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- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Request for Rate Increase of Dammeron Valley Water Works	)))	DOCKET NO. 04-2025-01 REPORT AND ORDER

ISSUED: June 24, 2004

By The Commission:

Pursuant to notice duly served, public hearing in this matter was held on June 8, 2004, before Steven F. Goodwill, Administrative Law Judge, at the Firehouse, 1137 Dammeron Valley Drive East, Dammeron Valley, Utah. Brooks Pace, president of Dammeron Valley Water Works (DVWW or Company) appeared on behalf of the petitioner, and Patricia Schmid, Assistant Attorney General, appeared for the Division of Public Utilities (DPU or Division) with Barry Golding, a Division staff member. Mr. Golding provided the Division's analysis of the rate proposal, as well as its resulting recommendation that the Company's requested rates be approved, with changes to the Company's proposed tariff language accompanying those rates. The Company concurred with these recommended changes. Several DVWW customers appeared, generally expressing no objection to the rate increase so long as revenues from the increase would not be used to subsidize system expansion as more lots are developed. Numerous questions were also posed to the Company concerning service, quality, and water source issues.

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 AND CONCLUSIONS OF LAW

1. Dammeron Valley Water Works is a certificated water corporation operating in the State of Utah, subject to Commission jurisdiction.

2. The Company's current rates are insufficient to provide adequate revenues to recover reasonable operating expenses.

3. The rates proposed by the Company, and recommended by the Division, are just and reasonable. The proposed changes in rates, to be effective July 1, 2004, are:

Culinary Rate Monthly Charges

Entitlement	Usage	Current	Proposed
All	First 20,000 gallons	$25.00 min charge per service connection	$30.00 min charge per service connection
1 Tapping	Next 4,000 gallons	$1.25 per 1,000 gallons	$1.50 per 1000 gallons
	Over 24,000 gallons	$1.50 per 1,000 gallons	$2.00 per 1000 gallons
1½ Tappings	Next 16,000 gallons	$1.25 per 1,000 gallons	$1.50 per 1000 gallons
	Over 36,000 gallons	$1.50 per 1,000 gallons	$2.00 per 1000 gallons
2 Tappings	Next 28,000 gallons	$1.25 per 1,000 gallons	$1.50 per 1000 gallons
	Over 48,000 gallons	$1.50 per 1,000 gallons	$2.00 per 1000 gallons

Irrigation Rate Monthly Charges*

Entitlement	Usage	Current	Proposed
All	40,000 gallons per month to a maximum of one acre foot per year (320,000 gallons)	$0.20 per 1,000 gallons	$0.25 per 1000 gallons

*1) This rate is applicable to customers that have previously purchased a 1 acre-foot water right (320,000 gallons) from the Dammeron Corporation. The current charge for a 1 acre-foot right is $3,000. Supply of these rights is limited and there is no guarantee that a customer will have the right to buy an irrigation water right.

2) Irrigation customers must first use their total culinary allotment at the culinary rate before the irrigation rate applies. Once the culinary and irrigation allotments are used, the culinary overage rate of $2.00 per 1,000 gallons will apply.

Service Connection Fee	Current/Proposed
Service to property line one time charge for each service requiring new meter installation, to be paid in full before water service will be provided.	$1,000.00/$1,500.00

Standby Fee	
Monthly Standby fee (Ready to serve charge)	$15.00/$20.00

Other Charges		
1.	Turn on service for a new customer where a meter is already in place	$15.00/$15.00
2.	Reconnection fee after disconnection	$25.00/$25.00
3.	Customer Account Change	$25.00/$25.00
4.	Meter Tested (more than once per year)	$10.00/$10.00
5.	Late fee per billing cycle**	$10.00

**No late fee currently listed on the Company's approved tariff.

APPL 1

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. Dammeron Valley Water Works' proposed increased rates are approved as set forth *supra*, effective July 1, 2004.

2. The tariff language revisions proposed by the Division of Public Utilities are adopted. Dammeron Valley Water Works shall submit revised tariff sheets reflecting the new rates, and including the language revisions. The Division of Public Utilities shall review the revised tariff sheets for compliance with this Report and Order.

3. Any person aggrieved by this Order may petition the Commission for review/rehearing pursuant to *Utah Administrative Procedures Act, Utah Code Ann.* §63-46b-1 *et seq*. Failure to do so will preclude judicial review of the grounds not identified for review. *Utah Code Ann.* §54-7-15.

Dated at Salt Lake City, Utah, this 24th day of June, 2004.

/s/ Steven F. Goodwill
Administrative Law Judge

Approved and Confirmed this 24th day of June, 2004, 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
G#38836