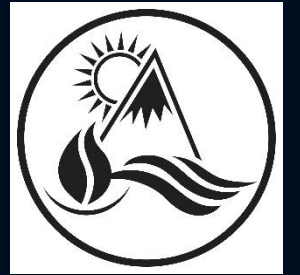


# Public Workshop

FALLS WATER COMPANY –  
NW NATURAL ACQUISITION

MAY 21, 2018





# Introduction

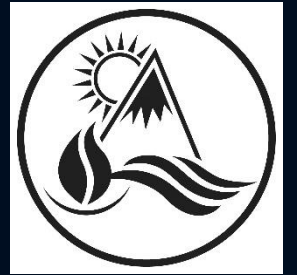
Matt Evans  
Public Information Officer



# Purpose of the Workshop:

- Summarize the application
- Describe the Commission and its procedure when deciding cases involving the sale of a regulated utility
- Receive input from customers
- Answer questions

# What is the Idaho Public Utilities Commission?



- Established in 1913, the IPUC regulates Idaho's investor-owned utilities.
- The IPUC is charged with ensuring Idahoans have access to safe, adequate and reliable service at fair, just and reasonable rates.
- The IPUC is comprised of three commissioners appointed by the governor. **The commissioners make the decisions.**
- Commission Staff is conducting this workshop. Staff is a party to this case. While the commissioners make the ultimate decisions, Staff presents evidence to them and makes recommendations based on that evidence.

# What Companies does the IPUC Regulate?



- **Water companies:**

Suez, Eagle Water, **Falls Water** and two dozen other small water companies throughout Idaho

- **Electric companies:**

Idaho Power, Avista, Rocky Mountain Power, Atlanta Power

- **Natural gas companies:**

Avista, Intermountain Gas

- **Telecom:**

Century Link, Frontier and several rural telephone companies

- **Rail and natural gas pipeline safety:**

The IPUC is charged with ensuring the safe operation of railroads and pipelines



# What Companies are Exempt from Regulation?

- Cell phone companies
- Internet providers
- Utility cooperatives owned by customers (example: Fall River Rural Electric Cooperative in Fremont County)
- Municipal utilities (Idaho Falls Power)
- Sewer operations
- Cable and satellite television companies



# What is the Commission's Role?

- State law requires that the Commission meet the statutory public interest standard that customers have adequate, safe and reliable service at fair, just and reasonable rates.
- All Commission decisions must withstand appeals to the state Supreme Court from either the utility or customer groups.



# Objectives for Acquisitions

- The transaction is consistent with the public interest,
- Rates shall not be increased because of the transaction,
- The acquiring party has the bona fide intent and financial ability to operate and maintain the property in the public service.

**From Idaho Code 61-328, the applicable law on electric utility mergers.**





# Acquisition Proposal

Bentley Erdwurm  
Utilities Analyst

# Details of NW Natural's Proposal



- Rates remain unchanged immediately after acquisition
- No changes in day-to-day operations from customer standpoint
- No immediate changes to workforce

*Business as usual immediately following the acquisition*

# Potential Benefits of the Acquisition



**Access to Capital** – Source of funding for projects for high growth area.

## Projects Ahead:

- Well No. 11 to meet fire flow requirements, peak demand and for pressure regulation (by 2020)
- Storage tank near Well No. 9 - 1.5 million gallons (2020 or soon afterward)

# Potential Benefits of the Acquisition



**Economies of Scale:** Operation Size , Average Costs 

Operational – e.g., Better utilization of field personnel;  
Reduced input costs with quantity discounts;  
Right-sizing – Some equipment can't be scaled for small systems

Overheads – e.g., Engineering studies, legal and tax advice

## **Planning for the Future**

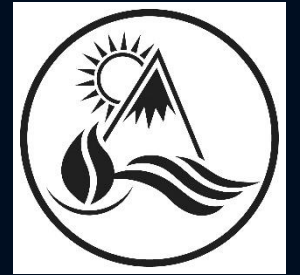
Succession Planning;

Addressing rapid growth & increased environmental regulation



# Consumer Assistance

Chris W. Hecht  
Utilities Compliance Investigator



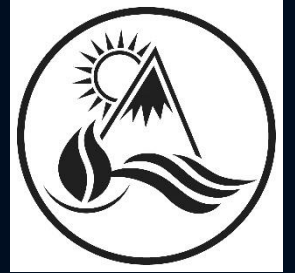
# How do I File a Case Comment?

- **Written comments can be filed by mail to the Commission:**  
Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, Idaho 83720-0074
- Comments also can be filed electronically via the Commission website at:  
**[WWW.PUC.IDAHO.GOV](http://WWW.PUC.IDAHO.GOV)**
  - Look for the case comment form under "Consumers" on the home page.

Reference Case No. FLS-W-18-01

Comment deadline is **May 31, 2018.**

# Idaho PUC Homepage

A screenshot of the Idaho Public Utilities Commission website. The page features a header with the agency name, contact information, and a search bar. Below the header is a navigation menu with categories like Utilities, File Room, Laws & Rules, About Us, Consumers, and Press Releases. The main content area is organized into several columns with icons and links for various utility services such as Electric, Telecom, Water, Natural Gas, Rail & Pipeline Safety, Consumers, Energy Issues, and Laws & Rules. On the right side, there is a video player for 'PUC 101' and a 'Hot Items & Updates' section with a list of recent news items. At the bottom right, there is a 'Search Orders & Rules' section.

**IDAHO** Public Utilities Commission

Google™ Custom Search

P.O. Box 83720 Boise, ID 83720-0074  
472 W. Washington Boise, ID 83702  
Ph: 208.334.0300  
Fx: 208.334.3762

Utilities | File Room | Laws & Rules | About Us | Consumers | Press Releases

### Electric

- » Open Cases | Closed Cases
- » Consumer Assistance Form
- » Case Comment Form

More

### Telecom

- » Open Cases | Closed Cases
- » Consumer Assistance Form
- » Case Comment Form

More

### Water

- » Open Cases | Closed Cases
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More

### Natural Gas

- » Open Cases | Closed Cases
- » Consumer Assistance Form
- » Case Comment Form

More

### Rail & Pipeline Safety

- » Open Cases | Closed Cases
- » Idaho Operation Lifesaver
- » RR Crossing Complaint or Question Form

More

### Consumers

- » Consumer Assistance Form
- » Frequently Asked Questions
- » Case Comment Form

More

### Energy Issues

- » Office of Energy Resources

### Laws & Rules

- » Laws
- » Rules
- » Approved Tariffs & Price Lists
- » Pending Title 61 Company Tariffs

### PUC 101

Public Utilities Commission Video

...more videos

### Hot Items & Updates

- » IDAHO'S AREA CODE
- » AREA CODE SPLIT MAP
- » Avista Utilities Public Workshops
- » United Water Public Workshop and Technical Hearing
- » PUC Job Opening
- » PUC Job Opening
- » Commission Agenda
- » Recent Orders & Notices

### Search Orders & Rules

- » Search Commission Orders

# Idaho PUC Homepage

The screenshot displays the Idaho PUC Homepage with a grid of service categories and a 'Hot Items' sidebar. A red circle highlights the 'Frequently Asked Questions' link in the Consumers section, with a yellow arrow pointing to it from the right.

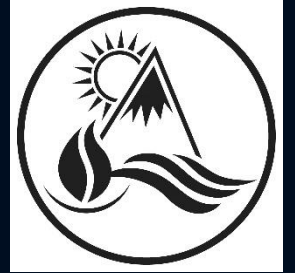
Category	Links
Telecom	<ul style="list-style-type: none"><li>» Open Cases   Closed Cases</li><li>» Consumer Assistance Form</li><li>» Case Comment Form</li></ul> <a href="#">More</a>
Water	<ul style="list-style-type: none"><li>» Open Cases   Closed Cases</li><li>» Consumer Assistance Form</li><li>» Case Comment Form</li></ul> <a href="#">More</a>
Multi-Utility	<ul style="list-style-type: none"><li>» Open Cases   Closed Cases</li><li>» Consumer Assistance Form</li><li>» Case Comment Form</li></ul> <a href="#">More</a>
Consumers	<ul style="list-style-type: none"><li>» Consumer Assistance Form</li><li>» <b>Frequently Asked Questions</b></li><li>» Case Comment Form</li></ul> <a href="#">More</a>
Pipeline Safety	
Laws & Rules	

**Hot Items**

- » Commission st Hydro One me
- » Comments acc merger betwe One
- » 2017 Annual R
- » Access all doc Avista-Hydro C
- » Read the prop Avista-Hydro C
- » Commission Ag
- » Recent Orders



# Comments webpage



**IDAHO** Public Utilities Commission

Utilities | File Room | Laws & Rules | About Us | Consumers | Press Releases

### CASE COMMENT OR QUESTION FORM

Use this form to file a comment or ask a question about a case pending before the Commission. If you know the case number, please include it.  
Submit electronically below or send in to:  
Idaho Public Utilities Commission  
P O Box 83720  
Boise, Idaho 83720-0074  
FAX: (208) 334-3762

**Please provide the following information:**

**Required \***

Case Number:

First Name: \*

Last Name: \*

Address:

City: \*

State: \*

Zip: \*

Daytime Phone:

Email: \*

Name of Utility Company: \*

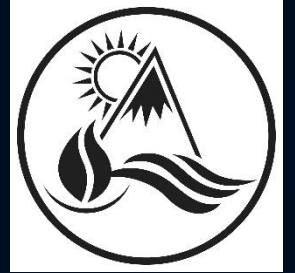
I acknowledge that submitting a comment in an open case constitutes a public record under Idaho Code § 74-101 (13) and all information provided by me on this form is available for public and media inspection. My comment may be reviewed by the utility.

Ask your question or state your comment: \*

**CASE REFERENCE:**

**FLS-W-18-01**

# Stay Informed



The screenshot shows the homepage of the Idaho Public Utilities Commission. The header includes the organization's name, a search bar, and contact information. A navigation menu is located below the header. The main content area is organized into several columns with category-specific links and a video player. A 'Hot Items & Updates' section is on the right, and a 'Keep Me Updated' section is at the bottom right.

**IDAHO Public Utilities Commission**

P.O. Box 83720 Boise, ID 83720-0074  
472 W. Washington Boise, ID 83702  
Ph: 208.334.0300  
Fx: 208.334.3762

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**PUC 101**  
The PUC's Role

...more videos

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**Search Orders & Rules**

- » Search Commission Orders

**Keep Me Updated**

- Subscribe to our Feeds
- Follow Us on Twitter
- Commission Calendar



# Questions?

You can find case information, including this presentation, and file comments on the PUC website:

[www.puc.idaho.gov](http://www.puc.idaho.gov)

(208) 334-0300

(800) 432-0369