



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 Technical Consultant

Date: August 11, 2021

Re: **Docket No. 21-2630-01**, Application of Juniper Canyon, LLC. for exemption from regulation.

Recommendation (Approve)

The Utah Division of Public Utilities (Division) recommends that Juniper Canyon, LLC.'s (Juniper Canyon or Applicant) request for exemption from regulation by the Public Service Commission (Commission) be approved. The Division recommends that the Commission issue Juniper Canyon a Letter of Exemption (LOE).

Issue

On July 15, 2021, the Applicant filed a request with the Commission requesting an exemption from Commission regulation. On July 15, 2021, the Commission issued an Action Request for the Division to review the application and make recommendations by August 13, 2021.

Background

The Applicant is a new water company planning to serve 35 residential lots in a proposed subdivision located in Iron County in or near Cedar City, Utah.

According to the Utah Division of Corporations' records, Juniper Canyon is listed as a domestic LLC. Division of Corporations and Commercial Code records also show Juniper Canyon as "Active" and "Current," representing that a renewal has been filed within the most recent renewal period.

In its application, Juniper Canyon indicated it is working with the Division of Drinking Water's southwest Engineer, J. Paul Wright. The application will be formally submitted to Mr. Wright for approval once it is completed.

In its application for exemption, Juniper Canyon stated,

The Subdivision will receive bulk water from Cedar City Water Corporation. The Public Water system will have no source or storage tank. Infrastructure includes a booster station, waterlines, meters and hydrants. It is anticipated this proposed water company will function independent of the Cedar City Water Corporation until Cedar City constructs a water tank at a higher elevation to provide adequate pressure to this subdivision. At that time, this water company will be dissolved and absorbed by Cedar City Water Corporation.

Discussion

Because of its involved infrastructure and its desire to function independently of Cedar City Water Corporation until Cedar City Water Corporation can provide adequate water pressure to Juniper Canyon's subdivision, the Applicant might appear to be a water utility potentially subject to regulation. However, Juniper Canyon's Application indicates it is serving members only. Before filing its request for exemption from regulation, Division staff spoke with representatives from Juniper Canyon regarding its proposed water system and have verified that the Applicant will be serving members only.

Since Juniper Canyon is serving only member customers 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 Commission jurisdiction.

Conclusion

The Division recommends the Commission exempt Juniper Canyon from regulation and issue a LOE to the Applicant.

Cc:

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Juniper Canyon, LLC. Member