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Division of Public Utilities

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MEMORANDUM

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Date: July 16, 2004

To: Public Service Commission

From: Division of Public Utilities
Irene Rees, Director
Wesley Huntsman, Manager
Bary M. Golding, Analyst

Subject: Wolf Creek Water Conservancy Inc.
Interim Irrigation Rates Docket No. 03-2417-01

INTRODUCTION

This memorandum contains the Division's recommendations in response to a letter, dated June 27, 2004, filed by Wolf Creek Water Conservancy Inc. (Company) with the Commission. The Company proposed minor modifications to the Commission's order issued June 22, 2004 in this docket.

RECOMMENDATION

The Division recommends that the Commission approve the proposed modifications to the Company's interim rates which were included as attachment 20 with the Company's June 27th letter.

The Division recommends that the proposed stand-by charges be assessed only to lots for which the Company has an agreement signed by the lot purchaser acknowledging the stand-by fees for the secondary water system.

The Division recommends that the Commission approve the Company's proposed water conservation plan and fines which were included with the Company's June 27th letter as attachment 17.

The Division recommends that the Commission approve the proposed rate changes below consistent with the Company's proposal as interim rates which would remain in effect until permanent rates are approved.

Rates

Residential Irrigation Rates (Monthly Rate)

Single Family Homes Irrigation Water Usage \$15.00 per month flat rate

Multi-Family Rates By development, based on agreements in place prior to 2003

Moose Hollow (12 units per bldg/ 8 bldgs)	\$15.00 per building
Wolf Creek Village (16 units per bldg/ 6 bldgs)	\$20.00 per building
Wolf Star (38 units total)	\$126.50 Flat Fee
Wolf Lodge (154 units total)	\$166.50 Flat Fee
Fairway Oaks (PRUD - 23 Homes)	\$15.00 per Home (\$345/mo.)
The Cascades (billed individually)	\$15.00 Flat Rate per home
Trappers Ridge (billed individually)	\$15.00 Flat Rate per home
The Fairways (duplexes billed individually)	\$15.00 Flat Rate per home

Commercial Rates

Golf Course
Irrigation Water Usage per Irrigated acre \$15.00 per month flat rate

Irrigation Water Connection Fee per irrigated acre \$1,000

Meter Installation Charge:

1" Meter	\$ 500
1 ½" Meter	\$ 750
2" Meter	\$1,000
3" Meter	\$2,000
4" Meter	\$3,000
6" Meter	\$5,000

*Meter size is based on acreage and will be determined by Wolf Creek Conservancy.

** Installation charge subject to change due to increased cost of labor and materials.

Connection Fees

Single Family Home Connection

Irrigation Water Connection Fee: Service to Property Line,
one time charge for each service \$1,000

Patio Springs & Eden Hills Connection Fee \$3,000

Eagle Ridge Connection Fee \$2,000

Multi Family Connection Fees

Irrigation Water Connection Fee per unit \$1,000

Meter Installation Charge:

1" Meter	\$ 500
1 ½" Meter	\$ 750
2" Meter	\$1,000
3" Meter	\$2,000
4" Meter	\$3,000
6" Meter	\$5,000

*Meter size is based on acreage and will be determined by Wolf Creek Conservancy.

**Installation charge subject to change due to increased cost of labor and materials.

Annual Stand-by Fee

Annual Irrigation Stand-By Fee \$180.00

*Stand-by charges to be assessed to lots for which the Company has an agreement signed by the lot purchaser acknowledging the stand-by fees for the secondary water system.

Other Charges

Turn on service for a new customer where a meter is already in place \$ 50.00

Reconnection Fee - after disconnection \$100.00

Customer Account Change \$ 15.00

Meter Testing - Customer requested meter test more than once within a year, in compliance with PSC R746330-3.C \$ 40.00

Conservation plan Violation Fines

First Offense Written Warning

Second Offense \$100.00

Third Offense \$200.00

Fourth and Subsequent Offenses \$500.00

The Company reserves the right to shut off secondary water to any customer who repeatedly violates the conservation watering schedule or is clearly using an excessive amount of water after repeated warnings and fines.

DISCUSSION

The Company's proposal asks for four changes to the interim rates previously approved by the Commission.

The Company proposes to change the connection fees for Patio Springs, Eagle Ridge & Eden Hills to those originally proposed by the Company. The Company provided additional information showing that the developer in the Eagle Ridge area previously installed distribution lines within the development which reduced the cost to the Company of extending secondary water service to that area. The Company also provided sufficient information regarding the total cost of extending secondary service to these three developments to support the proposed connection fees.

The Company proposed a specific rate schedule for multi-family properties which is based on contracts which were in place prior to the beginning of the 2003 irrigation season. The Division feels that this is consistent with the Division's original proposal for issuance of a certificate and establishment of interim rates which was filed with the Commission on April 21, 2004. In that memorandum the Division proposed that the interim rates be based on the rates in effect prior to the beginning of the 2003 irrigation season.

The Company proposed that the connection fee of \$1,000 for multi-family complexes be assessed on a per unit basis rather than on a per irrigated acre basis. This request is based on long standing agreements which the Company has with the developers of multi-family complexes.

The Company proposed that stand-by fees be allowed based on the fact that people who purchased lots from Wolf Creek Properties signed an agreement at the time they purchased their lot agreeing to pay stand-by fees for the secondary water system until they requested and paid for a connection to the system. The Division does not oppose imposition of stand-by fees on the owners of lots for which they have a signed agreement.

Conservation

The Company proposes implementation of a conservation plan which would include an odd even irrigation schedule and prohibit irrigation by all customers between 10:00 a.m. and 8:00 p.m. This plan would include written warnings and or fines as set forth above for those who do not comply with the conservation plan.

The Division feels that the Company's proposed conservation plan is reasonable and that the ability to impose fines is an important tool which the Company needs to be able to insure compliance with the proposed irrigation schedule.

SUMMARY

The Division feels that the changes proposed by the Company are fair and reasonable and that they are consistent with the Division's intent to have the interim rates reflect the rates which were in effect prior to the 2003 irrigation season. The Division feels that the Company has provided sufficient information to support the proposal for different connection fees for Patio Springs, Eagle Ridge & Eden Hills. The Division further feels that the Company's proposed conservation measures are consistent with prudent water management policy.