

Application for Public Service Commission Regulation or Exemption for Water and Wastewater Companies

Enclosed is an application designed by the Division of Public Utilities (DPU) intended to assist an applicant in determining if a water system qualifies as a public utility and is subject to regulation by the Utah Public Service Commission (PSC) and in providing the appropriate information to the PSC.

In the regulation of water companies, the PSC can issue one of two different designations. The first is a Certificate of Public Convenience and Necessity (CPCN). A CPCN is required for any public utility providing service to the public generally. A company with this designation would be regulated by the Public Service Commission. The second designation is a Letter of Exemption (LOE). An LOE is provided to companies providing water service that is limited to its shareholders only and is not delivered to the public. So long as the company serves only its shareholders, it is not serving the public generally. It is irrelevant how a member acquires their shareholder status (acquires shares) so long as a member's rights and duties are different than those of nonmembers.

Below is a list of governing rules that will help provide guidance in filing an application with the Public Service Commission. This list is not a complete list of rules that a company may need when applying for a CPCN or LOE.

Utah Code: [54-2-1](#) < Click on link >

Definitions (21) (a). "Public Utility includes ... water corporations [and] sewerage corporations ... where the service is performed for, or the commodity delivered to, the public generally..."

Utah Code: [54-4-25](#) < Click on link >

Certificate of convenience and necessity prerequisite to construction and operation.

Utah Code: [54-4a-6](#) < Click on link >

Objectives of Commission

Utah Administrative Rule: [R746-330](#) < Click on link >

Rules for Water and Sewer Utilities Operating in Utah.

Utah Administrative Rule: [R746-332](#) < Click on link >

Depreciation Rates for Water Utilities.

Utah Administrative Rule: [R746-401](#) < Click on link >

Reporting of Construction, Purchase, Acquisition, Sale, Transfer or Disposition of Assets.

Utah Administrative Rule: [R746-405](#) < Click on link >

Filing of Tariffs (Including Formatting and Construction requirements.)

Legal name of applicant (company name): _____



Questionnaire

Please fill out the following questionnaire to assist you in determining if you are subject to PSC regulation. *(Please check only one for each question.)*

Q1. Is this company providing water to anyone other than the owner (2 houses or more)?:

Yes

If “**Yes**” then please provide the information requested in **Section A**, and continue to **Question Q2**.

No

If “**No**”: then this company or water distribution system is not subject to PSC regulation. You are not required to register with the PSC at this time. If your circumstances change, you may be required to register with the PSC at a later time.

Q2. Is the company serving its members only and not to the public generally?

Yes

If “**Yes**” then this company appears to meet the criteria to be exempt from PSC regulation. Please continue to **Section C** and fill out the “**Application**.”

No

If “**No**” then this company meets the criteria requiring it to be regulated by the PSC. In addition to providing the information in **Section A**, Please also provide the information requested in **Section B**, and then continue to **Section C** and fill out the “**Application**.”

Legal name of applicant (company name): _____

Section

A

Items to be included with this application for ALL applicants, both regulated and exempt.

The following documentation **MUST** be provided with this application to be considered complete. Incomplete applications will **NOT** be considered.

- A copy of your Business License verifying proof of authority to conduct business in Utah.
- Verification of the review and approval of the water system by the Division of Drinking Water.
- Certified copy of the articles of incorporation and by-laws. (Whatever restrictions there are in use of water on an annual basis should be explained in by-laws, restrictive covenants and protective covenants.)
- Proof of ownership of water rights, in the name of the company sufficient to provide the water promised to each customer. (Water rights must be held by the water company for the use of the shareholders or customers of the company. Water rights must stay with the water company in the event a lot is sold rather than with the lot owner.)
- Proof of ownership of sufficient water storage.
- Proof of ownership of an approved water source with sufficient water flow.
- A balance sheet for the water company.
- A historical operating statement if the water company is already operating, a projected statement if not yet operating.
- All phases of a proposed development should be identified in the application whether they are to be developed immediately or not. Otherwise, an additional application may be required for each additional phase before the Public Service Commission will give plan approval.
- Maps (8 1/2" by 11") showing the location of water system relative to nearby towns and highways and the proposed platted subdivision.

The above list covers the items of interest to the Division of Public Utilities. The list does not necessarily include all items the Public Service Commission and the Division of Public Utilities need to review in the application procedure. Additional items may be requested as the Division and Commission become more familiar with the applicant's particular circumstances.

Legal name of applicant (company name): _____

Section

B

Additional items to be included with this application for applicants applying for authority to operate as a regulated public utility.

The following documentation **MUST** be provided with this application to be considered complete. Incomplete applications will **NOT** be considered.

1

A Proposed TARIFF

Proposed tariff should include proposed rates and service rules and regulations. Applicant's tariff must comply with the format, construction and elements as set forth in Utah Administrative Rule : [R746-405](#) < Use Ctrl+Click to follow link >

2

Rates

For item 2, please select one of the following regarding rates and provide the information requested.

Proposed rates will cover the entire cost of service.

Please provide calculations to show that the proposed rates are reasonable based upon actual cost of service.

OR

Developer agrees to subsidize costs.

A statement that the proposed rates are less than the full cost of service but that the developer will subsidize such rates until the system has enough customers on line to operate and cover costs at the proposed rates.

3

A balance sheet for the developer.

If the water company is to be, or was, constructed by a developer please provide a personal balance sheet for the developer to ensure that funds are available for the operations of the water company.

The above list covers the items of interest to the Division of Public Utilities. The list does not necessarily include all items the Public Service Commission and the Division of Public Utilities need to review in the application procedure. Additional items may be requested as the Division and Commission become more familiar with the applicant's particular circumstances.



Application

The following information **MUST** be provided with this application to be considered complete. Incomplete applications will **NOT** be considered.

1. Legal name of applicant (company name): _____

2. Principal office address, phone number and email address:

Address: _____

Address: _____

City: _____ State: _____ ZIP: _____

Phone No.: _____ Email address: _____

3. Name of the state in which applicant is incorporated and date of incorporation

Name of State: _____ Date of Incorporation: _____

(A certified copy of the Articles of Incorporation and By-laws should accompany this application).

If not incorporated, describe the type of organization and state in which it is organized.

4. The officers and directors (or partners) of the applicant are as follows:

Name	Title	Phone #	Email

5. The type of service (water, sewer or both) which applicant proposes to render is:
(Please check the services that apply.)

Water Only Sewer Only Both Water and Sewer

6. If the applicant is conducting operations at present, please enter the date applicant commenced rendering such service: _____

7. How Many Connections will the company serve and type (residential/commercial)?

Residential Customers: _____

Commercial Customers: _____

Total Number of Customers: _____

8. The names of any water companies that are providing (or proposing to provide) similar service near or in any part of the area covered by this applicant are as follows:


Section

D

Applicant Must Sign and Date below:

I certify that to the best of my knowledge the above information is true, accurate and complete. I am in compliance with and agree to comply with all regulations and requirements of all State and local government agencies.

Legal name of applicant (company name): _____

Sign Here:  _____ **Date:** _____

Your Name: _____ **Title:** _____
(Please enter electronically or print clearly)

This Application covers the items of interest to the Division of Public Utilities. The list does not necessarily include all items the Public Service Commission and the Division of Public Utilities need to review in the application procedure. Additional items may be requested as the Division and Commission become more familiar with the applicant's particular circumstances.

If you have any questions regarding the information, the Division is requesting, please feel free to contact us at (800) 874-0904 or (801) 530-7622.

Please mail **six (6)** completed copies of the application and one electronic copy (**compact disc**) and necessary paperwork to:

**Public Service Commission
Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84114**

(A \$100.00 filing fee must accompany this application. If applying for an EXEMPTION the \$100 fee is waived.)

Please Note:

A complete application includes all pages of the application (you may omit the first page that contains the laws and rules), all requested documentation and an original signature on the signature page.

Electronic copies should include all files in their native formats. For example, all spreadsheets should be in their original EXCEL format and documents should be in their original WORD format. Files formatted as Adobe PDF are acceptable to use for documents that must be copied or scanned from an original source.