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February 14, 2024

Sent By: Email

Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074
secretary@puc.idaho.gov

Teresa Zamora
Administrative Assistant
CDS Stoneridge Utilities, LLC
P.O. Box 298 Blanchard, ID 83804
utilities@stoneridgeidaho.com

***RE: IN THE MATTER OF CDS STONERIDGE UTILITIES, LLC'S TARIFF
ADVICE REQUESTING AUTHORITY TO INCREASE ITS NEW CONNECTION
FEES; CASE NO. SWS-W-23-02***

Dear Commissioners:

I am writing to you on behalf of the Stoneridge Recreational Club Condominium Owners Association, Inc. (hereinafter, "SRCCOA") concerning *CDS Stoneridge Utilities, LLC Water Company – Emergency Tariff Advice Case #SWS-W-23-02*, as dated November 21, 2023 (hereinafter, "Rate Increase Application").

In terms of background, SRCCOA is an established long-term customer of CDS Stoneridge Utilities, LLC (hereinafter, "CDS"), a relationship easily predating CDS' acquisition by Esprit Enterprises, LLC in 2018. Historically, SRCCOA has been provided service by way of 2" water mains or "hookups," as colloquially known. Given that the Rate Increase Application expressly

Commission Secretary
Idaho Public Utilities Commission
February 14, 2024

pertains to the hookup of “new” meters of different dimensions than that being utilized by SRCCOA (specifically being ¾” and 1” meters), the SRCCOA does not believe it needs to take a position concerning the same at this time. However, SRCCOA does respectfully reserve the right to address the Rate Increase Application, and the arguments and materials provided therewith, in the event that it becomes applicable to the SRCCOA (such as through the “General Tariff Rate Increase Application” expressly referenced in the “application for issuance of securities within a statutory time, frame,” designated as Case # SWS-W-23-03, as submitted by CDS on December 15, 2023 (“Debt Application”).¹

On behalf of the SRCCOA, thank you for your time and consideration of this letter.

Sincerely,

Rick Haruthunian

Rick Haruthunian, Esq.

¹ As available at: <https://puc.idaho.gov/case/Details/7218>. The Debt Application provides, in pertinent, part that: “[i]n addition we are in the process of filing a “General Tariff Rate Increase Application” with IPUC[.]” Although not a part of the formal record, the “Customer Notice” issued by CDS concerning the Debt Application (attached hereto as Attachment “A”) also reference CDS’ plans to pursue a future “general rate tariff.”

ATTACHMENT "A"

CUSTOMER NOTICE

CDS StoneRidge Utilities, LLC., NOTICE OF FILING APPLICATION FOR AUTHORIZATION TO SECURE DEBT FOR RECAPITALIZATION FOLLOWING SIGNIFICANT OPERATING LOSSES IN 2018-2023.
SWS-W-23-03 January 19, 2024

CDS StoneRidge Utilities, LLC, a Privately Owned Public Water Company in Blanchard, Idaho, filed an application with the Idaho Public Utilities Commission ("Commission") on December 15, 2023, Case No.SWS-W-23-03, requesting that the Commission grant it permission to secure debt for the purpose of re-capitalizing the company following four plus years of significant operating losses from operations along with cumulative losses from "New Connections" where the cost of the new connections were significantly higher than the customer approved "New Connection Revenue" tariff rates. The proposed recapitalization is necessary so that the Company can continue to provide reliable water service to its current and future customers. This notice is solely for the purpose of obtaining the authorization from the Commission to obtain debt for the purpose of recapitalizing the company. The Company has previously been advanced approximately \$800,000 as Intercompany Debt from "related entities" to cover operating losses between 2018-2023. It recently came to the Company's attention, that issuance of related entity debt requires approval by Idaho Public Utilities Commission and the Company is consequently making this application retroactively.

It is not anticipated that approval of this application will result in an immediate increase in the Company's tariff schedule for Base Rates and Commodity Rates. However, the Company intends to make a "General Rate Tariff" application upon the Commission's ruling on this application. This proposed "General Rate Tariff Application" will be the first one filed by the Company since 2006. In addition to general cost increases since 2006, the addition of IPUC approved debt will likely see a significant increase in the customer rates. Approval of the \$800,000 debt level in this current application could result in up to as much as \$48,000.00 in annual interest costs which would represent approximately an 11% increase in total expenses. Residential customers will, if the debt issuance is approved and is fully implemented in the likely anticipated forth-coming General Rate Case Application, see an increase in their monthly bill (currently \$24.00) of \$2.64 (11%) because of the approval of this Authorization to Secure Debt Recapitalization Application.

The request for authorization to Secure Debt Recapitalization is subject to public review and a commission decision, which it may accept, modify, or reject in whole or in part. A copy of the Application is on file and available for inspection at the Idaho Public Utilities Commission, 11331 W. Chinden Blvd. Building 8, Suite 201-A, Boise, ID 83714. Phone: 208.334.0300 Idaho,

and the Company's offices which are located at: 12 Holiday Loop, Blanchard, Idaho 83804. The Application is also available on-line at the Commission <https://puc.idaho.gov/case?util=3&closed=0> Case #SWS-W-23-03 CDS StoneRidge Utilities, LLC.

Customers may subscribe to the Idaho Public Utilities Commission RSS feed for periodic updates via email. You can also file a comment on the Application via the Commission's website at: <http://puc.idaho.gov/>. Additionally, you can mail comments to:

Idaho public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074.

OR

StoneRidge Utilities, LLC
P.O. Box 298
Blanchard, ID 83801

In any comments filed with the Commission and sent to the Company Case No. of this matter, SWS-W-23-03 should be included.

Sincerely,

CDS StoneRidge Utilities, LLC

The following comments were submitted via PUCWeb:

Name: Leon Marshall
Submission Time: Feb 14 2024 5:41PM
Email: lxmarshall@gmail.com
Telephone: 253-656-1958
Address: 300 Hanaford Rd
Blanchard, ID 83804

Name of Utility Company: CDS Stoneridge Utilities

Case ID: SWS-W-23-02

Comment: "I would also request that the IPUS deny both of the requests that have been submitted by CDS Stoneridge Utilities.

I was struck the financial impact that is reported by CDS Utilities. Since acquiring the utility, supposedly over \$800K of debt has be incurred. I agree with the comments shared in the Staff comment posted on 1/23/24, that this is not a healthy company. It also raises questions regarding the accuracy of the information presented.

I also support the other comments that were shared in the same staff report. The proposed plan introduces risk to the community. Unless I misunderstood, the financial model is between two companies run by the same management. These types of financial plans do not represent sound management..

I would also encourage IPUC to increase its oversight ovef CDS Utilities in its responsibility to provide safe and adequate water to the community it serves. "

Name: Steve McKendry
Submission Time: Feb 14 2024 6:13PM
Email: hotrodsrule1965@gmail.com
Telephone: 208-277-8935
Address: 55 Bunker Ln
Blanchard, ID 83804

Name of Utility Company: Public Utilities Commission

Case ID: SWS-W-23-02

Comment: "That's very unacceptable for high jump in cost on the water bill. We VOTE NO"

The following comment was submitted via PUCWeb:

Name: Deb Rust

Submission Time: Feb 15 2024 8:19AM

Email: rustyjar@aol.com

Telephone: 425-345-2009

Address: 170 Links Drive
BLANCHARD, WA 83804

Name of Utility Company: Inland Power

Case ID: SWS-W-23-02

Comment: "Please reject this excessive rate increase. This is price gouging and just outright wrong.
Thank you."
