



IDAHO PUBLIC UTILITIES COMMISSION

Case No. GNR-W-02-3,

For Immediate Release / April 14, 2003

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Rathdrum hearing scheduled on water rate case

BOISE – The Idaho Public Utilities Commission will conduct a hearing April 29 in Rathdrum regarding a proposed rate increase to the customers of Diamond Bar Estates Water Company, which serves a housing subdivision in Kootenai County.

The Diamond Bar Homeowners Association formed the water system in 1994. It will serve about 45 households when the subdivision is completed. In June of 2002, the homeowners association turned the system over to Diamond Bar Estates LLC.

Diamond Bar is proposing a rate increase from \$15 for the first 7,500 gallons of use to \$21. For use beyond 7,500 gallons the company currently charges 95 cents per thousand gallons beyond that. Under the company's proposed new rate, use beyond 7,500 gallons would decrease to 85 cents per thousand gallons. The company is also proposing to meter use by irrigation customers. Currently, irrigation customers pay a flat fee of \$225 per year for irrigation.

The company claims it needs annual revenue of \$23,123 to successfully operate. After hearing customer comments and conducting a public workshop in Rathdrum last February, commission staff is recommending an annual revenue requirement of \$16,104. Staff recommends a base rate of \$21 for the first 7,500 gallons of use and 50 cents per thousand gallons beyond that. It recommends the same rate for irrigators while the company advocates a separate rate for irrigation customers. Staff is also recommending denial of the company's proposed \$1,000 fee for a domestic water meter fee and a \$500 fee for a hook-up. Staff is recommending a one-time \$500 connection fee as sufficient to offset the cost of meter investments.

The owner is in disagreement with some of the commission staff's findings as are a number of customers, some of whom object to the proposed rate as well as changing the irrigation rate from a flat fee to a metered rate. For that reason, the commission has decided to hold the April 29 public hearing during which a hearing examiner appointed by the commission will take public testimony from customers. The commission's staff engineer and a staff accountant assigned to the case will be available to answer questions just before the hearing, which begins at 7 p.m. in the Rathdrum Senior Center at 805 Montana St.

Those who do not attend the hearing can submit written comments through May 6. Comments can be submitted via e-mail by accessing the commission's homepage at www.puc.state.id.us and clicking on "Comments & Questions." Fill in the

case number (GNR-W-02-3) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

To view the company's application, staff comments and Diamond Bar's response, go to the Commission's Web site and click on "File Room," then on "Water cases," and scroll down to the appropriate case number.

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