

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 PUBLIC
) WORKSHOP AND HEARING
)
) NOTICE OF
) MODIFIED PROCEDURE
)
) NOTICE OF
) COMMENT DEADLINE**

On November 4, 2005, Falls Water Company, Inc. (Falls Water; Company) an Idaho not-for-profit corporation and holder of Certificate of Public Convenience and Necessity No. 236, 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. As set forth in its Application, the proposed increase reflects the increased costs of operations and maintenance and replacement of aging infrastructure. The last general rate case for Falls Water was authorized by Commission Order No. 29397 in Case No. FLS-W-03-1.

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%.

On November 28, 2005, the Commission issued Notices of Application and Intervention Deadline in Case No. FLS-W-05-1. The deadline for filing interventions was Friday, December 23, 2005. No party requested intervention. The Company requests an effective date for its revenue increase of April 15, 2006.

YOU ARE HEREBY NOTIFIED that the Commission has reviewed the filings of record in Case No. FLS-W-05-1. The Commission is informed that Staff has completed its audit

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of the Company's financial records and an inspection of the Company's physical plant. Based on Staff procedural recommendations, the Commission has preliminarily determined that the public interest regarding the Company's Application to increase rates and charges may not require a technical hearing to consider the issues presented, and that issues raised by the Application may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. Reference Commission's Rules of Procedure, IDAPA 31.01.01.201-204. Additionally, the Commission finds it reasonable to schedule a public workshop and a hearing to obtain public testimony.

YOU ARE FURTHER NOTIFIED that the Company's Application to increase its rates is merely a proposal subject to public review and Commission approval.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter and Falls Water Company, a water utility, pursuant to the authority and power granted under Title 61 of the Idaho Code and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

PUBLIC WORKSHOP AND HEARING

YOU ARE FURTHER NOTIFIED that the Commission has scheduled the following public workshop and hearing in this matter:

Commission Staff will conduct a **public workshop** for customers in Idaho Falls, Idaho on **WEDNESDAY, JANUARY 25, 2006 AT THE IDAHO FALLS COUNCIL CHAMBERS LOCATED AT 140 SOUTH CAPITOL AVENUE.** **The public workshop will begin at 7:00 P.M.** The public workshop will offer the public and customers of Falls Water an opportunity to meet with the Commission Staff, ask questions and receive information regarding Falls Water's Application.

YOU ARE FURTHER NOTIFIED that a **public hearing** to obtain public testimony will be held in Idaho Falls, Idaho on **WEDNESDAY, MARCH 15, 2006 AT THE IDAHO FALLS COUNCIL CHAMBERS LOCATED AT 140 SOUTH CAPITOL AVENUE, COMMENCING AT 7:00 P.M.**

YOU ARE FURTHER NOTIFIED that the workshop and hearing will be conducted pursuant to the Rules of Procedure adopted by the Idaho Public Utilities Commission, IDAPA 31.01.01.000 *et seq.*

YOU ARE FURTHER NOTIFIED that all hearings and workshops in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act (ADA). Persons needing the help of a sign language interpreter or other assistance in order to participate in or to understand testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0338 (Telephone)
(208) 334-3762 (FAX)
E-Mail: secretary@puc.idaho.gov

NOTICE OF MODIFIED PROCEDURE/COMMENT DEADLINE

YOU ARE FURTHER NOTIFIED that in addition to the public workshop and hearing, the **Commission solicits written comments from customers and the public** regarding the requested increase in rates and charges. Any person desiring to state a position on Falls Water's proposed rate increase may file a **written comment** with the Commission no later than **Friday, March 3, 2006**. See IDAPA 31.01.01.202.

YOU ARE FURTHER NOTIFIED that **Falls Water Company may file reply comments** no later than **Friday, March 24, 2006**.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. FLS-W-05-1 should be mailed to the Commission and Falls Water at the addresses reflected below.

Commission Secretary	K. Scott Bruce
Idaho Public Utilities Commission	Falls Water Company, Inc.
PO Box 83720	1770 Sabin Drive
Boise, ID 83720-0074	Idaho Falls, ID 83406
	E-mail: scott@fallswater.com

Street Address for Express Mail:

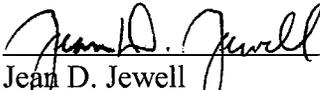
472 W. Washington Street
Boise, ID 83702-5983

All 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 home page 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 Company at the e-mail address listed above.

YOU ARE FURTHER NOTIFIED that the Application in Case No. FLS-W-05-1 can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 W. Washington Street, Boise, Idaho and at the office of Falls Water Company, 1770 Sabin Drive, Idaho Falls, Idaho (Telephone (208) 522-1300). In addition, the Application may be viewed by accessing the Commission's website at www.puc.idaho.gov by clicking on "File Room" and "Water Cases."

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



Jean D. Jewell
Commission Secretary

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