

## **DECISION MEMORANDUM**

**TO:           COMMISSIONER KEMPTON  
COMMISSIONER SMITH  
COMMISSIONER REDFORD  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL**

**FROM:       SCOTT WOODBURY  
DEPUTY ATTORNEY GENERAL**

**DATE:       JUNE 30, 2009**

**SUBJECT:    CASE NO. BCS-W-09-02 (Bar Circle “S”)  
GENERAL RATE CASE**

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.

#### **COMMISSION DECISION**

Bar Circle "S" has filed a general rate case and requests an across the board increase of 119.45% to all recurring rates and charges contained in its current water rate schedules. The Company also requests changes to non-recurring charges. The Company requests an effective date of August 1, 2009, and recommends that its Application be processed under Modified Procedure. Staff recommends that the Company's Application be suspended to permit sufficient time for investigation and recommends that the Commission issue a notice of the Company's Application. Does the Commission agree with Staff's recommended procedure?



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Scott Woodbury  
Deputy Attorney General