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State of Utah
Department of Commerce
Division of Public Utilities

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MEMORANDUM

TO: Public Service Commission

FROM: Division of Public Utilities
Chris Parker, Division Director
Marialie Wright, Customer Service Manager

DATE: September 27, 2017

RE: Formal Complaint, Shane Houskeeper v. South Duchesne Culinary Water,
Docket No. 17-2372-02

Recommendation: Schedule a Hearing and Consider Penalties against the Company

Complaint Analysis:

On August 10, 2017, Mr. Shane Houskeeper (Complainant) filed a complaint with the Division of Public Utilities (Division) against South Duchesne Culinary Water, Inc. (Company) regarding an ongoing billing and standby fees dispute.

On November 8, 2015, Complainant contacted the Company to disconnect his water service and requested to be on a monthly standby service rate. Complainant explained that he never received a bill on a consistent monthly basis. When he finally received a bill, he was billed for the minimum monthly rate of \$40 rather than the \$15 from the time he requested to be on a Standby Service rate.

Complainant contacted the Company numerous times but has been unsuccessful in his attempts and the Company has been unresponsive to his texts and messages. He did not receive a bill for months until he received a phone call from the Company around the last part of May 2017, informing him that only cabin lots with no cabins can be on a standby service rate. He was told that he owed the Company the \$40 monthly rate and an additional \$120 in late fees. The Company demanded that he pay the bill immediately.

Around early June 2017, Complainant received a past due bill for \$480 with a hand-written note on it adding an additional \$120 in late fees and another hand-written note of "6/20 Cut-off/new contract" at the very top part of the bill. Complainant sent the Company a letter asking that the

\$120 of late fees be waived. On June 15, 2017, Complainant sent the Company a payment of \$480.

Around early August 2017, Complainant received another bill for \$80 with another hand-written note showing an additional \$130 in late fees, as well as a shut-off date of August 20, 2017. Complainant's water service has been shut-off since November, 2015.

Complainant feels that he should be on a standby service rate of \$15 per month and should receive a credit to his account from November 8, 2015 through August, 2017. He also feels all late fees should be waived and credited back to his account.

Company Response:

Ms. Tosha Steed responded to the Complainant's informal complaint on August 17, 2017. Ms. Steed states that regardless of invoicing, the Complainant had a regular non-payment history.

Ms. Steed adds that the Complainant's water service was never shut-off since 2015 as the Complainant claims. Ms. Steed further states that the Complainant has a residence on his lot; therefore, the Complainant does not qualify for the standby fee monthly rate. Ms. Steed states that the standby fee monthly rate of \$15 is applicable to lots only.

Ms. Steed adds that the only time the Complainant ever called its accounting office was on June 19, 2017. The Company's former bookkeeper, Gomez Corporation, never had a record of the Complainant contacting the Company, nor sending it emails or correspondences. Ms. Steed also could not find a copy of the operational agreement with the Complainant. She states that the Company's former bookkeeper may not have received the signed contract or followed up with the Complainant.

The Company requests that this complaint be closed and dismissed.

Division Review and Recommendation:

Public Service Commission (Commission) rule R746-200-4-A, Billing Cycle states, in part, a "utility shall use a billing cycle that has an interval between regular periodic billing statements of not greater than two months." It does not appear that the provisions in the Billing Cycle rule have been adhered to by the Company by billing its customers on a quarterly basis.

Additionally, Commission rule R746-200-4-C, Periodic Billing Statement states, in part, "a public utility shall mail or deliver an accurate bill to the account holder for each billing cycle at the end of which there is an outstanding debit balance for current service... setting forth each of the following disclosures..." It does not appear that the provisions in this rule have been followed by the Company with its ambiguous language and hand written notes on its billing statements, which may not clearly identify an accurate bill sent to the Complainant.

Furthermore, the Company's Commission-approved tariff under Standby Service Charge states it, "Applies to lots where service mains are in place and where water service is available, but no water service has been connected and no water service is used; or where water service has been disconnected by the Company at the request of the customer..." seems to apply to the Complainant.

In addition, the Company's approved tariff on Billings and Payments in part states, "Bills covering the charges will be rendered monthly and shall be due twenty (20) days after being rendered. After thirty (30) days a late charge of 1.5% of the past due balance will be assessed. Late charges will be assessed at 18% per annum on all past due amounts until account is brought current." Complainant has been charged a late fee of \$10 per month, which is clearly in violation of this rule and regulation.

Therefore, the Division recommends that the Commission schedule a hearing to determine the facts. If the Commission finds that the violations are supported by evidence at the hearing, the Division also suggests that the Commission consider imposing a penalty upon the Company under Utah Code Ann. Section 54-7-25 for its repeated violations of tariff provisions, statutes, and rules.