

Idaho Water Utilities

The Idaho Public Utilities Commission regulates 26 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.

(*bh*) = business hours (*ah*) = after hours (*nm*) = non-metered (*g*) = gallons (*cf*) = cubic feet

<u>Utility</u>	<u>Customers</u>	<u>Hook-Up Fee</u>	<u>Re-Connect Fee</u>	<u>Residential Monthly Rate</u>	<u>Last Change</u>
Algoma	25	\$0	\$25	\$17.59 (nm)	05/06/02
Aspen Creek	25	\$1000	\$15(bh)\$25(ah)	\$25 to 15,000g \$1/each 1,000 g over	09/25/02
Bar Circle S	149	\$750	\$10 (bh) \$25 (ah)	\$15 up to 7500g \$0.95/1000 g over	02/01/90
Bitterroot	117	\$750	\$25	\$21 to 15,000g* \$1.73/1000g over	02/01/06
Brian	46	\$0	\$12.50	\$10.50 to 4,000g \$1.08/1000g over	05/01/99
Capitol Water (new rates pending)	2875	\$0	\$15	\$12.92 winter nm \$24.32 summer nm	01/01/04
Country Club Hills	132	\$500	\$14 (bh) \$28 (ah)	\$17 to 30,000g \$0.60/1000 g over	06/01/05
Diamond Bar Estates	51	\$200	\$15 (bh) \$30 (ah)	\$21 to 7500 g \$0.45/1000 g over	06/24/03
Eagle	3197	\$845	\$15 (bh) \$30 (ah)	\$7.84 to 600 cf metered \$0.45/100 cf over \$11.75 winter (nm) \$19.75 summer (nm)	03/25/87
Evergreen	36	\$600	\$0	\$15 to 7500g \$0.35/1000 g over	11/10/87
Falls Water	3133	\$500	\$20 bh \$40 ah	\$11.53 to 12,000g \$0.48/1000 g over \$20.17 nm	05/01/06

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Grouse Point	23	\$0	\$20	\$22 to 8,000g \$0.50/1000 g over	01/04/04
Happy Valley	24	\$500	\$20	\$27 to 20,000g \$0.70/1000 g over	08/03/01
Island Park	311	\$0	\$0	\$125/yr	07/01/92
Morning View (Rate case pending)	84	\$0	\$25	¼-acre \$22** ½-acre \$28.45 1 acre \$35.70	09/01/02
Murray	25	\$800	\$25 Mar-Oct \$50 Oct-Mar	\$26	07/15/03
Pack Saddle	35	\$430	\$25 \$130 after 45 days	\$34.24	06/03/96
Picabo	28	\$500	\$15 and \$25	Summer \$41 Winter \$22	07/01/04
Ponderosa	29	\$2500	\$35	Resident \$48 Seasonal \$25	07/01/03
Resort	389	\$0	\$20 bh \$60 ah	\$44.80	03/15/05
Rickel	27	\$6000	\$25	\$30 to 15,000g \$1.10/1000 g over	04/25/97
Spirit Lake (Rate case pending)	305	\$1200	\$16	\$12 to 9000g \$0.10/100g over	06/09/04
Stoneridge (Rate case pending)	193	\$925	\$14 bh \$28 ah	\$14 \$0.30/1000g over	04/05/02
Sunbeam	22	\$0	\$0	\$12 to 12,000g \$1.20/1000 g over	05/31/83
Troy Hoffman	144	\$458	\$10	\$5.50 to 3,000g \$0.60/1000 g over	08/01/96
United Water Idaho	78,892	See tariff	\$20 bh \$30 ah	Winter \$16.21 plus \$1.21/100 cf over Summer \$16.21 plus \$1.21/100 cf to 3cf \$1.51/100 cf over	07/28/06

**Bitterroot Water Co. also has two monthly surcharges of \$1.24 and \$2.67*

***Morning View also has a monthly surcharge of \$5*

United Water settlement results in 11 percent increase

United Water agrees to withdraw Supreme Court appeal

Case No. UWI-W-06-02, Order No. 30104

Customers of United Water Idaho began paying about \$3 more per month for water on Aug. 1, following the commission's approval of a rate settlement. Annually, the increase for an average residential bill increases from \$327.19 to \$363.12.

In February, United Water, which serves about 80,000 households in Boise and the surrounding area, asked for a 17.91 percent increase to raise an additional \$5.9 million in annual revenue. After settlement negotiations, United Water and PUC staff settled on a 10.98 percent increase in rates and a \$3.6 million annual revenue increase.

It is the first time United Water and commission staff resolved a major rate case through a settlement. "We appreciate that the parties were able to propose a resolution of the disputed issues in this case," the commission said. "We also note that this case was filed less than a year after the final order in the company's last rate case ... which was highly contentious and appealed by the company to the Idaho Supreme Court."

Part of the settlement in this case was that United Water would agree to dismiss its state Supreme Court case against the commission from the previous case. In that 2004 case, United Water appealed the commission's decision to grant an 8.08 percent increase. The company, which initially requested a 21.46 percent increase, disagreed with the methodology used by commission staff to calculate the company's revenue requirement. The commission's methodology was used in the 2006 case and about three-fourths of the new revenue allowed in this case allows the company to recover investment held over from that 2004 case as well as a recalculation of pension expense. The remaining portion of the added revenue requirement is attributable to additional investment and operating costs since the 2004 case.

No one testified at a public hearing conducted by the commission on July 12. However, the commission received about 111 written comments. All those comments opposed any rate increase.

"It is understandable that no customer wants to see an increase in water rates," the commission said. "Some rate increases are necessary, however, to ensure the company is financially sound and able to continue to provide clean, safe water to customers. Where United Water makes necessary, prudent investments to enable it to meet customer needs, existing regulatory law and principles require that we allow the company an opportunity to earn a fair rate of return on those investments," the commission said.

The commission staff said the settlement eliminated the risk of an even higher revenue requirement and larger rate increase had the case evolved through a formal hearing process.

United Water assumes Terra Grande territory

Case No. TGW-W-04-01, Order No. 29974

In February, the commission approved a stipulated agreement that allows United Water Idaho Inc., to take over operation of the Terra Grande water system, which serves about 117 households in southwest Boise.

The commission approved the transfer at no cost to United Water because of the number of improvements United Water will make to the system including installation of individual meters, replacement of aging mainlines and the installation of fire hydrants. Small water-users should notice a slight decrease to their bi-monthly bills as a result of the transfer, with no change to average users and a slight increase to larger users to reflect their actual consumption.

In February 2004, United Water and Terra Grande filed a joint application asking the commission to approve the sale of the company to United Water for \$47,000. However, commission staff recommended United Water be allowed to take over the system for no price because of the amount of capital United Water would need to invest after the purchase. At that time, Terra Grande withdrew its offer.

In January of 2005, the Department of Environmental Quality notified Terra Grande that three of its wells were contaminated with Trichloroethylene (TCE), a hazardous chemical. As a result, there was an emergency interconnection between Terra Grande's distribution system and United Water's water supply. In August 2005, 61 Terra Grande customers submitted a petition to the commission asking that Terra Grande be required to install individual water meters.

Subsequently, parties from commission staff, Terra Grande and United Water entered into discussions whereby all parties agreed it is in the public interest to transfer Terra Grande's system to United Water.

"The contaminated water supply system, the antiquated distribution network and the lack of individual meters combined with Terra Grande's lack of financial ability to resolve these problems in a timely manner results in substandard service to Terra Grande customers," the commission said. "United Water has the ability to make immediate system improvements at a cost that is reasonable."

Terra Grande's territory included an area south of Overland Road, east of Milwaukee Street and north of Targee Street.

Commission approves rate increase, surcharges for Bitterroot Water

Case No. BIT-W-05-01, Order No. 29966

The Idaho Public Utilities Commission in February approved an increase in water rates for customers of Bitterroot Water Company from a base rate of \$20 per month to \$21 per month and a commodity rate increase from 75 cents to \$1.73 for every 1,000 gallons consumed in excess of 15,000 gallons per month. Bitterroot sought an increase from \$20 to \$45 per month in its flat rate and no increase in its commodity rate.

Bitterroot Water, which serves about 117 households in the Athol area of Kootenai County, requested an increase in its annual revenue requirement from \$35,619 to \$71,212 to offset increasing costs associated with the operation, maintenance and capital improvements to its water system. The commission approved an annual revenue requirement of \$53,708.

Also approved were two temporary surcharges. One is a four-year surcharge of \$1.24 per month for back flow prevention. The other surcharge is \$2.67 per month for eight years to replace defective isolation valves.

Commission denies addition to Eagle Water surcharge

Case No. EAG-W-05-02, Order No. 29969

The commission denied a request by Eagle Water Co. to collect \$40,027 from its customers for expenses it incurred to replace a damaged 8-inch water main.

The water main had to be replaced after a gravel pit operator undermined it. The commission said ratepayers should not be liable for the company's decision to build utility infrastructure within a temporary easement in a gravel pit. The commission said Eagle Water did not provide an adequate explanation as to why the company believed the route it chose for the water main was the most cost-effective.

Eagle Water serves about 2,500 households in and around the city of Eagle. It is not the same as the City of Eagle's municipal water service. Eagle Water was recently granted authority by the commission to assess a one-year 42.5 percent surcharge on water use above 600 cubic-feet per month to recover expenses the company incurred to make immediate repairs. The commission's decision Monday to deny the portion of those costs related to the water main replacement means the 42.5 percent surcharge will remain in place, but not for as long.

The surcharge, originally intended to recover \$160,389 over one year will now expire after the company has collected \$112,414. ***(In a subsequent order issued Oct. 30 – Order No. 30160 – the commission allowed the surcharge to be collected through Dec. 31, at which time the company is to file with the commission. If, by that date, the company has over collected the \$112,414, it will refund the surplus amount to customers.)*** The money allowed to be recovered from customers includes costs for an engineering study and immediate improvements the commission ordered last fall after customers complained of low water pressure.

To the average customer, the surcharge means an increase of \$3 during non-irrigation months and about \$10 during irrigation months. The surcharge, which started Oct. 27, 2005, applies only to use more than 600 cubic-feet per month, or about 4,500 gallons, which meets the monthly needs of many customers during non-irrigation months.

Commission adopts Falls Water increases

Case No. FLS-W-05-01, Order No. 30027

The commission allowed Falls Water Company an increase of 14.39 percent in the annual revenue it needs to keep up with increasing costs of maintenance and operations and to replace aging infrastructure.

Falls Water, with about 2,900 connections, serves a population of about 9,350 in Bonneville County, northeast of Idaho Falls. The increases by customer class, effective April 1, is as follows:

- Residential customers with meters (2,225 customers), the increase in annual water bills is about 5.6 percent.

- Residential customers without meters who pay a flat rate (585 customers): 15.26 percent.
- Commercial customers with meters (41 customers): 11.12 percent.
- Multi-family residential customers (57): 2.62 percent.

Falls Water originally sought to increase its revenue requirement by \$258,364 or 48.2 percent. The company then reduced its request to \$86,720. The commission's approved revenue requirement is \$81,576. The commission approved an overall rate of return of 6.3 percent.

The commission said it recognized that the increase from some homeowners would be difficult. "While this commission is 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."

Falls Water sought to reduce the amount of water made available to customers at the monthly minimum charge before assessing an additional commodity charge. Under the former rate, metered customers paid a flat fee of \$11.50 per month and then were assessed 41 cents for every 1,000 gallons used beyond 20,000 gallons. Falls Water proposed assessing 48 cents for every 1,000 gallons used beyond 8,000 gallons per month. The commission approved the commodity charge of 48 cents for use beyond 12,000 gallons and a monthly minimum of \$11.53. For non-metered residential customers the monthly flat fee increases from \$17.50 to \$20.17.

Commissioners expressed continuing concern about excessive water use, leakage or both, particularly in the company's un-metered service area including Mobile Home Estates Subdivision, Monte Vista Estates and First Street Mobile Park. The commission urged the company to have meters installed within three years, rather than by the company's proposed six years. Falls Water claims it is not financially able to complete the project in three years without a proposed three-year 96-cent surcharge on customer bills. The commission said it could not approve the surcharge without opportunity for customers to comment and encouraged the company to file a surcharge application.

The commission also noted that Falls Water failed to provide its customers information about water conservation and wise water use as was directed after the company's 2003 rate case. This order directed the company to provide brochures or fact sheets on these topics and mail them to customers prior to the summer irrigation months.

The commission approved the company's proposal to assess a \$15 collection fee for customers who fail to respond to termination notices and do not pay until a service technician is at the home ready to terminate service.

PUC staff to comment by Jan. 27 on Spirit Lake East water case

Case No. SPL-W-06-01

Commission staff will file its analysis on or before Jan. 27, 2007, of an application by Spirit Lake East Water Company to double its rates for the 280 households served by the private water company.

Commission staff conducted a workshop at Timberlake High School on Nov. 8, which was attended by about 35 customers, some of whom requested a public hearing.

After staff files its comments, the company and its customers have until Feb. 9, 2007 to respond.

Spirit Lake East wants to increase its monthly rate from \$12 to \$24 for the first 9,000 gallons of water use. The company proposes a rate of 20 cents for every 100 gallons of use more than 9,000 gallons. The current rate for use of more than 9,000 gallons is 10 cents per 100 gallons. Spirit Lake East is also requesting to increase its connection fee for new service from \$1,200 to \$2,500.

The company's rates for consumption have not changed since initially approved by the commission in 1983. Since then costs have increased and many improvements have been made to the system, the company claims. While consumption rates have not changed, the company's connection fee was increased from \$650 to \$1,200 in June 2004. The company states the proposed connection fee of \$2,500 is the actual cost it incurs to connect a new customer to the water system.