

MICHAEL DUVAL  
DEPUTY ATTORNEY GENERAL  
IDAHO PUBLIC UTILITIES COMMISSION  
PO BOX 83720  
BOISE, IDAHO 83720-0074  
(208) 334-0320  
IDAHO BAR NO. 11714

RECEIVED  
2022 OCT 27 PM 2:55  
IDAHO PUBLIC  
UTILITIES COMMISSION

Street Address for Express Mail:  
11331 W CHINDEN BLVD, BLDG 8, SUITE 201-A  
BOISE, ID 83714

Attorney for the Commission Staff

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF VEOLIA WATER** )  
**IDAHO, INC.'S APPLICATION TO AMEND** ) **CASE NO. VEO-W-22-03**  
**BRIAN WATER SURCHARGE AND REFUND** )  
**CUSTOMERS** )  
 )  
 ) **COMMENTS OF THE**  
 ) **COMMISSION STAFF**  
 )

---

**STAFF OF** the Idaho Public Utilities Commission, by and through its Attorney of record, Michael Duval, Deputy Attorney General, submits the following comments.

**BACKGROUND**

On August 18, 2022, Veolia Water Idaho, Inc. (“Company”) applied to amend Schedule No. 1C, Brian Subdivision Surcharge and to refund customers due to a computational error that produced a surcharge that was \$2.87 too high for customers that paid the bimonthly customers (\$1.43 for monthly customers).

The Commission authorized the Company to collect from customers living in the Brian Subdivision “a fixed surcharge . . . every other month for [ten] years once interconnection with [the Company’s] system is complete and final costs are determined.” Order No. 33195 at 6.

The Company's current tariff reflects a bimonthly surcharge of \$141.35, or a monthly surcharge of \$70.67 for Budget Billing customers.<sup>1</sup> The Company proposes to amend the bimonthly surcharge to \$138.48 and monthly Budget Billing surcharge to \$69.24 to reflect the correction of the prior computational error.

The Company proposes to refund customer overpayments, including interest at 2%, the amount of interest on customer deposits, to current customers through bill credits and former customers through checks mailed to their last known addresses.

## **STAFF REVIEW**

Staff reviewed the Company's Application and proposed tariff revisions, along with the computational error that led to the alleged overpayments. Based on its review, Staff recommends the Commission approve the tariff revisions proposed by the Company with an additional amendment to include language indicating that a customer's surcharge shall end when the customer's balance is paid in full. Staff does not support the Company's proposal to refund customers with a bill credit or a refund check.

The Company states, "there was a computational error in the surcharge amount. This error flowed from a formula in the Excel spreadsheet that had been used incorrectly. The error resulted in a surcharge that was \$2.87 too high for customers that paid a bimonthly surcharge." Application at 2. Staff reviewed the workpapers from Case No. SUZ-W-18-01 and confirmed that the rates approved by the Commission in its Decision Meeting on October 30, 2018, were higher than necessary for customers to pay off the fixed surcharge balance in the ten-year period approved in Order No. 34153. However, the Company correctly and properly charged the approved rates on Schedule No. 1C. The tariff was filed with, and approved by, the Commission with an effective date of November 12, 2018.

Because customers were charged the approved tariff rate, there is no overpayment. An overpayment could only exist if the Company charged more than the amount on the approved tariff, or if a customer paid off its surcharge balance and continued to make payments. Any payments made under the tariff was a payment towards the balance owed by the customer and the current balance must be adjusted to reflect the payments. The Company has been following

---

<sup>1</sup> The Company's Application incorrectly stated that the current surcharge for monthly Budget Billing customers was \$69.24. This is the amount the Company proposes to collect in the amended tariff.

its tariff as approved by the Commission and as such, a refund is not required by Commission Rules. IDAPA 31.21.01.203.

Staff recommends that the alleged overpayments identified by the Company should be properly credited to the individual customer principal balances on the date the payments were made. Crediting the payments on the dates they were received ensures that customer balances are accurate and do not include any additional interest. If the Company credits customers' principal balances for the amount of the alleged overpayments plus the proposed 2% customer deposit rate, customers would be inappropriately paying the Company additional interest. The Company is currently charging interest on the unpaid balance at its weighted average cost of capital, 7.549%.

There are currently 25 customers paying the bi-monthly surcharge and two customers that have a negative principal balance because their individual surcharge balances have been paid in full. Response to Staff Production Request No. 1. These two customers should be refunded the overpayment with interest.

#### **CUSTOMER NOTICE AND PRESS RELEASE**

Rule 125.01 of the Commission's Rules of Procedure. (IDAPA 31.01.01.125) requires a customer notice and a press release when there is a change in rates. No press release has been sent by the Company. The Company believes the Rule does not apply to this case. After review of the Rule, Staff agrees.

In correspondence between the Company and Staff, the Company stated its intent to notify the customers after the Commission authorized the change in the schedule and approved the process for the refund. Staff suggested in response, and the Company agreed, to send a customer notice while the case is in process, to verify the mailing addresses for customers who have moved from the subdivision and are owed a refund.

As of Wednesday, October 26, 2022, the Company has not received any returned correspondence.

As of Wednesday, October 26, 2022, the Commission has not received any comments.



**STAFF RECOMMENDATION**

Staff recommends the Commission order the Company to:

1. Apply all payments received by customers under Schedule 1C, Brian Subdivision Surcharge to the customers' surcharge balance on the date payments were received.
2. Amend its proposed Schedule 1C to include a statement a customer's surcharge shall end when the customer's surcharge balance is paid in full.

Respectfully submitted this 27<sup>th</sup> day of October 2022.



Michael Duval  
Deputy Attorney General

Technical Staff: Kathy Stockton  
Chris Hecht

i:umisc/comments/veow22.3mdklscwh comments

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 27<sup>TH</sup> DAY OF OCTOBER 2022, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. VEO-W-22-03, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

PRESTON N CARTER  
MORGAN GOODIN  
GIVENS PURSLEY LLP  
PO BOX 2720  
BOISE ID 83701-2720  
E-MAIL: [prestoncarter@givenspursley.com](mailto:prestoncarter@givenspursley.com)  
[morgangoodin@givenspursley.com](mailto:morgangoodin@givenspursley.com)

  
\_\_\_\_\_  
SECRETARY

CERTIFICATE OF SERVICE