

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF FALLS WATER COMPANY, INC. FOR) CASE NO. FLS-W-05-1
AUTHORITY TO INCREASE ITS RATES)
AND CHARGES) NOTICE OF APPLICATION
)
) NOTICE OF
) INTERVENTION DEADLINE**

YOU ARE HEREBY NOTIFIED that on November 4, 2005, Falls Water Company, Inc. (Falls Water; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting authority to increase its revenue requirement by \$258,363 (48.2%). The Company also submitted proposed changes in base rates and commodity charges for water service. Falls Water is an Idaho not-for-profit corporation and holder of Certificate of Public Convenience and Necessity No. 236. Falls Water provides water service in the Idaho Falls area to approximately 2,147 metered residential customers, 49 multi-family residential customers, 41 metered commercial customers, and 583 flat rate residential customers. The Company maintains that an increase in rates is needed to keep up with the increasing costs of operations and maintenance and to replace its aging infrastructure. The last general rate increase for Falls Water was authorized by Commission Order No. 29397 in Case No. FLS-W-03-1.

Falls Water is seeking a reduction in the amount of water included in the minimum billing charge, and proposes to create a summer and winter rate schedule for metered residential customers. The Company proposes a new metered residential tariff for customers in subdivisions that have separate irrigation and were allowed to connect to Falls Water on condition that the Company would only provide potable domestic in-house water. Also proposed by the Company is a planned phase-out of its flat rate and a field collection fee for past due balances.

The changes in rates and charges proposed by the Company are as follows:

| Schedule | Description | Existing | Proposed |
|-----------------|--|---|--|
| R-1 | Existing: Residential Metered Service Proposed: Residential Metered Service for customers not living in developments required to use secondary irrigation | \$11.50/month minimum \$0.41/thousand gallons for all water used in excess of 20,000 gallons/month | <i>Summer – Apr.-Oct.</i> \$12.75/billing cycle minimum \$0.85/thousand gallons for all water used in excess of 8,000 gallons/billing cycle <i>Winter – Nov.-March</i> \$15.50/billing cycle minimum \$0.85/thousand gallons for all water used in excess of 15,000 gallons/billing cycle |
| R-2 | Residential Flat Rate Service | \$17.50/month | \$19.25/month |
| R-3 | Residential Multi-Family | \$11.50/month minimum \$0.41/thousand gallons for all water used in excess of 20,000 gallons/month | \$12.75/billing cycle minimum \$0.85/thousand gallons for all water used in excess of 8,000 gallons/billing cycle |
| R-4 | Metered Residential with Secondary Irrigation | | \$12.75/billing cycle minimum \$2.50/thousand gallons for all water used in excess of 8,000 gallons/billing cycle |
| C-2 | Metered Commercial Service | \$11.50/month minimum \$0.41/thousand gallons for all water used in excess of 20,000 gallons/month | \$12.75/billing cycle minimum \$0.85/thousand gallons for all water used in excess of 8,000 gallons/billing cycle |
| Schedule M | Field Collection Fee (of past due balance) | | \$15.00 |

If the proposed changes in rates are approved, the average annual rates for metered residential customers would increase from \$179.49 to \$295.55, an increase of \$116.06 or 64.7%. The average annual rates for metered commercial customers would increase from \$323.46 to \$569.75, an increase of \$246.29 or 76.1%. Annual rates for non-metered residential customers would increase from \$210 to \$231, an increase of \$21.00 or 10%. Annual rates for multi-family residential customers would increase from \$181.64 to \$344.82, an increase of \$163.18 or 89.8%.

Included with the Company's Application are the following attachments, schedules and proposed tariffs:

1. Copy of customer notification of this filing.
2. Three-year balance sheet.
3. Three-year income statement.
4. Calculation of rate base.
5. Comparison of income at present rates and income at proposed rates.
6. Explanation of rate calculations.
7. Present and proposed tariff schedules.
8. Map of planned metering of Mobile Home Estates.

YOU ARE FURTHER NOTIFIED that **persons desiring to intervene** in Case No. FLS-W-05-1 for the purpose of becoming a party, i.e., to present evidence, to acquire rights of cross-examination, to participate in settlement or negotiation conferences, and to make and argue motions **must file a Petition to Intervene** with the Commission pursuant to Rules 72 and 73 of the Commission's Rules of Procedure, IDAPA 31.01.01.072-073. Persons desiring to acquire intervenor rights of participation must file a Petition to Intervene **on or before Friday, December 23, 2005**. Persons seeking intervenor status shall also provide the Commission Secretary with their electronic mail addresses to facilitate future communications in this matter.

YOU ARE FURTHER NOTIFIED that persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or to other parties.

YOU ARE FURTHER NOTIFIED that the Commission Secretary shall issue a Notice of Parties after the deadline for intervention has passed. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

YOU ARE FURTHER NOTIFIED that discovery is available in Case No. FLS-W-05-1 pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.221-234.

YOU ARE FURTHER NOTIFIED that the Company's Application together with supporting attachments and schedules can be reviewed at the Commission's office in Boise, Idaho and at the Company's office, 405 11th Street, Idaho Falls, Idaho 83404-4899 (Telephone: (208) 522-1300), during regular business hours, or on the Commission's website, www.puc.idaho.gov.

YOU ARE FURTHER NOTIFIED that the following person is designated as Falls Water's representative in this matter:

K. Scott Bruce
Falls Water Company, Inc.
1770 Sabin Drive
Idaho Falls, ID 83406
E-mail: scott@fallswater.com

YOU ARE FURTHER NOTIFIED that Falls Water'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 that a revenue requirement different from that proposed by any party is just, fair and reasonable. IDAPA 31.01.01.124.01.

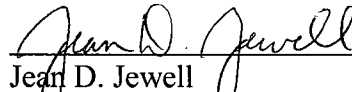
YOU ARE FURTHER NOTIFIED that the rates and charges for all Falls Water retail customers are at issue, and every component of every existing and proposed rate and charge is at issue. The Commission may approve, reject or modify the rates and charges proposed and may find that rates and charges different from those proposed by any party are just, fair and reasonable. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the 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 all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final Order consistent with its authority under Title 61.

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

DATED at Boise, Idaho this 28th day of November 2005.



Jean D. Jewell
Commission Secretary

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