



ADVOCATES for the **WEST**
Public Interest Environmental Law

June 9, 2005

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IDAHO PUBLIC
UTILITIES COMMISSION

Jean Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington St.
Boise, ID 83702

Re: UWI-W-04-04

Dear Ms. Jewell:

Please find enclosed an original and seven (7) copies each of Idaho Rivers United's Post-Hearing Brief and Application for Intervenor Funding.

Sincerely,

William M. Eddie
On behalf of Idaho Rivers United

I certify that I served true and correct copies of Idaho Rivers United's Post-Hearing Brief and Application for Intervenor Funding on the parties listed below via U.S. Mail.

Via Hand Delivery:

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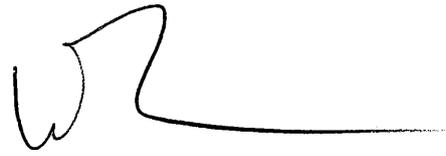
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A handwritten signature in black ink, consisting of a stylized 'W' followed by a long horizontal line that extends to the right.

William M. Eddie

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IDAHO PUBLIC
UTILITIES COMMISSION

Express Mail:
1320 W. Franklin St.
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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF UNITED WATER IDAHO INC. FOR)
AUTHORITY TO INCREASE ITS RATES) CASE NO. UWI-W-04-04
AND CHARGES FOR WATER SERVICE IN)
THE STATE OF IDAHO)
_____)

IDAHO RIVERS UNITED'S POST-HEARING BRIEF

Idaho Rivers United ("IRU") provides this post-hearing brief to succinctly identify key points of fact relating to: (1) IRU's request for increased conservation programs by UWI; and (2) the implementation of an inverted block rate structure for UWI, and other rate design and billing issues.

The testimony presented in this case strongly confirms the need for UWI both to increase its investment in conservation programs, and to send a strong price message encouraging conservation. As UWI witness Scott Rhead described at hearing, it has been relatively difficult and expensive in 2005 for the Company to acquire sufficient water supplies to be assured of meeting its customers' needs. The general policy principles that underlie Don Wojcik's direct testimony – that water supplies are finite and

subject to cycles of drought, but population growth is driving increased demand -- are borne out in the specific situation faced by UWI.

I. THE COMMISSION SHOULD ORDER UWI TO COMPLETE ITS CONSERVATION PLAN FOR IMPLEMENTATION IN 2006

UWI has agreed with IRU's request for an updated and renewed conservation planning effort: "The Company believes it should undertake the task of procuring an outside consulting firm to assist in developing a new comprehensive conservation plan, with the final plan and recommendations being submitted to the Commission for review." Wyatt Rebuttal at 18, lines 2-5.

Given the ongoing drought in Idaho, the increasing costs for water supplies from local water rental pools, the increasing difficulty in securing new or transferred water rights for municipal purposes, and UWI's very modest current conservation efforts (see Wojcik Direct Testimony at 12-14), IRU submits that the Company's "new comprehensive conservation plan" should be prepared with all due speed. Specifically, IRU requests that the plan be submitted to the Commission no later than December 15, 2005, so as to make additional conservation programs available for implementation by UWI customers prior to summer 2006. The plan should include recommendations for implementation of conservation programs, including rebate and retrofit incentives for water-saving devices, landscaping, or other measures; the plan should also evaluate educational programs on water conservation, as well as the potential to work with the City of Boise or other entities toward the establishment of water-saving regulatory measures. The plan should also evaluate and recommend to the Commission appropriate means of funding such programs.

II. RATE DESIGN AND MONTHLY BILLING

The Stipulation entered between UWI and Community Action Partnership Association of Idaho (“CAPAI”) proposes to adopt a two-block rate structure, albeit with a very small first block. However, the level of usage of 2 CCF/month for the first block, as identified in the Stipulation and later modified in UWI testimony, does not truly represent a level of non-discretionary or “subsistence” water use by a residential customer. Wojcik Testimony at 7-8. IRU requests the Commission avoid setting rates that send a “conservation message” to customers for both their discretionary and non-discretionary usage of water. Rather, the conservation message should target more discretionary usage of water, such as outdoor uses of water in the summertime.

IRU requests the Commission establish an interim two-block rate structure that would apply year-round, with the first lower-priced block set at a level of average indoor use. Exhibit 404 in this matter identifies median winter time use by residential customers UWI as between 10 CCF and 15 CCF bi-monthly, or between 5 CCF and 7.5 CCF per month. This range of usage is representative of year-round indoor use by the typical UWI customer.

The second block should be priced to send a distinct, but not punitive, conservation signal. The current 25% differential between summer and winter rates is logical starting point for this differential. UWI should be ordered to return to the Commission within short time period with tariffs implementing this basic structure.

IRU also requests the Commission open a new docket to investigate the establishment of additional higher usage blocks, intended to lead to the ultimate establishment of a rate design that is fair and equitable to all customers, and sends

appropriate conservation signals. Wojcik Direct, 8-9. This investigative docket could also be used to fine tune an initial two-block structure, should the Commission choose to adopt that structure. IRU will agree to file an application initiating this docket, if the Commission agrees the investigation should go forward.

With respect to other rate design and billing issues, IRU request that current customer charges assessed by UWI remain the same so as to avoid diminishing customers' incentive to conserve. Sterling Direct at 52-56; Wojcik Direct at 3, lines 19-23 and 4, lines 1-2. In addition, both Staff and IRU recommended UWI implement monthly billing so as to provide customers with more frequent information on their usage rates. Sterling Direct at 59-61; Wojcik Direct at 10-11.

CONCLUSION

IRU requests the Commission (1) order UWI to file a comprehensive conservation plan no later than December 15, 2005; (2) order UWI to implement a two-block rate structure, with the initial block set at average winter time use within each meter size category, and a distinct price differential in the second block; (3) order IRU to file an application initiating a new investigative docket to study the establishment of additional rate blocks designed to send appropriate conservation signal; (4) make no change to the total amount of customer charges assessed by UWI; and (5) order UWI to implement monthly billing.

Dated: June 9, 2005

Respectfully submitted,



William M. Eddie
Attorney for Idaho Rivers United