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Boise, Idaho 83702

Chas. F. McDevitt
Dean J. (Joe) Miller
Celeste K. Miller

May 21, 2015

Via Hand Delivery

Jean Jewell, Secretary
Idaho Public Utilities Commission
472 W. Washington St.
Boise, Idaho 83720

Re: Case No UWI-W-15-01/General Rate Case Filing

RECEIVED
2015 MAY 21 PM 2:25
IDAHO PUBLIC
UTILITIES COMMISSION

Dear Ms. Jewell:

Enclosed for filing are an original and seven (7) copies of United Water Idaho Inc.'s (United Water) Application for authority to increase its rates and charges for water service to its customers in the State of Idaho.

The tariff schedules that United Water proposes to become effective on June 22, 2015, are attached to the Application. In addition, copies of United Water's press release and customer notice are also attached to the Application.

Also enclosed are the original and nine (9) copies of the Testimony and exhibits of Gregory P. Wyatt, Marshall Thompson, Jarmila Cary, Kevin Doherty, Paul Herbert, Pauline Ahren and Roger Greaves. One copy of each of these Testimonies has been designated as the "Reporter's Copy." In addition, a disk containing MS Word versions of the Testimonies is enclosed for the Reporter.

Also enclosed are three (3) copies of work papers showing adjustments to the Company's revenue requirements and adjustments to test period data. These are also provided in electronic format on an enclosed disk.

If you have any questions, please do not hesitate to contact me.

Kindly return a stamped copy.

Very Truly Yours,

McDevitt & Miller LLP



Dean J. Miller

DJM/hh

Dean J. Miller (ISB No. 1968)
McDEVITT & MILLER LLP
420 West Bannock Street
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RECEIVED
2015 MAY 21 PM 2: 25
IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for Applicant

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION
OF UNITED WATER IDAHO INC. FOR
AUTHORITY TO INCREASE ITS RATES
AND CHARGES FOR WATER SERVICE
IN THE STATE OF IDAHO

Case No. UWI-W-15-01
APPLICATION

COMES NOW United Water Idaho Inc., (“United Water”, or “Applicant”) and hereby makes application to the Idaho Public Utilities Commission (“Commission”) for an Order approving revisions to Applicant’s schedules of rates and charges for water service in the State of Idaho to become effective with service provided on or after June 22, 2015 and in support thereof respectfully shows as follows:

I.

Applicant is a public utility water corporation within the meaning of the Idaho Public Utility Law, is duly organized and existing under the laws of the State of Idaho and is engaged in conducting a general water business in and about Boise City, Ada County, Idaho, having its principal office and place of business at 8248 West Victory Road, Boise, Idaho. A certified copy of Applicant’s Articles of Incorporation, together with all amendments to date, is on file with the Commission. Applicant’s current Certificate is Amended Certificate No. 143.

II.

United Water has been providing water service to the public in Boise City and surrounding areas for more than 100 years. Currently, United Water provides service to approximately 90,000 customers within Ada County, Idaho.

III.

The operations of United Water have been reviewed in several rate proceedings before the Commission, most recently in Case No. UWI-W-11-02.

IV.

Attached hereto as Attachment 1 are copies of Applicant's Schedule Number 1, General Metered Service; Schedule Number 1B, Flat Rate Service; Schedule Number 2, Public Hydrants and Street Sprinkling; Schedule Number 3, Private Fire Sprinkling and Service; and Schedule Number 4, Private Fire Hydrant Service, containing the rates under which water service is currently rendered and charged to Applicant's customers.

V.

Attached hereto as Attachment 2 are copies of Applicant's new proposed Schedule Numbers 1, 1B, 2, 3 and 4 setting forth charges to be made to Applicant's customers rates on and after June 22, 2015.

VI.

Applicant proposes to increase rates by \$5,881,308 an overall average increase of 13.2%.

Applicant alleges that the proposed changes in rates and charges set forth on Attachment 2 are just and reasonable and that the rate of return expected to be

provided to the Applicant there under will be 8.45%, which is a fair rate of return on Applicant's investment in property used and useful in rendering water service.

VII.

The revenue realized by Applicant under its presently authorized rates produces a rate of return of 6.43% based on a test year ending December 31, 2014. Applicant seeks additional revenues 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.

VIII.

As discussed in the testimony of Marshall Thompson, Applicant is proposing miscellaneous revisions to its Rules and Regulations Governing the Rendering of Water Service. Those revisions are shown in Exhibit No. 2 accompanying the testimony of Mr. Thompson.

IX.

Applicant is filing concurrently herewith Direct Testimony of Gregory P. Wyatt, Marshall Thompson, Jarmila Cary, Kevin Doherty, Paul Herbert, Roger Greaves, and Pauline Ahern and Exhibits 1-11 including financial statements, and revenue analysis, along with supporting workpapers, to justify and support the proposed increase.

X.

Applicant proposes to implement the requested increase in revenue by a uniform percentage increase to all rate elements. Pursuant to the Stipulation and Order No. 32433 in Case No. UWI-W-11-02, Applicant is not requesting further adjustment to the

Per Meter Charge, and accordingly, Applicant is not filing a Cost of Service Study as otherwise required by RP 121.01(e).

XI.

Notice to Applicant's customers is being accomplished by news media releases simultaneously with the filing of this Application and by an individual notice provided to each of Applicant's customers with their bill. Copies of the press release and customer notice are attached to this Application as Attachment 3. In addition, a copy of the Application and Applicant's present and proposed rate schedules are available for public inspection at its office at 8248 West Victory Road, Boise, Idaho at any time during office hours. The Application will also be available on the Commission's homepage at www.puc.idaho.gov. Customers may also subscribe to the Commission's RSS feed to receive periodic updates.

XII.

Applicant stands ready for an immediate hearing on this Application and requests that a hearing be held as soon as possible.

XIII.

Communications in reference to this Application should be addressed to:

Dean J. Miller, Esq.
McDEVITT & MILLER LLP
420 E. Bannock
Boise, Idaho 83702
P.O. Box 2564
Boise, Idaho 83701
208-343-7500
208-336-6912 (fax)
joe@mcdevitt-miller.com
heather@mcdevitt-miller.com

and

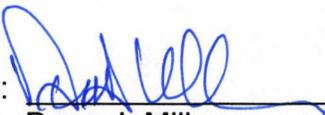
Kevin H. Doherty
Director of Rates
United Water Management and Services
Company
200 Old Hook Road
Harrington Park, New Jersey 07640-1799
Kevin.Doherty@unitedwater.com

WHEREFORE, Applicant respectfully requests of the Commission:

1. That this Application be heard and acted upon at the earliest possible date,
2. That the Commission find that the Applicant's existing rates are unjust, unreasonable and insufficient to provide Applicant with a fair rate of return and that the revised rates and charges proposed in Attachment 2 of this Application are just and reasonable and that Applicant be permitted to charge said rates to its customers, effective June 22, 2015,
3. That the Commission grant such other and further relief as the Commission may determine proper in the circumstances.

DATED this 21st day of May, 2015.

UNITED WATER IDAHO INC.

By: 
Dean J. Miller
Attorney for Applicant

ATTACHMENT 1

UNITED WATER IDAHO INC.

**SCHEDULE NO. 1
GENERAL METERED SERVICE**

Availability: To all metered customers not served under a separate schedule.

<u>Customer Charges:</u>	<u>Bi-Monthly Per Meter Charge</u>
<u>Meter Size</u>	
5/8"-3/4	\$20.80
1"	\$26.60
1-1/4" and 1-1/2"	\$45.50
2" or multiple meters of equivalent capacity	\$70.60
3" or multiple meters of equivalent capacity	\$137.70
4" or multiple meters of equivalent capacity	\$256.90
6" or multiple meters of equivalent capacity	\$428.90
8" or multiple meters of equivalent capacity	\$561.10
10" or multiple meters of equivalent capacity	\$807.40

<u>Volume Charge:</u>	<u>Winter Rates</u>
For all water used less than 3CCF (100 cubic Feet) (CCF)(1 CCF=748 gallons):	\$1.4647
For all water used greater than 3CCF	\$1.4647

<u>Volume Charge:</u>	<u>Summer Rates</u>
For all water used less than 3CCF (100 cubic Feet) (CCF)(1 CCF=748 gallons):	\$1.4647
For all water used greater than 3CCF	\$1.8310

Conditions of Contract:

The customer shall pay the total of the customer charge plus the volume charge. The volume charge is based on all metered water for the billing period. Consumption is expressed in hundred cubic foot units or thousand gallon units as determined by the meter installed by the Company. The customer charge will be prorated whenever the customer has not been a customer for the entire billing period.

Summer Period:

The summer rate will apply to water consumed between May 1 and September 30. Meter readings straddling these dates will be prorated.

United
Issued Per IPUC Order No.
Effective – February 1, 2013

Issued by UNITED WATER IDAHO INC.
Gregory P. Wyatt, Vice President
8248 West Victory Road, Boise, ID

UNITED WATER IDAHO INC.

SCHEDULE NO. 1B
FLAT RATE SERVICE

Availability:

To non-metered residential customers pursuant to Residential or Multi-Family Housing Non-Contiguous Water Systems Agreement Paragraph 11(a) addressing flat rate systems.

Customer Charges:

Based on United Water Idaho residential consumption for the year ending June 1998 of 208.75 ccf, the average residential bill, assuming a ¾" meter and 65% / 35% summer/winter split, is \$479.34. Billed bi-monthly, equals \$79.89.

Bi-Monthly Charge: \$79.89

Conditions of Contract:

The monthly charge will be prorated whenever the customer has not been a customer for the entire billing period. The Company or the customer may convert to metered service pursuant to Subparagraphs (b) or (c) of Paragraph 11 as follows:

- (b) If Company should determine that a flat rate customer is using water in excess of the average residential customer, the Company will provide a meter setting and meter. Customer will then pay Company's metered tariff rates as approved by the IPUC, which rates may be amended from time to time.
- (c) If a customer prefers to pay Company's approved metered tariff rates, the customer shall pay the installation and material costs associated with the installation of a meter setting.

Sheet No. 7
Replacing all Previous Sheets

UNITED WATER IDAHO INC.

**SCHEDULE NO. 3
PRIVATE FIRE SPRINKLER AND SERVICE**

Availability:

To all customers who have sprinkler systems and/or inside hose connections for fire fighting purposes.

Rate:

For service through a separate line for fire fighting purposes.

For 3" service or smaller, per month	\$18.34
For 4" service per month	\$27.80
For 6" service per month	\$69.05
For 8" service per month	\$113.46
For 10" service per month	\$176.94
For 12" service per month	\$265.03

Miscellaneous:

Provided that if the installation of a private fire service shall require an extension of the existing mains of the company, the cost of such extension shall be borne by the customer.

All private fire services shall be equipped with sealed gate valves or thermal automatic openings.

Meters may be placed on fire services by the utility at any time; however, metered rates will not apply unless improper use of water is disclosed, and if such be the case, usage will be billed to the consumer under Rate Schedule No. 1.

United
Issued Per IPUC Order No.
Effective – February 1, 2013

Issued by UNITED WATER IDAHO INC.
Gregory P. Wyatt, Vice President
8248 West Victory Road, Boise, ID

Sheet No. 8
Replacing all Previous Sheets

UNITED WATER IDAHO INC.

**SCHEDULE NO. 4
PRIVATE FIRE HYDRANT SERVICE**

Availability:

To all customers having private fire hydrant installations.

Rate:

For fire hydrants installed and maintained by the customer at customer's expense:

Each fire hydrant, per month \$11.12/Month

Miscellaneous:

Service pipe from the fitting on the company water main to the fire hydrant is to be installed and maintained by the customer.

United
Issued Per IPUC Order No.
Effective – February 1, 2013

Issued by UNITED WATER IDAHO INC.
Gregory P. Wyatt, Vice President
8248 West Victory Road, Boise, ID

ATTACHMENT 2

UNITED WATER IDAHO INC.

**SCHEDULE NO. 1
GENERAL METERED SERVICE**

Availability: To all metered customers not served under a separate schedule.

<u>Customer Charges:</u>	<u>Bi-Monthly Per Meter Charge</u>	
<u>Meter Size</u>		
5/8"-3/4	\$20.80	\$23.55
1"	\$26.60	\$30.10
1-1/4" and 1-1/2"	\$45.50	\$51.50
2" or multiple meters of equivalent capacity	\$70.60	\$79.90
3" or multiple meters of equivalent capacity	\$137.70	\$155.80
4" or multiple meters of equivalent capacity	\$256.90	\$290.70
6" or multiple meters of equivalent capacity	\$428.90	\$485.40
8" or multiple meters of equivalent capacity	\$561.10	\$635.00
10" or multiple meters of equivalent capacity	\$807.40	\$913.70

<u>Volume Charge:</u>	<u>Winter Rates</u>	
For all water used less than 3CCF (100 cubic Feet) (CCF)(1 CCF=748 gallons):	\$1.4647	\$1.6576
For all water used greater than 3CCF	\$1.4647	\$1.6576

<u>Volume Charge:</u>	<u>Summer Rates</u>	
For all water used less than 3CCF (100 cubic Feet) (CCF)(1 CCF=748 gallons):	\$1.4647	\$1.6576
For all water used greater than 3CCF	\$1.8310	\$2.0720

Conditions of Contract:
 The customer shall pay the total of the customer charge plus the volume charge. The volume charge is based on all metered water for the billing period. Consumption is expressed in hundred cubic foot units or thousand gallon units as determined by the meter installed by the Company. The customer charge will be prorated whenever the customer has not been a customer for the entire billing period.

Summer Period:
 The summer rate will apply to water consumed between May 1 and September 30. Meter readings straddling these dates will be prorated.

UNITED WATER IDAHO INC.

SCHEDULE NO. 1B
FLAT RATE SERVICE

Availability:

To non-metered residential customers pursuant to Residential or Multi-Family Housing Non-Contiguous Water Systems Agreement Paragraph 11(a) addressing flat rate systems.

Customer Charges:

Based on United Water Idaho residential consumption for the year ending June 1998 of 208.75 ccf, the average residential bill, assuming a ¾" meter and 65% / 35% summer/winter split, is ~~\$479.34~~ \$542.46. Billed bi-monthly, equals ~~\$79.89~~ \$90.41.

Bi-Monthly Charge: ~~\$79.89~~ \$90.41

Conditions of Contract:

The monthly charge will be prorated whenever the customer has not been a customer for the entire billing period. The Company or the customer may convert to metered service pursuant to Subparagraphs (b) or (c) of Paragraph 11 as follows:

- (b) If Company should determine that a flat rate customer is using water in excess of the average residential customer, the Company will provide a meter setting and meter. Customer will then pay Company's metered tariff rates as approved by the IPUC, which rates may be amended from time to time.

- (c) If a customer prefers to pay Company's approved metered tariff rates, the customer shall pay the installation and material costs associated with the installation of a meter setting.

Sheet No. 6
Replacing all Previous Sheets

UNITED WATER IDAHO INC.

**SCHEDULE NO. 2
PUBLIC HYDRANTS AND STREET SPRINKLING**

Availability:

To the Ada County Highway District.

Rates:

Street Sprinkling Service

Flat Charge

~~\$277.90/Month~~ \$314.49/Month

Miscellaneous:

Bills will be rendered monthly, bi-monthly, or at other intervals upon mutual agreement of the Company and the customer.

Hydrants and service pipes from the fitting on the Company main to the hydrants are to be installed and maintained by and at the expense of the City of Boise.

United
Issued Per IPUC Order No.
Effective – June 20, 2015

Issued by UNITED WATER IDAHO INC.
Gregory P. Wyatt, Vice President
8248 West Victory Road, Boise, ID

UNITED WATER IDAHO INC.

**SCHEDULE NO. 3
PRIVATE FIRE SPRINKLER AND SERVICE**

Availability:

To all customers who have sprinkler systems and/or inside hose connections for fire fighting purposes.

Rate:

For service through a separate line for fire fighting purposes.

For 3" service or smaller, per month	\$18.34	\$20.75
For 4" service per month	\$27.80	\$31.46
For 6" service per month	\$69.05	\$78.14
For 8" service per month	\$113.46	\$128.40
For 10" service per month	\$176.94	\$200.23
For 12" service per month	\$265.03	\$299.92

Miscellaneous:

Provided that if the installation of a private fire service shall require an extension of the existing mains of the company, the cost of such extension shall be borne by the customer.

All private fire services shall be equipped with sealed gate valves or thermal automatic openings.

Meters may be placed on fire services by the utility at any time; however, metered rates will not apply unless improper use of water is disclosed, and if such be the case, usage will be billed to the consumer under Rate Schedule No. 1.

Sheet No. 8
Replacing all Previous Sheets

UNITED WATER IDAHO INC.

**SCHEDULE NO. 4
PRIVATE FIRE HYDRANT SERVICE**

Availability:

To all customers having private fire hydrant installations.

Rate:

For fire hydrants installed and maintained by the customer at customer's expense:

Each fire hydrant, per month ~~\$11.12/Month~~ \$12.58/Month

Miscellaneous:

Service pipe from the fitting on the company water main to the fire hydrant is to be installed and maintained by the customer.

United
Issued Per IPUC Order No.
Effective – June 20, 2015

Issued by UNITED WATER IDAHO INC.
Gregory P. Wyatt, Vice President
8248 West Victory Road, Boise, ID

ATTACHMENT 3

UNITED WATER IDAHO

8248 West Victory Road

Boise, ID 83709

TEL 208-362-7328

FAX 208-362-7069

WWW.UNITEDWATER.COM/IDAHO

@UnitedWaterID



PRESS RELEASE

UNITED WATER IDAHO REQUESTS RATE INCREASE TO SUPPORT SYSTEM INVESTMENTS

Request reflects over \$39 million in capital investments

BOISE, ID May 21, 2015 – United Water Idaho today asked the Idaho Public Utilities Commission (IPUC) to approve a base rate increase of approximately \$5.88 million to recover costs associated with capital investments and increased operating expenses.

The requested amount would equate to about \$ 4.22 per month or 14 cents per day for the average residential customer. Under the proposed rates, the average residential customer using 9,550 gallons a month would pay a penny for about 2.5 gallons of water. The proposed 13.2% increase will be applied at the same rate for customers in all classes; residential, commercial, public authority and private fire service customers.

This is the first rate increase requested by the company since 2011. If the IPUC approves some or part of the just-filed request, new rates would be expected to take effect in December of this year, meaning that rates will have remained stable for nearly four years. Since the company's last case, United Water has invested more than \$39 million in replacement mains and services, new treatment facilities and technologies to improve the reliability of the water system. Those investments include:

- \$17.2 million to replace aging water mains, services and meters to improve service, quality and fire protection;
- \$3.5 million in replacement treatment projects that improve water quality provided to customers;
- \$900,000 for a replacement storage tank to sustain pressure and improve fire protection in the Bogus Basin Road area;
- \$700,000 for a new main to improve customer pressure above Hill Road;
- \$500,000 in auxiliary power equipment at various sites throughout the water system to ensure uninterrupted water supply during electrical power outages.

(more)

UNITED WATER IDAHO REQUESTS RATE INCREASE TO SUPPORT SYSTEM INVESTMENTS

Page 2

The rate request also reflects increases in operating costs since the last rate case, including increases in energy costs, personnel, including benefits, and depreciation expenses resulting from increased infrastructure investments.

“Our strategic water infrastructure investments were made to enhance service reliability and improve resiliency,” said Greg Wyatt, vice president and general manager of United Water Idaho. “We are committed to ensuring that the investments we make in the water system are prudent and allow us to better serve our customers.”

Customer Assistance

The company’s customer assistance program, “UW Cares,” provides grants of up to \$65 per year for qualifying customers who meet screening standards. UW Cares is administered for United Water Idaho by the El-Ada Community Action Agency, which handles applications and eligibility determination. Payments are made in the form of credits on outstanding water bills.

Besides UW Cares, United Water Idaho offers customers a budget billing option which allows a customer to pay 12 equal monthly payments, rather than the current six bi-monthly bills. Meters will still be read bi-monthly, but payments will be made monthly, with any overages or shortages adjusted at the end of the year. To register for budget billing, contact United Water Idaho Customer Service at 362-7304.

The proposed increase in rates is subject to review, public comment, and a decision by the IPUC, which may accept, modify or reject in whole or in part the proposed increase. This process could take up to seven months to complete. A copy of the filing will be available for public review at United Water’s office located at 8248 West Victory Road in Boise, on the company’s website at www.unitedwater.com/idaho and the IPUC website at www.puc.idaho.gov.

Customers also may subscribe to the IPUC's RSS feed to receive periodic updates via e-mail about the case.

About United Water

United Water Idaho is the largest water provider in Idaho, providing water service to approximately 227,000 residents of Boise, part of Eagle and unincorporated Ada County. Its parent company, United Water, is one of the nation’s leading environmental companies, providing water and wastewater services to over 6.7 million people in the United States. In addition to owning and operating 16 water and wastewater utilities, United Water operates 84 municipal and industrial water and wastewater systems through innovative public-private partnerships and contract agreements. Founded in 1869, United Water is a subsidiary of SUEZ ENVIRONNEMENT.

(more)



Re: Notice of Application to Increase Rates

Dear Customer:

On May 21, 2015, United Water Idaho filed for rate relief with the Idaho Public Utilities Commission (IPUC) requesting a \$4.22 per month or 14 cents per day increase in rates for a typical residential customer. The proposed increase, if approved by the IPUC, would raise the average residential customer's annual bill approximately \$50, from \$383.99 to \$434.61. United Water was last granted a two-phase rate increase in January of 2012.

United Water Idaho has invested more than \$39 million in its system since the utility's last rate filing. Those investments have improved water quality, reliability, and service for many United Water Idaho customers. Projects include replacement of aging water mains, services and meters, replacement treatment projects, a new storage tank to sustain pressure and improve fire protection in the Bogus Basin Road area, a new main to improve water pressure above Hill Road, and auxiliary power at numerous sites throughout our water system to ensure uninterrupted water supply during electrical power outages.

The rate request also reflects increases in operating costs since the last rate case, including increases in energy costs, personnel, including benefits, and depreciation expenses resulting from increased infrastructure investments.

In its application United Water is proposing a revenue increase of \$5,881,308 which represents an overall increase in rates of 13.2%. The proposed increase will be applied at the same rate for customers in all classes; residential, commercial, public authority and private fire service customers.

The proposed increase in rates is subject to review, public comment, and a decision by the IPUC, which may accept, modify or reject in whole or in part the proposed increase. A complete copy of the proposal is available at the Company's office at 8248 W. Victory Road, Boise, Idaho and at the Commission's office at 472 W. Washington, Boise, Idaho. It is also available on-line at the IPUC website: <http://www.puc.idaho.gov>, by following the links for "Water" and "Open Water Cases," and at United Water Idaho's website: <http://www.unitedwater.com/idaho>.

Customers also may subscribe to the IPUC's RSS feed to receive periodic updates via e-mail about the case.

You can also file a comment on the Application via the IPUC website
(<http://www.puc.idaho.gov/forms/casecomment.aspx>) or mail or fax comments to:

Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074
FAX (208) 334-3762

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Wyatt", with a stylized flourish at the end.

Greg Wyatt
Vice President and General Manager