

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF DIAMOND BAR ESTATES WATER) CASE NO. DIA-W-07-01
COMPANY FOR AN INCREASE IN RATES)
AND CHARGES FOR WATER SERVICE IN) NOTICE OF APPLICATION
THE STATE OF IDAHO)
)
) NOTICE OF
) MODIFIED PROCEDURE
)
) ORDER NO. 30311**

On April 13, 2007, Diamond Bar Estates Water Company filed an Application to increase its rates for water service, its fees for installation of a meter, and implementation of a new customer connection charge. The Company requests an effective date for the new rates and charges of June 1, 2007. With this Order the Commission suspends the Company's requested effective date, authorizes the use of Modified Procedure, establishes a deadline for interested persons to submit comments, and directs Staff to conduct a public workshop pursuant to Rule 125.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Diamond Bar Estates Water was granted a Certificate of Public Convenience and Necessity authorizing it to provide water service to the Diamond Bar Estates Subdivision in Kootenai County, Idaho, on May 30, 2003. Case No. GNR-W-02-3, Order No. 29247. The Company's initial rates and charges were also approved and set with Order No. 29247. The Company's authorized service territory was expanded to include the Boekel Estates Subdivision on August 2, 2004. Case No. DIA-W-04-01, Order No. 29556.

YOU ARE FURTHER NOTIFIED that according to the Company's Application it is seeking authority to: (1) increase the water rate it charges customers by approximately 87.44%; (2) increase the fees for first time installation of a meter to serve a new customer from \$200 to \$310; and (3) implement a new customer connection charge of either \$2,500 or \$5,500 where a service line to the property does not currently exist.

YOU ARE FURTHER NOTIFIED that according to the Company's Customer Notice the Company is proposing to increase the base monthly charge for the first 7,500 gallons of water from \$21 per month to \$50 per month. Additionally, the Company proposes to increase

NOTICE OF APPLICATION
NOTICE OF MODIFIED PROCEDURE
ORDER NO. 30311

the charge for water usage in excess of 7,500 gallons per month from \$0.45 to \$0.52 per thousand gallons. The Company states that this increase is necessary so that it can recover its operating costs, and that it has been operating at a loss for a number of years. Diamond Bar Estates provides service to approximately 43 customers.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers, testimonies and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission's website at www.puc.idaho.gov under "File Room."

YOU ARE FURTHER NOTIFIED that Diamond Bar'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 to be 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, including those of any special contract customers, 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 just, fair, 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 groupings and may approve, reject, or modify existing or proposed relationships among and between customer classes or rate groupings. 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 groupings; 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, 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 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, 31.01.01.000 et seq.

SUSPENSION OF PROPOSED EFFECTIVE DATE

Due to the complexities of this case and other constraints on the Commission's time, the Commission finds that it cannot resolve Diamond Bar's requested rate increase before the proposed effective date of June 1, 2007. Pursuant to *Idaho Code* §§ 61-622 and 61-623, the Commission hereby suspends the proposed rates for a period of thirty (30) days plus five (5) months from June 1, 2007, or until such time as the Commission enters an Order accepting, rejecting, or modifying the request in this matter.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filing of record in Case No. DIA-W-07-01. The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented in this case and that issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. IDAPA 31.01.01.201-204. In so doing, the Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that the Commission may not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used. IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that if no protests or written comments are received within the deadline, the Commission will consider the matter and enter its Order without a hearing. If protests or comments are filed within the deadline, the Commission will

consider them and may, in its discretion, set the matter for hearing or decide the matter and issue its Order on the basis of the written positions before it. IDAPA 01.01.01.204.

NOTICE OF COMMENT/PROTEST DEADLINE

YOU ARE FURTHER NOTIFIED that **the deadline for filing written comments or protests** with respect to the Application and the Commission’s use of Modified Procedure in Case No. DIA-W-07-01 is **August 10, 2007**. Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that written comments concerning this case should be mailed to the Commission and to the Company at the addresses reflected below.

Commission Secretary Idaho Public Utilities Commission PO Box 83720 Boise, ID 83720-0074 Street Address For Express Mail: 472 W. Washington Street Boise, ID 83702-5983	Robert N. Turnipseed Diamond Bar Estates Water Co. PO Box 1870 Hayden, ID 83835 E-mail: avondalecon@verizon.net Robert E. Smith 2209 N. Bryson Rd. Boise, ID 83713 E-mail: utilitygroup@yahoo.com
---	--

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission’s homepage located at www.puc.idaho.gov. Click the “Comments and Questions” icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to the Applicant at the addresses listed above.

ORDER

IT IS HEREBY ORDERED that the proposed schedules of rates and charges submitted by Diamond Bar in this matter are suspended for a period of thirty (30) days plus five (5) months from June 1, 2007, or until such time as the Commission enters an Order accepting, rejecting, or modifying the request in this matter.

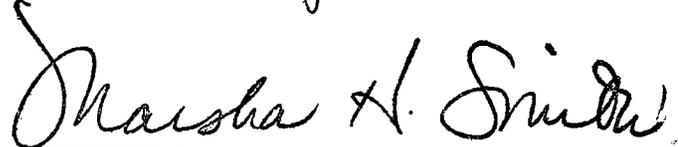
IT IS FURTHER ORDERED that this case be processed by Modified Procedure. Persons interested in submitting written comments regarding this case or protesting the use of Modified Procedure should do so no later than August 10, 2007.

IT IS FURTHER ORDERED that Commission Staff is hereby directed to conduct a public workshop in order to dispense information concerning the Company's Application and to receive written or oral comments from the public prior to Staff filing testimony or comments in this case. IDAPA 31.01.01.125. Notice of the public workshop will be issued under separate cover.

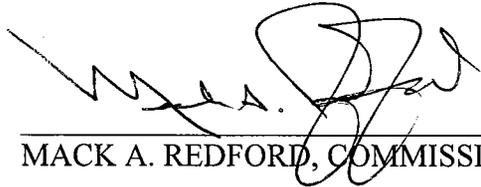
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 25th day of April 2007.



PAUL KJELLANDER, PRESIDENT



MARSHA H. SMITH, COMMISSIONER



MACK A. REDFORD, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:DIA-W-07-01_dw

NOTICE OF APPLICATION
NOTICE OF MODIFIED PROCEDURE
ORDER NO. 30311