
IDAHO PUBLIC UTILITIES COMMISSION

For Immediate Release

Case No. UWI-W-04-1, Order No. 29455

April 9, 2004

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PUC denies United Water level-pay plan

Boise – Citing conservation and cost issues, the Idaho Public Utilities Commission today denied United Water's request to implement a budget-billing program that would allow residential customers to volunteer to pay level monthly payments.

United Water's 74,000 customers in the Boise metropolitan area now receive six bi-monthly statements a year, two during the summer months that include rates 25 percent higher than the rest of the year.

The higher summer rate, when use is at peak demand, sends appropriate pricing signals to customers and encourages responsible water use, the commission said. "The company's proposed budget bill proposal would diminish that water pricing signal and conservation message."

Unlike electric and natural gas utilities that have level-pay programs, United Water is dependent on local water supply from the aquifer and surface water, the commission noted. "We must encourage good stewardship of the potable waters United Water customers rely on and use for discretionary summer irrigation and sprinklers."

Level-pay plans take a customer's previous 12 months' history of payments, totals them and spreads them over 12 monthly budget bills.

Commissioners noted that United Water's estimate of \$72,000 for program costs during the first year is not a one-time expense, but represents the estimated annual cost of running the program assuming just 15 percent of customers agreed to participate. The actual cost of the program and the amount of customer participation is not known, the commission said. "In addition to all that uncertainty, we find the estimated program costs to be costly."

United Water asked that the \$72,000 be deferred for recovery from all customers in a future rate case. The commission noted comments from some customers who supported the level-pay program, but only if those who volunteer to participate bear the program costs.

Interested parties have until April 30 to file for reconsideration. Petitions for reconsideration can be mailed to commission offices at 472 W. Washington St., Boise, 83720, or faxed to 208-334-3762.

A complete copy of the order and other documents related to this case are available for public inspection at the commission's offices or can be accessed from the commission's Web site at www.puc.state.id.us. Click on "File Room," then on "Water Cases," and scroll down to Case No. UWI-W-04-1.

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