

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF STONERIDGE WATER COMPANY FOR) CASE NO. SWS-W-06-01
AN INCREASE IN RATES AND CHARGES)
AND TO MODIFY RULES AND) NOTICE OF APPLICATION
REGULATIONS)
)
) NOTICE OF MODIFIED
) PROCEDURE
)
) ORDER NO. 30204**

On November 20, 2006, Stoneridge Water Company filed an Application with the Commission seeking “to allow for the closing out of Phase I and Phase II loans for the Happy Valley Ranchos annexation and surcharge associated thereto, for an increase in the monthly user fees, an increase in the hook up fees, an increase in the disconnection/reconnection fees and for clarifications and changes to the Rules and Regulations.”

With this Order the Commission issues notice of the Company’s Application, authorizes the use of Modified Procedure, and directs Commission Staff to conduct a public workshop.

THE APPLICATION

YOU ARE HEREBY NOTIFIED that the Company filed a fairly comprehensive Application following the pattern available on the Commission’s web page for small water company Certificates of Public Convenience and Necessity. In fact, the Company titled its Application as that for the issuance of a Certificate. However, the Company currently possesses a Certificate, *see* Order No. 28994, and it is clear from a review of the Application that it is requesting a general rate case. The Company has not requested a specific effective date for the proposed new rates.

YOU ARE FURTHER NOTIFIED that the Company has previously taken out a series of loans from the State Drinking Water Revolving Fund totaling approximately \$438,500. *See* Case No. SWS-W-04-01, Order No. 29719 (authorizing the loan amounts and describing the background surrounding the loans, system expansion, and system improvements). The Commission, in its previous Orders authorizing the Company to incur the indebtedness, specifically reserved judgment on the appropriate amount of the surcharge for Phase I

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interconnection. Order No. 29719 at 5. The Commission also specifically reserved judgment on how the Company may collect the cost of the backbone system improvements for Phase II. *Id.*

YOU ARE FURTHER NOTIFIED that, according to the Customer Notice prepared by the Company, its request to the Commission consists of six parts:

- 1) A monthly fee to service the Happy Valley Ranchos loan will be imposed on all those current and future customers that were added as a result of the Happy Valley Ranchos annexation.
- 2) A monthly service fee to service the well repair loan will be imposed on all current and future customers within the StoneRidge Utility service Territory.
- 3) A monthly user fee increase will be imposed on all current and future customers within the StoneRidge Utility service territory.
- 4) A disconnect/reconnect fee increase will be imposed on all customers choosing to have their water shut off and turned on at a later date.
- 5) A hook up fee increase will be imposed on all customers requesting a new service connection.
- 6) And clarifications and changes to some of the General Rules and Regulations.

YOU ARE FURTHER NOTIFIED that the Company states it currently has 374 customers, and will ultimately have approximately 1,207 customers with the planned developments within its service territory. It appears that the Company is requesting to increase rates as follows:

	Customer Charge	Commodity Charge
Residential	from \$14/mo. to \$38/mo.	from \$.30/1,000 g to \$.67/1,000 g
Commercial	from \$20/mo. to \$38/mo.	from \$.30/1,000 g to \$.67/1,000 g
Irrigation	\$38/mo.	\$.67/1,000 g

The Company's existing Tariff also contains rates for:

Time Share Complex	\$200/mo.	\$.30/1,000 g
Golf Course Irrigation	\$1,200/mo.	\$.30/1,000 g

YOU ARE FURTHER NOTIFIED that the Company is also proposing to increase its hook-up fee for new service from \$925 to \$1,200. The Company also proposes to increase its reconnection fee to \$278 during office hours, and \$328 after office hours. This amount equates to six months base charge plus \$50 and \$100, respectively. The Company's currently authorized reconnection fees are: (1) disconnected for 30 days or less – during office hours, \$14, and after office hours, \$28; and (2) disconnected for more than 30 days – during office hours, \$50, and after office hours, \$64.

YOU ARE FURTHER NOTIFIED that Stoneridge's revenue requirement, and every component of it, both rate base and expense, are at issue. The Commission may grant, deny, or modify the revenue requirement requested and may find a revenue requirement different from that proposed by any party is just, fair and reasonable. IDAPA 31.01.01.124.01.

YOU ARE FURTHER NOTIFIED that the rates and charges of all Idaho retail customers, both recurring and non-recurring, including those of any special contract customers, are at issue, and every component of every existing and proposed rate and charge is at issue. The Commission may approve, reject or modify the rates and charges proposed and may find that rates and charges different from those proposed by any party are just, fair and reasonable. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may approve, reject or modify existing or proposed relationships between and among rates and charges within, between or among customer classes or rate groupings and may approve, reject or modify existing or proposed relationships among and between customer classes or rate groupings. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may abolish, reduce or create rate blocks or categories of rates and charges; abolish, create or reduce components of rates and charges; abolish, reduce or create customer classes or rate groupings; and abolish, reduce or create absolute or relative differences among and between existing classes or rate groupings of customers. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the tariffs, practices, rules and regulations, service, instrumentalities, equipment, facilities, classifications, and customer relations of the utility are at issue, and the Commission may address any of them in its order. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Application, supporting workpapers, testimonies and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Petition and testimonies are also available on the Commission's website at www.puc.idaho.gov under the "File Room" icon.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code, and specifically *Idaho Code* §§61-502, 61-622 and 61-623.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, 31.01.01.000 et seq.

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YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filing of record in Case No. SWS-W-06-01. The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented in this case and that issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. IDAPA 31.01.01.201-204. In so doing, the Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that the Commission may not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used. IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that if no protests or written comments are received within the deadline, the Commission will consider the matter and enter its Order without a hearing. If protests or comments are filed within the deadline, the Commission will consider them and may, in its discretion, set the matter for hearing or decide the matter and issue its Order on the basis of the written positions before it. IDAPA 01.01.01.204.

COMMENT/PROTEST DEADLINE

YOU ARE FURTHER NOTIFIED that **the deadline for filing written comments or protests** with respect to the Application and the Commission's use of Modified Procedure in Case No. SWS-W-06-01 **will be established by subsequent Commission Order/Notice**. Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that written comments concerning this case should be mailed to the Commission and to the Company at the addresses reflected below.

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Wayne Benner
PO Box 280
Blanchard, ID 83804
E-mail: wbenner@stoneridgeidaho.com

Street Address For Express Mail:

472 W. Washington Street
Boise, ID 83702-5983

Joe M. Olmstead
James A. Sewell & Associates
600 4th Street West
Newport, WA 99156

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's homepage located at www.puc.idaho.gov. Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to the Applicant at the address listed above.

FINDINGS/CONCLUSIONS

The Idaho Public Utilities Commission has jurisdiction over Stoneridge Water Company, its Application to increase rates and charges and change rules and regulations, and the issues involved in this case by virtue of Title 61, Idaho Code, including *Idaho Code* §§ 61-124, 61-125, 61-129, 61-301, 61-302, 61-303, 61-501, 61-502, 61-503, and 61-622 and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented in this case, and that issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. IDAPA 31.01.01.201-204. In so doing, the Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

The Commission finds it to be in the public interest for Staff to conduct a public workshop in this matter. The purpose of this public workshop is for the Staff to dispense information concerning the Company's Application and to receive written or oral comments from the public prior to the Staff filing testimony or comments in this case. Rule 125, IDAPA 31.01.01.125.

Because the Company did not request an effective date for its proposed rates, charges, rules, and regulations it is not necessary to suspend the Company's proposal. The

proposed rates, charges, rules, and regulations shall not go into effect pending the hearing or decision in this case. *Idaho Code* § 61-622.

ORDER

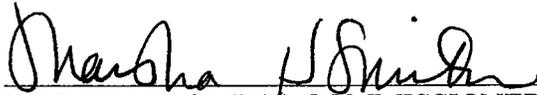
IT IS HERBY ORDERED that this case be processed under Modified Procedure. A deadline for the submission of written comments will be established by subsequent Commission Order/Notice.

IT IS FURTHER ORDERED that Commission Staff shall conduct a public workshop pursuant to Rule 125, IDAPA 31.01.01.125. The workshop will be scheduled by subsequent Commission Order/Notice.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 18th day of December 2006.



PAUL KJELLANDER, PRESIDENT



MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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