork Cottages is serving only member customers located within its service area boundaries, it no longer meets the definition of a water corporation under Utah Code Ann. § 54-2-1(38) and is therefore not subject to the Commission's jurisdiction.

## **Conclusion**

The Division recommends the Commission exempts North Fork Cottages from regulation and issue an LOE to the Company.

Cc: Service List