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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
UNITED WATER IDAHO INC. REGARDING A) **CASE NO. UWI-W-06-1**
TARIFF ADVICE)
)
)
) **COMMENTS OF THE**
) **COMMISSION STAFF**
)

The Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Cecelia A. Gassner, Deputy Attorney General, in response to the Notice of Tariff Advice and Notice of Modified Procedure in Order No. 29961 issued on January 26, 2006, submits the following comments.

BACKGROUND

On January 5, 2006, United Water Idaho Inc. (“United Water” or “Company”) filed a tariff advice with the Idaho Public Utilities Commission (“Commission”) notifying the Commission of a change to Rule 75 of Company’s tariff, related to the calculation of refunds provided to developers for the costs of water main extensions.

STAFF ANALYSIS


Under the current tariff, developers that provide or pay for special facilities, such as a storage tank, to the Company for use in serving their development qualify for a refund of a portion of this

contribution as the development is occupied and produces revenues for the Company. This advice changes the formula used to calculate these refunds. The refund allows the developer that provides special facilities to receive a share of the revenues the Company receives from customers to pay for those facilities. The proposed formula updates and refines the calculation of those revenues and includes additional variables to address taxes, meter costs and embedded investment that were not explicitly included in the old formula. The Company claims these revisions will result in a more accurate determination of the net revenues provided to the Company to cover the cost of such special facilities. In general, based upon current values for these variables, the new formula will reduce the amount of the refund, typically from 20% to 25%. Staff agrees that the revised formula is a more accurate calculation of revenue collected from customers and refunded to developers to pay for contributed special facilities.

STAFF RECOMMENDATION

Staff recommends Commission approval of the Tariff Advice.

Respectfully submitted this 6th day of February 2006.


Cecelia A. Gassner
Deputy Attorney General

Technical Staff: Wayne Hart

i:umisc:comments/uwiw06.1cgwh

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 6TH DAY OF FEBRUARY 2006, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. UWI-W-06-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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SECRETARY