

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF FALLS WATER COMPANY FOR AN) CASE NO. FLS-W-12-01
ORDER AUTHORIZING INCREASES IN)
THE COMPANY'S RATES AND CHARGES) NOTICE OF APPLICATION
FOR WATER SERVICE)
) NOTICE OF
) INTERVENTION DEADLINE
)
) ORDER NO. 32467

On January 30, 2012, Falls Water Company applied to the Commission for authority to increase its total revenue requirement by \$295,059.75, or 26.52%. Application at 1, 4. The Company says the accompanying rate increase will increase the average customer's bill by 26.8%. *Id.* at 5. The Company asked that its Application be processed by Modified Procedure, and that the proposed tariff changes take effect February 29, 2012. *Id.* at 2.

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YOU ARE HEREBY NOTIFIED that Falls Water provides water service to more than 3,900 residential and commercial customers north of the City of Ammon and northeast of the City of Idaho Falls in Bonneville County. *Id.* at 2. The Company last increased its basic rates and charges in March 2010. Order No. 31022.

A. Revenue

YOU ARE FURTHER NOTIFIED that the Application states that since its last rate case, the Company has replaced manually-read meters with new touch-read meters and installed radio transmitter units (MXUs) on all meters not already so equipped. The Company also has doubled its rented office and warehouse space, and added an on-line billing option for customers. *Id.* at 2. As a result of these and other expenditures, the Company now seeks to raise its rates to increase revenues by \$295,059.75 (26.52%). *Id.* at 1, 4. The Company proposes to increase its metered rates and reduce the included maximum gallons allowed as follows:

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Meter Size	Current Rate	Proposed Rate	% Change
3/4" or smaller	\$16.10 for up to 12,000 gallons	\$19.18 for up to 5,000 gallons	19.1% increase
1"	\$22.54 for up to 17,000 gallons	\$26.85 for up to 7,000 gallons	19.2% increase
1½"	\$28.98 for up to 22,000 gallons	\$34.52 for up to 9,000 gallons	19.1% increase
2"	\$37.03 for up to 28,000 gallons	\$44.11 for up to 12,000 gallons	19.1% increase
4"	\$66.01 for up to 49,000 gallons	\$78.64 for up to 20,000 gallons	19.1% increase
Commodity Rate per 1,000 gallons	\$0.611	\$0.67	9.7% increase

Id. The Company's Application proposes a 2011 test year. *Id.* at 2.

B. Rate Design

YOU ARE FURTHER NOTIFIED that Falls Water proposes to develop new rates as follows:

Meter Size	Current Rate	Proposed Rate
3/4" or smaller	\$16.10 for up to 12,000 gallons	\$19.18 for up to 5,000 gallons
1"	\$22.54 for up to 17,000 gallons	\$26.85 for up to 7,000 gallons
1½"	\$28.98 for up to 22,000 gallons	\$34.52 for up to 9,000 gallons
2"	\$37.03 for up to 28,000 gallons	\$44.11 for up to 12,000 gallons
4"	\$66.01 for up to 49,000 gallons	\$78.64 for up to 20,000 gallons
Commodity Rate per 1,000 gallons	\$0.611	\$0.67

Id. at 4. The Company says the average 3/4" metered-customer's bill will increase 26.8%; the average 1" metered-customer's bill will increase 24.3%; the average 1 ½" metered-customer's bill will increase 26.1%; the average 2" metered-customer's bill will increase 27.8%; and the average 4" metered-customer's bill will increase 28.1%. *Id.* at 4-5.

YOU ARE FURTHER NOTIFIED that the Company says its proposal decreases the ratio of base charges from 66% to 65% and increases the ratio of commodity charges from 34% to 35%. *Id.* at 5.

YOU ARE FURTHER NOTIFIED that the Company says the proposed rate design will produce \$1,407,749.70 in revenues, which is within \$78.59 of the \$1,407,671.11 revenue requirement. The average customer's bill will increase by 26.8%. *Id.*

C. Year-Round Meter Reading

YOU ARE FURTHER NOTIFIED that Falls Water also proposes that it be allowed to read meters year-round on all of its metered rate schedules. *Id.* at 5. The Company presently reads single-family residential meters from April through October but not during the winter due to difficult meter access. However, the Company has finished installing radio-read units system-wide that will enable the Company to read the meters year-round. *Id.* The Company says year-round meter reading

benefits customers and conserves water because plumbing leaks will be detected sooner. Also, customers would be able to pay for any water use above the minimum amount allowed as the overages are incurred rather than being billed in April for excess water use that has accrued since October. *Id.*

YOU ARE FURTHER NOTIFIED that consistent with Utility Customer Information Rule 101, the Company filed a copy of its customer notice. On January 31, 2012, the Company also made arrangements for publication of the customer notice in the Post Register newspaper.

YOU ARE FURTHER NOTIFIED that the Application, supporting workpapers, 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 workpapers are also available on the Commission's web site at www.puc.idaho.gov under the "File Room" and then "Water Cases."

YOU ARE FURTHER NOTIFIED that Falls Water's intrastate 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 is just, fair and reasonable.

YOU ARE FURTHER NOTIFIED that the rates and charges for all Falls Water 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.

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. The Commission may approve, reject or modify existing or proposed relationships among and between customer classes or rate groupings.

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 customer classes or rate groupings of customers.

YOU ARE FURTHER NOTIFIED that the tariffs, practices, rules, services, instrumentalities, equipment, facilities, classifications and customer relations procedures of Falls Water are at issue, and the Commission may address any of them in its final Order.

DEADLINE FOR INTERVENTION

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter for the purpose of presenting evidence or cross-examining witnesses at hearing must file a Petition to Intervene with the Commission pursuant to this Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and .073. Persons intending to participate at hearing must file a Petition to Intervene **no later than 14 days from the service date of this Order**. Persons seeking intervenor status shall also provide the Commission Secretary with their electronic mail address to facilitate further 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 once the deadline for intervention has passed, the Commission Secretary shall issue a Notice of Parties. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

YOU ARE FURTHER NOTIFIED that after the Notice of Parties is issued, the Commission anticipates that the parties will informally convene to devise a recommended schedule to process this case. Once a schedule is developed, the Commission will subsequently issue a Notice of Hearing. In addition to the schedule, the parties may discuss discovery logistics, electronic service, and other scheduling matters.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-302, 61-307, 61-502, 61-503, 61-507, 61-622, and 61-623. 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 pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

SUSPENSION OF PROPOSED EFFECTIVE DATE

Due to the complexity of this case and other constraints on the Commission's time, the Commission finds that it cannot adequately review Falls Water's requested rate increase

before the proposed effective date of February 29, 2012. Pursuant to *Idaho Code* §§ 61-307, 61-622 and 61-623, the Commission hereby suspends the proposed rates for a period of thirty (30) days plus five (5) months from February 29, 2012, or until such time as the Commission enters an Order accepting, rejecting, or modifying the request in this matter.

ORDER

IT IS HEREBY ORDERED that the proposed schedule of rates and charges submitted by Falls Water in this matter are suspended for a period of thirty (30) days plus five (5) months from February 29, 2012, or until such time as the Commission enters an Order accepting, rejecting, or modifying the request in this matter.

IT IS FURTHER ORDERED that persons desiring to intervene in this case for the purpose of presenting evidence or cross-examination at hearing shall file a Petition to Intervene with the Commission no later than fourteen (14) days from the service date of this Order.

IT IS FURTHER ORDERED that after the Notice of Parties is issued, the Staff shall convene an informal prehearing conference with the parties to discuss the processing of this case.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 22nd day of February 2012.



PAUL KJELLANDER, PRESIDENT



MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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