

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Cedar)
Point Mutual Water Company for a) DOCKET NO. 07-2404-01
Certificate of Public Convenience and)
Necessity to Operate as a Public Utility)
Rendering Culinary Water Service, or for an)
Exemption from Public Service Commission) REPORT AND ORDER
Regulation)

ISSUED: February 10, 2009

By The Commission:

On or about April 18, 2007, Cedar Point Mutual Water Company (Company) applied for an expansion to their service territory. Upon reviewing the Company's Application, the Division of Public Utilities (Division) found several areas that needed clarification or additional information before the Application could be approved. On June 20, 2007, the Division sent a data request to the company asking for the additional information. The Company only partly responded to the data requests. In its responses to the Division's data requests, the Company stated that there would be approximately 3,900 new connections in two different developments in their expanded service area: 2,100 in the Outlaw Ridge Development and 1,800 in the Kokopelli Development. On December 06, 2007, the Commission granted the Company's request for a waiver of their rights to the 240-day time period for approval of their Application. This waiver was supposed to allow the Division time to fully obtain the information needed and address any concerns.

During its review, the Division contacted the Division of Drinking Water (DDW) to inquire about water rights and system development. On March 25, 2008, the DDW

responded. The DDW stated that Cedar Point Water has two active wells that produce sufficient source capacity to supply no more than 169 residential customers. The DDW goes on to state that to supply these additional 3,900 connections, the company will need to have a minimum of 2,248 gpm additional water flow, and 1.7 million additional gallons of storage capacity. The Company, as it stands, cannot meet this criteria.

As a follow up to its March 25, 2008 letter, the DDW sent an October 3, 2008 email from Randy Taylor, an engineer for the Division of Environmental Quality, stating that Cedar Point Water was in the process of drilling a new well with two more being planned. As of the date of its recommendation, however, the Division had yet to receive additional information as to the additional wells supposedly being drilled.

The Division sent a letter to the Company on January 07, 2009, to inform it that based on the amount of time that has passed since the original application, and the lack of responses to outstanding questions, they would need to reapply for the expansion of service area, and update their current financial situation and goals for territory expansion.

Due to the time that has passed since the original filing of the Company's Application, and the need for the Company to find and verify additional water sources for these developments, the Division recommends the Commission deny the application for Expansion of Service Area requested by the Company.

Based on the foregoing, the Commission denies the Company's Application for Expansion of Service Area.

DOCKET NO. 07-2404-01

-3-

Pursuant to Utah Code § 63G-4-301 and 54-7-15, an aggrieved party may request agency review or rehearing of this Order by filing a written request for review or rehearing with the Commission within 30 days after the issuance of the Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission does not grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of Utah Code §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah this 10th day of February, 2009.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#60578