

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

Entered: February 24, 2014

CASE NO. 08-1145-PWD-W-PC

**EASTERN WYOMING PUBLIC SERVICE DISTRICT and
ALPOCA WATER WORKS, INC.**

Petition for consent and approval of the acquisition of the assets of Alpoqa Water Works, Inc., at Bud and Alpoqa and surrounding areas of Wyoming County, including the treatment plant, the distribution facilities, materials stored, maintenance equipment, tools, etc.

RECOMMENDED DECISION

This Order approves the Eastern Wyoming Public Service District (PSD) acquiring the assets of Alpoqa Water Works, Inc. (Alpoqa), approves the acquisition agreement, approves the PSD borrowing \$250,000 and approves the proposed rates.¹

On February 24, 2009, the Commission approved the transfer of all the utility assets of Alpoqa to the PSD. The Commission also approved a \$250,000 loan to the PSD from the United States Department of Agriculture Rural Utilities Services (RUS) to fund the purchase of Alpoqa. The Commission approved rates to be charged the prior Alpoqa customers by the PSD.

On September 20, 2013, Alpoqa petitioned the Commission to reopen the proceeding. Alpoqa reported that the District had not taken over the system as was ordered in 2009. Further, Alpoqa has been under a continuous boil water advisory since September 4, 2013, due to the lack of a water system operator. Alpoqa requested that the District be directed to immediately operate and maintain the Alpoqa water system and close on the acquisition of Alpoqa as promptly as possible.

On October 16, 2013, the Commission reopened the proceeding. The case was referred. The current decision due deadline is June 17, 2014.

On February 12, 2014, the PSD and Alpoqa jointly petitioned the Commission to approve a modified acquisition agreement, the PSD entering into a \$250,000 loan, and certain rates to be

¹ The matter has been assigned to Judge Cecelia Jarrell. Judge Jarrell is out of the office today but has consented to the issuance of this Order.

charged to the Alpoca customers. The parties requested expedited treatment of the filing given the ongoing water problems on the system.

On February 20, 2014, Staff recommended approving the petition including approving the proposed agreement, the loan and the proposed rates.

FINDINGS OF FACT

1. On July 9, 2009, the PSD and Alpoca requested that the Commission approve the PSD taking over Alpoca's utility assets. The petition included a request that the Commission approve a \$250,000 loan from RUS to fund the acquisition. (See filing).

2. After public notice and a hearing, the Commission approved the petition. The Commission approved the acquisition, the loan and certain rates to be charged the existing Alpoca customers by the PSD after the acquisition. The Order anticipated a quick takeover of the Alpoca system. (See Commission Order final February 24, 2009).

3. On September 20, 2013, Alpoca petitioned the Commission to reopen the proceeding. Alpoca reported that the District had not taken over the system as was ordered in 2009. Alpoca requested that the District be directed to immediately operate and maintain the Alpoca water system and close on the acquisition of Alpoca as promptly as possible. (See filing).

4. On October 16, 2013, the Commission reopened the proceeding. (See Order).

5. On February 12, 2014, the PSD and Alpoca jointly petitioned the Commission to approve a modified acquisition agreement, the PSD entering into a \$250,000 loan with the West Virginia Infrastructure and Jobs Development Council (IJDC), and certain rates to be charged to the Alpoca customers. (See filing).

6. On February 20, 2014, Staff recommended approving the petition including approving the proposed agreement, the loan and the proposed rates. (See filing).

7. The Alpoca system has been under a boil water advisory for numerous months and its customers, including Herndon Consolidated School and Pre-K, continue to experience very poor water quality. (See PSD and Alpoca filing of February 12, 2014).

8. The PSD has been able to find an alternate lender to replace the RUS loan which was withdrawn. The IJDC has consented to lend \$250,000 to the PSD at 0% interest for forty years. The loan will cover the soft costs of the PSD acquiring the system and installing meters. (See filings of February 12, 2014, and February 20, 2014).

9. The PSD proposes charging the Alpoca customers the rates approved by the Commission in 2009. The only exception is for two customers whose rates were not noticed in the earlier proceedings in this case. Those customers are the Herndon Consolidated School and

Pre-K and a carwash.² The PSD will continue to charge those two customers their existing rates. (See filings of February 12, 2014, and February 20, 2014).

10. The PSD and Alpoca presented to the Commission a modified acquisition agreement which more accurately reflects the takeover given the changes that have occurred since the agreement was first approved in 2009. (See filing of February 12, 2014).

11. The previous owner of Alpoca died and since that death the system has been maintained by members of the community and volunteers. There is currently no certified system operator. (Staff filing of February 20, 2014).

12. The 168 customers of the Alpoca system have suffered substandard water, lengthy boil water advisories and potentially unhealthy water. (Id.).

13. The transfer of the system to the PSD will result in the eventual replacement of the system and a long-term solution to the water quality issues that have impacted the community. (Id.).

CONCLUSIONS OF LAW

1. The transfer of the assets is in the public interest and should be, once again, approved.

2. The new proposed financing is reasonable and should be approved.

3. The modifications to the acquisition agreement are reasonable and the agreement should be approved.

4. The rates proposed for the Alpoca customers are reasonable, have been properly noticed and should be approved for use by the PSD upon its acquisition of the system.

ORDER

IT IS, THEREFORE, ORDERED that the transfer of all utility assets of Alpoca Water Works, Inc., to the Eastern Wyoming Public Service District be, and hereby is, approved. The proposed acquisition agreement filed by the parties on February 12, 2014, is hereby approved, without approving the specific terms and conditions of the agreement. The PSD shall move with all possible speed on actually acquiring and operating the system.

IT IS FURTHER ORDERED that the proposed loan for the Eastern Wyoming Public Service District from the West Virginia Infrastructure and Jobs Development Council, for \$250,000 at 0% interest for forty years, be, and hereby is, approved.

² The name of the carwash is not readily apparent in the record.

IT IS FURTHER ORDERED that the attached rates are approved for use by the Eastern Wyoming Public Service District for the existing Alpoca customers for all service rendered after the acquisition of the system.

IT IS FURTHER ORDERED that the matter be removed from the open docket.

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and by electronic service upon all parties of record who have filed an e-service agreement with the Commission and by United States Certified Mail, return receipt requested, upon all parties of record who have not filed an e-service agreement with the Commission.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served the exceptions.

If no exceptions are so filed this order shall become the order of the Commission, without further action or order, five (5) days following the expiration of the fifteen (15) day time period, unless it is ordered stayed by the Commission.

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission.



Keith A. George
Chief Administrative Law Judge

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EASTERN WYOMING PUBLIC SERVICE DISTRICT and
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CASE NO. 08-1145-PWD-W-PC

APPROVED RATES

APPLICABILITY

Applicable to those customers formerly served by Alpoqa Water Works, Inc.

AVAILABILITY

Available for general domestic, commercial, industrial and public authority water service.

RATES (Customers with metered water supply)

First	2,000 gallons used per month	\$10.91 per 1,000 gallons
Next	58,000 gallons used per month	\$10.44 per 1,000 gallons
Next	240,000 gallons used per month	\$ 7.67 per 1,000 gallons
All Over	300,000 gallons used per month	\$ 3.94 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than the following amount per month, according to the size of the meter installed, to wit:

5/8 -inch meter	\$ 21.82 per month
3/4 -inch meter	\$ 32.73 per month
1 -inch meter	\$ 54.55 per month
1-1/4 -inch meter	\$ 79.64 per month
1-1/2 -inch meter	\$ 109.10 per month
2 -inch meter	\$ 174.56 per month
3 -inch meter	\$ 349.12 per month
4 -inch meter	\$ 545.50 per month
6 -inch meter	\$1,091.00 per month
8 -inch meter	\$1,745.60 per month

FLAT-RATE CHARGE (Customers with non-metered water supply)

Domestic Customers:	\$ 47.92
Carwash:	\$108.99
School:	\$690.00

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of \$100.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of \$300.00 will be charged to customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

RECONNECTION CHARGE

\$20.00

To be charged whenever the supply of water is turned off for violations of rules, non-payment of bills, or fraudulent use of water.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the City or a maximum of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by their bank for any reason.

LEAK ADJUSTMENT

\$1.10 per 1,000 gallons is to be used when the bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SECURITY DEPOSIT

A deposit of \$50.00, or two-twelfths (2/12ths) of the average annual usage, whichever is greater, based on the applicant's specific customer class.