

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER OF Williams Water Works)	UTILITY DIVISION
Request for establishment of Reconnect Fees,)	
Late Fee, Non-Sufficient Funds Fee, and other)	DOCKET NO. D2000.6.96
Special Terms and Conditions)	FINAL ORDER NO. 6343
)	

**ORDER APPROVING THE ESTABLISHMENT OF SPECIAL TERMS AND
CONDITIONS**

FINDING OF FACT

1. On July 19, 2000, Williams Water Works filed an application for approval to establish and implement reconnect fees, a late fee, a non-sufficient funds fee, and other special terms and conditions.
2. Williams Water Works charges a flat rate for its water services and requested the following additions to its regular tariffs:

Special Terms and Conditions

1. All services provided by the Company under this and all other schedules are governed by applicable tariffs, and the administrative rules of the Commission.
2. If service has been temporarily discontinued at the customer's request, a reconnection charge of \$55 must be paid before service is reconnected.
3. If service has been disconnected for non-payment or rules violation, a \$155 reconnection fee must be paid prior to reconnection of service.
4. In situations where more than one user is being provided with water from a single service line, with a single shut-off device controlling the water flow, and if any one or more of the water users either will not sign up for service or will not pay for that service, then the responsibility for payment of the future water charges must be assumed by the property owner until such time as the piping configuration has been modified to provide an individual shut-off valve for each water user in order to prevent the service from being disconnected for non-signup or non-payment. Failure to provide payment or satisfactory arrangements for

payment may result in total discontinuance of service even though one or more users may not be in arrears with their account.

5. The property owner will be held liable for all water rents, unless a written notice is given the Company instructing them to collect from tenants. Such notice must be given each time there is a change of tenants. The notice shall include name of tenant and date of occupancy.
 6. Service pipes must be laid at least six feet (6') below the established grade of streets and at least six feet (6') below the surface of the ground in all other places. Service ditches must be left open for inspection before the main will be tapped.
 7. Separate connections to the mains will be required for each premise.
 8. Flat rate water rents and commercial users are payable every two months (2) and payments are due within 21 days of the billing each month. Late charges of \$5.00 will be assessed per billing month.
 9. Where a change of use of a customer's premise results in existing service pipes becoming inactive, then the owner of the premise shall provide for the physical disconnection of the service pipes from the mains at the customer's expense.
 10. The Company may refuse service to any delinquent customer owing for service at the present or previous location in the utility service area, until such past balance has been paid or satisfactory arrangements have been made by delinquent customers with the Company for payment. These same provisions shall apply and Company may refuse service to any other member of the same household when application by this member, in the opinion of the Company, may be a means for evading payment of the delinquent utility service bill.
 11. Any check received payable to Williams Water Works with non-sufficient funds will be charged \$25.00 plus monies owed for water service.
3. On August 4, 2000, the Montana Consumer Counsel filed comments in response to the Notice of Filing.
 4. MCC's comments stated that there was no cost justification provided for the proposed tariffs related to disconnections and late payments, and that a reconnection following nonpayment would result in a charge nearly triple that for reconnection when service had been discontinued at the customer's request. MCC stated that the extra \$100 charge appears to be punitive and that a more reasonable approach may be to deal with such situations through customer deposits.

5. MCC stated that the fixed late payment fee of \$5 may not be cost based, and appears to greatly exceed late fees previously approved by the Commission in the past, and the at the same comment applies to the proposed non-sufficient funds charge of \$25.
6. MCC recommended that the Commission withhold approval of the filed tariffs until the cost basis is ascertained.
7. On October 30, 2000, Williams Water Works sent a letter to MCC adjusting the tariff amounts for the Special Terms and Conditions on which MCC expressed their concern.
8. For Special Terms and Conditions Rule 2, the reconnect fee was lowered from \$55 to \$25.
9. For Special Terms and Conditions Rule 3, the reconnect fee was lowered from \$155 to \$50.
10. For Special Terms and Conditions Rule 11, the non-sufficient funds fee was lowered from \$25 to \$15.
11. For Special Terms and Conditions Rule 8, Williams Water Works provided adequate justification for the Late Charge to remain at \$5.
12. MCC has not stated an opposition to the changes proposed by Williams Water Works. Williams Water Works failed to notify the Commission of the changes they submitted to the Montana Consumer Counsel until May 5, 2001.

CONCLUSIONS OF LAW

1. Williams Water Works is a public utility furnishing water service to customers in the Kalispell, Montana area. As such, it is subject to the supervision, regulation and control of the Commission pursuant to Title 69, Chapter 3, Montana Code Annotated (MCA).
2. The Commission concludes that the approval of the Special Terms and Conditions as set forth below are just and reasonable.

Special Terms and Conditions

1. All services provided by the Company under this and all other schedules are governed by applicable tariffs, and the administrative rules of the Commission.
2. If service has been temporarily discontinued at the customer's request, a reconnection charge of \$25 must be paid before service is reconnected.

3. If service has been disconnected for non-payment or rules violation, a \$50 reconnection fee must be paid prior to reconnection of service.
 4. In situations where more than one user is being provided with water from a single service line, with a single shut-off device controlling the water flow, and if any one or more of the water users either will not sign up for service or will not pay for that service, then the responsibility for payment of the future water charges must be assumed by the property owner until such time as the piping configuration has been modified to provide an individual shut-off valve for each water user in order to prevent the service from being disconnected for non-signup or non-payment. Failure to provide payment or satisfactory arrangements for payment may result in total discontinuance of service even though one or more users may not be in arrears with their account.
 5. The property owner will be held liable for all water rents, unless a written notice is given the Company instructing them to collect from tenants. Such notice must be given each time there is a change of tenants. The notice shall include name of tenant and date of occupancy.
 6. Service pipes must be laid at least six feet (6') below the established grade of streets and at least six feet (6') below the surface of the ground in all other places. Service ditches must be left open for inspection before the main will be tapped.
 7. Separate connections to the mains will be required for each premise.
 8. Flat rate water rents and commercial users are payable every two months (2) and payments are due within 21 days of the billing. Late charges of \$5.00 will be assessed per billing cycle.
 9. Where a change of use of a customer's premise results in existing service pipes becoming inactive, then the owner of the premise shall provide for the physical disconnection of the service pipes from the mains at the customer's expense.
 10. The Company may refuse service to any delinquent customer owing for service at the present or previous location in the utility service area, until such past balance has been paid or satisfactory arrangements have been made by delinquent customers with the Company for payment. These same provisions shall apply and Company may refuse service to any other member of the same household when application by this member, in the opinion of the Company, may be a means for evading payment of the delinquent utility service bill.
3. Williams Water Works request for a non-sufficient funds fee is denied.

ORDER

1. Williams Water Works is hereby granted authority to implement the Terms and Conditions as outlined in the CONCLUSIONS OF LAW section above, for its customers in Kalispell, Montana.
2. Williams Water Works shall file the revised Special Terms and Conditions tariffs according to the Conclusions of Law.
3. The Special Terms and Conditions shall be effective for services rendered on or after June 1, 2001.

DONE AND DATED IN OPEN SESSION at Helena, Montana, this 15th day of May, 2001 by a vote of 4 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.