Idaho Public Utilities Commission

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Case No. FLS-W-20-03
Order No. 34925
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NEWS RELEASE: Commission issues decision on proposed Falls Water rate increase

BOISE (Feb. 24, 2021) – The Idaho Public Utilities Commission issued a decision on Falls Water's application to increase rates for its customers. Falls Water provides municipal water service to a portion of Bonneville County east of Idaho Falls and north of Ammon.

Falls Water asked to raise rates between 11.2 percent and 27.3 percent, depending on the rate class a customer is in. Falls Water requested to raise its rates to recover revenues of $2,144,602. The commission found it fair, just and reasonable to increase the company's base charges 5.6 percent and to increase the commodity charge to $0.917 from $0.689. The commission approved annual revenues of $2,112,749 for Falls Water.

The commission found most of Falls Water's requested rate increase to be well justified. Falls Water's rates were last raised in 2012 in Case No. FLS-W-12-01. The commission approved Falls Water's request to raise its employees' salaries in order to provide competitive compensation and be able to attract, train, and retain qualified employees that can safely and efficiently operate the water system. The commission lowered Falls Water's return on equity to 10.2 percent from 10.5 percent in recognition of the better access to capital that is available to a subsidiary of NW Natural Holdings, and to reflect the lower costs of capital available today. The commission found the back office functions performed by Falls Water's parent company to be cost-effective and reasonably allocated among subsidiaries of NW Natural Holdings.

For additional information on the commission's decision and Falls Water's application, please visit: https://puc.idaho.gov/case/Details/6530.