

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application for a Certificate of Convenience and Necessity for CEDAR POINT WATER COMPANY, INC.)))))

DOCKET NO. 04-2404-01 REPORT AND ORDER CERTIFICATE NO. 2404

ISSUED: January 21, 2005

SYNOPSIS

Applicant, having demonstrated its fitness to serve, and no opposition to the application appearing, the Commission grants the certificate and approves rates as indicated.

By the Commission:

PROCEDURAL HISTORY

On September 7, 2004, Jerry G. Eves, President of Cedar Point Water Company (Applicant), submitted an application on behalf of Applicant for a Certificate of Convenience and Necessity to operate as a public utility providing culinary and secondary water service. Notice of Hearing on the Application was issued by the Commission on December 21, 2004, and the hearing held on January 6, 2005, before the Administrative Law Judge. Mr. Jerry Eves appeared on behalf of Applicant. Patricia Schmid, Assistant Attorney General, State of Utah, appeared on behalf of the Division of Public Utilities (Division). Mr. Dan Bagnes, an analyst employed by the Division, testified for the Division. Those appearing presented evidence that establishes that there is a need for water service to the area to be served by Applicant, that the Applicant is qualified to provide such service, and that granting the requested certificate is appropriate under Utah law. No one appeared in opposition to Commission regulation.

The Division of Drinking Water has currently approved Applicant to provide service to thirty-one lots for indoor use. The Division recommends granting the Application and issuing a certificate limiting connections to the number approved by the Division of Drinking Water. While Applicant is currently listed as in Agood standing@ with the Division of Corporations, an informal Ahold@ has been placed on Applicant=s status until such time as Applicant provides the Division of Corporations with the names of the requisite number of corporate officers. Mr. Eves testified that following the hearing he intended to immediately provide the Division of Corporations with the required information. The Division also noted that not all of the water rights held by Cedar

Point Mutual Water Company (Applicant=s non-profit predecessor) have been transferred to Applicant. Mr. Eves testified that Applicant=s engineering firm is currently auditing its water rights and all required rights will be transferred to Applicant once that audit has been completed. The Division recommends conditioning Applicant=s certificate on removal of the Ahold@ by the Division of Corporations and on prompt transfer of the necessary water rights from Cedar Point Mutual Water Company to Applicant. We concur with the Division=s recommendations and conclude, as a matter of law, that the Application should be granted and certificate issued accordingly.

Applicant initially requested approval of the following rates:

<u>Usage</u>	<u>Charges</u>
First 12,000 gallons	\$30.00 minimum charge for each service connection
Usage over 13,000 gallons	\$1.18 per each 1,000 gallons
Stand-by Fee	\$10.00 per month

Premises temporarily without meters to be charged the minimum charge.

Service Connection Charges

5/8" Service to Property Line	\$2,000.00
3/4" Service to Property Line	\$3,500.00
Turn on service where meter is already in place	\$100.00

The Division recommends approval of the basic usage rate of \$30.00 for the first 12,000 gallons and \$1.18 per each 1,000 gallons over 12,000, as well as the \$10.00 per month stand-by fee and \$100.00 turn-on fee. However, the Division recommends a connection fee of \$1,500.00 for a 3/4" line and \$1,000.00 for a 5/8" line. At hearing, Applicant concurred with the Division=s recommendation regarding all rates and fees. We concur with the Division=s recommendation and find the proposed rates to be just and reasonable.

The Administrative Law Judge, having been fully advised in the premises, now recommends and the Commission enters the following

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

! CEDAR POINT WATER COMPANY is hereby granted Certificate of Convenience and Necessity No. 2404 to operate as a water corporation providing water for indoor use only and serving the area designated in its Application conditioned upon removal of the Ahold@ placed on it by the Division of Corporations and subject to transfer of necessary water rights to Applicant from Cedar Point Mutual Water Company.

! Applicant shall comply with all requirements of the Utah Division of Drinking Water.

! Applicant=s rates are approved as set forth *supra*. Applicant shall file a tariff consistent with this Report and Order within 30 days of the date of this Order. The Division of Public Utilities shall review the revised tariff sheets for compliance with this Report and Order.

! 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 21st day of January, 2005.

/s/ Steven F. Goodwill
Administrative Law Judge

Approved and Confirmed this 21st day of January, 2005, 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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