

## DECISION MEMORANDUM

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

**FROM:** KRISTINE SASSER  
WELDON STUTZMAN  
DEPUTY ATTORNEYS GENERAL

**DATE:** SEPTEMBER 9, 2009

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

On September 3, 2009, United Water Idaho Inc. filed an Application for authority to increase rates by a uniform percentage increase of 15.1%. The Company requests that its proposed changes become effective October 3, 2009.

### THE APPLICATION

United Water currently provides water service to approximately 83,900 customers within Ada County, Idaho, and has been providing service to the public in Boise City and the surrounding area for more than 100 years. Application at 2. The Company last increased its basic rates and charges in August 2006. Order No. 30104.

United Water claims that it has made numerous major capital investments since the last rate case in order to continue to provide quality service to its customers. The Company asserts that it has invested \$2 million in treatment facilities, more than \$12 million in replacing aging infrastructure, almost \$1.4 million in booster station improvements, and over \$700,000 in auxiliary power generators at various sites throughout the water system. Wyatt Direct at 4.

The Company proposes to increase its rates by a uniform percentage of 15.1%.<sup>1</sup> United Water maintains that it seeks additional revenue to recover increased operating expenses and costs associated with plant additions and to produce a fair rate of return, thereby enabling it to continue to provide adequate and reliable service to its customers. Application at 3. The

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<sup>1</sup> The Company is not proposing a change to the current tariff design and intends to maintain the 25% differential between winter and summer volumetric rates. Wyatt Direct at 5.

Company's Application states that the proposed changes in rates and charges would produce a rate of return of 8.49%. *Id.*

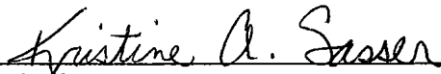
The Company requests that its tariff changes become effective October 3, 2009.

### **STAFF RECOMMENDATION**

Staff has reviewed the Application and recommends that the proposed effective date for new rates of October 3, 2009, be suspended to allow adequate time for a hearing and processing of the case. Staff further recommends that the Commission issue a Notice of Application and establish an intervention deadline.

### **COMMISSION DECISION**

1. Does the Commission wish to suspend the Company's proposed new rates for a period of 30 days plus 5 months from the proposed October 3, 2009 effective date, pursuant to *Idaho Code* §§ 61-622 and -623, to allow adequate time for a hearing and processing of the case?
2. Does the Commission wish to issue a Notice of Application establishing a 21-day deadline for intervention?

  
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Kristine A. Sasser  
Deputy Attorney General

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