

IDAHO PUBLIC UTILITIES COMMISSION

Case No. UWI-W-04-4

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IPUC staff plans March 9 workshop on United Water request

Boise – Staff from the Idaho Public Utilities Commission will conduct a workshop March 9 regarding United Water's request for a 21.46 percent average increase in rates.

The workshop, beginning at 7 p.m., is at the commission's hearing room at 472 W. Washington St. in Boise.

Staff from the commission will share information about the company's application and take comments and questions from the public. More formal public hearings will be held at a date to be announced later.

United Water, which provides water to 75,400 customers in Ada and Canyon counties, wants to increase revenues by nearly \$6.8 million to recover the cost of capital improvements and to meet the demands of a growing customer base.

The company is seeking an 8.93 percent rate of return. In its last rate case in 2000, United Water was granted an 8.843 percent rate of return on a rate base of \$98.8 million. Rate base is the utility's capital investment from which rates are calculated. The revenue realized under its present authorized rates produces a rate of return of 6.06 percent as of July 31.

Since the 2000 rate case, the company claims its rate base has increased by \$41.2 million and is thus seeking approval of a \$140 million rate base. United Water claims the number of customers has increased by 10,000 and its operating costs by \$4.7 million.

The increase in rate base is attributed to major capital investments in the Colombia Water Treatment Plant; wellhead treatment for the Bali Hai and Maple Hills wells; water storage facilities to provide fire protection and sustainable pressure to customers; a non-hazardous disinfection system that replaces all liquid chlorine gas operations and replacement of aging infrastructure that includes 16 miles of water mainline, 2,900 water services and 22,000 meters.

The rate increase requested by the company varies by customer class. If approved in full, the residential rate would increase by 22.35 percent, the commercial rate by 19.56 percent, public authority (public entities like local governments and schools) by 19 percent and private fire by 21.5 percent. The private fire class includes customers who have sprinkler systems and/or inside hose connections for firefighting purposes.

The commission has the authority to accept, reject or modify the company's proposal.

The company's application and direct testimony is available for public inspection at commission offices at 472 W. Washington St. in Boise and at United Water's headquarters at 8248 West Victory Road in Boise.

The application and testimony can also be viewed from the commission's Website at www.puc.idaho.gov. Go to "Hot Items," in the upper right-hand corner of the page and click on "UWI Rate Case."

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