

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of)
STORM HAVEN WATER)
COMPANY, INC., for a Rate Increase)

DOCKET NO. 00-014-01
REPORT AND ORDER

ISSUED: June 22, 2000

SYNOPSIS

The proposed rates appearing to be just and reasonable, the Commission granted the proposed rate increase.

By the Commission:

PROCEDURAL HISTORY

Pursuant to notice duly served, the above-captioned matter came on regularly for hearing the thirteenth day of June, 2000, before A. Robert Thurman, Administrative Law Judge, at the Commission Offices, Heber M. Wells Building, Salt Lake City, Utah. Storm Haven Water Company ("Applicant") was represented by a company director, Suzanne Goodfellow. Dan Bagness, an auditor, represented the Division of Public Utilities, Utah Department of Commerce ("DPU"). Ratepayers were notified of the proposed increase, and of this hearing, in mailings dated May 1, 2000, and June 4, 2000. No one appeared in opposition to the proposed increase. Evidence was offered and received, and the Administrative Law Judge, having been fully advised in the matter, now enters the following Report, containing proposed findings of fact, conclusions of law, and the Order based thereon.

FINDINGS OF FACT

1. Applicant is a water corporation certificated by this Commission. It serves approximately 50 active connections. It last had a rate increase in July 1996. Since that time it has experienced operating expense increases occasioned by the amortization of costs of a source protection plan mandated by the Utah Division of Drinking Water; purchase of a computer and billing program; funding for a new water tank; and increased director fees.
2. The DPU conducted a compliance audit of Applicant and found the claimed increased expenses justified. It proposes an adjustment to fund a future replacement of the existing water tank through a 12% rate of return on rate base, rather than through the establishment of a sinking fund. The DPU's proposed adjustment results in no significant change in the revenue requirement. Applicant acquiesces in the DPU-proposed adjustment.
3. The DPU recommends approval of the increased directors' fees, since Applicant has no employees or payroll expenses, and the directors perform all the labor required for operation and maintenance of the system.
4. The proposed rates are consistent with those charged by other comparable systems in the State of Utah.
5. The proposed rates appear to be just and reasonable and the minimum necessary to enable Applicant to meet its service obligations and attract capital needed to accommodate future system growth and renovation.

CONCLUSIONS OF LAW

The Application should be approved.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

The proposed rates for Applicant, as set forth in the Appendix, annexed hereto and incorporated herein by this reference, be and they are, approved effective the date of this Order; and Applicant is hereby authorized to publish the same on one-days notice.

Any person aggrieved by this Order may petition the Commission for review within 20 days of the date of this Order. Failure to do so will forfeit the right to appeal to the Utah Supreme Court.

DATED at Salt Lake City, Utah, this 22nd day of June, 2000.

/s/ A. Robert Thurman
Administrative Law Judge

Approved and Confirmed this 22nd day of June, 2000, as the Report and Order of the Public Service Commission of Utah.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Clark D. Jones, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

APPENDIX

STORM HAVEN WATER COMPANY 3rd Revised sheet No. 2

Heber City, Utah P.S.C. Utah No. 1

WATER SERVICE RATE SCHEDULE

Applicability

Applicable in the entire service area, to water service for culinary purposes at one point of delivery. No irrigation *except for yard and garden watering* is authorized.

The following rate is for a period of one month.

| <u>Usage Charges</u> | <u>Charges</u> |
|--|--|
| First 8,000 gallons | \$23.00 minimum charge for each service connection |
| Over 8,000 gallons | \$ 2.50 per 1,000 gallons |
| Applicable to all water users in service area. | \$ 1.50 Monthly Service Charge |
| Turn on Fee (Meter already in place) | \$ 25.00 |

Service Connection Charge

Water Service Connection Charge \$3,000.00

Standby Fee

Water Connection Standby Fee \$ 4.00

The Connection Charge is for a 3/4 " Service to Property Line Water Connection. One time charge for each service requiring new meter installation. The Cnnection Charge shall be paid in advance for water service.

A Standby Fee of \$4.00 per month, or part thereof, shall be charged to each lot owner and assessed against each lot within where water service is immediately available for hook-up. Any and all delinquent Standby Fees assessed against a lot must be paid in full prior to obtaining a new service or reservice water connection. Any owner selling a lot assessed with a delinquent Standby Fee shall remain responsible for such delinquency. there shall be a late charege of 18% compounded annually on all Standby Fees that are not paid within 60 days of billing.

Issued: Feb. 29, 2000

Effective: March 1, 2000

STORM HAVEN WATER COMPANY
Heber City, Utah P.S.C. Utah No. 1

3rd Revised Sheet No.3

SEWER SERVICE RATE SCHEDULE

Applicable in Storm Haven Plat A to sewer service for home use..
Applibable in entire area of Storm Haven Plat "A" except Lots 7, 8, 9, 10, 11, 12 and 18.

Any party desiring to obtain a sewer service connection from Storm Haven Water Co. shall make application in writing with the Utility Office. A sewer connection includes a service line from the main line near the property line. Excavation and installation shall be made by the applicant. Installations shall be inspected and approved by the Company before the service line trench is backfilled.

| | |
|---|----------|
| Monthly Charge | \$ 8.50 |
| Sewer Connection Charge | \$625.00 |
| Sewer Standby Fee (Ready to Serve Charge) | \$ 3.00 |

The Connection Charge is for a 4" connection and no larger connection will be allowed unless special permission is granted by the Company. Any extra expense of a line will be the responsibility of the applicant.

A Standby Fee (Ready To Serve Charge) of \$3.00 per month, or part thereof, shall be charged each lot owner and assessed against each lot of Storm Haven Plat "A"

(except Lots 7, 8, 9, 10, and 11) where sewer service is immediately available for hook-up. Any and all delinquent Standby Fees assessed against a lot must be paid in full prior to obtaining a service connection. Any owner selling a lot assessed with a delinquent Standby Fee shall remain responsible for such delinquency. There shall be a late charge of 18% compounded annually on all Standby Fees that are not paid within 60 days of billing.