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Attorney for the Commission Staff

## BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION	)	
OF TERRA GRANDE WATER FOR	)	CASE NO. TGW-W-05-2
APPROVAL OF TARIFF SCHEDULE	)	
NUMBER 2 AND 3 FOR NEW SERVICE	)	
CONNECTIONS AND RECONNECTION	)	COMMENTS OF THE
FEES.	)	COMMISSION STAFF
	)	

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**COMES NOW** the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Donovan E. Walker, Deputy Attorney General, in response to the Notice of Application and Notice of Modified Procedure issued in Order No. 29809 on June 23, 2005, and submits the following comments.

### BACKGROUND

On May 24, 2005 Terra Grande Water (TGW) submitted Tariff Schedules No. 2 and No. 3 regarding new service connections and reconnection fees respectively. Tariff Schedule No. 2 deals with new service connections to the Company's system, and was resolved as a tariff advice pursuant to Order No. 29809.

Tariff Schedule No. 3 deals with reconnection fees. This schedule proposes a reconnection fee of \$65.00 during the office hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, and \$100.00 for after hours reconnections. The Company states that this schedule was submitted because the Company does not currently have a schedule detailing charges for reconnection fees.

As a small water company with a small customer base, Terra Grande states that it cannot afford to absorb the immediate financial hit it will take if it must perform reconnection without a means to recover its costs.

### **STAFF ANALYSIS - Tariff Schedule No. 3**

Staff has reviewed other water company reconnect tariffs approved by the Commission and studied the time, effort and costs likely to be incurred by TGW to reconnect a customer. Based on this review, Staff believes that the amounts proposed by TGW for its reconnect tariff are excessive.

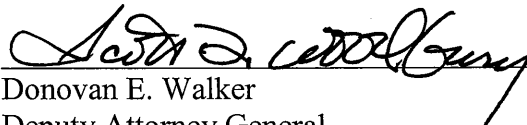
TGW has proposed a reconnect tariff of \$65.00 during business hours and \$100.00 for after business hours. The rates proposed by TGW are based on charges from the plumber who serves TGW for maintenance, repairs and reconnection. The reconnection charges are documented in a letter from D & D Plumbing in Attachment No. 1. Staff finds D & D Plumbing's rates to be consistent with hourly rates charged by a licensed plumber for service to a residential customer. However, some of the work being done, as discussed with the owner and TGW's plumber, may include installing a valve, vault or other equipment and goes beyond what Staff would normally include in a reconnection charge. Furthermore, there is no reason to believe that the reconnect work (accessing and turning a valve when there is no meter to be removed) requires an hour of time, even when including travel time (the distance from D & D's business address to the TGW service area is 4.5 miles with a driving time of 10 minutes). Staff has estimated a reasonable time of 30 minutes to perform the reconnect service, which includes 10 minutes travel each way and 10 minutes for the reconnect. Additionally, there is no reason that this work needs to be performed by a licensed plumber. A helper or other employee could be used for this work. A helper being paid \$20.00 per hour with a wage multiplier of 2.0 for overheads and profit would result in a cost to TGW of \$20.00 for the half hour service. This amount is also supported by a review of the approved reconnection tariffs at other water companies, which shows that the average reconnection charge is approximately \$20.00 during business hours and \$30.00 after business hours.

Staff's review also found an unusual service condition where only 50 % of the customers have a vault with a shut-off valve installed. TGW is installing new vaults and meter sets on an as needed basis. Staff believes this is appropriate. In particular, a meter vault, shut-off valve and meter set should be installed, where they do not already exist, any time work is required on a service.

## STAFF RECOMMENDATION

Staff recommends approval of a reconnection charge under Tariff Schedule No. 3 of \$20.00 during normal business hours and \$30.00 for non-business hours. These recommended amounts are lower than the \$65 and \$100 respectively requested by the Company.

Respectfully submitted this 13<sup>th</sup> day of July 2005.

  
for Donovan E. Walker  
Deputy Attorney General

Technical Staff: Harry Hall  
Carol Cooper  
Donn English

i:umisc:comments/tgww05.2dwdehhcc

**D & D Plumbing  
5182 S Valley St  
Boise, ID 83709  
208-375-4586**

**June 24, 2005**

**To Whom It May Concern:**

**Connecting or reconnecting a water service requires a service call.**

**A service call is \$65.00 minimum which is up to one hour including travel time. This is for a call between the hours of 8:00 am to 5:00 pm. All after hours work is charged at \$97.50 an hour.**

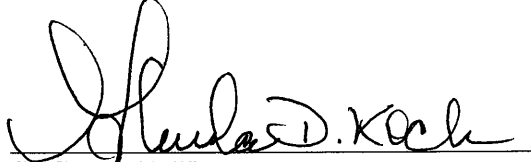
**ATTACHMENT 1  
CASE NO. TGW-W-05-2  
STAFF COMMENTS  
7/14/05**

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 13TH DAY OF JULY 2005,  
SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE  
NO. TGW-W-05-2, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE  
FOLLOWING:

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SECRETARY

CERTIFICATE OF SERVICE