

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER SMITH  
COMMISSIONER HANSEN  
COMMISSION SECRETARY  
LEGAL  
WORKING FILE

**FROM:** TERRI CARLOCK

**DATE:** OCTOBER 12, 2006

**SUBJECT:** EAGLE WATER COMPANY'S SURCHARGE UPDATE;  
CASE NO. EAG-W-05-2.

Eagle Water Company (Eagle Water) is allowed to collect surcharge revenues pursuant to Order No. 29903 to pay for an engineering study, accounting fees, legal fees and some main replacement costs. The total amount to be collected by surcharge is \$112,414. Eagle Water has collected \$104,856 as of October 6, 2006. When payments for September usage are received, it is anticipated that the surcharge will have collected more than the authorized amount. Eagle Water has not filed its final engineering report or requested specific treatment related to the surcharge now that the authorized amounts will be fully collected.

### STAFF RECOMMENDATION

Staff believes it is important to analyze the ongoing system needs for Eagle Water customers while recognizing that the authorized surcharge amounts will be fully collected. To balance these concerns, Staff recommends that the surcharge continue until December 31, 2006, subject to refund, with the following restrictions:

- 1) Surcharge revenues must be retained in the surcharge savings account subject to refund.
- 2) No additional authority to spend surcharge funds, beyond those specifically identified in Order No. 29903, will be granted at this time.

- 3) Require Eagle Water to file no later than December 31, 2006 the final engineering study with system improvement recommendations and an Application detailing any surcharge request.
- 4) Require Eagle Water to stop the surcharge with December 2006 meter readings, January 2007 billings, if the engineering report and Application are not filed with the Commission by December 31, 2006.
- 5) Require Eagle Water to refund the surcharge revenues collected above \$112,414 if the required filings are not received.

Staff believes these requirements are reasonable. It allows the customer surcharge tariff to be contiguous during this period when lower surcharge dollars are expected to be collected. It also allows Staff and the Commission to evaluate system needs that will benefit customers while requiring Eagle Water to complete actions that have been required of the Company.

#### **COMMISSION DECISION**

Should the Staff recommendation and conditions be accepted?



---

Terri Carlock

TC:udmemos/eagw052 dm10.06 surcharge