(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.  27461 |

On March 19, 1998, United Water Idaho Inc.  (United Water; Company) in Case No. UWI-W-97-6 filed a Motion to Strike.  The Company seeks to strike identified portions of the prefiled testimonies of Thomas Power and Sharon Ullman.  Specifically, United Water wishes to strike the testimonies of each that propose to defer the rate adjustment and recovery of any determined revenue deficiency until after the Company completes the cost of service and rate design phase of its rate case.

United Water contends that the issue has been decided, that in authorizing the bifurcation of the case the Commission implicitly accepted the Company’s proposal to begin recovery of any revenue deficiency found to exist in the revenue requirement phase of its rate case through an immediate uniform percentage increase.  United Water contends that the Commission is without authority to extend the suspension period and that to delay any recovery would be to deny the Company its opportunity to earn its authorized rate of return, and would require it to perform its public service obligation without adequate compensation.  Citing Idaho Code 61-622; Citizens Util. Co. v. Idaho Public Util. Comm., 99 Idaho 164, 579 p.2d 110 (1978).  The Company contends that the intervenors raising of the issue at this late date is at best opportunistic and that their arguments are unfounded and unfair.

The intervenors argue that the statutory suspension period preproposes that the Company  has filed a complete rate case, i.e., a case including “appropriate cost of service studies.”  Reference IDAPA 31.01.01.121.01.e.  Dr. Power asserts that the bifurcated approach is merely a strategy of the utility to hold down public outcry and thereby enhance the possibility of a larger recovery.  The Idaho Citizens Coalition contends that moving to strike testimony with which one disagrees is not an appropriate way to seek to affect the outcome of this case.  The Coalition contends that United Water can argue its position regarding the timing of a rate increase (if any) in its rebuttal testimony, through its witnesses at the public hearings, through cross-examination of opposing witnesses, or it can make those arguments in brief.  It also has the opportunity, it states, to call for reconsideration if it does not like the Commission’s decision about the size and timing of any rate increase that is approved.

Commission Findings

The Commission has reviewed and considered the Motion to Strike filed by United Water and the related answers of Sharon Ullman and the Idaho Citizens Coalition.  We find that the identified testimony is not of such a nature that could be characterized as unfairly prejudicial or inadmissible.  Rather, instead, the opinion testimony appears to address matters at issue in this case. The Commission’s prior Orders and Notices in Case No. UWI-W-97-6 speak for themselves and at this time require no clarification.  The Company is apprised that this Commission, as fact finder and decision maker, is inclined to admit all relevant and arguably reliable evidence and has the expertise to assess the relative probative value of evidence admitted.  The Company has not presented a compelling argument in support of its Motion to Strike.  We therefore find it reasonable to deny the Company’s Motion.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over United Water Idaho Inc., and the issues raised in this case, pursuant to Title 61 of the Idaho Code and the Commission’s Rules of Procedure, IDAPA 31.01.01.000 et seq.

O R D E R

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED that the Motion to Strike filed by United Water Idaho Inc. is denied.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of April 1998.

                                                                                                                                       DENNIS S. HANSEN, PRESIDENT

                                                                                            RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

vld/O:UWI-W-97-6.sw4

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

April 13, 1998