DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

MYRNA WALTERS

TONYA CLARK

DON HOWELL

STEPHANIE MILLER

DAVE SCHUNKE

BOB SMITH

GEORGE FINK

DAVID SCOTT

WORKING FILE

FROM:SCOTT WOODBURY

DATE:JULY 20, 1998

RE:CASE NO. MCG-W-98-1

MCGUIRE ESTATES WATER COMPANY

APPLICATION FOR RATE INCREASE

On June 23, 1998, the Commission issued a Notice of Proposed Order in Case No. MCG-W-98-1 (attached).  By its Proposed Order the Commission recognizes a revenue deficiency of $3,421 and authorizes a 25.7% increase in rates.  The deadline for filing comments was July 15, 1998.  Timely comments were filed by three customers.  (attached)

The commenting parties all express concern regarding system water pressure.  All express a belief that the system facilities need to be maintained and upgraded.  Specific concerns  raised and addressed were regarding: (1) the Company’s lawn watering schedule (alternate days; time of day); (2) fire hydrant capabilities; (3) secondary contaminants (rust); (4) lack of system looping; (5) owner indifference (attitude) and (6) testing expense.

In its Proposed Order the Commission expressly stated:

Regarding customer comments, the Commission notes that concerns regarding adequate pressure for fire flows is a safety issue that should be directed to the State Fire Marshall, area fire authorities or the Idaho Department of Water Resources.  The State establishes minimum pressure requirements for fire flows.

The Company was provided with copies of the customer comments.  The Company’s  written responses are attached.  Also attached is a recent customer survey letter.

Commission Decision

The customers filing comments believe that no rate increase should be granted unless it is tied to system maintenance and upgrade.  Staff’s position and recommendations are set forth in the Proposed Order.  Staff’s recommendations remain unchanged.

Does the Commission continue to find that it is reasonable to process this matter without hearing?

Should the language of the Proposed Order be augmented, modified or changed to address issues raised by the commenting parties?  If so, in what manner?  If not, should the Proposed Order be prepared for signature?  The Commission in its Proposed Order established an August 1, 1998 effective date.

Scott Woodbury

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