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# 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 26, 2022

**Re:** **Docket No. 22-2637-01**, Application of Zion Peak Water Company, LLC seeking an exemption from Public Service Commission regulation.

## Recommendation (Approve)

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

## Issue

On August 1, 2022, the Applicant filed a request with the Commission requesting an exemption from Commission regulation. On August 1, 2022, the Commission issued an Action Request for the Division to review the application and make recommendations by August 31, 2022.

## Background

Zion Peak will serve a maximum of 340 part-time residential connections at full build-out of the Little Ponderosa Subdivision located adjacent to the east boundary of Zion National

Division of Public Utilities

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Park in Kane County, Utah. Zion Peak will purchase water for the system from the East Zion Special Service District.

According to the Utah Division of Corporations' records, Zion Peak is listed as a domestic LLC. The Division of Corporations and Commercial Code records also show Zion Peak as "Active" and "Current," representing that a renewal has been filed within the most recent renewal period. It lists Brett N. Anderson as the registered agent.

The Division contacted Zion Peak, who indicated it is working with Paul Wright, the Utah Department of Environmental Quality (DEQ), Utah Division of Drinking Water's engineer, in Southern Utah. Mr. Wright has reviewed Zion Peak's Preliminary Engineering Design. Pending this Commission's Order, Zion Peak will continue its final design work and submit the final design to Mr. Wright.

## **Discussion**

Zion Peak's Application indicates it serves its members only and not the public generally. Zion Peak stated on its application that all residential connections would be members of an owner's association, which is a required condition precedent to obtaining water from Zion Peak.

Since Zion Peak will serve only member customers within its service area boundaries, it does not meet the definition of a water corporation requiring Commission regulation under Utah Code Ann. § 54-2-1(39) and is therefore not subject to Commission jurisdiction.

## **Conclusion**

The Division recommends the Commission exempt Zion Peak from regulation and issue an LOE to the Applicant.

cc: Stephen Neeleman, Manager ([sneeleman@healthequity.com](mailto:sneeleman@healthequity.com))  
Zion Peak Water Company, LLC