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IDAHO PUBLIC  
UTILITIES COMMISSION

*Attorneys for United Water Idaho Inc.*

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION OF  
UNITED WATER IDAHO INC., TO AMEND  
ITS RULES AND REGULATIONS TO  
IMPLEMENT A BUDGET BILL OPTION

**Case No. UWI-W-04-01**

**APPLICATION AND REQUEST  
FOR MODIFIED PROCEDURE**

COMES NOW United Water Idaho Inc., (“United”) and, pursuant to IPUCRP 52, applies to the Commission for an Order approving the attached amendments to United’s Rules and Regulations, the effect of which is to establish a “Budget Bill” payment program for its residential customers, and in support thereof respectfully shows as follows, to wit:

I.

United is a public utility corporation duly organized and existing under the laws of the state of Idaho and is subject to the jurisdiction of the Commission. United provides service pursuant to Certificate of Public Convenience and Necessity Number 143 as amended. A copy of United’s Articles of Incorporation, together with all amendments, is on file with the Commission. United is a subsidiary of United

Waterworks Inc., a Delaware corporation, and has been providing water service to the public in Boise City and the surrounding areas for more than 100 years.

## II.

United provides water service to approximately 74,000 customers (65,000 residential) within Ada County, Idaho, in and around Boise City. United also provides service to two subdivisions in Canyon County, Idaho.

## III.

United believes providing a “Budget Bill” program to its residential customers would be in the public interest for the following reasons:

- United’s customer service representatives routinely and frequently receive inquiries from residential customers asking about the availability of a budget bill payment program. United is of the opinion that there is significant customer demand for such an option.
- The single greatest category of calls received from residential customers by United’s customer service representatives is customers requesting to make payment arrangements. The volume of these requests increases significantly during the irrigation season with its consequent higher bills. A Budget Bill program would address the need expressed by residential customers of having available the option to, on an annual basis, levelize payments for water service.
- For many residential customers, over 60% of the annual bill is comprised of the two summer period bi-monthly bills. This can lead to customer hardship. A Budget Bill program will allow customers a significantly less burdensome method to deal with seasonal fluctuation of their water bill.

➤ United's rates for water service have, for approximately ten (10) years, contained a summer consumptive rate (from May 1 through September 30) that is 25% higher than the winter rate. In United's opinion, the residential customers understand and react to the price signal inherent in the seasonal rate design. United believes a Budget Bill program would not significantly dampen such a signal, while providing the residential customer flexibility to levelize their payments as they are permitted to do with energy providers.

➤ United currently reads meters and renders bills on a bi-monthly basis. Conversion to actual monthly reading and billing for all customers would ease the burden of high bi-monthly summer bills; however, the expense is prohibitive. United estimates monthly reading and billing would involve an increase in operating expense of approximately \$1,100,000 annually. This expense increase is due to additional labor and labor overhead expense, transportation needs, billing and postage expense, as well as payment processing expense. A Budget Bill program provides a significantly lower cost alternative to monthly reading and billing.

➤ A Budget Bill program allows residential customers to plan and budget water usage more effectively than the current "pay as you go" basis. Instead of being faced with a large summer bill that may be extremely burdensome, customers will be able to make less stressful, longer term decisions about water consumption and how it fits into their personal budget.

#### IV.

United's proposed Budget Bill program is more fully described in the attached proposed amendments to its Rules and Regulations (Exhibit A). Exhibit B illustrates two consecutive monthly bill presentations for a fictional residential customer. In general the program has the following features:

- ▶ The program will be available to all residential customers residing in a premise that has six (6) actual historical bills. Customers must be in current account status with no past due amounts;
- ▶ Enrollment would be permitted at the convenience of the residential customer with no set enrollment period;
- ▶ No interest will accrue on positive or negative balances;
- ▶ Residential customers may be removed from the Budget Bill program for failure to timely pay the agreed budget bill amount;
- ▶ United may perform mid-term adjustments to the amount of the budget bill payment due to rate changes, extreme weather impact or other significant unforeseen circumstances (major leak, etc).

#### V.

Upon enrollment the customer's payment amount under the Budget Bill program will be calculated based on twelve (12) months history (6 bi-monthly reads) of consumption at the premises. The history may be based upon the usage of a prior customer at the location. The customer will receive a budget bill monthly. An annual reconciliation will be performed with negative or positive balances, within limits, rolled forward into the next Budget Bill period.

## VI.

United will advertise the availability of the Budget Bill program through news releases, bill messages, bill stuffers, publication of information on United's website, the "on hold" telephone message and through direct customer service representative contact. Residential customers will be permitted to enroll in person at United's office, by telephone, by e-mail to a dedicated address or by voice mail to a dedicated voice-mail box.

## VII.

United desires to implement the Budget Bill program as soon as practicable. There will, however, be certain costs associated with implementation. United estimates those costs to be approximately \$72,000, assuming that 15% of its residential customer base enrolls in the program. The \$72,000 represents the annual costs of the program and is composed of additional billing, postage and payment processing expenses associated with the Budget Bill program. Exhibit C, attached, illustrates this calculation.

United therefore requests an accounting order permitting the deferral of these additional costs for recovery in United's next general rate case, subject to audit and review for reasonableness. In the absence of deferral, United will likely defer implementation of the Budget Bill program to coincide with the next general rate case. By allowing deferral of additional costs now, and later recovery, United will have actual customer participation rate data to pro forma these costs into the next general rate case.

## REQUEST FOR MODIFIED PROCEDURE

### VIII.

United submits that the public interest requires expeditious review of this Application, and that the public interest does not require a hearing to consider the issues presented herein. Accordingly, United requests that this Application be processed under Modified Procedure pursuant to Commission Rules 201—204.

### IX.

United requests that all communications and documents filed in this matter be served on United and United's counsel at the following addresses:

Gregory P. Wyatt  
United Water Idaho Inc.  
P.O. Box 190420  
Boise, Idaho 83719-0420  
208-362-7325; 208-362-7069 (fax)  
[greg.wyatt@unitedwater.com](mailto:greg.wyatt@unitedwater.com)

Dean J. Miller  
McDevitt & Miller LLP  
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[joe@mcdevitt-miller.com](mailto:joe@mcdevitt-miller.com)

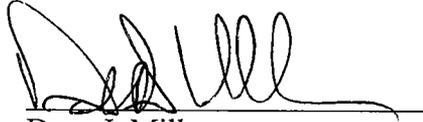
WHEREFORE, United respectfully requests that the Commission:

1. Enter its order determining that this matter may be processed by Modified Procedure;
2. Enter its order approving the revisions to United's Rules and Regulations as herein requested;
3. Enter its order approving the accounting treatment as herein requested;

4. Grant such further relief as is appropriate in the circumstance.

Respectfully submitted this 3 day of February, 2004.

UNITED WATER IDAHO INC.

A handwritten signature in black ink, appearing to read "D. Miller", written over a horizontal line.

Dean J. Miller

McDevitt & Miller LLP

*Attorneys for United Water Idaho Inc.*

**UNITED WATER IDAHO INC.**

**BUDGET BILL PROGRAM**

41. Residential Budget Bill Program: A Budget Bill Program is available to Residential Customers, as defined in paragraph 51 of these Rules, desiring to levelize payments for water service. A residential customer may enroll in the Budget Bill Program at any time during the year. To be eligible for the Budget Bill Program, the customer account must not be in arrears and the Company must have a minimum of 12 months of usage history at the premises. Residential Budget Bill Program participants will receive monthly billing statements, though their meters will continue to be read on a bi-monthly basis.

The levelized monthly payment will approximate the 12 month average of the most current 6 bi-monthly bills. Budget Bill Program amounts will be recalculated annually at the 12-month anniversary of the date the customer began paying the most current Budget Bill amount. The new monthly payment will be the recalculated Budget Bill amount. A customer's Budget Bill amount may decrease, increase, or remain the same from year to year.

Customers with a negative (underpaid) balance in their Budget Bill Program account at the time of recalculation will have new monthly Budget Bill Program charges equal to the recalculated Budget Bill amount plus one-twelfth of the negative balance. At the customer's option, a negative balance may be paid in full and disregarded for purposes of calculating the next period's Budget Bill amount. If the negative balance exceeds 25% of the estimated annual bill for the ensuing annual period, the Company may request that the negative balance be paid in full. Customers with a positive balance exceeding \$25 in their Budget Bill Program account at the time of recalculation may be refunded at the customer's request. If no request for refund is made, the monthly Budget Bill Program charge will be equal to the recalculated Budget Bill Program amount reduced by one-twelfth of the positive balance. Upon the customer's request, a positive balance for one Budget Bill Program water service account may be transferred to the balance of another Budget Bill Program water service account. Upon termination of the Budget Bill Program agreement, after all charges for services are paid, positive balances will be refunded at the customer's option.

Estimates of future costs based on historical charges furnished by the Company with such Budget Bill Program should not be construed by the customer as a guarantee that the total actual charges will not exceed the estimates. The Company, because of rate changes, weather extremes or other significant circumstances, may at any time submit a revised estimate to the customer and require that the customer pay the revised monthly Budget Bill installment amount as a condition of continuation in the Budget Bill Program.

The Budget Bill amount will be billed monthly. Once established, the Budget Bill Program will remain in effect from year to year until the customer notifies the Company not less than 30 days prior to the desired date of cancellation or unless the customer fails to pay the agreed upon amounts in a timely manner.

Issued: February \_\_, 2004                      Effective: February \_\_, 2004

Under Authority of I.P.U.C. Order No.

Issued by: **UNITED WATER IDAHO INC.**

By: Gregory P. Wyatt, Vice President

UWI-W-04-01  
EXHIBIT A  
Page 1 of 1

**\*\* BUDGET BILL \*\***

**-----BILLING SUMMARY-----**

PRIOR BILL AMOUNT \$45.00  
PAYMENTS THRU 11/13/03 \$45.00  
BALANCE FORWARD \$0.00

PLEASE DIRECT ALL  
INQUIRIES OR  
CORRESPONDENCE TO:  
UNITED WATER IDAHO  
PO BOX 190420  
8248 WEST VICTORY RD  
BOISE, ID 83719-0420  
PHONE: 208-362-7304

CURRENT BILL CHARGES:  
CONSUMPTION CHARGE \$99.57

MTA TAX \$0.00  
VILLAGE TAX \$0.00  
TOTAL CURRENT CHARGES \$99.57

METER READINGS

08/09/03 1125  
11/08/03 1153  
CONSUMPTION 28 CCF

TOTAL AMOUNT DUE \$45.00

YOUR CONSUMPTION FOR THE SAME PERIOD LAST YEAR WAS 25 CCF  
YOUR CURRENT DEFERRED BALANCE -113.21

11/13/03 29 PRIMROSE LA 05100999155731 45.00

PLEASE RETURN THIS PORTION OF BILL WITH YOUR PAYMENT

05100999155731000000004500000000001

Make payment to:



11/13/03 12/03/2003



Amount Due

45.00

UNITED WATER IDAHO  
PAYMENT CENTER  
PO BOX 371385  
PITTSBURGH, PA 15250-7385

DANIEL PERRELLA  
29 PRIMROSE LA  
NEW CITY NY 10956-6121

Amount enclosed



29 PRIMROSE LA 05100999155731 45.00

United Water

\*\* BUDGET BILL \*\*

-----BILLING SUMMARY-----  
 PRIOR BILL AMOUNT \$45.00  
 PAYMENTS THRU 12/19/03 \$45.00  
 BALANCE FORWARD \$0.00

PLEASE DIRECT ALL  
 INQUIRIES OR  
 CORRESPONDENCE TO:  
 UNITED WATER IDAHO  
 PO BOX 190420  
 8248 WEST VICTORY RD  
 BOISE, ID 83719-0420  
 PHONE: 208-362-7304

CURRENT BILL CHARGES:  
  
 TOTAL CURRENT CHARGES \$0.00  
  
 TOTAL AMOUNT DUE \$45.00

YOUR CURRENT DEFERRED BALANCE - 68.21

Bill Date	Service address	Account number	Amount due
12/19/03	29 PRIMROSE LA	05100999155731	45.00

Please keep this portion of bill for your records

PLEASE RETURN THIS PORTION OF BILL WITH YOUR PAYMENT

0510099915573100000004500000000001

Bill Date	Due Date
12/19/03	01/08/2004

Make payment to:



UNITED WATER IDAHO  
 PAYMENT CENTER  
 PO BOX 371385  
 PITTSBURGH, PA 15250-7385

DANIEL PERRELLA  
 29 PRIMROSE LA  
 NEW CITY NY 10956-6121



Amount Due
45.00

If you are mailing your  
 payment, please check the  
 amount enclosed, and

Amount enclosed

29 PRIMROSE LA	05100999155731	45.00	For office use only
Service address	Account number	Amount due	

United Water Idaho Inc  
 Case No.UWI-W-04-01  
 Budget Bill Program  
 Illustration of Calculation of Annual Estimate of Proposed Deferred Cost  
 Assuming 15% Residential Customer Participation

<b>Residential Customers as of December 31, 2003:</b>	64,948
<b>Assume 15% Participation</b>	15.00%
<b>Participating Customers</b>	<b>9,742</b>
<b>Additional Billing Statements generated due to monthly rendering:</b>	
= 9,742 X 6 additional statements	<b>58,453</b>
<b>Billing expense per item to generate additional statement</b>	\$ 0.72
<b>Postage expense per item to mail additional statement</b>	\$ 0.28
<b>Payment processing expense assumming lockbox</b>	\$ 0.23
<b>Total Expense</b>	<b>\$ 1.23</b>
<b>Annual Estimated Proposed Deferred Cost</b>	<b>\$ 71,897</b>