



Case No. UWI-W-15-01, Order No. 33316

Contact: Gene Fadness (208) 334-0339, 890-2712

www.puc.idaho.gov

Commission begins up to six-month process to examine evidence in United Water rate case

BOISE (June 10, 2015) – United Water Idaho, which provides water to about 90,000 business and residential customers in Boise, parts of Eagle and some unincorporated areas of Ada County, is asking state regulators to approve a rate increase that, if approved, would increase an average residential bill by about \$4.22 per month, or 13.2 percent.

United Water seeks to increase the bi-monthly customer service charge to \$23.55, up from the current \$20.08 for small-service customers. For larger customers using a 1-inch service line, the bi-monthly basic charge would increase from \$26.60 to \$30.10. The company further proposes to increase its volumetric charge to about \$1.66 per 100 cubic feet (748 gallons), up from \$1.46. If use exceeds 3 CCF during the summer months, the proposed increase is to \$2.07 from \$1.83. If the commission were to approve the full requested amount, annual revenues to United Water would increase by \$5.88 million.

The average \$4.22 per month proposed increase is based on the average residential customer's monthly consumption of 9,500 gallons.

United Water claims the increase is needed to recoup more than \$39 million of investment in its water system since the last rate case in 2011. The capital improvements include \$17.2 million to replace aging water mains and meters, \$3.5 million to replace treatment facilities, \$900,000 for a replacement storage tank in the Bogus Basin Road area and \$500,000 for auxiliary power equipment to ensure uninterrupted water supply during electric outages.

The Idaho Public Utilities Commission suspended the company's application for six months to allow time for its staff of auditors, engineers, technical analysts and attorneys to review the case. The commission cannot, by state law, arbitrarily refuse to consider rate increase requests without first considering the evidence presented by the utility, intervening parties and customers. The burden of proof is on the utility to justify the expenses it seeks to recover as 1) necessary to serve customers and 2) prudently incurred. The commission may accept, reject or

modify the company's request. All commission decisions can be appealed to the state Supreme Court by the utility, intervenors or customers.

United Water is seeking an 8.45 percent overall rate of return and 10.4 percent return on equity. It claims its current rate structure results in a 6.43 percent rate of return.

The company also seeks to make several changes to its customer service rules, including one that would allow United Water to terminate service without prior notice if a customer fails to install, maintain or annually test a backflow prevention device and a dangerous condition is present.

Parties who desire to intervene in the case to present evidence or cross-examine witnesses have until June 23 to file a petition to intervene with the commission. The deadline for public comments and dates for any public workshops or hearings will be announced at a later date.

To review the company's application and supporting testimony, go to www.puc.idaho.gov. Under the "Water" heading, click on "Open Cases," and scroll down to Case No. UWI-W-15-01.

###