

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
LEGAL
WORKING FILE

FROM: HARRY HALL

DATE: APRIL 26, 2006

RE: BITTERROOT WATER COMPANY, CASE NO. BIT-W-05-01

On June 15, 2005, Bitterroot Water Company, Inc. (Bitterroot; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting a change in its tariff rates from a metered base rate of \$20 per month to a metered base rate of \$45 per month. No change was proposed in the commodity charge per 1,000 gallons of water consumed in excess of 15,000 gallons per month. According to the Applicant, the proposed increase was to help offset the increasing costs associated with the operation, maintenance and capital improvements to the water system.

Bitterroot is a regulated water utility providing water service under Certificate of Public Convenience and Necessity No. 319 to approximately 116 customers in Kootenai County, Idaho. The Company's water rates were last adjusted in 1999. Reference Order No. 28121.

On January 31, 2006, the Commission issued Order No. 29966 approving a 50.78% or \$18,089 increase in authorized annual revenues for Bitterroot Water Company, Inc., for a total authorized annual revenue requirement of \$53,708. This amount includes two surcharges with a total annual surcharge revenue of \$5,489.64 comprised of a four-year \$1.24 per month surcharge for backflow prevention (\$1,740.96) and an eight-year \$2.67 per month surcharge for replacement of defective isolation valves (\$3,748.68). The approved tariffs are also to include a \$21.00 per month minimum charge.

Bitterroot Water Company has submitted tariffs in response to that order that are attached and include:

- Rate Schedule 1, Residential Service for all metered residential customers
- Rate Schedule 2, Non-Recurring Charges for hook-up, reconnection and returned checks (NSF)
- Rate Schedule 3, Temporary Surcharge for backflow prevention
- Rate Schedule 4, Temporary Surcharge for isolation valves

COMMISSION DECISION

Staff finds that the tariffs submitted are in compliance with Order No. 29966 and recommends that the tariffs be approved as submitted. Does the Commission agree?



Harry Hall

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Tariff No.	Page
I.P.O.C. No.	
Canceling	
Name of Utility	(Approval Stamp)
BITTERROOT WATER COMPANY, INC.	

RATE SCHEDULE 1
RESIDENTIAL SERVICE

AVAILABILITY:

To all metered residential customers

RATES:

Monthly Rate (includes first 15,000 gallons of water per month)	\$21.00
Water in excess of 15,000 gallons per month	\$ 1.73 per 1,000 gallons

The Company shall follow the Idaho Public Utilities Commission's Utility Customer Relations Rules (UCRR) and the Utility Customer Information Rules (UCIR).

Approved by Commission Order No. 29966 dated January 31, 2006

Issued	January 31, 2006	Effective	February 1, 2006
Issued by	Bitterroot Water Company, Inc.		
By	<i>Kenneth L. Lickell</i>	Title	President

Tariff No.	Page	
I.P.U.C. No.		
Canceling		
Name of Utility		(Approval Stamp)
BITTERROOT WATER COMPANY, INC.		

RATE SCHEDULE 2
NON-RECURRING CHARGE

HOOK-UP FEE: \$750.00
Includes line connection, meter base, meter and stop valve.

RECONNECTION CHARGE: \$ 35.00

RETURNED CHECK (NSF) CHARGE: \$ 20.00 per occurrence¹

Approved by Commission Order No. 29320 dated August 28, 2003

¹ Idaho Code 28-22-105, not to exceed \$20 or the amount of the check, whichever is less.

Issued	January 31, 2006	Effective	February 1, 2006
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Issued by Bitterroot Water Company, Inc.
By *Kes R. Hill* Title President

I.P.U.C. No. Canceling	
Name of Utility BITTERRROOT WATER COMPANY, INC.	(Approval Stamp)

RATE SCHEDULE 3
RESIDENTIAL SERVICE

AVAILABILITY:

To all metered residential customers

RATES:

Temporary Surcharge
- Backflow Prevention

\$1.24 a month for 48 months
Expires January 31, 2010

Approved by Commission Order No. 29866 dated January 31, 2006

Issued	January 31, 2006	Effective	February 1,	2006
Issued by Bitterroot Water Company, Inc.				
By <u>Kia Riedel</u>			Title <u>President</u>	

Tariff No.	Page
I.P.U.C. No.	
Canceling	
Name of Utility	(Approval Stamp)
BITTERROOT WATER COMPANY, INC.	

RATE SCHEDULE 4
RESIDENTIAL SERVICE

AVAILABILITY:

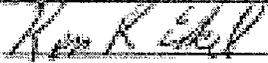
To all metered residential customers

RATES:

Temporary Surcharge
- Isolation Valves

\$2.57 a month for 96 months
Expires January 31, 2014

Approved by Commission Order No. 29966 dated January 31, 2006

Issued	January 31, 2006	Effective	February 1, 2006
Issued by	Bitterroot Water Company, Inc.		
By		Title	President