



IDAHO PUBLIC UTILITIES COMMISSION

Case No. GNR-W-02-3, Order No. 29247

For Immediate Release / June 3, 2003

Contact: Gene Fadness (208) 334-0339

Commission adopts new rates for Rathdrum area water company

BOISE – Basic monthly rates for customers of Diamond Bar Estates Water near Rathdrum are increasing by \$6 a month, under an order issued by the Idaho Public Utilities Commission.

The commission's order also issues a certificate to operate to Diamond Bar Estates LLC, owned by Robert Turnipseed. The Diamond Bar Homeowners Association elected to turn the water system, now serving 41 households, over to Diamond Bar Estates last year.

The commission order establishes an annual revenue requirement of \$15,534 for the company. The company requested \$23,123. The commission adopted an annual rate of return of 12 percent for the company. The company requested 14 percent.

The new rate, effective June 1, for both residential and irrigation customers is \$21 per month plus 45 cents per 1,000 gallons for all water use exceeding 7,500 gallons per month. The former rate for residential customers was \$15 for the first 7,500 gallons plus 95 cents per 1,000 gallons thereafter. Customers with irrigation service paid a flat fee of \$225 per year.

The commission rejected the company and some customers' request that irrigation customers continue to play a flat fee. "A flat fee is unfair to low-usage customers and does not promote conservation," the commission said.

The commission also rejected a request by the owner to pass on to customers the costs – about \$11,800 – of acquiring and installing a back-up generator near the company's second well. The commission agreed that a back-up generator could provide added reliability, but said the company's proposal to locate the generator on the owner's private property without easement rights of access is unacceptable. Commission staff proposed that the company obtain an easement from the Turnipseed family for permanent rights of access to the building, well and generator, but the company indicated it is unwilling to grant an easement. In lieu of a company-owned generator, the commission recommended the company lease or rent a generator on an as-needed basis.

The company also proposed a \$1,000 hook-up fee for installation of water meters, a \$500 connection fee and a \$500 fee for installation of irrigation meters. The commission rejected the residential hook-up and connection fees because they have already been recovered from lot owners when they purchased their lots. The commission did recommend the company adopt a line extension fee for extension of service beyond subdivision boundaries. The commission accepted the \$500 fee for installation of irrigation meters.

Copies of the entire order as well as other documents filed in this case can be accessed on the commission's Web site at www.puc.state.id.us. Click on "File Room," and then on "Water Cases," and scroll down to the appropriate case number.

Petitions for reconsideration of this order must be filed by no later than June 20.

END