

Jean Jewell

From: Ron Stadley [ron@allservron.com]
Sent: Friday, July 26, 2013 10:35 AM
To: Jean Jewell
Cc: Jean Jewell; Karl Klein
Subject: Troy Hoffman Rate Case
Attachments: Corrected Pages.pdf

Case No. TRH-W-13-01

To Whom It May Concern:

Please see attached corrected pages. We are filing them to correct our Application.

Let us know if you have any questions.

Thanks,

Anne Weadick

Troy Hoffman Water
710 W Dalton Ave, Suite J
Coeur d'Alene, ID 83815
208-664-9858 Office
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2013 JUL 26 AM 10:59
IDAHO PUBLIC UTILITIES COMMISSION

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Troy Hoffman Water Corporation
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Coeur d'Alene, ID 83815
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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
TROY HOFFMAN WATER CORPORATION)
FOR AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR WATER SERVICE IN)
THE STATE OF IDAHO.)**

CASE NO. TRH-W-13-01

COMES NOW Troy Hoffman Water Corporation, hereinafter referred to as "Applicant" or "THWC" and holder of Certificate of Public Convenience and Necessity No. 280 from the Idaho Public Utilities Commission or "IPUC", hereby applies to the Commission for authorization to increase its rates and charges for water service. THWC requests the Application be processed under Modified Procedure.

Applicant is a Corporation duly qualified to do business in Idaho. The Applicant provides water service to 146 residential and 1 commercial customers in the city of Coeur d'Alene in Kootenai County, Idaho.

Application is made to the Commission to authorize a general **34%** increase in water rates as follows:

Increase metered residential rates from \$11.80 per month plus \$1.10 per 1,000 Gal for all consumption in excess of 5,000 per month to \$ **15.76** per month plus \$ **1.47** per 1,000 Gal for all consumption in excess of 5,000 Gal per month.

Increase metered commercial rates from \$15.50 per month plus \$1.10 per 1,000 Gal for all consumption in excess of 5,000 Gal per month to \$ **26.70** per month plus \$ **1.47** per 1,000 Gal for all consumption in excess of 5,000 Gal per month.

Applicant requests that such changes in rates and charges be effective on January 1, 2014.

Applicant hereby certifies that it has notified its customers of the Application by inserting a notice with the Consumer Confidence Report mailed on July 1, 2013. A similar notice has been published in the Coeur d'Alene Press on July 4, 2013. Copies of these notices are included with this Application.

In addition to the recommendation of the IPUC to apply for a rate increase approximately every three years, based upon the test year ended December 31, 2012 Applicant believes its proposed increase in rates and charges is justified because operating expenses continue to exceed income due to the fact that there was a 15 year period between 1996 and 2011 in which no rate increases were done even though operating expenses continued to increase. The last rate increase effective January 1, 2011, helped to partially bridge the gap but did not entirely do so.

Troy Hoffman Water Company
Calculation of Revenue Requirement

		Company	
		(A)	(B)
1	Rate Base	\$	40,180
2	Rate of Return		8.47%
3	Net Operating Income Requirement	\$	3,403
4	Net Operating Income Realized	\$	(9,003)
5	Net Operating Income Deficiency	\$	12,406
Revenue Requirement Increase to			
6	Overcome Loss	\$	9,003
7	Incremental PUC Fees @ 0.1662%	\$	15
8	Gross Revenue Requirement to Overcome Loss	\$	9,018
Revenue Requirement Increase			
9	Subject to Income Tax	\$	1,040
10	Tax Gross-up Factor		128.09%
11	Not Subject to Income Tax	\$	2,364
12	PUC and Bad Debts Gross Up Factor		100.17%
	Required Revenue Requirement Increase	\$	3,699
13	Revenue Increase Required	\$	12,717
14	Amortize Rate Case Expenses		
15	Total Revenue Increase Required	\$	12,717
16	Total Revenue Collected in Test Year	\$	37,900
17	Revenue Increase %		33.56%

Tax Gross-up Factor Calculation

Gross-up Factor Calculation

18	Net Deficiency		100%
19	PUC Fees		0.1662%
20	Bad Debts		0.0000%
21	Taxable Amount		99.8338%
22	State Tax @ 8%		7.9867%
23	Federal Taxable		91.8471%
24	Federal Tax @ 15%		13.7771%
25	Net After Tax		78.0700%
26	Net to Gross Multiplier		128.09%

Troy Hoffman Water Corporation, Inc.
Sheet 1 Revision ---
Replaces All Previous Sheets

RATE SCHEDULE NO. 1

METERED WATER RATES

Monthly Rates:

- 1) Residential 3/4" and 1" Meters
 - First 5,000 Gallons ~~-\$11.80-~~ \$15.76
 - Each Additional 1,000 Gallons ~~-\$1.10-~~ \$1.47

- 2) Commercial 1" Meters
 - First 5,000 Gallons ~~-\$15.50-~~ 20.70
 - Each Additional 1,000 Gallons ~~-\$1.10-~~ 1.47

NOTE:
Bills for water service will be rendered bi-monthly and are payable within twenty (20) days of the billing date.

Issued 12/28/10
Effective 01/01/11

Issued by: Troy Hoffman Water Corporation, Inc.
Ron Stadley, President
