

DECISION MEMORANDUM

**TO: COMMISSIONER KEMPTON
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
COMMISSION STAFF**

**FROM: KRISTINE A. SASSER
DEPUTY ATTORNEY GENERAL**

DATE: JULY 8, 2009

**SUBJECT: UNITED WATER IDAHO'S APPLICATION FOR AUTHORITY TO
INCREASE ITS RATES AND CHARGES, CASE NO. UWI-W-09-01**

On June 22, 2009, United Water Idaho filed a Notice of Intent to File a General Rate Case. On June 30, 2009, United Water representatives met with Commission Staff to discuss the filing of the Company's Application. Based on the content of discussions at the informal meeting, the Company filed a Motion for Order Waiving Requirement for Cost of Service Study on July 2, 2009. *See* IPUC Rule of Procedure 121(e).

The Company states that a complete cost of service study was submitted for the Company's 2004 rate case and, based on the recent 2004 study and no proposed change in rate design, the Commission waived the requirement for the Company's 2006 rate case. United Water maintains that there remains no compelling need for a cost of service study to be included with its current rate case Application.

The Company does not intend to propose a change in its current rate design. Furthermore, because the composition of the Company's physical system has not changed substantially from the last rate case, cost of service study results and allocations would not be materially different. Finally, the Company estimates that preparing and submitting a cost of service study would cost the Company approximately \$60,000 to \$75,000 – a cost that would be passed on to customers.

Therefore, the Company requests that the Commission issue an Order waiving the requirement for a cost of service study.

STAFF RECOMMENDATION

Staff supports United Water's motion requesting waiver of the requirement to submit a cost of service study provided the Company does not propose a change to the current rate design including the current 25% seasonal differential.

COMMISSION DECISION

1. Does the Commission wish to waive the requirement of IPUC Rule of Procedure 121(e) for a cost of service study for United Water's general rate case?



Kristine A. Sasser
Deputy Attorney General

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