BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)

WARM SPRINGS MESA, INC. TO REVISE)CASE NO.  WSM-W-95-3

AND INCREASE RATES CHARGED FOR )

WATER SERVICE.)

                                                                    )ORDER NO.  26062

On April 21, 1995 and April 28, 1995, Warm Springs Mesa, Inc. (Warm Springs or Company) filed two Applications to increase its rates and charges for water utility services.  Warm Springs’ first Application (Case No. WSM-W-95-2) sought approval to increase its rate from $1.06 to $1.52 per 1,000 gallons of water use in excess of 4,000 gallons.  Warm Springs’ second Application (Case No. WSM-W-95-3) requested approval to increase the same rate from $1.52 to $1.546.  The Company in both cases requested that the new rates be effective May 31, 1995.  On May 17, 1995, the Commission issued Order No. 26017 suspending the effective date of the proposed rates for a period of 90 days from May 31, 1995, or until such time as the Commission may issue an Order accepting, rejecting or modifying the Applications.  On June 13, 1995, Warm Springs filed a written request (Motion) asking that the proceeding regarding its Application in Case No. WSM-W-95-3 be delayed for an additional period of up to 90 days.

Warm Springs’ Application in Case No. WSM-W-95-3 is premised on our Order No. 25970 in which the Commission authorized Warm Springs to borrow up to $40,300.  Warm Springs contends that loan proceeds in the amount of $12,300 were used to provide replacement parts to the existing 12" well (Well No. 2) and its 75 horsepower turbine pump, and requests that that amount be included in rate base.  In its request to postpone the proceedings, Warm Springs stated it has been necessary to remove Well No. 2 from service to overhaul its 75 hp turbine pump.  Apparently the rebuilding of Well No. 2 has not been entirely successful, and Warm Springs stated that it is investigating the lack of volume being produced by the improved Well No. 2.  Warm Springs apparently plans to use Well No. 3 while Well No. 2 is not functioning, and indicated in its request for postponement that “Well No. 3 should be included in Warm Springs Mesa, Inc. rate base.”  Warm Springs indicated it plans to amend its Application in Case No. WSM-W-95-3.  Warm Springs’ request for a postponement in Case No. WSM-W-95-3 has no effect on the proceedings in Case No. WSM-W-95-2.

Given the uncertainty regarding the refurbishing of Well No. 2 and its pump, Staff supports Warm Springs’ request to postpone proceeding on its Application in this case.  Without further evidence that the Well No. 2 rebuild has been successful, Staff stated it cannot recommend that the amount requested by Warm Springs be included in rate base.  Accordingly, Staff recommended the Commission issue an Order continuing suspension of the proposed rates relating to the rebuild of Well No. 2 and its pump, and establish a new comment period following the filing of an amended Application by Warm Springs.

After reviewing the Application and Warm Springs’ Motion, we make the following Findings of Fact, Conclusions of Law, and Order:

FINDINGS OF FACT

I

Warm Springs Mesa submitted proposed schedules of rates and charges for water service to become effective on and after May 31, 1995.  The Commission issued Order No. 26017 suspending the effective date of the proposed rates for up to 90 days from May 31, 1995.  Pursuant to Warm Springs’ request, it is appropriate to continue the suspension of the proposed rates and further proceedings in Case No. WSM-W-95-3 for an additional ninety (90) days.

II

It is appropriate to establish a new comment period in this case following amendment by Warm Springs of its Application.  After Warm Springs files an amended Application, the case will proceed pursuant to notice of a new schedule.

CONCLUSIONS OF LAW

I

The Idaho Public Utilities Commission has jurisdiction over Warm Springs Mesa and its Application by virtue of Title 61, Idaho Code, and the Rules of Procedure of the Idaho Public Utilities Commission, IDAPA 31.01.01000 et seq.

II

The Commission has authority under Idaho Code § 61-622 to suspend the rates that are the subject of the Application at the request of Warm Springs for an additional ninety (90) days.

III

It is necessary to suspend the proposed rates in Case No. WSM-W-95-3 at Warm Springs’ request to allow for the filing of an amended Application and a new schedule for proceeding and to allow the Commission to hear the evidence to be presented in this matter and to consider and determine the issues presented.

O R D E R

IT IS THEREFORE ORDERED that the proposed schedules of rates and charges for water service in Case No. WSM-W-95-3 should be, and hereby are, suspended for a period of ninety (90) days from August 31, 1995, or until such time as the Commission may issue an Order accepting, rejecting or modifying the Application in these matters.  The Commission Secretary may issue a new Notice of Modified Procedure and establish a period to receive written comments after Warm Springs files an amended Application.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this              day of June 1995.

RALPH NELSON, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

vld/O-WSM-W-95-3.ws