DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

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WORKING FILE

FROM:SCOTT WOODBURY

DATE:JULY 31, 1998

RE:CASE NO. BAR-W-98-1 (BARBER WATER)

REQUEST TO EXTEND TEMPORARY WATER SERVICE TO IDAHO SHAKESPEARE FESTIVAL

On June 9, 1998, the Barber Water Corporation (Barber Water; Company) filed a letter request with the Idaho Public Utilities Commission (Commission) seeking authority to extend temporary water service to the Idaho Shakespeare Festival, at a non-contiguous site located across State Highway 21 from the Company’s present service area.  As reflected in a Company letter to its customers, the Idaho Shakespeare Corporation has requested intermittent use of approximately 10 service units which will require approximately 75 gallons per minute during short periods of time.  The Company contends that extending service will not affect system water pressure or compromise fire protection.  The Company estimates that the maximum demand for the Shakespeare Festival site will be approximately 13,000 gallons for a three-hour period.  Pumping capacity for the Barber Water System is approximately 550,000 gallons per day.  The Company also has a 200,000 gallon reservoir.  In the spring the Company states that it was using only one pump for approximately four to five hours (manual switching) and averaging about 65,000 gallons of water per day.  During May with irrigation of lawns and gardens, consumption has doubled.  It is now operating the pump for approximately 10 hours per day and using about 130,000 gallons per day.

Barber Water Corporation is a public water utility providing water service to approximately 205 residential customers at a site located off State Highway 21 in Ada County, Idaho.  Barber Water states that it is trying to provide a community service by this temporary provision of water service until United Water extends its service to the area.  The Company will have no capital outlay related to the extension of service.

On June 4, 1998, the Idaho Consumer Affairs, Inc., on behalf of a number of Barber Water customers, filed a letter with the Commission contending that Barber Water in violation of Idaho Commission Rule 112 (Certificate of Public Convenience and Necessity), had entered into an agreement to supply water to the Shakespeare Festival, a non-residential entity, located approximately one mile outside of Barber Water’s approved service areas, Golden Dawn and Barberton Mobile Home Park Subdivisions.  The contention of the Idaho Consumers Affairs, Inc. is that Barber Water extended its service to the Shakespeare Festival, in an arbitrary, unorthodox and “backdoor” manner.  The customers request a hearing regarding the procedure followed by Barber Water.

Commission Notices of Application and Modified Procedure in Case No. BAR-W-98-1 issued on July 1, 1998.  The deadline for filing written comments was July 22, 1998.  Timely comments were filed by Idaho Consumer Affairs, Inc., the State of Idaho, Department of Water Resources, the State of Idaho Division of Environmental Quality, and individual customers of Barber Water.  (Attached)

Based on its analysis and investigation, Staff agrees that the existing system has the capacity to serve the present needs and requirements of Shakespeare (domestic consumption and the current theater area irrigation system) and still provide adequate service to existing customers.  Staff expresses concern, however, regarding the impact of future expansion plans for the Shake­speare facility (e.g., restroom, landscaping, etc.) and adjacent areas (e.g., proposed interpretative center).

It appears that the Company’s present water rights must be expanded by the Idaho Department of Water Resources to permit service by Barber Water to Shakespeare.  It is noted also that the Company’s water rights do not permit service to 30 lots in the Barberton Subdivision, an area presently served by Barber Water.  Barber Water has made an Application to enlarge its existing water rights.  Staff recommendations are premised on the assumption that the Company will be able to modify its existing water rights to allow service to the Shakespeare facility.

Staff recommends that the Company develop a new commercial tariff for service to Shakespeare.  Since there is a lack of historical, technical and cost information for both the Barber Water system and the Shakespeare facility, Staff recommends that temporary fees for service be established.  Staff recommends that the commercial tariff rates be initially set at $174.40/mo (May-October) and $142.40 (November-April), rates based on the estimated and potential equivalent usage of 16 dwelling units under the Company’s present tariff rate structure.

Noting that the manual operation of wells by the Company has resulted in pressure loss incidents in the past and speculating that this problem may be exacerbated during periods of Shakespeare operation, Staff recommends that the Company install a telemetering or equivalent automatic control system on the pumps and storage tank to help ensure that system pressure is maintained.

Noting that none of the existing customers are metered and that there exists only a minimal amount of historical water usage pressure data for the system, Staff proposes that the Company perform and maintain documentation of monthly meter readings for each of the two system wells, perform and document monthly metered readings of Shakespeare water usage, and perform and document system pressure readings during peak usage hours.

Staff recommends that water used for Shakespeare be restricted to domestic consumption and the current theater area irrigation system, and not be extended to fire protection or general irrigation systems.  Shakespeare states that irrigation services and fire protection will be provided by other water suppliers.

DEQ in its comments recommends that the Company be required to provide:

1.Documentation of capacity, such as pump curves (with information that show the operating point) or production records (meter readings and operating periods).

2.Calculation of fire protection storage available at reservoir “pump-on” level.

3.Documentation of lowest pressure in the distribution system during peak hour demand.  A minimum of 20 psi is required.

4.Calculation of lowest pressure in the distribution system while providing 75 gpm to ISF.  DEQ recommends that the Company make repairs to the roof of the storage tank and install a telemetry system to provide automatic operation.

The commenting customers and Idaho Consumers Affairs, Inc. continue to oppose the proposed expansion of service, expressing concern regarding the Company’s water rights, water pressure, the temporary nature of the proposed service, the line extension practice of the Company and procedure.  The customers continue to request a public hearing in this matter.

Commission Decision

Does the Commission continue to find Modified Procedure (i.e., by written submission rather than by hearing) to be appropriate in Case No. BAR-W-98-1?  If not, what is the Commission’s preference?  Should a hearing date be established?  Technical or public hearing?  If Modified Procedure is appropriate, should the Company’s Application be approved?  Approval contingent on securing water rights?  With or without further qualification?

Re: Staff recommendations: restricted use; commercial tariff; pump and storage tank controls; recordkeeping requirements?

Re: DEQ recommendations?

Scott Woodbury

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