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# UTAH DEPARTMENT OF COMMERCE

## Division of Public Utilities

MARGARET W. BUSSE  
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## Action Request Response

**To:** Public Service Commission of Utah

**From:** Utah Division of Public Utilities

Chris Parker, Director  
Brenda Salter, Assistant Director  
Abdinasir Abdulle, Utility Technical Consultant Supervisor  
Joanna Matyjasik, Utility Analyst

**Date:** November 21, 2024

**Re:** **Docket No. 24-2652-01**, In the Matter of Application of Crimson Ridge Phase Two Water Company, LLC for Exemption.

## Recommendation (Approval)

The Utah Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) approve Crimson Ridge Phase Two Water Company, LLC's request for Exemption.

## Issue

On October 18, 2024, the Division received an Action Request from the Commission to review and make recommendations pertaining to the application of Crimson Ridge Phase Two Water Company, LLC (Company or Crimson), which seeks exemption from the Commission's regulatory overview concerning Crimson's planned water system that will provide water service to shareholders. The Commission asked the Division to respond by November 18, 2024. The Commission subsequently issued a Notice of Filing and Comment Period on October 28, 2024, with comments due on or before November 21, 2024, and reply comments due on or before December 6, 2024. This memorandum represents the Division's comments on the Company's filing.

Division of Public Utilities

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## **Discussion**

On October 18, 2024, Crimson filed an Application for Exemption with the Commission. The Division has reviewed the Company's application with the accompanying required documentation and found the application to be substantially complete.

The Division notes that an exempt water company may serve only its own shareholder members. According to Exhibit A of Crimson's Application for Exemption, the Company is only serving members and intends to only serve its members and not the general public. It is not a water corporation because under Utah Code section 54-2-1(39), a "water corporation" must be owned, controlled, managed, and/or operated for "public service within this state."

Therefore, it appears Crimson qualifies for an exemption from the regulation of the Commission and should not be subject to the Commission's jurisdiction, as it serves one shareholder and intends to serve only shareholders. It should be issued a letter of Exemption.

## **Conclusion**

Based on the Division's review of the Crimson Ridge Phase II Water Company, the Division recommends that the Commission approve the Application for Exemption.

cc: Janelle Eurick Bauer