

BRANDON KARPEN
DEPUTY ATTORNEY GENERAL
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0357
IDAHO BAR NO. 7956

RECEIVED
2017 AUG 17 PM 2:35
IDAHO PUBLIC
UTILITIES COMMISSION

Street Address for Express Mail:
472 W. WASHINGTON
BOISE, IDAHO 83702-5918

Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
GROUSE POINT WATER COMPANY, LLC FOR)	CASE NO. GPW-W-17-01
AUTHORITY TO INCREASE ITS RATES AND)	
CHARGES FOR WATER SERVICE IN IDAHO)	COMMENTS OF THE
)	COMMISSION STAFF
)	

The Staff of the Idaho Public Utilities Commission comments as follows on Grouse Point Water Company's Application.

BACKGROUND

On February 22, 2017, Grouse Point Water Company, LLC applied to the Commission for authority to increase its monthly customer charge from \$22.00 per month to \$113.86 per month, increase its usage rate for customers using over 8,000 gallons/month from \$0.50 per 1,000 gallons to \$5.00 per 1,000 gallons, and add a new usage rate of \$1.83 per 1,000 gallons for all monthly consumption less than or equal to 8,000 gallons. Grouse Point asked for the new rates to take effect on April 15, 2017.

In its Application, the Company explained that during the 2012 through 2015 period, it has collected, on average, 40% of the expenses needed to cover its Operations and Maintenance

(O&M) expenses. Furthermore, the Company seeks to recover the costs of significant capital improvements totaling \$119,018 in 2009, and \$8,423 in 2013.

The Company explained that the 2009 capital improvement projects were associated with construction of a new well in order to meet new drinking water standards for uranium, and that the 2013 capital expenses were associated with replacement of a failing well pump.

In the Company's last rate case (GPW-W-02-01), the Commission approved an annual revenue requirement of \$6,702 per year, which included a 12% return on an authorized rate base of \$3,453 (Order No. 29402). In the present case, the Company requests that the Commission approve an annual revenue requirement of \$36,997, which would include a 12% return on a rate base of \$99,056.

STAFF ANALYSIS

Staff determined that construction of the new well was necessary to supply safe drinking water, and that the costs of constructing the new well were prudently incurred. Staff also believes that the Company should be allowed to recover operating expenses of a water treatment system used to remove hydrogen sulfide from water obtained from the new well.

After adjustments, Staff recommends that the Company be authorized to collect an annual revenue requirement of \$28,973. In order to recover this revenue requirement, Staff recommends a three tier inclining block rate structure consisting of an \$82 monthly customer charge, a \$2.50 per 1,000 gallon usage rate for the first 8,000 gallons, a \$3.75 per 1,000 gallon rate for the next 12,000 gallons, and a \$5.00 per 1,000 gallon rate for all usage in excess of 20,000 gallons. Staff believes that this structure will discourage excessive usage that could exceed the capacity of the potable water well.

Staff recommends the following adjustments to the Company's case:

Rather than using the Company's proposed hybrid test year¹, Staff believes that a pro-forma test year based on 2015 expenses and an 11% return on equity is more appropriate.

Staff also made adjustments to the Company's claimed capital expenditures, and reported expenses, and a noteworthy adjustment to the Company's electrical expenses to reflect a well pump that is being operated inefficiently.

¹ The Company used average O&M expenses and billing determinants for the years 2012 through 2015.

System Description and Overview

The Grouse Point Water Company serves 24 residential customers in the Grouse Point subdivision east of Kuna, Idaho. The Company's water right allows domestic use and irrigation of up to 1/2 acre of land per customer. However, most irrigation water is obtained through the Homeowners' Association from the nearby New York Canal.

The system includes a potable water well with a 15 HP pump, a fire well with a 75 HP pump, and a back-up well with a 15 HP pump. The system uses a single 120 gallon bladder tank to stabilize the system, but otherwise has no storage. The system is equipped with a hydrogen peroxide injection system that is used to control odors.

Pro-Forma Test Year

The Company proposed a pro-forma Test Year with expenses equal to the four-year averages of expenses for the Calendar Years Ended (CYE) 2012 through 2015. Based on the Company's proposed pro-forma test year, the Company estimates its revenue requirement to be \$36,997. Similarly, the Company proposed that Test Year consumption be computed using the average consumption for the same four calendar years. Average consumption over this time period was 2,488,000 gallons.

In August 2013, the subdivision's water allotment from the New York Canal was temporarily curtailed, and residents began irrigating their property using Company water. To meet this demand, the Company relied on its fire pump, and drew substantial quantities of water from the uranium contaminated aquifer. Given the Company's four-year average test year, the effect of this extraordinary event is to overstate average consumption, thereby leading to a rate calculation that would not allow the Company a fair opportunity to earn its revenue requirement. As noted earlier, the Company's potable water pump also failed at this time, and the Company incurred capital costs associated with the new pump.

Staff also notes that the Company incorrectly aggregated operations, maintenance, administrative, and chemical expenses as "Contract Services—Professional," resulting in the Company's incorrect classification of a number of capital expenditures as expenses in 2012, 2013, and 2014. Staff disaggregated the Company's "Contract Services—Professional" so that plant in service and expenses could be treated properly.

Given missing documentation, extra-ordinary consumption in 2013, and misclassification of capital expenditures in 2012, 2013, and 2014, Staff believes that a pro-forma test year created using 2015 as a base year to be a more accurate predictor of costs, revenues, and consumption.

Staff recommends the following pro-forma adjustments to the Company's 2015 base year:

1. Consumption at one residence was abnormally high in July, August, and September 2015. Staff adjusted consumption to reflect more typical consumption for this residence. The resulting pro-forma consumption for the Company is 1,945,000 gallons.

2. For the pro-forma test year, Staff determined that the Company would consume 1.676 barrels of hydrogen peroxide. Staff estimates an annual cost of \$1,103 to operate the hydrogen peroxide system at current labor and material rates.

3. Power costs for the pro-forma year were computed by applying current Idaho Power Company Schedule 9 rates to Staff's estimate of the power necessary to deliver 1,945,000 gallons to its customers. Power costs include the demand, Basic Load Capacity, and energy charges required for periodic (4x per year) fire pump testing and maintenance.

Uranium Contamination, Water Quality, and the New Well

In 2005, the Company learned that uranium levels in water from its potable water and fire wells exceeded Idaho Department of Environmental Quality (IDEQ) standards for uranium. In 2009, the Company drilled a new, deeper, potable water well into an uncontaminated aquifer. The new well now serves as the system's primary source of potable water. Subject to IDEQ oversight, the old potable water and fire wells may be used to provide drinking water in the event that the primary potable water well requires maintenance.

The cost of the well and pump was \$119,018. In 2013, the Company replaced the pump at a cost of \$8,423. The Company erred by not removing the cost of the defective pump from rate base. Staff removed the cost of the defective pump, included the cost of the replacement pump, and properly calculated accumulated depreciation, resulting in the inclusion of \$74,650 in rate base for the new well and pump for the 2015 pro-forma test year.

Staff notes that uranium could be removed from drinking water using commercially available reverse osmosis, distillation, or ion exchange equipment, but that equipment,

maintenance, and uranium waste disposal could be very costly. Staff believes that the Company's decision to drill a new well was a prudent decision.

The Commission received comments from 10 different customers who complained of intermittent hydrogen sulfide odor. One of the customers stated that the odor was so bad that he and his family temporarily abandoned their home. Several customers indicated that they had purchased expensive water treatment systems, or that they purchased bottled water, in order to meet their domestic water needs. Although the odor and taste of hydrogen sulfide can be a nuisance, the IDEQ does not consider it a health risk in the levels found in the Company's potable water well.

The Company was aware that the new well would draw water from a zone with elevated hydrogen sulfide levels, and had planned to treat the water using chlorine. However, customers complained about the heavy chlorine taste. Staff notes that the preferred method for removing low levels of hydrogen sulfide is open air storage tanks and aeration that allow the noxious smelling chemical to escape into the air. Higher hydrogen sulfide levels may be removed using chlorine; however, chlorine treatment also requires aeration in order to remove excess chlorine, chloramines, and other treatment byproducts. As noted earlier, the Grouse Point water system uses no open air storage tanks.

The Company replaced its chlorine injection system with a hydrogen peroxide system. Staff notes that hydrogen peroxide is not widely used for treatment of hydrogen sulfide in domestic drinking water systems. However, unlike chlorination, hydrogen peroxide treatment does not require aeration tanks. Nonetheless, with the exception of intermittent hydrogen sulfide spikes discussed further in customer comments, hydrogen peroxide treatment has been a satisfactory, albeit imperfect, solution to the system's odor problems. Staff believes that this system benefits customers, and that it should be operated and maintained until the Company and Homeowners Association agree to a better solution. Staff estimates the annual costs of operating this system to be \$1,103, or \$213 less than the annual expense computed using the Company's four-year average test year methodology.

The Fire Well

The Company's system is designed to start the fire pump automatically when system water pressure drops below 30 psi, such as occurs when a fire hydrant is opened. The fire pump

produces between 800 and 1,000 gallons per minute, and will thus exceed the Company's allowable pumping rate any time it is operated. Furthermore, because the fire well draws water from the uranium contaminated aquifer, use of the fire pump introduces large quantities of uranium contaminated water into the system. The Company's water right limits its pumping rate to a total of 211 gallons per minute (0.47 cfs) from all of its wells. In normal operation, only the Company's potable water well is used, and the 15 HP pump in this well is incapable of delivering more than 150 gallons per minute. An exception to the Company's 211 gallon per minute pumping limit occurs when there is a fire. Residents may use all available water to extinguish a fire, even if this means temporarily exceeding the Company's maximum permitted pumping rate.

It is possible for customer demand to exceed the 150 gpm capacity of the potable water well, and thus initiate operation of the fire pump, even when no fire emergency exists. This happened in 2013, when the subdivision's allotment from the New York Canal was curtailed, and homeowners switched to the Company's potable water supply in order to irrigate their property. Following IDEQ mandate, the Company informed the Homeowners Association that increased consumption had activated the fire well, and that use of the fire well was introducing uranium into its drinking water. Analysis of hourly electrical consumption data obtained from Idaho Power indicates that the fire pump was activated 336 times in 2013. However, the fire pump has only been activated an average of four times per year in subsequent years. Staff notes that the Company has few options for handling instances of excessive demand, and believes that an inclining block rate structure will discourage users from using the system in a way that activates the fire pump.

The Commission received one comment from a customer concerned with the reliability of the fire protection system. During the investigation, Staff spoke with other customers who indicated that they had observed fire hydrants failing to produce significant water flow when opened. Concerns about the fire system's reliability was a significant discussion topic at Staff's workshop with Grouse Point Customers. During its investigation, Staff learned that although the Company periodically tests operation of the fire pump, it does not perform any routine tests of either the fire hydrants or the limit switches designed to activate the fire pump in the event of an emergency.

The Grouse Point subdivision receives fire protection from the Whitney Fire District. The Whitney fire district inspects and services² the Company's fire hydrants, but does not perform a flow test. Staff contacted the City of Boise, and learned that the Boise City Fire Department can provide flow testing for an annual fee of \$500.³ Staff recommends that the hydrants be tested annually, and includes a \$500 annual expense for flow testing in the revenue requirement. In order to minimize the number of uranium contamination events, Staff recommends that the Company coordinate its fire pump tests with the flow tests conducted by the Boise City Fire Department. Staff also recommends that customers be notified in advance of any flow tests that inject fire well water into the potable drinking water system.

Electrical Power Consumption

The Grouse Point Water Company's plant can be described as a constant pressure system. In normal operation, only the potable water well and 15 HP pump are used to supply water and maintain system pressure. Most small water systems rely on reservoirs, storage tanks, and a system of small booster pumps to maintain pressure when there is no demand for water, so that the main well pump only runs a few hours per day. The Grouse Point Water Company has no such system. Rather, the 15 HP well pump runs almost continuously in order to maintain system pressure, whether or not there is any demand for water. The 15 HP well pump is equipped with a variable frequency drive that decreases power consumption by approximately 60% when there is no demand for water; however, Staff estimates that approximately 90% of the electrical energy consumed by the system is used to maintain system pressure when there is little or no demand for water.

In its Application, the Company states that its power costs have averaged \$4,206 over the period between 2012 and 2015. The Company's unit pumping costs are the highest of any regulated Idaho water utility for which consumption data is available. Over the four-year test period proposed by the Company, costs have averaged \$1.83 per 1,000 gallons of water sold. For comparison, the company with the next highest unit pumping costs, a company with 42

² Whitney Fire Department service typically includes clearing obstructions at the hydrant (bushes, etc.), taking the caps off, bringing up the water, and drainback (water flow back into the system).

³ Boise City Fire Department flow test includes service, plus testing the flow rate at the hydrant.

residents, spends \$0.64 per 1,000 gallons. Other small Idaho water companies typically spend between \$0.20 and \$0.30 per 1,000 gallons.

Staff determined that the Company's large per-gallon pumping costs result from four primary factors: 1) A system design requiring nearly constant operation of the main pump; 2) The rate structure for purchased electrical power; 3) Demand charges associated with periodic testing and maintenance of the fire pump; and 4) A system configuration that does not take full advantage of the energy savings possible with the Company's existing variable frequency drive.

Staff has determined that considerable cost savings are possible with relatively minor adjustments to the existing system configuration. Figures 1a and 1b illustrate hourly power consumption for the years 2012 and 2015, respectively. In 2012, power consumption varied between 2 and 8 kWh per hour, indicating that the variable frequency drive was reducing pump motor speed in response to decreased customer demand. By 2015, power consumption was nearly constant, indicating that the variable frequency drive was no longer responding to decreased demand.

Staff believes that one or more of the following reasons explain the well pump's high electricity consumption: The pressure tank may be pressurized incorrectly, there may be a water leak in the system, or the pump's limit switches may be configured incorrectly.

In its Response to Production Request No. 6, the Company indicated that in 2013, it replaced its 165 gallon pressure tank with a 120 gallon pressure tank. The Company also indicated that when the new tank was installed, its empty pressure was 65 psi. Given the pump's 65 psi upper limit, this tank pressure would never allow the tank to be filled. Staff also notes that the Company has neither inspected the tank, nor measured its pressure since it was installed in 2013 (Response to Production Request No. 9), so it is possible that the tank is empty, and not actually functioning as intended. In either case, the result would be the same: The pump would run continuously.

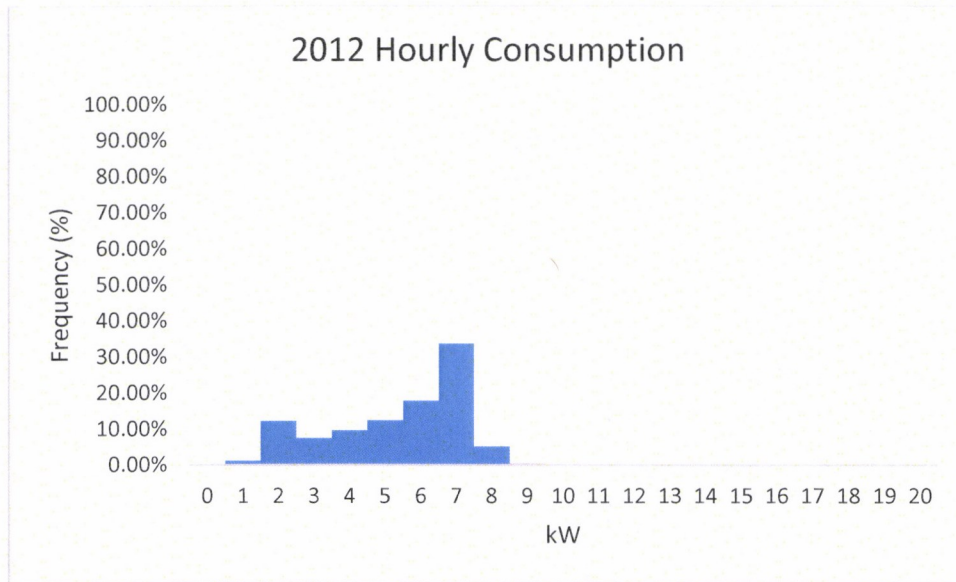


Figure 1a: Histogram of hourly power consumption for Calendar Year 2012.

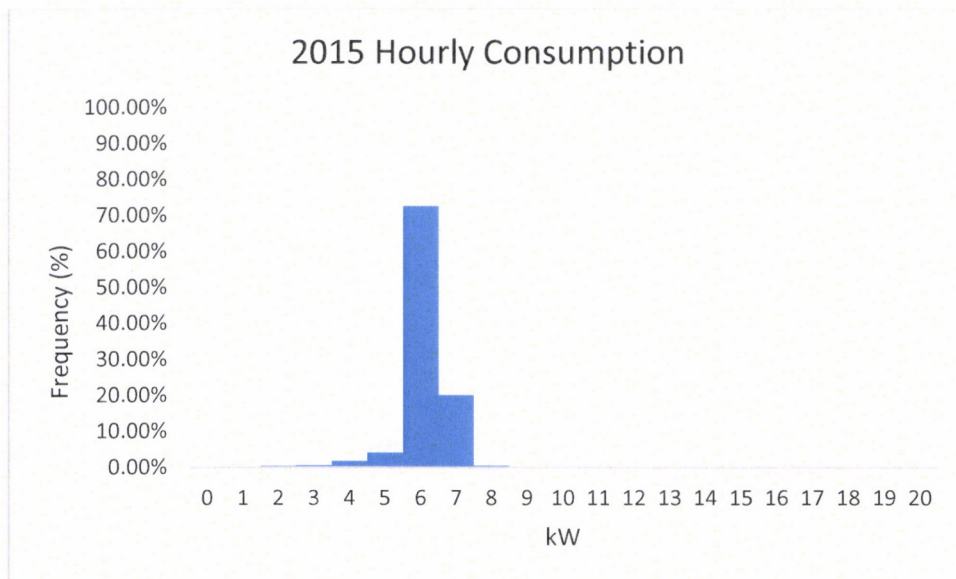


Figure 1b: Histogram of hourly power consumption for Calendar Year 2015.

It is also possible that there is a leak in the system. A leak would place a continuous demand on the system, requiring the pump to operate continuously. During a site visit, Staff noted that the main valve to the old uranium contaminated well is still open, making it possible for pressurized water from the potable water well to leak into both the fire well and the old potable water well. It would also be possible for leaks at the point of use (customer side of the meter) to cause the pump to run continuously. Unfortunately, the master meter on the new

potable water well has been inoperable for several years, making it difficult to ascertain either the existence or provenance of such a leak. Staff recommends that the Commission order the Company to repair and maintain its master meter.

Pump limit switches are typically configured so that there is a 20 psi difference between a pump's low and high pressure limits; however, the Company's system is configured with relatively tight limits of 55 psi and 65 psi. This could cause the pump to run continuously with a small leak. Staff believes that by reconfiguring limit switches to a more standard configuration, properly maintaining the existing pressure tank, and adding a second pressure tank, the power required to meet test year consumption needs would be reduced to \$1,960 per year, or an adjustment of \$2,163 as shown on Attachment D. Staff estimates that these improvements can be made for \$1,500.

The Company takes power under Idaho Power's Schedule 9 (Large General Service). Schedule 9 uses a declining block rate structure whereby the Company pays approximately \$0.10 per kWh for the first 2,000 kWh of energy, and \$0.046 per kWh for each additional kWh. The Company consumes approximately 4,000 kWh per month, so that nearly half of the energy consumed by the Company is purchased at the high \$0.10 per kWh rate. On average, the Company pays \$0.068 per kWh, or about 40% more than the average rate paid by larger water Companies in Idaho Power's service territory.

The Company also pays a monthly demand charge and Basic Load Capacity (BLC) charge for all power in excess of 20 kW. Under normal operation, it is not possible for system demand to exceed 20 kW; however, when the fire pump is operating, system demand may exceed 80 kW. Staff estimates that the incremental increase in demand and BLC charges due to fire pump maintenance and testing to be \$420 per year.

Staff believes that the Company should be permitted to recover the following power costs:

Energy and Related Costs:	\$1,960
Fire Pump related Demand and BLC Charges:	420
Total:	\$2,380

In the Company's last rate case (GPW-W-02-01), Staff was concerned with the Company's high level of power consumption. In that case, the Commission accepted Staff's recommendation to adjust the Company's revenue requirement to reflect a nominal \$0.50 per

1,000 gallons. In the present case, Staff's proposal would effectively increase this to \$1.22 per 1,000 gallons.

Financial Information

The Company reported its financial information on a variety of schedules rather than using Financial Statements as reported to the Idaho Public Utilities Commission in its Annual Reports. The Company submitted a large amount of documentation in written and electronic format. Staff appreciates the Company's electronic responses, which minimized handling of paper documents. Staff determined most supporting documents were reliable. Responding to Audit Request No. 1, the Company replied that it reported on an accrual basis. Staff believes the documentation demonstrates the Company reported on a cash basis. Staff also believes that the Company properly records cash payments and cash receipts.

Accounts Receivable

The Company's responses to Audit Request No. 3 included Schedules of Accounts Receivable Aging for December 31, 2012 through 2015. Staff's analysis revealed the majority of delinquencies were one to 30 days overdue. Staff corrected the reported balances for pre-payments. Additionally for 2015, 16 customers represented 94.4% of all unpaid balances. With a total of 24 customers, 16 delinquent customers equals 66.7%% of all customers. Staff believes this is an extraordinary high delinquency rate. Consequently, Staff performed extended testing of Accounts Receivable Aging for the period August 31, 2012 through 2015 revealing the same delinquency pattern for the entire period. Staff recognizes the revolving nature of Accounts Receivable and believes a large portion of customers have a persistent pattern of delinquency aggravating cash shortages for the Company. Staff recommends the Company pursue more effective collection procedures. Staff encourages the Company to discuss changes with Staff to meet the UCRR requirements when establishing enhanced procedures.

Late payment charges encourage timely payment and help the Company recoup some of the cost of collecting past due bills. The Utility Customer Relations Rules allows a minimum of fifteen days after the bill is issued (bill date) before payment is due. Although the Company did not propose implementation of such a charge, Staff supports adoption of a late-payment charge to encourage prompt bill payment. Staff recommends that the Company be allowed to charge

1% on any past-due balance owed at the time of the next billing statement. This allows a reasonable grace period for customers to pay their bills before a late charge is imposed.

The Company did not propose a returned payment charge when a customer's check or electronic payment is not honored by his/her financial institution due to lack of sufficient funds in an account, a closed account, or some other reason. However, Staff recognizes such a charge is appropriate to allow the Company to recover its cost from the customers causing the cost to be incurred. Idaho Code §28-22-105 allows a company to charge up to \$20.00 for dishonored checks, and the Commission has approved such charges for other utilities. Staff recommends that the Commission approve a \$20.00 returned payment charge.

Results of Operations and Revenue Adjustment

The Results of Operations shows if the Company is operating at a profit or loss. The reported loss of \$13,669 for 2015 is shown on Attachment A. Within the 2015 results, the Company reports Total System Revenue of \$6,438. However, the Revenue Account for 2015 totals \$6,732. This difference of \$294 is from prepayments and other items. Staff believes that incurred expenses are included in reported expenses associated with this \$294 so the revenues should also be included. Staff recommends \$6,732 be used as the proper revenue amount to determine the incremental revenue required.

Repairs and Maintenance Expenses

The Company reported Repairs and Maintenance Expenses totaling \$1,887. In regulatory accounting, repairs differ from maintenance. Maintenance is routine and more predictable. Repairs are irregular and the amounts vary. To reflect a normal repair expense amount an average allowance is used. Attachment B shows the Staff calculated allowance in three steps. First, Staff reclassified the chemical pump from expense (ln. 6) equaling \$1,289 to Plant in Service. The addition to plant in service is included on Attachment F, line 10. Second, Staff added 4 repair items from 2013 and 2014 expenditures (lns. 8-11). Finally, Staff calculated a three-year average of the remaining expenses. The repairs allowance recommended by Staff is \$274 (ln. 15), resulting in a total adjustment of \$1,613.

Administrative Expense

The Company reported Administrative Expenses totaling \$1,925 for the CYE 2015. This total includes accounting expenses, administrative compensation and legal fees. Staff's analysis of the invoice for Legal services revealed there were six charges for services related to the Homeowners' Association. The Homeowners' Association provides irrigation water and has no part in producing potable water. Consequently, Staff removed \$715 for Legal Fees as shown in Attachment C.

Meter Reading and Billing

In 2015, meters were read every two months. The Company reported \$675 in meter reading expenses during 2015. The Company requested monthly meter reading in its Application. Staff believes monthly meter reading will result in more frequent price signals. Staff increased meter reading costs by \$675 reflecting reading meters monthly.

During its investigation, Staff determined that the Company's meter-reading and billing policy does not wholly conform to the Idaho Public Utility Commission's Utility Customer Relations Rules (UCRR), IDAPA 31.21.01. The UCRR requires the Company to read meters on a regular schedule and to base bills on those readings. The Company has stated in response to Staff Production Request Nos. 33 and 34 that it will read meters the second week of each month and mail bills within three (3) days of the meter read. Although the Company indicated that it has not had to estimate bills in the past, it stated that estimated bills would be based on a customer's usage for the previous three months. Given the possible seasonal variability of usage, Staff recommends that estimates be based on usage during that same billing period for the previous year. Per Rule 201.03, UCRR, if usage must be estimated, the customer's billing statement must be clearly marked as "**estimated.**"

The Company's current billing statement does not comply with rules 201.03 and 201.11, UCRR. These rules require that the bill must include the beginning and ending meter readings and itemize all applicable rates and charges. In addition, the bill must include a contact phone number for the Company. Staff recommends that the Company make the necessary changes to its meter reading and billing practices, and revise its new billing statement at the conclusion of this case. Staff will work with the Company to ensure that its policies meet UCRR requirements.

Water Testing

The Company reported water testing expenses for the CYE 2015 totaling \$229. The Company has a nine-year water testing cycle, with 16 water tests. These tests occur at different intervals and the charges are not equal. Thus, the amount reported for Water Testing Expenses during a single year may not be proportional to all charges during the testing cycle. Staff constructed a chart of water testing charges and calculated the nine-year average. The average annualized water testing cost equals \$471. Staff's adjustment increases Water Testing Expenses by \$242, as shown in Attachment E.

Plant in Service

The Company's Worksheet B-Summary lists three items for Plant in Service, with a Net Book Value (NBV) at the CYE 2015 totaling \$96,930. The three items are: Well installed in 2009, a 15 HP Pump installed in 2009 and a 15 HP replacement pump installed in 2013. Staff tested the Company's schedule of Plant in Service and the related depreciation. Staff found two exceptions. First, the Company did not include Customer Meters, as shown in Commission Order No. 29402, dated December 19, 2003. Second, the Company did not retire the plant and continued to depreciate the 15 HP pump installed in 2009 and replaced in 2013. This pump should have been retired as it fails the "used and useful" test. As shown on Attachment F (ln 7), Staff removed the original pump, added the meters (ln. 5) and corrected the accumulated depreciation. Finally, Staff added (lns. 9-11 of Attachment F) the reclassified Capital Expenditures found during the audit of Repairs Expense and Professional Fees Expense for the CYE 2012 through 2015. The Net Book Value, as corrected, totals \$85,907 resulting in a difference of \$11,023 as shown on Attachment F, line 13. The corrected depreciation expense to reflect the Staff recommended plant in service is \$3,572 resulting in an adjustment of \$1,027 as shown on Attachment G.

Amortization of Rate Case Expenses

Details of Company requested Rate Case Expenses are shown on Company Worksheet C, totaling \$25,944. The Company requested a seven-year amortization equaling \$3,706 annually. Staff analysis revealed three items. First, the Rate Case Expenses for the CYE 2015 were routine accounting expenses not rate case expenses. Second, the Rate Case Expenses for the CYE 2017,

totaling \$17,000, were estimated, and not actual, and thus, could not be documented. Third, with a 2015 test year, a large portion of the Rate Case Expenses are for labor and documentation for years not used. Staff notes, Spirit Lake East, with about 300 customers, was authorized a five-year amortization period with annual Amortization of Rate Case Expenses equaling \$800. Staff believes \$800 annually is reasonable and more accurate for this case. This results in an adjustment of \$2,906, as shown on Attachment H.

Revenue Requirement

Grouse Point Water Company, LLC, reported a Rate Base, on Exhibit 1, Schedule C, totaling \$99,056. Staff calculated a Rate Base totaling \$87,775. The difference equals \$11,281 as seen on Attachment I.

The Company requested a 12.0% Rate of Return. Staff recommends an 11.0% Rate of Return. An 11% return on equity reflects current market conditions and is consistent with the return authorized in Order No. 33658 for Morning View Water. This return on equity is the same as the overall rate of return since there is no authorized Company debt.

The Company reported a loss for the CYE 2015 so, the Company reported no Income Tax Expenses. However, Staff's Revenue Requirement for the CYE 2015 includes a taxable Return on Rate Base. Staff grossed the return up to reflect Income Tax Expenses.

The Staff recommended Revenue Requirement is \$28,973 as shown on Attachment J.

Attachment K reconciles the Revenue Requirement requested by the Company and the Revenue Requirement calculated by Staff. This schedule, beginning with account balances for CYE 2015, shows the Staff adjustments and ends with the \$28,973 Staff recommended Revenue Requirement.

RATE DESIGN

Staff believes that the Company's current rate design fails to provide an adequate incentive to limit water use to a level consistent with the capacity of the Company's potable water well. To provide an incentive to reduce water consumption - especially in the warmer months of the year - Staff recommends modifying the current inclining block rate design to collect a larger percentage of revenue based on the volume of water used. Under an inclining block rate structure, usage rates per gallon increase as usage increases.

Existing and Company-proposed rates are illustrated in the following table:

Description of Charge/Rate	Applies to:	Existing Rates	Company Proposed Rates	Percent Change
Customer Charge		\$22.00	\$113.86	417.5%
1 st Tier Usage Rate in (\$/1,000 gallons)	1 st 8,000 gal	No charge	\$1.83	---
2 nd Tier Usage Rate in (\$/1,000 gallons)	Over 8,000 gal	\$0.50	\$5.00	900%

Table 1: Company's Current and Proposed Rates

The Company's proposed rate design recognizes the need for higher usage-based charges. Based on adjusted test-year usage, the Company-proposed rate recovers 87% of revenue through the customer charge, with 13% (8% 1st tier; 5% 2nd tier) of revenue through usage charges.

Under current rates, less than 7% of revenue was collected on the basis of water usage during 2015. Of the 288 monthly bills prepared in 2015, 210 bills (73%) include no usage-based charges; the monthly usage for these 210 bills is less than or equal to the 8,000 gallons provided free of charge. For the remaining 78 bills, usage in excess of 8,000 gallons per month is priced at the current 2nd tier usage rate of \$0.50 per 1,000 gallons. However, the current rate offers practically no incentive to avoid excessive water use. At a usage rate of \$0.50 per 1,000 gallons a customer could fill a 25,000 gallon swimming pool for \$12.50, substantially less than the \$200 national average typically required to fill a backyard swimming pool.

Staff believes that approximately 20% of revenue should be recovered through usage-based charges, more than the 13% recovered volumetrically in the Company's proposal. A larger volumetric recovery percentage is needed to reduce excessive water use and to recognize that some variable (volumetric or usage-based) costs vary directly with the quantity of water consumed. For example, the Company incurs an incremental cost of approximately \$0.56 per 1,000 gallons for electricity and for hydrogen peroxide. A meaningful usage-based charge helps ensure that customers who add variable costs by consuming relative large quantities of water contribute equitably to covering those costs, thus minimizing the subsidization of high-use

customers by low-use customers. Given that rates are calculated based on a given revenue requirement, increased usage rates are offset by a lower customer charge. Shifting more cost recovery to usage-based charges from fixed customer charges does not change the calculated revenue collected from all customers, but it does increase bills for high-use water customers relative to low-use customers, an appropriate and desirable result. However, Staff recognizes that to the extent that new rates are effective in reducing consumption, the Company's revenue collections may fall short of the authorized revenue requirement. If the revenue shortfall is significant, the Company may need to request additional rate relief from the Commission.

Staff's recommended rate design differs from the Company's proposed rate design in three ways. First, Staff's rate design would collect less revenue than the Company's proposed design. Staff's rate design recovers Staff's proposed revenue requirement of \$28,973, which is less than the Company's proposed revenue of \$36,997.

Second, Staff's proposed rate design recovers 19% of revenue through usage charges, as opposed to the 13% recovered volumetrically under the Company's proposed rate design. This provides a further incentive for customers to limit consumption to system capabilities. Recovery of 19% of revenue through usage is consistent with the rate design approved by the Commission for Morning View Water Company in January of this year. Order No. 33698. In that case, 20% of revenue was recovered through usage charges under an inclining block rate design. Finally, Staff proposes three tiers for usage rates, as opposed to two tiers in the Company's proposed design. Staff's proposal is as follows:

Description of Charge	Applies to:	Staff Proposed Rates
Customer Charge		\$82.00
1 st Tier Usage Rate in (\$/1,000 gallons)	1 st 8,000 gallons	\$2.50
2 nd Tier Usage Rate in (\$/1,000 gallons)	Next 12,000 gallons	\$3.75
3rd Tier Usage Rate in (\$/1,000 gallons)	Over 20,000 gallons	\$5.00

Table 2: Staff's proposed rates.

Staff's proposed rate design includes an \$82.00 per month customer charge. Staff's lower proposed customer charge provides customers with better opportunities to manage bills through controlling usage. Assuming monthly usage of 6,000 gallons, which is the average use per customer during the four lowest-use billing months, the current monthly bill is \$22.00. The bill under the Company proposal would be \$124.84 (467% increase), and the bill under the Staff proposal would be \$97.00 (341% increase). Assuming monthly usage of 16,000 gallons, which is the average use per customer during the two highest-use billing months, the current monthly bill is \$26.00, the bill under the Company proposal would be \$168.50 (548% increase), and the bill under the Staff proposal would be \$132.00 (408% increase). The monthly bill under Staff's proposed rate is less than the bill under the Company's proposal for all usage levels.

Relative to the Company proposal, Staff's rate design is more focused on providing a disincentive to the most excessive water use. Customers using over 20,000 gallons per month are probably using water over more hours of the day, which would increase the probability that their use will be coincident with the use of other customers. "Pancaking" of water use over a number of customers could push the system toward the capacity of the potable water well.

PROPOSED FEES, COMPANY POLICIES, AND CUSTOMER RELATIONS

Reconnection Fee

In its Application, the Company requested an increase of its reconnection fee from \$20 to \$65. In response to Staff's Production Request No. 31, the Company elected to change this amount to \$45, which is based on the System Operator's contract rate for one hour of onsite work. Historically, the Commission has allowed a portion of actual costs to be recovered through a direct charge to affected customers. However, the amount requested by the Company is inconsistent with charges authorized by the Commission for other regulated utilities. Staff instead recommends maintaining the \$20 reconnection charge for reconnections following an involuntary disconnection of service for nonpayment during normal business hours. Staff also proposes a \$40 reconnection charge for reconnections following an involuntary disconnection of service for non-payment to be applied when the reconnection is requested outside of normal business hours. These charges are within the range of charges previously approved by the Commission for other regulated utilities under similar circumstances. Staff defines normal business hours as 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding legal holidays. In

addition, Staff recommends that the Company work with Staff to revise its Tariff to describe the circumstances under which a customer may be disconnected.

Meter Testing Fee

Notably, in its Application, the Company requested a new meter testing fee of \$65. In response to Staff's Production Request No. 30, the Company withdrew its request to implement this charge. Staff likewise recommends that there be no charge for meter tests requested by customers.

Tariffs, Notices, and Other Documents

The Company's current Tariff was last updated January 1, 2004, at the conclusion of Case No. GPW-W-02-01. Commission Staff recently revised its Model Tariff, which includes revised General Rules and Regulations and incorporates the Uniform Main Extension Rule for Water Utilities based on Order No. 7830 (Case No. U-1500-22). Staff recommends that the Company update its Tariff using this model.

In response to Staff's Production Request No. 28, the Company indicated that it had adopted a Cross Connection Control Program in March 2017. Because Grouse Point Subdivision has a pressurized irrigation system that connects to several customers' potable water systems, cross connection control is critical.⁴ Staff recommends the Company work with Staff to add the requirements of this new program to its Tariff.

In addition to revising its billing statements and Tariff, Staff recommends that the Company revise or create notices and other documents that comply with the UCRR. In particular, Staff has identified problems with the initial and final disconnection notices, notice of procedure for reconnection, summary of rules, and explanation of rate schedule. Staff recommends the Commission order that the Company work with Staff to revise its Tariff, notices and other documents to ensure compliance with the Commission rules.

⁴ According to IDEQ, "a cross-connection is an actual or potential connection or piping arrangement between a drinking water system and another source that could introduce anything other than the potable water intended to normally supply the system. Cross-connections include bypass arrangements, jumper connections, removable sections, swivel or changeover devices, and other devices that may cause non-potable water to backflow into the potable water supply. Backflow occurs when the normal flow direction of the water system is reversed due to back pressure or back siphonage." DEQ Drinking Water Cross Connections Control Programs Fact Sheet (FS-0416).

Customer Notification

The Company filed a “proposed” customer notice with its Application for a rate increase on February 22, 2017. The notice was not sent to customers before the Application was filed, and Staff found that it did not meet the requirements of Rule 125 of the Commission's Rules of Procedure, IDAPA 31.01.01. Staff worked with the Company to revise the notice, and the Company subsequently included the revised notice with customer bills sent on April 13, 2017. The Company emailed a copy of its customer notice to the list of local media contacts provided by Commission Staff, which included the Idaho Statesman, the Boise Weekly, 670 KBOI Radio, and Channel 2 (KBCI), 6 (KIVI) 7 (KTVB), and 12 (KTRV) News.

Public Workshop

Staff held a public workshop at Kuna City Hall on July 20, 2017. It was attended by more than 20 people. Among the topics discussed at the workshop were concerns about the proposed rates and rate design, issues involving the peroxide water treatment system, and the need for timelier customer notification of exposure to uranium whenever the fire well is used. Where appropriate, Staff has attempted to address these comments and concerns here.

Customer Comments

As of June 8, 2017, 13 comments have been submitted, all of which oppose the rate increase. Two customers did not approve of the proposed tiered rate structure, and one requested a rate reduction after capital expenses were recouped. Four were concerned that the rate increase was to fund a water system that was too large for the current users or that the existing customers were paying for future development.

One customer noted that many who live in the subdivision are retired, with fixed or limited incomes, and expressed concern about the impact of the large rate increase proposed by the Company.

The majority (10) commented on the odor and taste of the water, especially when the treatment system was not working properly. When there are issues with the water treatment system, several customers say that not only is the water undrinkable, but they cannot use it to bathe or wash clothes. Eight customers state they have installed filtration systems in their homes to try to improve the quality of the water. There was concern expressed by four customers that

the Company might discontinue water treatment as a cost-cutting measure. One customer did not feel it is reasonable to require her to pay the proposed rates when she has to flush the pipes in her home up to five times a year to remove discolored water. There were two comments about an HOA meeting with Grouse Point to discuss possible water treatment solutions, noting that no agreement was reached on any proposal. One customer pointed out that the bill does not show the actual usage.

With regard to comments regarding expanding customer base, Staff notes that because the Grouse Point Water Company is very small, each additional customer would result in a 4% increase in revenue. Staff thus recommends that the Commission order the Company to file a new rate case within one year of adding any new customers.

Customer Complaints and Inquiries to Commission

From September 2014 through June 2017, the Commission's Consumer Assistance Staff received one complaint and thirteen inquiries about the Company. In 2014, there were two inquiries about the rate case process, which were prompted by a letter sent by the Company to customers regarding filing a rate case and offering to defer the request to increase rates if all homeowners installed a filtration system to reduce the Company's costs.

In May and June of 2017, there were eleven inquiries related to water quality and safety. The single complaint concerned fire hydrant maintenance and testing. Notably, Staff spoke with each of the commenting customers to better understand their comments and concerns.

STAFF RECOMMENDATIONS

Staff recommends that the Commission approve the Company's Application with the following adjustments:

1. A 2015 pro-forma test year, as described in these comments.
2. A rate base of \$87,775.
3. An 11% return on rate base.
4. An annual revenue requirement of \$28,973, which includes \$1,103 for operating the peroxide system, and \$500 for annual fire testing by the Boise City Fire Department.
5. That the Company coordinate fire pump flow testing with Boise City Fire Department, and notify customers in advance.

6. The rate design proposed by Staff, and shown in Table 2.
7. That the Company be required to file a new rate case within one year of adding any new customers.
8. That the Commission order the Company to repair and maintain its master meter.
9. That the Commission approve the following charges:
 - a) Reconnection charge for reconnections following an involuntary disconnection of service. \$20 for reconnection during normal business hours, and \$40 for reconnection outside of normal business hours.
 - b) A late-payment charge of 1% on any past-due balance owing at the time of the next billing statement.
 - c) A \$20 returned payment charge.
 - d) No charge for meter testing.
10. That the Company make the necessary changes to its meter reading and billing practices to comply with the UCRR.
11. That the Company revise its Tariff to comply with the UCRR, including:
 - a) The Company use the 2017 Model Tariff developed by Staff.
 - b) Add Cross Control Program Requirements.
12. That the Company revise or create the following documents to comply with the UCRR:
 - a) Billing Statement.
 - b) Initial Disconnection Notice.
 - c) Final Disconnection Notice.
 - d) Notice of Procedure for Reconnection.
 - e) Summary of Rules.
 - f) Explanation of Rate Schedule.

Respectfully submitted this

17th

day of August 2017.



Brandon Karpen
Deputy Attorney General

Technical Staff: Michael Morrison
Jolene Bossard
Bentley Erdwurm
Chris Hecht
John Nobbs

i:umisc/comments/gpww17.1bkmmjnbejbcwh comments

Grouse Point Water Company, LLC
Results of Operations
CYE 2015

Attachment A

Expenses subtotal

Worksheet A-Summary

Total System Revenue		\$6,438
Repairs & Maintenance	\$1,887	
Professional Fees	\$7,287	
Utilities - Power	\$4,543	
Insurance Expenses	\$1,181	
Licenses and Fees	\$120	
Telephone Expenses	\$440	

Worksheet D

Depreciation Expense	\$4,599	
Regulatory fee	\$50	
Total Expenses		<u>\$20,107</u>
Gain (Loss)		(\$13,669)

Grouse Point Water Company, LLC
Repairs Expenses
CYE 2015

Attachment B

Line	Item	Date	Ref No.	Description	Reported	subtotals	Difference	Total
Company								
1	Contr Svs -Prof (Pt 1)							
2	Dykman Electrical	03/31/15	356801	Pum Stn Cntrl & Lbr	\$1,289			
3	Home Depot	04/21/15	Inv+Rtapes	Elec Water Htr	\$570			
4	Darren Braden	05/04/15	Reg Tapes	Wtr Htr Instal Kit	\$28			
5	subtotal					\$1,887		\$1,887
Staff								
6	Dykman Electr	03/31/15	356801	Capitalize Pump Stn		(\$1,289)		
7	Difference						\$598	
8	Valley Hydro, Inc	03/31/14	3081	Fire Pump Labor	\$45			
9	Valley Hydro, Inc	10/30/14	3261	Fire Well Labor	\$68			
10	Valley Hydro, Inc	09/30/13	2913	Fire Pump Labor	\$45			
11	Valley Hydro, Inc	8/1/2013	2863	ChemPump labor	\$68			
12	subtotal					\$225	\$225	
13	Adjusted Amount						\$823	
14	Divisor						3	
15	3 Year Avg							\$274
16	Audit Adjustment							\$1,613

Grouse Point Water, LLC
Administrative Expenses
CYE 2015

Attachment C

	Date	Amount	subtotal	Adjusted Total
Company				
Account Balance			\$1,925	
Staff				
Phone Conf Re: HOA	9/14/14	\$47.67		
E-Mail Re: HOA	09/24/14	\$23.83		
Phone Conf Re: HOA	10/22/14	\$95.33		
Phone Conf Re: HOA	10/27/14	\$47.67		
HOA eveng Board Mtg	10/28/14	\$476.67		
Review Status	02/13/15	\$23.83		
audit adjustment			(\$715)	
difference				\$1,210

Grouse Point Water, LLC
Utilities - Power
CYE 2015

Attachment D

Company	Balance	EffAdj	Adj Total
Utilities - Power	\$4,123	(\$2,163)	\$1,960
Utilities - Fire Pump	\$420		\$420
Total	\$4,543	(\$2,163)	\$2,380

Grouse Point Water Company, LLC
 Water Testing Expense
 CYE 2015

Attachment E

Test	Frequency	No. Tests 9 Yr Cycle	Cost per Test	Total Cost/Cycl	Avg Cost/Yr	Audit Adjustmt
Well No. 1						
Nitrate	Annual	9.0	\$18.00	\$162.00	\$18.00	
Well No. 2						
Nitrate	Annual	9.0	\$18.00	\$162.00	\$18.00	
Well No. 3						
Nitrate	Annual	9.0	\$18.00	\$162.00	\$18.00	
Nitrite	1 in 9 Yrs	1.0	\$17.00	\$17.00	\$1.89	
Alpha	1 in 9 Yrs	1.0	\$70.00	\$70.00	\$7.78	
Uranium	1 in 9 Yrs	1.0	\$30.00	\$30.00	\$3.33	
VOCs Group	1 in 6 Yrs	1.5	\$190.00	\$285.00	\$31.67	
Arsenic	1 in 3 Yrs	3.0	\$21.00	\$63.00	\$7.00	
Sodium	1 in 3 Yrs	3.0	\$13.00	\$39.00	\$4.33	
Flouride	1 in 3Yrs	3.0	\$16.00	\$48.00	\$5.33	
Inorganic Contaminants Phs 2	1 in 3 Yrs	3.0	\$104.00	\$312.00	\$34.67	
Inorganic Contaminants Phs 5	2 in 3 Yrs	3.0	\$76.00	\$228.00	\$25.33	
Volatile Organic Contaminants	1 in 6 Yrs	3.0	\$190.00	\$570.00	\$63.33	
Distribution System						
Total Coliform	Monthly	108	\$15.00	\$1,620.00	\$180.00	
Copper	4 in 3 yrs	12	\$13.00	\$156.00	\$17.33	
Lead	5 in 3 yrs	15	\$21.00	\$315.00	\$35.00	
subtotal					\$471.00	
Reported-Worksheet A-Summary					\$229.00	
Difference						\$242

Grouse Point Water Company, LLC
Plant in Service
CYE 2015

Attachment F

Line		Date	Hist Cost	AccDepr	NBV	subtotal	Amount
	Worksheet B-Summary						
1	Well	2009	\$84,416	(\$17,137)	\$67,279		
2	15 HP Pump	2009	\$34,602	(\$12,111)	\$22,491		
3	Repl 15 Hp Pump	2013	\$8,423	(\$1,263)	\$7,160		
4	subtotal - Company		\$127,441	(\$30,511)		\$96,930	
	Staff						
5	Customer Meters	1996	\$3,453	(\$2,302)	\$1,151		
6	Well	2009	\$84,416	(\$17,136)	\$67,280		
7	15 HP Pump	2009	\$34,602	(\$34,602)	\$0		
8	Repl 15 Hp Pump	2013	\$8,423	(\$1,053)	\$7,370		
9	Cap Exp - Fire Well/Pump	2012 to 2015	\$8,301	(\$1,285)	\$7,016		
10	Cap Exp - Chem Pump	2012 to 2015	\$2,580	(\$258)	\$2,322		
11	Cap Exp - VFD	2012 & 2015	\$866	(\$98)	\$768		
12	subtotal		\$142,641	(\$56,734)		\$85,907	
13	Difference						\$11,023

Grouse Point Water Company, LLC Attachment G
 Depreciation Expense
 CYE 2015

Company	Amount	subtotal	Audit Adjustmt
Wells	\$2,448		
15 HP Pump - 2009	\$1,730		
15 hP Repl Pump	<u>\$421</u>		
subtotal		\$4,599	
Staff			
Meters	\$115		
Well #3	\$2,448		
15 HP Pump - 2009	\$0		
15 hP Repl Pump -2013	\$421		
Reclass -Firepump/Well	\$415		
Reclass- Chem Pump	\$130		
Reclassified - VFD	<u>\$43</u>		
subtotal		<u>\$3,572</u>	
Difference			\$1,027

Grouse Point Water Company, LLC
Amortization of Rate Case Expenses
CYE 2015

Attachment H

	Yrs	Amount	AnnAmtz	Audit Adjstmt
Company	7	\$25,944	\$3,706	
Staff				
2015 - Acctg Expenses		(\$1,647)		
2017- Estimates		<u>(\$17,000)</u>		
subtotal		(\$18,647)		
Adjust to SLE		<u>\$22,645</u>		
subtotal	5	<u>\$3,998</u>	\$800	
Difference	2			\$2,906

Grouse Point Water Company, LLC
Rate Base
CYE 2015

Attachment I

	Staff	GPW	Difference
Plant in Service	\$142,641	\$127,441	\$15,200
Accumulated Depr	(\$56,734)	(\$30,511)	(\$26,223)
subtotal	\$85,907	\$96,930	(\$11,023)
CIAC	\$0	\$0	\$0
subtotal	\$85,907	\$96,930	(\$11,023)
Working Capital	\$1,868	\$2,126	(\$258)
Total	\$87,775	\$99,056	(\$11,281)

Working Capital Calculation

Total Expenses	\$18,518
less non-cash: Depr Expense	(\$3,572)
subtotal	\$14,946
Divisor, 1/8th Rule	8
Working Capital	\$1,868

Grouse Point Water Company, LLC
Revenue Requirement
CYE 2015

Attachment J

Rate Base	\$87,775	
Rate of Return	11.00%	
Return on Investment	\$9,655	
Net Operating Loss	\$9,061	
Net Operating Income Deficiency	\$18,716	
Net Operating Loss	\$9,061	
Deficiency not subject to Gross Up		\$9,061
Deficiency Subject to Gross Up	\$9,655	
Gross Up Factor	128.22%	
Grossed Up Deficiency	\$12,380	
Operating Revenue Deficiency	\$21,441	
Rate Case Expenses	\$4,000	
5 Year Amortization	\$800	
Total Revenue Deficiency	\$22,241	
Test Year Revenue at Current Rates	\$6,732	
Total Revenue Requirement	\$28,973	

Gross Up Calculation	
Net Deficiency	100.00%
PUC Fees	0.27%
Bad Debts	0.00%
subtotal	99.73%
State Tax at 8.0%	7.98%
Federal Taxable	91.75%
Federal Taxable at 15%	13.76%
Net After Tax	77.99%
Net to Gross Multiplier	128.22%

Grouse Point Water Company, LLC

Attachment K

Audit Adjustments

GPW-W-17-01

Test Year CYE 2015

	GPW	Enginrg	FireTstg	Repairs	Legal	MtrRdng	WatrTstg	Depr	Return	IncTxs	RtCsExp	Adjusted Totals
CYE 2015												
Worksheet A - Summary												
Repairs & Mntc	\$1,887			(\$1,613)								\$274
Prof fees - Admin	\$1,925				(\$715)							\$1,210
Prof fees - Mtr Readg	\$675					\$675						\$1,350
Profes - Watr Op Svs	\$3,054											\$3,054
Profes - FirPump Ops	\$88		\$500									\$588
Profes - Chemicals	\$1,316	(\$213)										\$1,103
Profes - Water Testg	\$229											\$471
Utilities - Power	\$4,543	(\$2,163)					\$242					\$2,380
Insurance Expenses	\$1,181											\$1,181
Licenses & Fees	\$170											\$170
Telephone Expenses	\$440											\$440
subtotal	\$15,508	(\$2,376)	\$500	(\$1,613)	(\$715)	\$675	\$242	\$0	\$0	\$0	\$0	\$12,221
Worksheet D												
Depreciation Expense	\$4,599							(\$1,027)				\$3,572
subtotal- No Taxes	\$20,107	(\$2,376)	\$500	(\$1,613)	(\$715)	\$675	\$242	(\$1,027)	\$0	\$0	\$0	\$15,793
Income Txs	\$0									\$2,725		\$2,725
subtotal - All Expenses	\$20,107	(\$2,376)	\$500	(\$1,613)	(\$715)	\$675	\$242	(\$1,027)	\$0	\$2,725	\$0	\$18,518
Return on Rate Base	\$11,632								(\$1,977)			\$9,655
Amtz-RatCs Exp	\$3,706										(\$2,906)	\$800
Staff Rev Req	\$35,445	(\$2,376)	\$500	(\$1,613)	(\$715)	\$675	\$242	(\$1,027)	(\$1,977)	\$2,725	(\$2,906)	\$28,973
Diff Avg Exp & CYE 2015	\$1,552											
GPW Request Rev Req	\$36,997											

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 17TH DAY OF AUGUST 2017, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. GPW-W-17-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

TIM FARRELL, P.E.
LISA WANNER
GROUSE POINT WATER COMPANY, LLC
PO BOX 9906
BOISE ID 83707
E-MAIL: kgillespie@mountainwtr.com



SECRETARY

CERTIFICATE OF SERVICE