

DECISION MEMORANDUM

TO: COMMISSIONER KEMPTON
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: NEIL PRICE
DEPUTY ATTORNEY GENERAL

DATE: FEBRUARY 19, 2010

SUBJECT: APPLICATION OF MURRAY WATER WORKS SYSTEMS,
CASE NO. MUR-W-10-01

On January 13, 2010, Murray Water Works Systems (“Murray” or “Company”) filed an Application requesting authority from the Commission to increase its rates and charges for water service. The Application included a copy of the Company’s 2008 Annual Report and copies of water bills from other water companies operating in the nearby area, including the East Shoshone Water District, as attachments. The Application did not include a proposed effective date for these changes.

THE APPLICATION

The Applicant, Company President Arlen Lish, states in the Application that certain capital improvements (e.g., new water meters) are needed in order to isolate water leakage and control summer water usage. Mr. Lish states that he was compelled to “hire a leak detector from Spokane, Washington to find a leak that a customer knew was leaking at a cost of \$1,000.00 to the company.” Specifically, the Applicant claims that a general increase in rates and charges is needed in order to “invest in machinery and do upkeep on the system.” Mr. Lish also estimates that he has invested \$15,000 and 360 hours of labor installing a new water main through the town of Murray, Idaho.

The Applicant made the following requests regarding rate design and structure:

1. **Schedule 1 and Schedule 3** – Rates for residential water use to be increased from \$26.00 per month to \$40.00 per month. Rates for commercial customers to be increased from \$24.00 per month for all commercial customers to \$60.00 per month for a 1” service line and to

\$75.00 per month for a 2" service line. The Company is also asking for an increase in hookup fees from \$800.00 to \$2,000.00 plus parts and labor; and a new charge of \$5.00 monthly charge for inactive customers.

2. **Schedule 2** – An increase in the turn on/turn off fee for March 1 to October 1 from \$25.00 to \$50.00, and an increase in the turn on/turn off fee for October 1 to March 1 from \$50.00 to \$75.00.

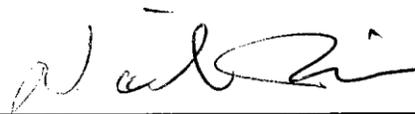
The proposed rates represent an increase of 54% for residential customers and an increase of 131% for commercial customers with a 1" service and 188% for commercial customers with a 2" service line effective January 10, 2010.

STAFF RECOMMENDATION

Staff has reviewed Murray's Application and has prepared a Customer Notice. As stated above, the Applicant has not submitted a proposed effective date for the proposed rate increase. However, Staff recommends that the Application be processed through Modified Procedure and believes that a 45-day comment period would provide adequate time for notice of the Company's Application, investigation and public comment.

COMMISSION DECISION

Does the Commission wish to process Murray's Application through Modified Procedure and issue a Notice of Application and Modified Procedure with a 45-day comment period?



Neil Price
Deputy Attorney General

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