

Idaho Water Utilities

The Idaho Public Utilities Commission regulates 25 privately operated water companies varying from United Water Idaho with more than 70,000 customers to utilities serving a few homes in residential subdivisions or mobile home parks. Regulated companies comprise less than 1 percent of about 2,600 systems that supply drinking water to Idahoans. Most of the unregulated systems belong to and are run without profit by homeowners associations. Many others are municipal systems operated by local governments.

The rates listed are strictly representative of residential customers and may not reflect actual rates paid by a specific customer.

Name of Utility	No. of Customers	Hook-up Fee	Mo. Residential Rates¹ (unless otherwise noted)	Date Rates Last Revised
Bar Circle "S" Water Inc.	145	\$750	\$15/0-7,500 gals. \$0.95/1,000 gals. over 7,500 gals.	02/01/90
Bitterroot Water Co.	101	\$750	\$20/0-15,000 gals. \$0.75/1,000 gals. over 15,000 gals.	08/12/99
Brian Water Co.	47		\$10.50/0-4,000 gals. \$1.08/1,000 gals. over 4,000 gals.	05/01/99
Capitol Water	2,776 Corp.		\$15.82/mo Oct-April \$27.22/mo May-Sept	06/01/02
Country Club Hills Utilities	125	\$300	\$14.00/0-30,000 gals. 02/23/90 \$0.35/1,000 gals. over 30,000 gals.	
Eagle Water Co., Inc.	2,600	\$845	\$7.84/0-600 cf. \$0.451/100 cf. over 600 cf.	03/25/87
Humpy's Water Co.	16	\$60+ actual cost	\$3.25/0-6,000 gals. \$0.10/1,000 gals. over 6,000 gals.	05/01/63
Evergreen Water Co.	34	\$600	\$15/0-7,500 gals. \$0.35/1,000 gals. over 7,500 gals.	11/10/87
Falls Water Co., Inc.	2,122	\$500	\$11.50/0-20,000 gals. \$0.41/1,000 gals. over 20,000 gals.	12/15/03
Algoma Water	27		\$17.59/mo.	09/01/96
Grouse Point Water Co.	23	\$25.00/mo.		09/01/99
Diamond Bar Estates	45		\$21.00 first 7,500 gallons 45 cents per 1,000 gallons over 7,500 gal	6/1/03

Name of Utility	No. of Customers	Hook-up Fee	Mo. Residential Rates¹ (unless otherwise noted)	Rates Last Revised
Happy Valley Water System	26	\$500	\$27.00/0-20,000 gals. \$0.70/1,000 over 20,000 gals.	12/15/99
Island Park Water Co.	259		\$125/yr.	07/01/92
Morning View Water Co., Inc.	57		1/4 acre - \$22/mo. 1/2 acre - \$28.45/mo 1 acre - \$35.70/mo	09/1/02
Murray Water Works	33	\$125	\$26/mo. + labor	11/01/94
Packsaddle Estates Water Co.	35	\$430	\$34.24/mo.	06/03/96
Picabo Livestock Co.	29	\$500	Summer: \$26/mo. Winter: \$14/mo.	04/27/94
Ponderosa Terrace Estates		\$2,500	full time - \$48/mo part time - \$48/mo service to lot - \$25/mo	8/1/02
Rickel Water Co.	20	\$6,000	\$30/0-15,000 gals. \$1.10/1,000 gals. over 15,000 gals.	04/25/97
Spirit Lake East Water Co.	250	\$650	\$12/0-9,000 gals. \$1/1,000 gals. over 9,000 gals.	12/01/83
Stoneridge Water Co.	34	\$925	\$14 +\$0.30/1000 gals. For all consumption	4/05/02
Sunbeam Water Co.	22		\$12/0-12,000 gals. \$1.20/1,000 gals. over 12,000 gals.	05/31/83
Troy Hoffman Water Co.	144	\$458	\$5.50/0-3,000 gals. \$0.60/1,000 gals. over 3,000 gals.	08/01/96
United Water Idaho	74,177		Summer: \$14.57/bimonthly \$1.6418/1,000 gals. Winter: \$14.57/bimonthly \$1.3134/1,000 gals.	09/05/00
East Moreland	16		\$3.25/0-600 gallons \$0.10/per 1,000 gallons over 6,000 gallons	1/22/02
Ponderosa Terrace	10 full-time 23 part-time		\$48 per month \$ 25 per month	8/1/02

Water Utility Case Reviews

Dec. 15, 2003

RATE INCREASE APPROVED FOR FALLS WATER

Case No. FLS-W-03-1, Order No. 29397

Customers of Falls Water Company near Idaho Falls will pay about 24 percent more for water service.

Falls Water serves about 2,100 residential and business customers east of Idaho Falls and north of Ammon. The company originally requested a 46 percent increase from the Idaho Public Utilities Commission and then revised its application downward to 38 percent. The commission ultimately approved a 24 percent increase in total revenue.

For the average metered residential customer, the increase will be about 17 percent, from about \$162 annually to \$190 per year. For residential customers without meters and on a flat rate, the increase will be about 27 percent, from about \$165 annually to \$210. The majority of Falls Water customers – 1,500 – are on meters and there are 574 flat-rate customers. Rates for 30 metered commercial customers will increase by 21 percent. Most of the increase for all customers is in the base charge, which increases from \$10 per month to \$11.50 per month.

The commission authorized an \$82,241 increase in revenue, based on a rate of return of 12 percent. The company requested \$132,745 in increased revenue. Because the utility operates as a non-profit entity, the commission directed the company to continue to use retained earnings for capital improvements, repair and replacement of equipment.

In its application submitted last July, Falls Water stated it was operating at a loss. Nine hundred of 1500 meters are in need of replacement over the next 10 years and maintenance on fire hydrants is not being completed due to lack of funds and manpower, the company stated. Also, about 50 street valves are in disrepair with an additional 25 that need installing.

Commissioners recognized the economic hardship the increase will cause some customers. “While not insensitive to the economic circumstances of customers, we note that we also have an obligation to Falls Water to set rates at a level sufficient to recover its costs of production and service.”

The commission noted that the company offers little incentive to flat-rate customers to conserve and suggested the company use a bill message or some other method to give flat-rate customers suggestions on water conservation and the wise use of water.

Dec. 22, 2003

CAPITOL WATER CUSTOMERS WILL PAY LESS

Case No. CAP-W-03-1, Order No. 29401

One of two surcharges assessed the nearly 2,800 customers of Capitol Water goes away next month while a second surcharge increases slightly. The result is a net decrease of \$2.82 per month for flat-rate customers and 27 percent for metered customers. Capitol Water serves about 2,800 customers in southwest Boise.

A \$400,000 loan the company secured in 1997 is being paid off early resulting in the elimination of a \$3.27 per month surcharge assessed flat-rate customers and an additional 25.2 percent increase charged to metered customers. The loan account, scheduled to be retired in August 2004, had accrued surplus funds that will now be used to retire the \$63,000 loan balance.

However, flat-rate customers will notice a reduction of only \$2.82 to their bills because the commission's order authorizing the elimination of the 1997 loan surcharge also approves a 45-cent per month increase in a surcharge added to customer bills in 2002 for a second loan for \$500,000 the company took out to finance system improvements.

The commission said the company was under-collecting the amount needed to pay off the second loan because it had not taken into account yearly changes in the electric rates the company pays to Idaho Power and also did not include income taxes for years 2001 and 2002. "The purpose of including these items in the calculation is to make Capitol Water whole, neither benefiting nor penalizing the company," the commission said. Commission staff expressed concern that potential shortages in the second surcharge account could cause the company to file a general rate case to recover those costs.

Residential flat-rate customers were paying \$3.10 a month on the second loan and metered customers were paying an additional 23.6 percent. That rate now increases to \$3.55 per month for flat-rate customers and 27 percent for metered customers.

Feb. 2, 2004

UNITED WATER NO LONGER REQUIRED TO SEEK COURT RULING

Case No. UWI-W-03-1, Order No. 29423

The Idaho Public Utilities Commission will no longer require United Water to ask a court to determine whether a Boise city ordinance allowing an increase in the franchise fee from 3 to 4 percent and potentially up to 5 percent violates the Legislature's 3 percent cap imposed on franchise fees in 1995. After the commission's November order to United Water, the Boise City Council, on Dec. 16, 2003, repealed the resolution and returned the franchise fee to 3 percent.

The commission ordered United Water to refund its customers the 1 percent franchise fee collected between Oct. 1 and Dec. 16, which, according to the company, totals about \$50,000.

On July 22, 2003, the Boise City Council passed a resolution to increase United Water's franchise fees to 4 percent effective Oct. 1, 2003. A 1995 ordinance passed by the City Council makes it possible for United Water to seek a franchise fee of up to 5 percent after Oct 1, 2005.

Commission staff questioned whether the increased fee violates a law passed by the 1995 Legislature that caps franchise fees at 3 percent and whether it violates the Idaho Constitution.

The commission said the 1995 state legislation makes clear that the Legislature intended franchise fees not to exceed 3 percent as a general rule. Several municipalities were contemplating implementation of franchise fees at the time the Legislature passed the 3 percent cap to create a uniform franchise structure. When the Boise City Council passed its 1995 ordinance allowing up to 5 percent, the council made it retroactive to November 1994, before the Legislature approved the 3 percent cap.

While the Boise City Council's repeal of the 1 percent increase negates the need for United Water to seek a court resolution, commission staff noted that the underlying legality of the city's 1995 ordinance is still not addressed.

April 9, 2004

PUC DENIES UNITED WATER LEVEL-PAY PLAN

Case No. UWI-W-04-1, Order No. 29455

Citing conservation and cost issues, the Idaho Public Utilities Commission denied United Water's request to implement a budget-billing program that would allow residential customers to volunteer to pay level monthly payments.

United Water's 74,000 customers in the Boise metropolitan area now receive six bi-monthly statements a year, two during the summer months that include rates 25 percent higher than the rest of the year.

The higher summer rate, when use is at peak demand, sends appropriate pricing signals to customers and encourages responsible water use, the commission said. "The company's proposed budget bill proposal would diminish that water pricing signal and conservation message."

Unlike electric and natural gas utilities that have level-pay programs, United Water is dependent on local water supply from the aquifer and surface water, the commission noted. "We must encourage good stewardship of the potable waters United Water customers rely on and use for discretionary summer irrigation and sprinklers."

Level-pay plans take a customer's previous 12 months' history of payments, totals them and spreads them over 12 monthly budget bills.

Commissioners noted that United Water's estimate of \$72,000 for program costs during the first year is not a one-time expense, but represents the estimated annual cost of running the program assuming just 15 percent of customers agreed to participate. The actual cost of the program and the amount of customer participation is not known, the commission said. "In addition to all that uncertainty, we find the estimated program costs to be costly."

United Water asked that the \$72,000 be deferred for recovery from all customers in a future rate case. The commission noted comments from some customers who supported the level-pay program, but only if those who volunteer to participate bear the program costs.

Nov. 10, 2004

COMMISSION APPROVES WATER SYSTEM SALE TO NAMPA

Case No. UWI-W-04-3, Order No. 29625

The Idaho Public Utilities Commission has approved the sale of a Nampa subdivision water system to the City of Nampa from United Water. The order also removes the Carriage Hill subdivision from United Water's service territory to Nampa's municipal water service.

The commission approved the \$375,000 sale price, but said a \$28,138 risk premium that was to be paid to United Water's parent company should be passed on to customers instead in the company's upcoming rate case.

The developers of Carriage Hill reached an agreement in 1998 with United Waterworks under which United Waterworks would loan the developers up to \$350,000 to finance a water supply system for Carriage Hill.

Once the subdivision grew beyond 25 lots, the Idaho Department of Environmental Quality required a second source of supply. Carriage Hill developers informed United Water that they did not have the funds to construct a second well.

United Water proposed to sell the domestic water system to the City of Nampa for \$375,000. The city expressed interest because of its view that multiple water suppliers within or near its boundaries are not in the best interest of citizens.

The commission, in approving the sale, noted that Carriage Hill is a non-contiguous water system geographically remote from United Water's remaining service areas. Further, the commission said, the city of Nampa, "has the financial, technical, and managerial capacity to serve and provide potable drinking water to the customers of Carriage Hill, and at rates that are lower than United Water's."