

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Proposed Rate)
Increase of Storm Haven Water Company,) DOCKET NO. 06-014-T01
Inc.) REPORT AND ORDER
)

ISSUED: February 27, 2007

By The Commission:

PROCEDURAL HISTORY

On July 17, 2006, Storm Haven Water Company, Inc. (“Storm Haven” or “Company”) filed for approval a proposed tariff seeking to increase its base culinary water and sewer rates, standby fees, usage fees and monthly service fee.

On December 21, 2006, the Division of Public Utilities (“Division”) filed a memorandum recommending the Commission approve the tariff as filed.

On February 14, 2007, hearing in this matter was held before the Administrative Law Judge. Suzanne Goodfellow, President of Storm Haven, appeared on behalf of the Company. Patricia Schmid, Assistant Attorney General, appeared for the Division. Mr. Paul Hicken, Division utility analyst, testified on behalf of the Division.

Pursuant to Commission notice, a public witness hearing was held immediately following conclusion of the evidentiary hearing. No one appeared to provide testimony or a statement for or against the proposed rate increase. However, several minutes after the public witness hearing had adjourned, a member of the public telephoned the Administrative Law Judge and stated he had intended to appear at the public witness hearing but had misunderstood the address for the hearing as contained in the notice mailed to customers by the Company. The

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Administrative Law Judge instructed this individual to file his comments by email within one week and notified him the Commission would consider said comments as an unsworn statement. However, this individual thereafter failed to file any comments.

BACKGROUND AND DISCUSSION

The Division notes the Company received its Certificate of Public Convenience and Necessity (“Certificate”) to operate as a water utility in 1972. The Company was issued a Certificate to operate as a sewer utility in 1996. Its current rates were approved by the Commission on June 22, 2000, in Docket No. 00-014-01. The Company’s current and proposed rates are as follows:

| <u>Water Rates</u> | <u>Current</u> | <u>Proposed</u> |
|---|----------------|-----------------|
| Base rate – up to 8,000 gallons/month | \$23.00 | \$25.00 |
| Usage rate – per 1,000 gallons over 8,000 | \$2.50 | \$3.00 |
| Stand-by Fee, per month | \$4.00 | \$5.00 |
| Service Charge, per month | \$1.50 | \$2.00 |
| Turn On Fee | \$25.00 | \$25.00 |
| Connection Fee | \$3,000 | \$3,000 |
| | | |
| <u>Sewer Rates</u> | <u>Current</u> | <u>Proposed</u> |
| Basic Service, monthly | \$8.50 | \$9.00 |
| Stand-by Fee, monthly | \$3.00 | \$4.00 |
| Connection Fee | \$625.00 | \$625.00 |

Having reviewed the Company’s financial data, the Division notes the proposed rates would result in a revenue requirement shortfall of \$25.00 per year based on a rate base of \$35,245 and rate of return on rate base of 12%. The Division recommends that for purposes of rate regulation, the Company keep a separate record of asset depreciation using the allowable lives, salvage value and depreciation schedules listed in Commission Rule 746-332. The

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Division concludes the proposed rates are just and reasonable and recommends Commission approval of the same. The Company concurs.

We concur with the Division's recommendation and find the proposed rates to be just and reasonable. We therefore approve the proposed rates.

Wherefore, based on the foregoing information, and for good cause appearing, 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 AND CONCLUSIONS OF LAW

1. Storm Haven Water Company, Inc., is a certificated water corporation operating in the State of Utah, subject to Commission jurisdiction.
2. The rates proposed by the Company are just and reasonable, and in the public interest.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

Storm Haven Water Company, Inc.'s proposed rates as discussed herein are approved.

Pursuant to *Utah Code Annotated* §§ 63-46b-12 and 54-7-15, agency review or rehearing of this order may be obtained by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after

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the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of *Utah Code Annotated* §§ 63-46b-14, 63-46b-16 and the Utah Rules of Appellate Procedure.

Dated at Salt Lake City, Utah, this 27th day of February, 2007.

/s/ Steven F. Goodwill
Administrative Law Judge

Approved and Confirmed this 27th day of February, 2007, as the Report and Order of the Public Service Commission of Utah.

/s/ Ric Campbell, Chairman

/s/ Ted Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard,
Commission Secretary
G#52541