

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Amended Request for Rate)
Adjustment and Change in Service Area for Pine Valley)
Irrigation)

DOCKET NO. 01-2179-02
REPORT AND ORDER

ISSUED: January 24, 2002

SYNOPSIS

Pine Valley Irrigation Company sought increase in various rates to be charged. The Commission approved the rate change established at the hearing.

By The Commission:

Pine Valley Irrigation Company (the Company or Pine Valley) filed an Amended Request to change its rates September, 25, 2001. The matter was set for hearing with notice given. Pine Valley provided information of the Amended Request and the hearing through a mailing made to all of its customers. The matter was heard January 16, 2002, before Sandy Mooy, the Hearing Officer designated by the Public Service Commission (Commission). Appearing on behalf of Pine Valley was Larry Gardner, President of the Company. Doug Tingey, Assistant Attorney General, of the Utah Attorney General's Office appeared on behalf of the Division of Public Utilities (DPU), as did Barry Golding, a staff member of the DPU. At the hearing, the DPU submitted its Memorandum and recommendations, indicating it had completed an audit of Pine Valley's past operations and records and concluded that the proposed rates were just and reasonable. Pine Valley presented the testimony of Larry Gardner. Mr. Gardner testified as to the reasonableness of the proposed rates and the correctness of the supporting material used by the Company and given to the DPU in support of the rate changes. At the hearing, Mr. Gardner testified that the Company now requested reducing some of the proposed rate changes; specifically, an originally proposed rate of \$24 for the first 3,000 gallons of water service would be changed to \$20 and an originally proposed \$12 per month stand-by charge would be changed to \$10. The DPU stated that it did not oppose the changes in the proposed rates requested by Pine Valley.

Based upon the evidence presented, the Hearing Officer recommends entry of the following:

FINDINGS OF FACT AND CONCLUSION OF LAW

1. Pine Valley is a certificated water corporation operating in the State of Utah, subject to Commission jurisdiction.
2. Pine Valley's current rates are insufficient to provide adequate revenues to recover the Company's reasonable operating expenses.
3. The modified proposed rates presented at the hearing provide a reasonable opportunity to generate sufficient revenues for the Company to recover its reasonable operating expenses.
4. The modified proposed rates are just and reasonable. These modified proposed rates are:
 - a. Base charge, including the first 3,000 gallons -- \$20
 - b. Usage rates: next 3,000 gallons -- \$0.50 per 1,000 gallons; next 3,000 gallons \$0.75 per 1,000 gallons; all usage over 9,000 gallons -- \$1.0 per 1,000 gallons

c. Stand-by fee -- \$10.00

d. Connection fee -- \$1,500

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

The modified proposed rates set forth in this Report and Order are approved by the Commission. Pine Valley Irrigation Company may make the rates effective from the issuance date of this order or a later date which can be accommodated by the Company's billing system. Pine Valley Irrigation Company shall submit revised tariff sheets reflecting the new rates approved by the Commission. The Division of Public Utilities shall review the revised tariff sheets for compliance with this Report and Order.

Recommended this 24th day of January, 2002.

/s/ Sandy Mooy
Hearing Officer

Approved and confirmed this 24th day of January, 2002, as the Report and Order of the Public Service Commission of Utah.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

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