

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER SMITH  
COMMISSIONER HANSEN  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL

**FROM:** CECELIA A. GASSNER

**DATE:** FEBRUARY 23, 2006

**SUBJECT:** UNITED WATER'S TARIFF ADVICE REVISING RULE 75  
CASE NO. UWI-W-06-1

On January 5, 2006, United Water Idaho Inc. ("United Water") filed a tariff advice revising Rule 75, which clarifies the formula for developer refunds with respect to special facilities. On January 26, 2006, the Commission issued a Notice of Tariff Advice and provided a ten-day period of time to receive comments from interested persons.

### THE APPLICATION

The tariff advice revised Rule 75, pertaining to the amount refunded to developers. For some developers, the revised tariff could result in a decrease of as much as 25% in the refund they had previously enjoyed.

### COMMENTS

Staff was the only party to file comments. Staff filed its comments on February 7, 2006, outlining its analysis of the revised tariff. 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 recommends approval of the tariff advice.

**COMMISSION DECISION**

Does the Commission desire to approve United Water Idaho Inc.'s revised tariff advice affecting Rule 75?

  
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Cecelia A. Gassner.

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