

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the IRON TOWN PROPERTY OWNERS' ASSOCIATION Rate Proposal

) DOCKET NO. 03-2364-01
)
) REPORT AND ORDER

ISSUED: September 18, 2003

SYNOPSIS

Applicant's proposed rates appearing to be just and reasonable, and the rates having been unanimously approved at a shareholder meeting, we approve the same subject to refund in the event of further Commission action pursuant to a timely-filed, meritorious protest.

By the Commission:

PROCEDURAL HISTORY

The request of Iron Town Property Owners' Association ("Applicant") for a rate change was filed with the Commission on June 24, 2003. Thereafter, the Division of Public Utilities ("DPU") conducted an investigation and filed its report with the Commission on August 28, 2003. There appears to be no factual dispute necessitating a hearing, and so we have determined to dispose of the matter summarily. The Administrative Law Judge, having been fully advised in the matter, now enters the following Report, containing proposed Findings of Fact, Conclusions of Law, and the Order based thereon.

FINDINGS OF FACT

1. Applicant is organized as a non-profit mutual water company, which would ordinarily exempt it from Commission rate regulation. However, a majority of the lots in the company's service area are owned by one individual, the developer, or relatives of that individual; consequently, we continue to exercise ratemaking jurisdiction.
2. Applicant proposes the following new rates:

For Temporary Residents:

0 to 10,000 gallons per year	\$15 per month
Over 10,000 gallons per year	\$6.00 per 1,000 gallons

For Permanent Residents:

Up to 146,000 gallons per year	\$30.00 per month
Over 146,000 gallons per year	\$6.00 per 1,000 gallons

Charges for use over the allotted amount for both Temporary Residents and Permanent Residents to be determined and billed at the end of each year.

Connection charge: \$3,500.00.

3. The proposed rates were unanimously approved at an association meeting held on October 26, 2002.

4. The DPU investigated and filed their recommendation that the rates be approved. The DPU notes that the requested rates are only a slight change from current rates, and that the requested change is mostly in the manner in which usage charges will be assessed. Under the proposed rates charges for usage in excess of the allotted amount will only be assessed on an annual basis, rather than on a monthly basis as was previously done. The DPU also stated that the increase in the connection charge from the current \$2,000 to \$3,500 will allow Applicant to establish a reserve for system repair and upgrade.

5. The proposed rates appear to be just and reasonable.

CONCLUSIONS OF LAW

There being no apparent opposition to the application, and the rates having been already approved by Applicant's shareholders, the Application should be granted, subject to refund in the event of a timely-filed, meritorious protest.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

- The proposed rates, as set forth in the table above, are approved effective on the publishing of a tariff on one-day's notice to the Commission, subject to the following terms and conditions:
- Customers are accorded THIRTY (30) DAYS from the date of this Order to file with this Commission a written protest of the rates.
- If the Commission deems any such protest meritorious, it may order a hearing on the matter and suspend the effectiveness of the proposed rates pending disposition of the same.
- The Commission may order refund of rates paid in the event of meritorious protest.
- This Order is effective the date of its issuance.
- Any person aggrieved by this Order may petition the Commission for review/rehearing pursuant to the *Utah Administrative Procedures Act, Utah Code Ann. §63-46b-1 et seq.* Failure so to do will preclude judicial review of the grounds not identified for review. *Utah Code Ann. §54-7-15.*

DATED at Salt Lake City, Utah, this 18th day of September, 2003.

/s/ Doug Tingey
Administrative Law Judge

Approved and Confirmed this 18th day of September, 2003, as the Report and Order of the Public Service Commission of Utah.

/s/ Ric Campbell, Chairman

/s/ Constance B. White, Commissioner

/s/ Ted Boyer, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

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