

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF BAR CIRCLE "S" WATER COMPANY,) CASE NO. BCS-W-09-02
INC. FOR AN ORDER AUTHORIZING AN)
INCREASE IN THE COMPANY'S RATES) NOTICE OF APPLICATION
AND CHARGES FOR WATER SERVICE IN)
THE STATE OF IDAHO) ORDER NO. 30861**

YOU ARE HEREBY NOTIFIED that on June 19, 2009, Bar Circle "S" Water Company, Inc. (Bar Circle "S"; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for authority to increase the water rates it charges its customers by approximately 119%. The Company also requests changes in certain non-recurring charges.

Bar Circle "S" is a water utility that provides water service to approximately 160 residential and commercial customers on the Rathdrum Prairie approximately 15 miles northwest of Coeur d'Alene in Kootenai County, Idaho. Certificate of Convenience and Necessity No. 296. The Company's principal office and place of business is located at 2953 North Government Way, Coeur d'Alene, Idaho.

Bar Circle "S" recurring and non-recurring rates and basic rates and charges for commercial and residential customers were established by Commission Order No. 22943 on January 23, 1990 (Case No. BCS-W-89-1). A subsequent tariff for commercial fire protection service was authorized by the Commission by Order No. 29844 on August 16, 2005 (Case No. BCS-W-05-1).

Bar Circle "S" is requesting an increase in its water rate schedules to increase revenues by 119.45%. The Company is proposing to increase its metered water rates from \$15.00 for the first 7,500 gallons to \$32.92, and the rate for additional consumption from \$.95 per 1,000 gallons to \$2.08 per 1,000 gallons. The Company proposes to increase its commercial fire protection rates from \$9.50 per month for fire hydrants to \$20.85 and the monthly rate for building sprinkler connections from \$48.13 to \$105.62.

The Company is also proposing changes to its non-recurring charges. These charges, the Company contends, are intended to cover the Company's costs only and do not contribute to the Company's earnings. The Company proposes to change its customer first-time connection fee from a total of \$750 (\$500 for installation of water meter + \$250 for water hookup fee) to a

basic meter installation fee of \$480 (when an existing service line and meter base is already in place) or \$2,500 if a service line or meter base is not in place. This charge, the Company states, pays the cost of excavation, tapping the water main, installing the service to the property line and installing the meter box and base. Additionally, if the Company must use boring equipment to install a service line under a road where excavation is not possible, the Company proposes to charge the actual cost of materials and labor to complete the installation.

The Company further proposes to increase its existing customer reconnection charge (assessed to any customer who has been voluntarily or involuntarily disconnected in compliance with IPUC Uniform Customer Relations Rules) from \$10 to \$20 during normal business hours and an additional \$20 for service calls outside of normal business hours.

The Company also requests a new returned check charge of \$20 for reprocessing customer checks that have been returned by the bank for any reason.

Bar Circle "S" proposes an effective date for the rate increase of August 1, 2009. The Company requests that its Application be processed under Commission's Rules for Modified Procedure, i.e., by written submission rather than by hearing. IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the following parties have been designated as the Company's representatives in this matter:

Robert Turnipseed	Robert E. Smith
Bar Circle "S" Water Company	2209 N. Bryson Road
PO Box 1870	Boise, ID 83713
Hayden, Idaho 83835	Telephone: (208) 761-9501
Telephone: (208) 665-9200	FAX: (208) 322-2944
FAX: (208) 665-9300	E-mail: utilitygroup@yahoo.com
E-mail: avondalecon@verizon.net	

All communications with reference to this Application should be served upon the above named representatives of Bar Circle "S."

YOU ARE FURTHER NOTIFIED that Bar Circle "S"'s revenue requirement, and every component of it, both rate base and expense, are at issue. The Commission may grant, deny, or modify the revenue requirement requested and may find a revenue requirement different from that proposed by any party is just, fair and reasonable. IDAPA 31.01.01.124.01.

YOU ARE FURTHER NOTIFIED that the rates and charges of all Idaho retail customers both recurring and non-recurring, are at issue, and every component of every existing and proposed rate and charge is at issue. The Commission may approve, reject or modify the

rates and charges proposed and may find that rates and charges different from those proposed by any party are fair, just, and reasonable. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may approve, reject, or modify existing or proposed relationships between and among rates and charges within, between or among customer classes or rate groups and may approve, reject or modify existing or proposed relationships among and between customer classes or rate groups. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may abolish, reduce or create rate blocks or categories of rates and charges; abolish, create or reduce components of rates and charges; abolish, reduce or create customer classes or rate groups; and abolish, reduce, or create absolute or relative differences among and between existing classes or rate groupings of customers. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the tariffs, practices, rules and regulations, service, instrumentalities, equipment, facilities, classifications, and customer relations of the utility are at issue, and the Commission may address any of them in its Order. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Company's Application and notice to customers have been filed with the Commission and are available for public inspection during regular working hours at the Commission offices, 472 West Washington Street, Boise, Idaho. The Application is also available on the Commission's web site at www.puc.idaho.gov under "File Room" and then "Water Cases."

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code, and specifically *Idaho Code* §§ 61-502, 61-622, and 61-623.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

COMMISSION FINDINGS

The Commission has reviewed and considered the filings of record in Case No. BCS-W-09-02. Bar Circle "S" has submitted a proposed schedule of rates and charges for water service to become effective on and after August 1, 2009. We find the Application is of sufficient importance and complexity to require the Commission's investigation into the reasonableness of

the proposed rates and charges. The Commission is unable to consider the proposed change in rates and charges before August 1, 2009, and therefore finds it reasonable to authorize a continuation of existing rates and to suspend the proposed change in rates and charges for a period of thirty (30) days plus five (5) months from the proposed August 1, 2009, effective date. This will provide time for Commission Staff to audit the Company's financial books, inspect the Company's physical plant and complete its investigative report.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over Bar Circle "S" Water Company and its Application for approval of proposed rates and charges, and the issues involved in this case by virtue of Title 61, Idaho Code, and the Commission's Rules of Procedure, IDAPA 31.01.01.000 et seq.

The Commission has the authority under *Idaho Code* § 61-622 to suspend the rates and charges that are the subject of the Application for a period of thirty (30) days plus five (5) months, or less if the Commission acts sooner, from the proposed effective date of August 1, 2009.

It is necessary to suspend the rates proposed in the Application for a period of five (5) months, or less if the Commission acts sooner, from the effective date of August 1, 2009, to permit the Commission Staff to audit the Company's financial records and inspect the Company's physical plant, to provide sufficient time to calendar further procedure, to receive customer and Staff comments and to consider and determine the issues presented in this Application.

ORDER

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED that the proposed schedule of rates and charges for water service in Case No. BCS-W-09-02 is suspended for a period of thirty (30) days plus five (5) months from August 1, 2009, or until such earlier time as the Commission may issue an Order accepting, rejecting, or modifying the Application in this case.

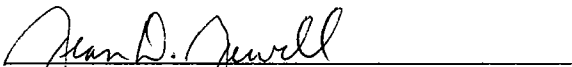
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15th
day of July 2009.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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