

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
LEGAL
WORKING FILE

FROM: CHRIS HECHT

DATE: FEBRUARY 17, 2015

RE: COMPLIANCE FILING FROM CDS STONERIDGE UTILITIES LLC
REQUESTING TO MODIFY ITS TARIFF IN ACCORDANCE
WITH ORDER NO. 30342

On January 21, 2015, the Commission received a request from CDS Stoneridge Utilities LLC (Stoneridge) to revise the surcharge applied to customers who live within the Happy Valley Ranchos Subdivision. The request is to revise the surcharge from \$16.83 to \$14.03. The Company also requests that the name on its tariff be changed to CDS Stoneridge Utilities LLC to be consistent with the utility name as reflected on its Certificate of Public Convenience and Necessity (CPCN No. 395) issued January 2, 2004.

BACKGROUND

Surcharge Amount

CDS Stoneridge Utilities, LLC obtained a loan from the State Drinking Water Revolving Fund to provide service to 107 customers in the Happy Valley Ranchos Subdivision. In Case No. SWS-W-06-01, Order No. 30342, the Commission authorized collection of the Phase 1 loan amount of \$278,000 from customers located in the Happy Valley Ranchos Subdivision through a surcharge of \$16.83 per month for a period of five years. The surcharge would then be reduced to \$14.03 per month for another 15 years.

Due to an oversight on the part of the Company, the surcharge was not reduced after the first five years. In October 2014, a Staff review of approved surcharges determined that the tariff schedule had not been changed and that the Company was still billing the customers in Happy

Valley Ranchos at the \$16.83 per month rate. When contacted by the Commission Staff, the Company began billing Happy Valley Rancho customers the reduced surcharge of \$14.03 starting with the November 1, 2014 billing statement, prior to submission of the revised tariff.

An audit by Staff indicates that the Company has over-collected the surcharge for about two years. The over-collection will reduce the amount of time to collect the loan amount from twenty (20) years to less than eighteen (18) years. Staff will monitor collection of the surcharge and determine when the loan amount has been recovered and the surcharge should end.

Staff commends the Company for promptly correcting the problem when it was brought to its attention. Because the Company is already billing customers at the reduced amount, the effective date of the tariff will need to be retroactive to November 1, 2014 to reflect the Company's actions.

If the Company should apply for a rate increase between now and the date the loan is paid off, the over-collection of surcharge funds will be taken into consideration.

Name Change on Tariff

The Company also requested a change in the name of the Company to CDS Stoneridge Associates – Land, LC, dba StoneRidge Utilities. The Company's current tariff submitted by the Company in Case No. SWS-W-06-01; incorrectly identified the Company's name as CDS Stoneridge Associates – Land LC dba Stoneridge Water Company. However, the Company name as reflected 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.

Staff discussed this issue with the Company, and clarified that it wanted to change the name on its tariff to CDS Stoneridge Utilities LLC to be consistent with its CPCN. Staff recommends approval of modifying the Company's tariff to reflect its correct name.

STAFF RECOMMENDATION

Staff recommends that the surcharge for customers in the Happy Valley Rancho Subdivision be reduced from \$16.83 to \$14.03 per month. Staff recommends that 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.

COMMISSION DECISION

Does the Commission wish to accept the Company's request to reduce its surcharge to \$14.03 with an effective date of November 1, 2014? Does the Commission accept the revised tariff to reflect the Company's name as CDS StoneRidge Utilities, LLC?



Chris Hecht

Udmemos/SWS Tariff Advice chw02122015