(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF UNITED WATER IDAHO INC. FOR AUTHORITY TO REVISE AND INCREASE RATES CHARGED FOR WATER SERVICE. | ))))))) | CASE NO. UWI-W-97-6ORDER NO.  27229 |

On November 3, 1997 United Water Idaho Inc. (United Water; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for authority to increase its rates and charges for water service.  Supporting work papers and documentation were filed by the Company on November 14, 1997.  The overall increase in annual revenue requested is $3,424,516, or an increase of 15.47% over current rates.

After reviewing the Application in Case No. UWI-W-97-6 and the Commission’s investigative docket in Case No. UWI-W-97-6 (In the Matter of the Investigation of United Water Idaho Inc and its Ability to Provide Adequate Service and Water Quality), the Commission makes the following findings of fact, conclusions of law and order.

FINDINGS OF FACT

United Water has submitted a proposed schedule of rates and charges for water service to become effective on or after December 3, 1997.  The Commission, with the consent of the Company, finds it reasonable to adjust the requested effective date to December 14, 1997, the date United Water filed its supporting workpapers and documentation.  Reference IDAPA 31.01.01.121.  The Application is of sufficient importance and complexity to require the Commission’s investigation into the reasonableness of the proposed changes in rates and charges.

The Commission will be unable to consider the Application in Case No. UWI-W-97-6 before December 14, 1997 because of the complexity of the issues presented and because of previously scheduled hearings and other demands on the Commission’s time.

Also at issue in this Case No. UWI-W-97-6 pursuant to Commission authority, power and jurisdiction (Reference Idaho Code 61-501) are the identified service and water quality issues raised in the filings and submitted investigative reports in Case No. UWI-W-96-6 (In the Matter of the Investigation of United Water Idaho Inc and its Ability to Provide Adequate Service and Water Quality).  The identified water quality problem addressed in Case No. UWI-W-96-6 was the presence of iron and/or manganese in United Water’s ground water wells that exceed the secondary maximum contaminant levels (SMCLs) listed in the Safe Drinking Water Act (SDWA).  Although secondary contaminants are classified as non-health threatening, the presence of high levels of iron and manganese can result in aesthetic problems including foul odor, poor taste and discoloration.  On May 21, 1997, Commission Staff filed its final investigative report in Case No. UWI-W-96-6.  Staff’s report detailed the nature and extent of the Company’s water quality problem, the Company’s efforts to address the problem (technical and customer relations), and alternatives for mitigating or eliminating the problem (including estimated costs).  On August 26, 1997, United Water filed its response.

The Company has proposed to address the revenue requirement and cost of service (and rate design) issues in separate proceedings.  We find the Company’s proposal to be an administra­tively efficient use of Commission and Company resources and therefore approve this procedure as reasonable.  As reflected in the Company’s filing, within 30 days after the Commission’s Order in this proceeding becomes final, the Company will file a separate cost of service and rate design proceeding.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over United Water Idaho Inc., a water utility, and its Application in Case No. UWI-W-97-6 pursuant to Idaho Code, Title 61, and the Commission’s Rules of Procedure, IDAPA 31.01.01.000 et seq.

The Commission has the authority under Idaho Code § 61-622 to suspend the rates that are the subject of the Application in this case for a period of thirty (30) days plus five (5) months from the adjusted effective date of December 14, 1997.

It is necessary to suspend the rates in this Application for a period of thirty days plus five months from the adjusted effective date of December 14, 1997 to allow the Commission sufficient time to hear the evidence presented in this matter and to consider and determine the issues presented in this Application.

O R D E R

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED that the proposed schedule of rates and charges for water service in Case No. UWI-W-97-6 should be, and hereby is suspended for a period of thirty (30) days plus five (5) months from December 14, 1997, or until such time as the Commission may issue an order accepting or rejecting or modifying the Application in this matter.

IT IS FURTHER ORDERED that the identified service and water quality issues raised in the filings and submitted investigative reports in Case No. UWI-W-96-6 are included and at issue in this Case No. UWI-W-97-6.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of November 1997.

                                                                                                                                       DENNIS S. HANSEN, PRESIDENT

                                                                                            RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

November 20, 1997