MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

FROM:SCOTT WOODBURY

DATE:JUNE 16, 1998

RE:CASE NO. UWI-W-97-6

INTERVENOR FUNDING

Timely Petitions for Intervenor Funding were filed by Idaho Citizens Coalition ($6,955) and Sharon Ullman ($4,696.22).  Reference IDAPA 31.01.01.161.  United Water on June 4th filed a response and objection to the Petitions for Intervenor Funding.

Citizens Coalition

The Petition of the Coalition comports with the requirement of Rule 161 of the Commission’s Rules of Procedure.  Dr. Power’s testimony for the Coalition dealt with three issues: (1) the Boise River diversion, (2) the timing of any approved increase in rates and (3) methods for controlling the ongoing costs associated with the expansion of the water system.  The Coalition’s positions on each of the issues, it states, differed materially from Staff, which either took no position or different positions on each.

United Water questions the materiality of the Coalition’s contribution in this case.  The Company, as it did in its repeated Motions to Strike, reiterates its understanding of the Commission’s Order No. 27556, interpreting the Commission’s language as a rejection of the Coalition’s proposal to defer any change in rates until completion of the rate design and cost of service phase of the Company’s rate case.  The Company concludes in rather summary fashion that in any event, Dr. Power’s proposal runs contrary to clear Idaho law.

The Company challenges Dr. Power’s testimony on the Boise River diversion as being largely duplicative of Staff’s evaluation, albeit conceding that Dr. Power placed more emphasis on the “extreme emergency” provision of Idaho Code 61-502A.  The Company characterizes Dr. Power’s testimony as flawed by his “continued insistence that construction of the diversion was a voluntary business decision and his refusal to acknowledge that construction was necessitated by a mandate from government. . . .”

The Company dismisses Dr. Power’s discussion of geographically deaveraged rates as a means of addressing growth and the number of customers being served and the location of those customers in places with relatively high costs to serve as a theoretical exercise relating more directly to rate design and suggests that the Commission consider deferring the Coalition’s Intervenor Funding request until the conclusion of that proceeding.

Sharon Ullman

The Petition of Ms. Ullman comports with the requirements of Rule 161 of the Commission’s Rules of Procedure.  Ms. Ullman in this case addressed and challenged the reasonableness of Company salaries and benefits, overhead costs, rate case expense, requested rate of return, the timing of any authorized rate increase, the comparative cost of UWI water with other area water providers, the used and useful standard, ad valorem tax expense, attorney fees, and administrative matters.  Ms. Ullman states that the positions she advanced on almost all of the issues addressed were different than those addressed by Commission Staff.

United Water disputes Ms. Ullman’s contention that she somehow represents the public or is acting on behalf of United Water’s customers and recommends that her request be denied.  Authority to represent the public cannot be a process of self-anointment, the Company contends, but must be conferred by those whose interests are purportedly represented.  Individual citizens are certainly entitled to express opinions on issues pending before public bodies, the Company states, but in the absence of some delegated authority from others, they do so in their own name.

Ms. Ullman by way of response contends that to the extent her interests are indistinguishable from ratepayers generally, the validity of her representative participation is proved.  She reminds the Company and Commission that her full participation in Commission proceedings as an affected customer is encouraged by Idaho Code 61-617A.  Ms. Ullman reminds Mr. Miller that when he himself was a member of the Commission, the Commission declared “Ms. Ullman’s participation in this case was insightful, well prepared and helpful to this Commission.  Her effectiveness and knowledge of an arcane subject were impressive.  We appreciate her involvement.”  Ms. Ullman has participated in numerous United Water (Boise Water) cases, and in the most recent case was granted Intervenor Funding.

Scott Woodbury

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