
IDAHO PUBLIC UTILITIES COMMISSION
For Immediate Release
Case No. FLS-W-03-1, Order No. 29397
December 15, 2003
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Rate increase approved for Falls Water

Boise – Customers of Falls Water Company near Idaho Falls will pay about 24 percent more for water service effective today.

Falls Water serves about 2,100 residential and business customers east of Idaho Falls and north of Ammon. The company originally requested a 46 percent increase from the Idaho Public Utilities Commission and then revised its application downward to 38 percent. The commission ultimately approved a 24 percent increase in total revenue.

For the average metered residential customer, the increase will be about 17 percent, from about \$162 annually to \$190 per year. For residential customers without meters and on a flat rate, the increase will be about 27 percent, from about \$165 annually to \$210. The majority of Falls Water customers – 1,500 – are on meters and there are 574 flat-rate customers. Rates for 30 metered commercial customers will increase by 21 percent. Most of the increase for all customers is in the base charge, which increases from \$10 per month to \$11.50 per month.

The commission authorized an \$82,241 increase in revenue, based on a rate of return of 12 percent. The company requested \$132,745 in increased revenue. Because the utility operates as a non-profit entity, the commission directed the company to continue to use retained earnings for capital improvements, repair and replacement of equipment.

In its application submitted last July, Falls Water stated it was operating at a loss. Nine hundred of 1500 meters are in need of replacement over the next 10 years and maintenance on fire hydrants is not being completed due to lack of funds and manpower, the company stated. Also, about 50 street valves are in disrepair with an additional 25 that need installing.

Commissioners recognized the economic hardship the increase will cause some customers. "While not insensitive to the economic circumstances of customers, we note that we also have an obligation to Falls Water to set rates at a level sufficient to recover its costs of production and service."

The commission noted that the company offers little incentive to flat-rate customers to conserve and suggested the company use a bill message or some other method to give flat-rate customers suggestions on water conservation and the wise use of water.

The commission's final order and other documents related to this case can be accessed on the commission's Web site at www.puc.state.id.us. Click on "File Room," then on "Water Cases" and scroll down to Case Number to FLS-W-03-1.

Interested parties may petition the commission for reconsideration by no later than Jan. 2, 2004.

END