

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF TETON WATER & SEWER COMPANY'S APPLICATION FOR RESERVE FUND DISTRIBUTION) **CASE NO. TTS-W-24-01**
)
) **ORDER NO. 36165**
)

On February 12, 2024, Teton Water & Sewer Company, LLC (“Company”) filed its 2023 Reserve Fund Usage Report (“Report”), seeking Commission approval of the reserve funds it used.

On February 26, 2024, the Commission issued a Notice of Application and Notice of Modified Procedure, setting public comment and Company reply deadlines. Order No. 36101. Staff filed the only comments.

Having reviewed the record, the Commission issues this final Order granting the Company’s application (“Application”) as set forth below.

BACKGROUND

In Order No. 30718, the Commission authorized the establishment of the Company’s Emergency Reserve Fund (“Fund”) with specific parameters for accessing the funds. To access the Fund the Company must: (1) apply to use the Fund; (2) use the Fund only for emergencies and major unplanned capital expenditures (plant repair, maintenance, and replacement); and (3) establish an auditable paper trail for all expenses paid from the Fund.¹

THE APPLICATION

The Company reported its 2023 reserve fund expenditures for approval. The Report reflected expenditures of \$36,407.64 for water leak repairs at: (1) 45 Targhee Trail; and (2) 4 Blackfoot Trail. The reserve funds covered \$5,375.00 for asphalt work at 45 Targhee Trail and \$5,665.05 for work at 4 Blackfoot Trail. The remaining project costs—\$25,367.59—were paid from operating funds.

STAFF COMMENTS

After reviewing the Application and supporting documentation, Staff believed that the two projects identified above qualify as unplanned emergency repairs. Staff recommended

¹ Originally, the Company could use the Fund only for capital expenditures greater than 10% of the Company’s annual revenue requirement. However, this restriction was eliminated in Order No. 34000.

approval of the Company’s use of the Fund in 2023 in the requested amount of \$11,040 and require the remaining \$25,368 spent on repairs in 2023 not covered by the Fund be recorded in Account 101.333 for prudence determination and possible recovery in the Company’s next general rate case.²

COMMISSION FINDINGS AND DECISION

The Company operates a water system as a water corporation as defined by *Idaho Code* §§ 61-124 and 61-125 and is a public utility under *Idaho Code* § 61-129. The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-501, -502 and -503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provision of law, and to fix the same by order. *Idaho Code* §§ 61-502 and -503.

When we authorized the creation of the Fund, we stated it “is to be used only for emergencies and major unplanned capital expenditures (plant repair, maintenance and repair).” Order No. 30718. Having reviewed the record, we find that the projects identified in the Application are like the projects the Fund is intended to cover and that the Company adequately documented its expenses. Accordingly, we approve the Company’s use of the Fund for the \$5,375 for asphalt work at 45 Targhee Trail and \$5,665 for work at 4 Blackfoot Trail as prudently incurred. We direct the Company to book the \$25,367 for the remaining project costs not covered by the Fund in 2023 to Plant-in-Service in Account 101.333 for potential recovery during the Company’s next general rate case.

ORDER

IT IS HEREBY ORDERED that the Company’s use of \$11,040 in emergency reserve funds for asphalt work at 45 Targhee Trail and 4 Blackfoot Trail is approved as prudently incurred.

IT IS FURTHER ORDERED that the Company shall book \$25,368 for the two repairs in 2023 that were not covered by the Fund in Account 101.333 for possible recovery in the Company’s next general rate case.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order regarding any matter

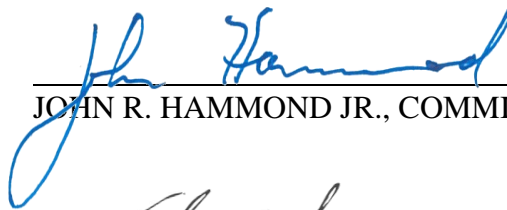
² The Company used an affiliated company, Teton Management Services, Inc., (“TMS”) for repair work. Staff compared the labor rate charged by TMS (\$28/hour) with the fair market rate for similar services and determined that it was reasonable.

decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 25th day of April 2024.



ERIC ANDERSON, PRESIDENT



JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Monica Barrios-Sanchez
Commission Secretary

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