

IPUC Annual Report 2010

Idaho Water Utilities

The commission regulates 29 privately held water systems, or only about 1 percent of the approximate 2,100 water systems in the state. The regulated systems vary in size from companies with about 78,000 customers to companies with as few as 22 customers. These companies provide industrial, commercial and residential customers throughout the state with drinking water as well as water for irrigation, recreation and manufacturing. Most of the unregulated systems are operated by homeowner associations, water districts, co-ops and cities. The rates listed here represent only the residential customer class and may not reflect the actual rates paid by a specific customer.

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

Utility Name	Number of Customers	New Hook-up Fee	Reconnect Fee	Residential Monthly Rates	Last Rate Revision	Sur-charge
1. Algoma	25	\$0.00	\$ 25	\$ 27 per month \$44.50 (commercial)	7/4/2008	
2. Aspen Creek	25	\$1,000	\$15bh/\$25ah After 30 days --\$75	\$25 up to 15,000 gal \$1 each 1,000 gals over	9/25/2002	
3. Bar Circle "S"	160	\$400 if line, meter in place \$2500 if not	\$ 20bh/\$40 ah	\$27.43 up to 7,500 gal \$1.74 each 1,000 gal over	1/1/2010	
4. Bitterroot	117	\$750	\$ 25 bh/ah	\$21 up to 15,000 gal \$1.73 each 1,000 gal over	2/1/2006	\$1.24 BF \$2.67 Valve
5. Brian	46	None approved	\$ 12.50 bh/ah	\$12.50 up to 4,000 gal \$1.35 each 1,000 gal over	4/1/2008	
6. Capitol Water Corp.	2,875	None approved	\$15	Starts at \$12.65/mo in winter and \$28.70/mo summer for non-metered. Metered rates start at \$8.50/mo	5/1/2009	Annual Power Cost Adjustment at 0.81% of bill
7. Country Club Hills Utility	132	\$500	\$14 bh \$28 ah	\$17 up to 30,000 gal \$0.60 each 1,000 gal over	6/1/2005	
8. Diamond Bar Estates	51	\$310 /existing \$2,500 to install	\$ 15 bh \$ 30 ah	\$ 29.00→5,500 gal .80 each 1,000 gal over	12/1/2007	
9. Eagle Water Company	3,400	\$845 includes \$100 study surcharge and \$500 loan surcharge.	\$15 bh/ \$30 ah	Monthly flat rate starting at \$11.75 (nm); \$ 7.84 up to 600 cf. metered and \$0.45 for each add 100 cf	2/23/2009	
10. Evergreen	36	\$600	None approved	\$ 15 up to 7,500 gal \$0.35 each 1,000 gal over	01/06/95	
11. Falls Water	3,593	Minimum \$500 depending on meter size	\$20/bh and \$40/ah	\$16.10 (depending on meter size) up to 12,000 gal and \$0.611	03/16/10	

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			Each 1,000 gal over
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Utility Name	Number of Customers	New Hook-up Fee	Reconnect Fee	Residential Monthly Rates	Last Rate Revision	Sur-charge
12. Grouse Point	23	None approved	\$20bh/ \$40ah	\$22 up to 8,000 gal \$0.50 each 1,000 gal over	1/4/2004	
13. Happy Valley	24	\$500	\$ 20bh/ah	\$27.00 up to 20,000 gal \$0.70 each 1,000 gal over	8/3/2001	
14. Island Park	334	\$200 authorized \$1100 unauthzed	\$20bh/\$20ah	\$280/year nm	11/05/2008	
15. Kootenai Heights Water	11	None approved	\$50	\$38.50 up to 10,000 gal \$3.10 each 1000 gal over	6/21/2007	
16. Mayfield Springs	100	\$725	\$35bh/\$70ah	1" meter \$22 up to 10,000 gal \$0.30 each 1,000 gal over 2" meter \$50 up to 20,000 gal \$0.30 each 1,000 gal over	10/10/2008	
17. Morning View	96	None approved	\$ 25 bh/-ah	¼ acre-\$ 27.41/mo. ½ acre-\$ 35.94/mo. 1 acre-\$ 44.48/mo	9/01/2007	\$5 for Reserve Account
18. Murray Water Works	33	\$800	\$25 March-Oct \$50 Oct-Feb	\$ 26/mo	7/15/2003	Rate case pending
19. Pack Saddle Estates	35	\$430	\$ 25 if 45 days or less; \$130 for more than 45 days	\$34.24/mo	6/3/1996	
20. Picabo	28	\$500	\$ 15 involuntary \$ 25 voluntary	\$41/mo summer \$22/mo winter	7/1/2004	Irrigation (April-Sept) \$19/mo
21. Ponderosa	29	\$2,500	\$ 35 bh/ah	Resident: \$ 48/mo Seasonal: \$ 25/mo	7/1/2003	
22. Resort	389	None approved	\$ 20 bh/\$60ah 4X that after 30 days	\$ 44.80/mo per 1 ERU	3/15/2005	
23. Rickel	27	\$6,000	\$25 bh/ah	\$ 30 up to 15,000 gal \$1.10 each 1,000 gal over	5/01/1997	
24. Rocky Mountain Utility Company	38	\$150	\$20 bh Or \$40 ah	\$39/50/mo	01/01/09	
25. Spirit Lake	305	\$2,500	\$ 16 bh/\$32 ah	\$12.50 up to 9,000 gal \$0.10 each 100 gal over	10/30/09	
25. Stoneridge	193	\$1,200	\$18.50bh/\$33.50ah 30-days plus varies Per size of service	\$24/mo based on size \$0.79/1,000 gal	7/02/2007	Happy Valley res Pay \$16.83/mo
26. Sunbeam	22	None approved	None approved	\$12 up to 12,000 gal \$1.20 each 1,000 gal over	5/31/1983	Does not file annual report
27. Teton Springs	272	\$600 for 1" res/larger Based on size	\$20 if disconnected 30 days or less/ \$40 after hours	\$118/per quarter	2/2/2009	
28. Troy Hoffman	144	\$458/1"	\$10/bh	\$5.50/first 3,000 gal/ \$0.60 each 1,000 gal	8/01/1996	
29. United Water Idaho	78,892	See Tariff	\$20/ bh \$30/ ah	Starting at \$17.81 bi-monthly Winter -- \$1.21 per 100 cf Summer - \$1.3311 per 100 cf Up to 300 cf and \$1.664 For each 100 cf over	7/28/2006	

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Case No. BCS-W-09-02, Order No. 30970
January 7, 2010

New rates approved for Bar Circle ‘S’ customers

Rates for customers of the Bar Circle “S” Ranch Water Company are increasing from \$15 per month to \$27.43 for the first 7,500 gallons of use. The increase was effective Jan. 1.

For use beyond 7,500 gallons, the rate will be \$1.74 for each 1,000 gallons. The former rate was 95 cents for each thousand gallons consumed beyond 7,500 gallons.

Bar Circle “S” serves about 160 residential and commercial customers about 15 miles northwest of Coeur d’Alene. It sought an increase to \$32.92 per month and \$2.08 for every 1,000 gallons used above 7,500 gallons. The company sought an annual revenue requirement of \$80,335. The commission approved an annual revenue requirement of \$55,734.

This is the first general rate increase for Bar Circle “S” since 1990. Since then the company has made several major improvements and expansions. Those include installation of a standby generator for the booster and fire pumps, several replacements of the 60-horsepower pumping unit in Well No. 2, improvements to the mainline in 2002, improvements to the Garwood reservoir in 2001 and well-site improvements. The company recently installed a 6-inch recording flow meter on the discharge side of the company’s booster pumps as required by the Idaho Department of Environmental Quality.

Commission staff conducted workshops and the commission conducted a public hearing in the case. Customers also submitted written comments.

Many comments contended that a rate increase the size requested by the company in these economic times is unreasonable. Some customers said the company should not have waited 18 years before requesting a rate increase. The fact the company waited many years to request an increase “does not change the evidence presented in this case,” the commission said.

State statutes require that regulated utilities be allowed to recover the prudently incurred expenses necessary to serve customers and earn a reasonable rate of return. When the commission denies recovery of expense to a utility it must be able to justify its reasons for disallowance based on the evidence presented in the case. All commission decisions can be appealed to the state Supreme Court.

Some customers expressed concern they might be subsidizing the addition of the Double T Estates development into the Bar Circle “S” system. “We assure customers that any costs that the company may have accrued that benefited Double T were removed from the calculation of the (Bar Circle “S”) revenue requirement,” the commission said. In compliance with an earlier commission order, the developer of Double T agreed to pay Bar Circle “S” for the cost of the

construction of the water main extension and related system improvements to provide service to Double T.

Case No. UWI-W-09-01, Order No. 31016

March 5, 2010

Commission adopts rate settlement with United Water

United Water Idaho customers will pay 9.9 percent more for water effective immediately with the adoption of a settlement in the utility's six-month rate case.

The utility originally filed for a 15.2 percent increase and, during the course of the case, upped that request to 16.6 percent. The settlement, negotiated by the company, commission staff and an organization representing low-income customers, allows for a 9.9 percent increase this year and 1.7 percent on Feb. 1, 2011. The settlement includes an agreement that rates won't increase again until January 2012 at the earliest.

The agreement grants the request of many customers to allow United Water to switch to monthly billing from bi-monthly billing and provides the opportunity for customers of 12 months or longer to participate in a level-pay plan.

For an average residential customer, the increase will be about \$2.83 per month, according to the company. Part of the 9.9 percent increase is an 80-cent per month increase in the customer service charge.

United Water rates last increased in August 2006. Since then, the company invested more than \$13 million in capital improvements. "The company's application and evidence proves, and (commission) staff's comprehensive audit confirms, that the company's revenue request was driven primarily by necessary replacement of aging infrastructure and increased power costs," the commission said.

The commission said it is well aware of current economic conditions and the hardship that any increase places on customers. "A request for a rate increase filed by a utility in strained economic times, when many customers may be struggling to pay existing bills, presents a challenging responsibility for the commission," the order states. By law, the company is entitled to recover its reasonable expenses and receive a reasonable return on investments. To further mitigate the size of the increase, the commission allowed United Water to defer some expenses, including power costs, rate case expense and storage tank painting costs over a number of years.

Commission staff said it was convinced that the agreed-upon increase to come out of the settlement was a better outcome for customers than had the case not been settled. The Community Action Partnership Association of Idaho (CAPAI), representing low-income customers, said the settlement was reasonable. "Though we are in the midst of extremely

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difficult economic times, the settlement reached was likely the best that could be achieved from all customers' points of view."

The commission agreed to CAPAI's request that United Water, CAPAI and commission staff convene workshops to review possible changes to United Water's program for low-income customers and discuss efforts to improve participation in the company's water conservation program.

Case No. FLS-W-09-01, Order No. 31022
March 11, 2010

Increase for Falls Water customers is 6 percent

Rates for customers of Falls Water Company near Idaho Falls will increase by about 6 percent effective April 1. With the increase, an average residential bill will be about \$24.16 per month.

The commission approved the increase after a six-month investigation. Falls Water, which serves about 3,600 customers north of Ammon and northeast of Idaho Falls, originally sought an average 14.4 percent increase.

Falls Water sought to increase its annual revenue requirement by about \$143,500. The commission approved \$92,728, for a total annual revenue requirement of \$1,094,570.

To meet that revenue requirement, the company proposed to increase the minimum charge for metered customers from \$14 to \$18 per month, but decrease its commodity charge from 66.7 cents per 1,000 gallons used above 12,000 gallons to 60 cents. The commission approved an increase in the minimum charge to \$16.10 per month for the vast majority of customers with ¾-inch or 5/8-inch meters and a commodity charge of 61 cents for every 1,000 gallons above 12,000 gallons.

The minimum charge increases gradually for customers with larger meters. Falls Water proposed to charge the same rate for all meter sizes, but the commission said that customers who impose a higher demand on the system should pay more. Only 4 percent of customers have larger meters.

The company's last rate increase was in January, 2008. Since then, Falls Water has installed a new well, meters and transmitters and replaced a hydrant. It also moved into larger office and warehouse space.

"We recognize that for some customers, an increase will result in an economic hardship," the commission said. "Recognizing the current economic climate of this region and the country, we also note that the commission has an obligation to Falls Water and its customers to set rates at a level sufficient to allow the company to recover its reasonable expenses and receive a reasonable return on its investments. This is necessary so the company can remain financially sound and capable of providing adequate, clean water to its customers."

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While the commission accepted the company's rationale regarding its need for a larger office and warehouse, it cautioned Falls Water about its affiliate relationship with the owners of the office space, Rockwell Development, Inc. Commission staff investigated rental rates for office and warehouse space in the Idaho Falls area and found the lease agreement with Rockwell to be reasonable, but did not include proposed "escalators" that would have annually increased rental expenses in customer rates.

The commission also declined to include in rates the entire \$160,000 in land acquisition costs for the combined siting of the new well and a future water storage reservoir. The commission accepted \$80,000, which was the land acquisition cost for the new well, but said the remainder could not be included until the storage reservoir is in use and beneficial to customers. The company purchased the land from Rockwell Development.

"The commission is genuinely concerned by the number of affiliate transactions that Falls Water engages in without apparent regard to providing evidence of arm's length bargaining," the commission said.

The commission also noted the company is not in full compliance with the commission's customer relations rules. It directed Falls Water to update within 60 days its main line extension rules, monthly billing statements, initial and final notices of termination and annual rules summary.

Case No. MUR-W-10-01
December 20, 2010

Commission declines to reconsider Murray Water decision

The commission denied a petition to reconsider its decision in a Murray, Idaho, water company rate case.

Nearly all of the 36 customers of Murray Water Works Systems asked that the commission postpone and/or reverse its Nov. 2 order increasing rates until Murray Water complies with "all federal, state and county laws, regulations, orders and licenses pertaining to public utilities."

The commission denied the petition, stating that its previous order addresses customer concerns. "We find it prudent to allow Murray a reasonable opportunity to comply with our directives," the commission said. "In the interim, commission staff will continually monitor Murray's quality of service and verify whether Murray complies with the commission's mandates. As always, customers are permitted to participate in the verification process and submit specific concerns and complaints ..." the commission stated.

Customers want Murray Water owner Arlen Lish to comply with Idaho Department of Environmental Quality regulations, particularly one that states water companies must hire a certified waster system operator. The commission's November order directed Murray Water to hire a system operator at a cost of \$400 per month. "If Mr. Lish is unwilling or otherwise unable to become a certified system operator, then the commission orders the company to seek out

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and employ another individual to comply with IDEQ's certification requirement ..." the commission stated.

Customer complaints regarding Murray Water's substandard business and recordkeeping practices "are well-founded" and were addressed in the November order, the commission said. In that order, the commission directed Murray Water to issue billing statements and termination notifications that comply with commission rules. Full-time customers must be billed on a monthly basis while part-time customers can be billed annually, the commission said. The company had not been sending notice to customers until the accounts are more than 60 days past due.

In its November order, the commission approved an increase in the monthly fee for full-time customers from \$26 to \$51.50. Rates for part-time customers (eight months or less) increase from \$26 to \$34.50, while monthly rates for business customers increase from \$26 to \$70.

The commission denied requests from Murray Water that individual meters be installed to detect leaks and that it be allowed to install a back-up power system and fire hydrants. The commissions said all those items would add significant expense requiring an even greater increase.

This was the company's first rate case since 2003.