

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor



MARGARET W. BUSSE
Executive Director

CHRIS PARKER
Division Director

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: April 9, 2025

Re: **Docket No. 25-2280-02**, In the Matter of Application of Legacy Sweetwater Inc. for Exemption.

Recommendation (No Approval)

The Utah Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) not approve Legacy Sweetwater Incorporated's request for Exemption.

Issue

On March 11, 2025, the Division received an Action Request from the Commission to review and make recommendations pertaining to the application of Legacy Sweetwater Inc. (Company or Legacy), which seeks exemption from the Commission's regulatory overview concerning Legacy's planned water system that provides water in its service area. The Commission asked the Division to respond by April 10, 2025. The Commission subsequently issued a Notice of Filing and Comment Period on March 13, 2025, with comments due on or before April 11, 2025, and reply comments due on or before April 28, 2025. This memorandum represents the Division's comments on the Company's filing.



Discussion

The Division has reviewed the Company's application with the accompanying required documentation and found the application to be substantially complete. Additionally, the Division submitted a data request to the Company due on or before March 31, 2025. The Company provided a response on April 7, 2025.

The Division notes that an exempt water company may serve only its own shareholder members and not the general public, while a "water corporation", under Utah Code section 54-2-1(39), must be owned, controlled, managed, and/or operated for "public service within this state."

According to the Company's application and data request response, the Company is only serving customers within its service area, not the general public. The Division was unable to verify, based on the information provided, that the Company's service extends to only shareholders. The Company's description of serving within a service territory is inadequate to show it does not serve the public generally. The Company's representation can be taken to indicate that it serves only those customers within a geographic area, which can constitute providing service to the public generally.

Therefore, it appears Legacy does not qualify for an exemption from the regulation of the Commission, as it has not demonstrated it serves only members. A Letter of Exemption should not be issued unless the Company can present additional information indicating it serves only those with a stake in its corporate governance.

Conclusion

Based on its review of Legacy Sweetwater Inc., the Division recommends that the Commission not approve the Application for Exemption until such time that the Company can show that it serves only its members and not the general public.

cc: Dave Anderson, President