(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-97-6  ORDER NO. 27634 |

On July 14, 1998, the Company in compliance with Commission Order No. 27630 dated July 14, 1998, filed compliance tariff schedules in Case No. UWI-W-97-6.

Included in the filed tariffs is an amended Schedule No. 7, Miscellaneous Fees and Charges.  Specifically, as reflected in the underlying Application in this case and the hearing record, the Company is seeking to increase the fee for insufficient checks (from $10 to $15), reconnection of service for non-payment (day from $15 to $20; after hours from $25 to $30), and to implement a new fee to recover costs associated with collecting customer payments in the field ($15/current).  Reference Tr. Exhibit 8 Sch. 1; Tr. p. 208.

Regarding the increase requested for insufficient checks, the Company contends that fees being charged have gone up, and the Company’s internal cost of processing insufficient checks have increased.  Tr. p. 212.

Regarding the increase requested for reconnection of service for non-payment, the Company contends that its cost of providing the services have increased.  Tr. p. 213.

Regarding the proposed new fee to recover costs associated with collecting customer payments in the field, the Company contends that as a basic principal, it is reasonable to recover identifiable costs for delivering customer service from the cost causer rather than everyone else in the service area.  Tr. p. 214.

Commission Findings

The Commission has reviewed the tariff sheets and supporting workpapers submitted by the Company for approval.  The Commission finds the proposed tariffs to be reasonable and otherwise sufficient to produce the increase in revenues of $1,915,953 authorized by Order No. 27630 dated July 14, 1998.  The Commission notes that rates for customers in the North State Area, the Redwood Creek, Island Woods and Banbury areas are grandfathered rates for customers on the system at the time of acquisition and in accordance with prior Orders will be phased into United Water’s regular rate schedules over time.  The calculated foregone revenue related to phase-in customers is $31,480 representing the Company’s agreement to hold the general body of customers harmless from the acquisition of these areas and the agreed rate phase in programs.

The Commission notes that the Company’s tariffs do not reflect an across the board increase in rates and charges of 8.66%.  Rather, the Company has eliminated from the increased calculation those rates and charges that are not subject to change in this case.  Those charges include: guaranteed revenue contracts, rents on water company property, and other water revenues.  The percentage increase to the various rates and charges are as follows.

Residential customers (including new customers in phase-in areas8.7%

Commercial Customers8.71%

Public Authority8.71%

Private Fire Protection8.75%

Guaranteed Revenue Contracts-0-

Miscellaneous Service Revenue (See Schedule 7 Discussion)27.21%

Rents on Company Property-0-

Other Water Revenues-0-

Total Revenue Increase8.66%

Total Revenue after Eliminating Grandfathered Acquisitions8.51%

The Commission notes that the submitted amended Schedule No. 7 Miscellaneous Fees and Charges Tariff was included in the Company’s Application and prefile case.  No party opposed these charges.  The Commission’s Order Nos. 27617 and 27630 issued in this case are both silent on these charges.  The Company has recognized the revenue realized from the new Schedule 7 charges in its computations to arrive at a total authorized revenue requirement.  We find it reasonable to approve the Schedule 7 changes.

O R D E R

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED that the amended tariff sheets submitted by the Company for approval in Case No. UWI-W-97-6 including Schedule No. 7 Miscellaneous Fees and Charges are approved for effective date of July 6, 1998.

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

                                                                                                                                      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

July 15, 1998