

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)	
REGULATIONS)	ORDER NO. 33249
)	

On January 21, 2015, the Commission received a request from CDS Stoneridge Utilities, LLC ("Stoneridge" or "Company") to revise the monthly surcharge applicable to customers residing within the Happy Valley Ranchos Subdivision. Stoneridge also requested approval of a change to its business name. The Company provides water service to more than 370 customers.

On February 23, 2015, the Company's Application was approved via a unanimous voice vote by the Commission during its weekly decision meeting.

APPLICATION

In its Application, Stoneridge requests a reduction to its existing monthly surcharge from \$16.83 to \$14.03. Additionally, the Company requests authorization to change the name appearing on its tariff from CDS Stoneridge Associates-Land LC dba Stoneridge Water Company to CDS Stoneridge Utilities, LLC consistent with the name of the utility as it appears on Certificate of Public Convenience and Necessity (CPCN) No. 395 issued on January 2, 2004.

A. Surcharge Amount

Stoneridge obtained two loans from the State Drinking Water Revolving Fund to provide service to its 107 customers residing in the Happy Valley Ranchos Subdivision. The Phase I loan is the subject of this Order.

In June 2007, the Commission issued Order No. 30342 authorizing the collection of a Phase I loan amount of \$278,000 and a Phase II loan amount of \$160,457 from customers residing in the Happy Valley Ranchos Subdivision.¹ The Company is authorized to recover the aforementioned loan amount through a surcharge of \$16.83 per month for a period of five years,

¹ "Phase II loan amount to be included in rate base and the weighted cost of capital and thereby collected from all customers." Order No. 30342 at 20.

or until July 2, 2012. The Commission ordered that the surcharge should then be reduced to \$14.03 per month for another 15 years, or until July 2027. *See* Order No. 30342 at 20.

Due to an oversight, the Company neglected to reduce the surcharge after the first five years. In October 2014, Commission Staff reviewed the Company's approved surcharges and determined that the tariff schedule had not been changed and that the Company was still billing the customers residing in Happy Valley Ranchos at the \$16.83 per month surcharge rate. Upon being informed by Staff, the Company corrected its error and began billing Happy Valley Ranchos customers the reduced monthly surcharge rate of \$14.03 beginning with their November 1, 2014 billing statement.

B. Name Change on Tariff

Stoneridge requests Commission approval to change its official business name. The Company's current tariff (Case No. SWS-W-06-01) incorrectly identifies the Company's name as CDS Stoneridge Associates-Land LC dba Stoneridge Water Company. The Company's name, as it appears on its Second Amended Certificate of Public Convenience and Necessity No. 395, issued January 2, 2004, is CDS Stoneridge Utilities, LLC. The Idaho Secretary of State also lists the Company's name as CDS Stoneridge Utilities, LLC. Accordingly, Stoneridge seeks Commission approval to change the name on its tariff to CDS Stoneridge Utilities, LLC consistent with the name on its CPCN.

STAFF COMMENTS

Staff reviewed the Company's Application and recommended approval of a reduction in the surcharge for customers living in the Happy Valley Rancho Subdivision from \$16.83 to \$14.03 per month. Staff recommended the Commission approve the revised tariff, including the name change discussed above, as submitted by the Company, with an effective date of November 1, 2014.

Staff conducted a thorough audit which revealed that Stoneridge overcollected on its authorized surcharge for approximately 27 months. According to Staff, the overcollection reduces the amount of time to collect the loan amount from 20 years to less than 18 years. Staff remarked that the Company corrected the problem immediately once it was brought to its attention. Because the Company is already billing customers at the reduced amount, the effective date of the tariff should be November 1, 2014, to reflect the Company's prior actions. Staff added that if Stoneridge should apply for a rate increase before the loan amount is fully

recovered, the Company's prior overcollection would be taken into account. Staff will monitor collection of the surcharge and determine when the loan amount has been fully recovered.

COMMISSION FINDINGS

The Commission has reviewed Stoneridge's Application and Staff comments. The Commission finds that the Company's request to reduce its monthly surcharge to \$14.03 with an effective date of November 1, 2014, the date the Company actually reduced the surcharge in accordance with Commission Order No. 30342, is fair, just and reasonable. The Commission approves the Company's request for a name change to CDS Stoneridge Utilities, LLC matching the name appearing on its CPCN and the Company's registration with the Idaho Secretary of State.

The Commission finds that, as of December 31, 2014, Stoneridge has collected \$156,720.96 since the implementation of the monthly surcharge authorized by the Commission in Order No. 30342. *See* Attachment B. The Commission permits Stoneridge to recover a total amount of \$340,050.84 over a 228-month period. *Id.* Therefore, beginning December 31, 2014, Stoneridge shall be permitted to recover an additional amount of \$183,329.88. *Id.* The Company shall work in a cooperative manner with Staff in order to periodically monitor and verify the ongoing recovery of surcharge funds until such time as the loan balance is fully recovered.

ORDER

IT IS HEREBY ORDERED that Stoneridge's Application seeking authorization to reduce its monthly surcharge from \$16.83 to \$14.03 effective November 1, 2014, is approved.

IT IS FURTHER ORDERED that the Company's request to change the name appearing on its tariff from CDS Stoneridge Associates-Land LC dba Stoneridge Water Company to CDS Stoneridge Utilities, LLC is approved.

IT IS FURTHER ORDERED that beginning December 31, 2014, the Company is permitted to recover an additional amount of \$183,329.88 in accordance with the monthly \$14.03 surcharge authorized by the Commission in Order No. 30342.

IT IS FURTHER ORDERED that the Company shall work cooperatively with Commission Staff in its efforts to monitor the collection of the ongoing surcharge more fully discussed above.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. SWS-W-06-01 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this case. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

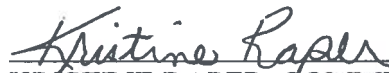
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 13th day of March 2015.



PAUL KJELLANDER, PRESIDENT



MACK A. REDFORD, COMMISSIONER



KRISTINE RAPER, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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CDS Stoneridge Utilities LLC
Schedule of Remaining Months
as of Dec 31, 2014

Attachment A

Uncollected Surcharges	\$183,329.88	
Monthly Amount	\$14.03	
Customers	<u>101</u>	
Monthly Total	<u>\$1,417.03</u>	
Months Remaining		129

CYE	Months	
2015	12	
2016	12	
2017	12	
2018	12	
2019	12	
2020	12	
2021	12	
2022	12	
2023	12	
2024	12	
2025	<u>9</u>	
Total Months		<u>129</u>
Difference		0.0

CDS Stoneridge Utilities LLC
Schedule of Collections Remaining
Commision Order No. 30342
as of December 31, 2014

Attachment B

Loan Reserve

Monthly Surcharge	\$2.80	
Number of Customers	101	
Cumulative Monthly Surcharge	<u>\$282.80</u>	
Authorized Months	60	
subtotal		\$16,968.00

Regular Payments

Monthly Surcharge	\$14.03		
Customers	101		
Cumulative Monthly Surcharge	<u>\$1,417.03</u>		
Authorized Months	228		
subtotal		<u>\$323,082.84</u>	
Total (20 Annual Payments)			\$340,050.84
Amount Collected			<u>(\$156,720.96)</u>
Amount Remaining			\$183,329.88