



Idaho Public Utilities Commission

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Marsha Smith, Commissioner

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Case No. UWI-W-15-01, Order No. 33436

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Commission approves United Water Idaho rate case settlement

BOISE (December 16, 2015) – The Idaho Public Utilities Commission is adopting a settlement to the United Water Idaho* rate case. The settlement increases rates by 6% effective Dec. 22 and another 1.4% on Dec. 22, 2016.

For a residential customer who uses the company's average consumption the 6% increase is about \$1.25 every two months, from \$20.80 to \$22.05.

Last May, United Water Idaho proposed a one-year, 13.2% increase, raising an additional \$5.88 million in annual revenue. The settlement approved today reduces the revenue increase by 57%, to \$2.73 million in 2016 and \$670,000 in 2017.

Parties to the settlement included United Water, commission staff and the Community Action Partnership Association of Idaho (CAPAI), which represents primarily customers on low- and fixed-incomes.

The settlement also provides that United Water will increase its contribution to the "United Water Cares" program from \$65 to \$75 per customer per year to provide financial assistance to low-income customers. In future years, the company will increase its contribution by the same percent as the rate increase it is granted. None of the program's costs are included in customer rates. United Water Idaho serves more than 90,000 customers in Ada County.

Commission staff supported the settlement, stating it represents "a significantly better deal for customers than could be achieved through either a one-year settlement or litigation of the current rate case." Staff said a "stay-out provision" that prevents another increase until December 2017 at the earliest "provides rate stability for customers."

United Water said the increase was 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 settlement reduced the company's original revenue requirement considerably by establishing deferrals and amortization periods for power costs, rate case expense, tank paintings, pension expense, relocation expense and conservation expense.

The commission received 35 public comments before the proposed settlement, nearly all of them opposed to the increase. After the settlement was announced and offered for public comment, only one comment was received and that was in support of the settlement. A public hearing was held at which no customer attended or testified.

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.

Interested parties may petition the commission for reconsideration by no later than Jan. 6, 2016. Petitions for reconsideration must set forth specifically why the petitioner contends that the order is unreasonable, unlawful or erroneous. Petitions should include a statement of the nature and quantity of evidence the petitioner will offer if reconsideration is granted.

Petitions can be delivered to the commission at 472 W. Washington St. in Boise, mailed to P.O. Box 83720, Boise, ID, 83720-0074, or faxed to 208-334-3762.

The commission's final order as well as other documents provided during the case are available on the commission's website at www.puc.idaho.gov. Click on "Open Cases" under the "Water" heading and scroll down to Case No. UWI-W-15-01.

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*(*During this rate case proceeding, United Water Idaho applied to the commission for a change to its name to SUEZ Water Idaho. The commission authorized the name change in Order No. 33429. All future orders and press releases will use the SUEZ Water Idaho name.)*