

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION</b>	)	
<b>OF TETON SPRINGS WATER AND SEWER</b>	)	<b>CASE NO. TTS-W-08-01</b>
<b>COMPANY, LLC FOR THE ISSUANCE OF A</b>	)	
<b>CERTIFICATE OF CONVENIENCE AND</b>	)	<b>NOTICE OF APPLICATION</b>
<b>NECESSITY, FOR APPROVAL OF RATES</b>	)	
<b>AND CHARGES FOR WATER SERVICE,</b>	)	<b>NOTICE OF</b>
<b>AND FOR APPROVAL OF RULES AND</b>	)	<b>INTERVENTION DEADLINE</b>
<b>REGULATIONS GOVERNING THE</b>	)	
<b>RENDERING OF WATER SERVICE</b>	)	<b>ORDER NO. 30571</b>

On May 20, 2008, Teton Springs Water and Sewer Company, LLC (Teton Springs; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting that the Commission issue it a Certificate of Convenience and Necessity. *Idaho Code* § 61-526; IDAPA 31.01.01.111. The Company also requests that the Commission approve a change in existing rates and charges for water service and approve the Company’s proposed Rules and Regulations Governing the Rendering of Water Service.

The Commission in this Order finds that Teton Springs Water and Sewer Company, LLC is being operated in such a manner as to bring it within the jurisdiction of the Commission under Title 61, Idaho Code; *Idaho Code* §§ 61-124, 61-125, 61-129. We further find that the present and/or future public convenience and necessity requires issuance of Certificate of Convenience and Necessity No. 475 to Teton Springs Water and Sewer Company, LLC. Reference *Idaho Code* §§ 61-526, 61-528; IDAPA 31.01.01.111. We authorize continued water service under the existing flat rate and suspend the proposed change in rates and charges for a period of thirty (30) days plus five (5) months from June 20, 2008, or until such earlier time as the Commission may issue an Order accepting, rejecting, or modifying the Application in this case.

**NOTICE OF APPLICATION**

**Certificate of Convenience and Necessity**

As reflected in the Company’s Application, YOU ARE HEREBY NOTIFIED that Teton Springs requests a Certificate of Convenience and Necessity to provide domestic, culinary water service in Teton County, Idaho to customers within the Teton Springs Golf and Casting

Club planned unit development (Teton Springs Resort Community). *Idaho Code* §§ 61-125 (Water Corporation); 61-129 (Public Utility) and 61-526 (Certificate of Convenience and Necessity) and Rule 111 of the Commission's Rules of Procedure, IDAPA 31.01.01.111. The Teton Springs development consists of 581 single-family building lots, 14 commercial lots, and 2 multi-family dwellings which will contain 143 residential units at full build-out. The development is an all-season resort community. Teton Springs currently serves 194 residential customers, 5 commercial customers and 73 multi-family unit customers. The Teton Springs water system consists of two wells, a water storage reservoir, water mains, hydrants, and service lines. The legal description and map of the proposed service area is set out in Application Exhibits B and C.

**Proposed Rates and Charges**

As reflected in the Company's Application, YOU ARE FURTHER NOTIFIED that Teton Springs presently charges active residential and commercial customers an unmetered flat rate of \$240 per quarter. Active residents of multi-family units are presently assessed a flat rate of \$80 per quarter. Teton Springs proposes to change rates for existing customers and to assess a new Availability Charge for inactive residential and commercial customers whose property fronts an existing main, but who have not connected to the system, as reflected below.

Description	Number of Active Customers	Current Rates/Quarter	Proposed Quarterly Rates
Unmetered Residential: Total No. of Single-family lots: 581 Total No. of Inactive Lots: 387	194 --	\$240.00 --	Flat rate service: \$150.00 Availability charge: \$75.00
Unmetered Commercial: Total No. of Commercial Lots: 19 Total No. of Inactive Lots: 14	5 --	\$240.00 --	Flat rate service: \$450.00 Availability charge: \$225.00
Unmetered Multi-Family: Total No. of Multi-Family Units: 143	73	\$80.00	Flat rate service: \$150.00 Availability charge: -0-

Stating that it does not presently have sufficient water consumption data, the Company proposes to charge customers initially under a flat rate rather than a metered rate.

**Additional Fees and Charges**

As reflected in the Company's Application, YOU ARE FURTHER NOTIFIED that the following additional charges and fees are also proposed:

Schedule No. 1A: *DEQ Fee* (recovered in tariff water rates)

Schedule No. 2: *Miscellaneous Fees and Charges*

- 1) Return check charge: \$20.00 each occurrence
- 2) Reconnection charge for non-payment terminations:  
During normal business hours       \$ 50.00  
Other than normal business hours   \$100.00
- 3) Field collection trip charge – applicable to customers who pay outstanding bills for service at the time Company personnel arrive at customer's premises to terminate service: \$50.00

Schedule No. 3: *Bulk water sold to contractors.*

- 1) Backflow Prevention Device Rental Charge – \$25.00 per day
- 2) Bulk Water Charge – \$25.00 per day.

Schedule No. 4:

- 1) Base Hook-up Fee: \$1,500
- 2) Uncollected Availability Charge  
In the event any customer fails to pay the Availability Charge as required by Schedule No. 1 . . .

**Proposed Rules and Regulations Governing the Rendering of Service**

YOU ARE FURTHER NOTIFIED that included with the Company's Application are proposed Rules and Regulations governing the rendering of service. The following subject areas are addressed in the Rules and Regulations: Application for Service; Service Connection; Meters; Bills; Discontinuance of Service; Customer Deposits; Service for Construction Purposes; Application and Rules Are Contract; Fire Protection; and Miscellaneous.

**NOTICE OF INTERVENTION DEADLINE**

YOU ARE FURTHER NOTIFIED that **persons desiring to intervene** in this case for the purpose of becoming a party, i.e., to present evidence, to acquire rights of cross-examination,

to participate in settlement or negotiation conferences, and to make and argue motions **must file a Petition to Intervene** with the Commission pursuant to Rules 72 and 73 of the Commission's Rules of Procedure, IDAPA 31.01.01.072-073. **The deadline for filing a Petition to Intervene is Friday, June 27, 2008.** Persons seeking intervenor status shall also provide the Commission Secretary with their electronic mail address to facilitate future communications in this matter.

YOU ARE FURTHER NOTIFIED that the following persons are designated as Teton Springs' representatives in this matter:

Dean J. Miller	Jon Penardi
McDevitt & Miller LLP	Director
420 W. Bannock Street	Teton Springs Water and Sewer
PO Box 2564 (83701)	Company, LLC
Boise, ID 83702	75 West 950 South, Suite 3
E-mail: <a href="mailto:joe@mcdevitt-miller.com">joe@mcdevitt-miller.com</a>	Victor, ID 83455

YOU ARE FURTHER NOTIFIED that the Company's Application in Case No. TTS-W-08-01 and supporting exhibits and testimony may be viewed online at [www.puc.idaho.gov](http://www.puc.idaho.gov) by clicking on "File Room" and "Water Cases," or can be viewed during regular business hours at the offices of the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho or at the office of Teton Springs located at 75 West 950 South, Suite 3, Victor, Idaho 83445.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

#### COMMISSION FINDINGS

The Commission has reviewed and considered the filings of record in Case No. TTS-W-08-01. Based on the established record, we find that Teton Springs is operating as a water corporation and presently provides domestic culinary water service to customers in the Teton Springs Resort Community in Teton County, Idaho and is a public utility as defined by Idaho law. *Idaho Code* §§ 61-124, 61-125, 61-129. Based on our findings, the Company's request for a Certificate, and acquiescence to Commission jurisdiction, this Commission finds it reasonable to issue Certificate of Convenience and Necessity No. 475 to Teton Springs Water and Sewer Company, LLC. Reference *Idaho Code* §§ 61-526, 61-528; IDAPA 31.01.01.111.

NOTICE OF APPLICATION  
NOTICE OF INTERVENTION DEADLINE  
ORDER NO. 30571

Teton Springs has submitted a proposed schedule of rates and charges for water service to become effective on and after June 20, 2008. We find the Application is of sufficient importance and complexity to require the Commission's investigation into the reasonableness of the proposed rates and charges. The Commission is unable to consider the proposed change in rates and charges before June 20, 2008 and therefore finds it reasonable to authorize a continuation of existing rates and to suspend the proposed change in rates and charges for a period of thirty (30) days plus five (5) months from the proposed June 20, 2008 effective date. This will provide time for Commission Staff to audit the Company's financial books, inspect the Company's physical plant and complete its investigative report.

Pending further investigation, the Commission finds it reasonable to direct Teton Springs to continue providing culinary water service at the Company's present flat rates and to file formal tariffs setting forth the customer rates and charges we approve. The Company is apprised that as a regulated utility all rates and charges of the utility must be approved by the Commission and set forth in tariff schedules on file with the Commission. *Idaho Code* § 61-313. No other charges are permitted.

#### **CONCLUSIONS OF LAW**

The Idaho Public Utilities Commission has jurisdiction over Teton Springs Water & Sewer Company, LLC, its Application for a Certificate of Convenience and Necessity, its Application for approval of proposed rates and charges, and the issues involved in this case by virtue of Title 61, Idaho Code, and the Commission's Rules of Procedure, IDAPA 31.01.01.000 et seq.

The Commission has the authority under *Idaho Code* § 61-622 to suspend the rates and charges that are the subject of the Application for a period of thirty (30) days plus five (5) months, or less if the Commission acts sooner, from the proposed effective date of June 20, 2008.

It is necessary to suspend the rates proposed in the Application for a period of five (5) months, or less if the Commission acts sooner, from the effective date of June 20, 2008, to permit the Commission Staff to audit the Company's financial records and inspect the Company's physical plant, to provide sufficient time to calendar further procedure, to receive customer and Staff comments and to consider and determine the issues presented in this Application.

## ORDER

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED and the Commission does hereby issue Certificate of Convenience and Necessity No. 475 to Teton Springs Water and Sewer Company, LLC for the water system operated by the Company and serving the Teton Springs Resort Community in Teton County, Idaho.

IT IS FURTHER ORDERED that the proposed schedule of rates and charges for water service in Case No. TTS-W-08-01 is suspended for a period of thirty (30) days plus five (5) months from June 20, 2008, or until such earlier time as the Commission may issue an Order accepting, rejecting, or modifying the Application in this case.

IT IS FURTHER ORDERED that Teton Springs provide continued culinary water service at the Company's existing quarterly flat rate. The Company is directed to file a tariff schedule setting forth the Commission-approved rates. No change in the existing rates and charges is permitted without prior Commission approval.

IT IS FURTHER ORDERED that Teton Springs adopt and implement the Commission's Customer Relations Rules (IDAPA 31.21.01.000 *et seq.*), the Commission Utility Customer Information Rules (IDAPA 31.21.02.000 *et seq.*), and an accounting system consistent with the information required by the Commission's annual report for small water companies (*Idaho Code* § 61-405).

IT IS FURTHER ORDERED that Teton Springs make written petition or application to the Commission prior to any proposed change in ownership of the water system.

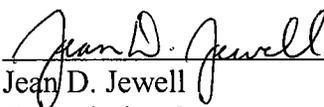
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 12<sup>th</sup>  
day of June 2008.

  
MACK A. REDFORD, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
JIM D. KEMPTON, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

bls/O:TTS-W-08-01\_sw