Application of Harmony Mountain Ranch Water Company Association for Exemption from Regulation DOCKET NO. 22-2428-01

ORDER GRANTING EXEMPTION FROM
REGULATION AND CANCELING
CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY

ISSUED: October 11, 2022

BACKGROUND

On August 29, 2022, Harmony Mountain Ranch Water Company Association ("Harmony Mountain") filed an Application and Exhibits for Exemption ("Application") with the Public Service Commission (PSC). On September 22, 2022, the Division of Public Utilities (DPU) filed a memorandum ("Memorandum"), recommending the PSC grant Harmony Mountain's Application.

The Application and Memorandum represent that Harmony Mountain is currently serving 51 customers (26 connected and 25 standby) and will serve only members and not the general public. In addition, the Application states that Harmony Mountain will serve up to 100 residential customers in a proposed subdivision located in Iron County near Cedar City, Utah.

The Memorandum states that the PSC issued Harmony Mountain's Certificate of Public Convenience and Necessity (CPCN) No. 2428 and approved the original rates on May 13, 2004. Additionally, DPU states that according to the Utah Division of Corporations' records, Harmony Mountain is listed as an "[a]ctive" corporation and is in "[g]ood standing." DPU further states that Harmony Mountain appears to be compliant with the regulations of the Utah Department of Environmental Quality, Division of Drinking Water. In conclusion, DPU recommends the PSC grant the Application and cancel Harmony Mountain's CPCN No. 2428.

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ORDER

Because Harmony Mountain will serve only its members, and will not otherwise serve the general public, the PSC concludes Harmony Mountain is exempt from the PSC's regulation and grants the Application in accordance with Utah Code Ann. § 54-2-1(38). Therefore, Harmony Mountain's CPCN No. 2428 is canceled. The letter of exemption is attached to this Order as Exhibit A.

DATED at Salt Lake City, Utah, October 11, 2022.

/s/ Yvonne R. Hogle Presiding Officer

Approved and confirmed October 11, 2022, as the Order of the Public Service Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg PSC Secretary DW#325771

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Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 30 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

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Exhibit A



Public Service Commission

THAD LeVAR Chair

DAVID R. CLARK Commissioner

RON ALLEN Commissioner

State of Utah

SPENCER J. COX Governor

DEIDRE M. HENDERSON Lieutenant Governor

LETTER OF EXEMPTION NO. 246

October 11, 2022

Bill R. Tillett Harmony Mountain Ranch Water Company P.O. Box 1561 Cedar City, Utah, 84721

Dear Mr. Tillett,

The Public Service Commission (PSC) has reviewed the proposed application for exemption filed on behalf of Harmony Mountain Ranch Water Company Association ("Harmony Mountain") on August 29, 2022.

On September 22, 2022, the Division of Public Utilities (DPU) recommended the PSC grant the request for exemption because Harmony Mountain will serve only members in 100 residential lots located in a proposed subdivision near Cedar City, Utah. Utah Code Ann. § 54-2-1(38) excludes water corporations from PSC regulation that distribute water only to their stockholders or members. Thus, it appears an exemption for Harmony Mountain is appropriate.

Please be advised that this Letter of Exemption No. <u>246</u> is granted pursuant to the representations contained in the Application and on the basis of DPU's confirmation that Harmony Mountain will serve only its members and not the public generally. Harmony Mountain has a continuing obligation to update the PSC within 30 days of any change.

This Letter of Exemption No. <u>246</u> is revocable for cause at any time. Please refer to this letter number in any future correspondence with either the PSC or DPU.

Sincerely,

/s/ Gary L. Widerburg PSC Secretary DW#325771

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CERTIFICATE OF SERVICE

I CERTIFY that on October 11, 2022, a true and correct copy of the foregoing was served upon the following as indicated below:

By Email:

Bill R. Tillett (<u>btillett68@gmail.com</u>) Harmony Mountain Ranch Water Company Association

Patricia Schmid (<u>pschmid@agutah.gov</u>) Assistant Utah Attorney General

Madison Galt (<u>mgalt@utah.gov</u>) Division of Public Utilities

Administrative Assistant