

DECISION MEMORANDUM

TO: COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSIONER KEMPTON
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: SCOTT WOODBURY
DEPUTY ATTORNEY GENERAL

DATE: MAY 22, 2008

SUBJECT: CASE NO. TTS-W-08-01 (Teton Springs)
CERTIFICATE APPLICATION AND REQUEST FOR APPROVAL OF
RATES, CHARGES, RULES AND REGULATIONS

Certificate of Convenience and Necessity

On May 20, 2008, Teton Springs Water & Sewer Company, LLC (Teton Springs; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting a Certificate of Convenience and Necessity to provide domestic, culinary water service in Teton County, Idaho to customers within the Teton Springs Golf and Casting Club planned unit development. *Idaho Code* §§ 61-125 (Water Corporation); 61-129 (Public Utility) and 61-527 (Certificate of Convenience and Necessity) and Rule 111 of the Commission's Rules of Procedure, IDAPA 31.01.01.111. The Teton Springs development consists of 581 single-family building lots, 14 commercial lots, and 2 multi-family dwellings which will contain 143 residential units at full build-out. The development is an all-season resort community. Most of the homes within the community are second or third homes for the owners. The sales price for lots within the community range from \$252,000 to \$2.8 million.

The Teton Springs water system consists of two wells, a water storage reservoir, water mains, hydrants, and service lines. As reflected in the Application, the original cost of the water system was approximately \$2,882,000.

Proposed Rates and Charges

Teton Springs presently charges active residential and commercial customers an unmetered flat rate of \$240 per quarter. Active residents of multi-family units are presently

assessed a flat rate of \$80 per quarter. Teton Springs proposes to change rates for existing customers and to assess a new Availability Charge for inactive residential and commercial customers whose property fronts an existing main, but who have not connected to the system, as reflected below.

Description	Number of Active Customers	Current Rates/Month	Proposed	
			Monthly Rates	Quarterly Rates
Unmetered Residential: Total No. of Single-family lots: 581 Total No. of Inactive Lots: 387	194 --	\$80.00 --	\$50.00 \$25.00	\$150.00 \$75.00
Unmetered Commercial: Total No. of Commercial Lots: 19 Total No. of Inactive Lots: 14	5 --	\$80.00 --	\$150.00 \$75.00	\$450.00 \$225.00
Unmetered Multi-Family: Total No. of Multi-Family Units: 143	73	\$26.67	\$50.00	\$150.00

Stating that it does not presently have sufficient water consumption data, the Company proposes to charge customers initially under a flat rate rather than a metered rate.

Additional Fees and Charges

As reflected in the Company’s Application the following additional charges and fees are also proposed:

Schedule No. 1A: *DEQ Fee* (recovered in tariff water rates)

Schedule No. 2: *Miscellaneous Fees and Charges*

- 1) Return check charge: \$20.00 each occurrence
- 2) Reconnection charge for non-payment terminations:
 - During normal business hours \$ 50.00
 - Other than normal business hours \$100.00
- 3) Field collection trip charge – applicable to customers who pay outstanding bills for service at the time Company personnel arrive at customer’s premises to terminate service: \$50.00

Schedule No. 3: *Bulk water sold to contractors.*

- 1) Backflow Prevention Device Rental Charge – \$25.00 per day
- 2) Bulk Water Charge – \$25.00 per day.

Schedule No. 4:

- 1) Base Hook-up Fee (no fee proposed)
- 2) Uncollected Availability Charge

Proposed Rules and Regulations Governing the Rendering of Service

Included with the Company's Application are proposed Rules and Regulations governing the rendering of service. The following subject areas are addressed in the Rules and Regulations: Application for Service; Service Connection; Meters; Bills; Discontinuance of Service; Customer Deposits; Service for Construction Purposes; Application and Rules Are Contract; Fire Protection; and Miscellaneous.

COMMISSION DECISION

Teton Springs Water & Sewer Company, LLC has filed an Application for a Certificate of Convenience and Necessity and requests approval of proposed rates and charges, and rules and regulations. The Company is presently providing service to a number of residential (194), commercial (5), and multi-family (73) customers. The Company recommends that its Application be approved for an effective date of June 20, 2008. Staff recommends that the Company be issued a Certificate of Convenience and Necessity, that a notice of the Company's Application be issued, that continuation of existing rates be authorized, and that the remainder of the Company's Application proposal be suspended pending investigation, further procedure, and Commission Order.



Scott Woodbury
Deputy Attorney General

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