

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

APPLICATION OF CDS STONERIDGE)	CASE NO. SWS-W-20-01
UTILITIES, LLC TO CHANGE RATES FOR)	
NON-REFUNDABLE HOOK-UP FEE FOR)	
NEW WATER CONNECTIONS)	ORDER NO. 35017
)	

On March 25, 2021, the Idaho Public Utilities Commission (the “Commission”) authorized CDS Stoneridge Utilities, LLC (“Stoneridge” or “Company”) to increase the fee for a new customer to physically connect to Stoneridge’s water system (the “Hook-Up Fee” or “Hook-Up Fees”). *See* Order No. 34969 at 5. The increased Hook-Up Fee or Hook-Up Fees became effective on the issuance date of Order No. 34969, March 25, 2021. *Id.* at 6. In Order No. 34969 the Commission also approved modifications and additions to Stoneridge’s existing Tariff and directed the Company to file a new tariff conforming with Order No. 34969 within 10 days of this Final Order’s issuance. *Id.*

On April 8, 2021, Stoneridge submitted its modified Tariff (“Modified Tariff”). On April 16, 2021, the Commission Staff filed a Decision Memorandum for consideration by the Commission asserting that the Modified Tariff was not in conformance with Order No. 34969 and should be rejected by the Commission.¹

Having reviewed the record, the Commission rejects Stoneridge’s Modified Tariff and suspends the effective date of the approved increase to Hook-Up Fees until Stoneridge files and the Commission approves a new tariff that complies with Order No. 34969.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over Stoneridge and the issues in this case under Title 61 of the Idaho Code. Specifically, the Commission regulates “public utilities,” including “water corporations” that serve the public or some portion thereof for compensation. *See Idaho Code* §§ 61-125, -129, and -501.

In Order No. 34969, we specified the only Hook-Up Fees that Stoneridge was authorized to charge its customers, and the exact language that Stoneridge was to include in its new Tariff. We also ordered Stoneridge to file a new tariff that conformed to Order No.

¹ *See* IDAPA 31.01.01.133.02.

34969. Instead of submitting a conforming tariff as ordered, Stoneridge filed the Modified Tariff. We have reviewed the Modified Tariff and find it does not conform to Order No. 34969. First, Stoneridge has made substantial, unauthorized changes to the language that we approved for Stoneridge's new tariff. Stoneridge also added new definitions that had not been presented to or reviewed and approved by the Commission. Third, Stoneridge's unauthorized modifications to the Commission-approved schedule of Hook-Up Fees from Order No. 34969 are inappropriate and could lead to customers being charged potentially higher, illegal Hook-Up Fees. Based on the foregoing, the Modified Tariff is not a conforming tariff as required by the Order. We thus reject Stoneridge's Modified Tariff, and it shall not take effect. *See Idaho Code* § 61-622(5); *see also Commission Rule of Procedure* 133.02, IDAPA 31.01.01.131.02. Our decision to allow the new tariff to go into effect upon issuance of our final order (March 25) was premised and contingent on the submission of a conforming tariff. Consequently, we find it just and reasonable to stay Final Order No. 34969 until Stoneridge (1) files a tariff that conforms with Order No. 34969, and (2) obtains the Commission's approval of that tariff. *See IDAPA Rule* 31.01.01.324. Until these conditions are met, Stoneridge may charge new customers the \$1,200 Hook-Up Fee for connecting to the system that is authorized in Stoneridge's existing, Commission-approved Tariff.

More than a century ago, the United States Supreme Court recognized a bedrock principle of utility regulation: a public utility consents to regulation whenever the utility serves customers under a state-granted franchise. *See Munn v. Illinois*, 94 U.S. 113, 125-32 (1876) (When someone "devotes his property to a use in which the public has an interest, he, in effect, grants to the public an interest in that use, and must submit to be controlled by the public for the common good. . . . [So] long as he maintains the use, he must submit to the control"); *see also Idaho Power & Light Co., v. Blomquist*, 25 Idaho 222, 241, 141 P. 1083, 1088 (1914) (By granting a franchise to a public utility corporation, the state does not abrogate its rights to exercise the police power of the state over and it may regulate how public utility corporations shall construct their lines and carry on their business within the state.)

We have repeatedly admonished Stoneridge that it must comply with the Idaho Public Utilities Laws and the Commission's rules and orders. *See e.g.*, Order No. 34974, SWS-W-20-02. Stoneridge's continuing failure to comply with these authorities, including the requirements of this Order, may lead the Commission to take additional action as the

Commission may deem necessary and appropriate. *See Idaho Code* § 61-706 (Any public utility that violates the public utilities laws, Commission orders or rules, or any part of them, is subject to a penalty of up to \$2,000 per day, with each violation constituting a separate offense, and each day's continuing violation constituting a separate offense).

ORDER


IT IS HEREBY ORDERED that the Modified Tariff, submitted by the Company, is rejected and of no effect.

IT IS FURTHER ORDERED that Order No. 34969 be stayed pursuant to IDAPA Rule 31.01.01.324. Stoneridge's existing Tariff remains in effect. Stoneridge is authorized to charge new customers a \$1,200 Hook-Up Fee to connect to its water system until such time as the Commission reviews and approves a tariff submission that conforms with Order No. 34969.

THIS IS AN INTERLOCUTORY ORDER, not a final and appealable Order of the Commission. The period of reconsideration will not begin until the final Order is issued.

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 22nd day
of April 2021.



PAUL KJELLANDER, PRESIDENT

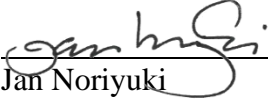


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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