



Case No. FLS-W-17-01 Order No. 33863 Final Order

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Regulators approve Falls Water Company request to build new well

BOISE (Sept. 26, 2017) – The Idaho Public Utilities Commission has approved a request from Falls Water Company to construct a new well in order to resolve problems with water pressure in its service territory.

The project is estimated to cost \$647,215 and calls for construction of a well, well house, pumping equipment and controls.

The decision does not immediately impact rates; however, the Commission’s order allows project expenses to be considered in Falls Water’s next rate case.

Company estimates indicate the project could lead to a rate increase of between 3.4- and 4.4 percent, but all expenses related to the project will be reviewed for accuracy and reasonableness before they are included in a future rate case.

Falls Water serves approximately 4,700 customers in Bonneville County east of Idaho Falls.

Officials with the Idaho Department of Environmental Quality notified the company in July 2016 that it had failed to comply with water pressure requirements of the Idaho Rules for Public Drinking Water Systems.

DEQ officials suggested that corrective action could include water-use restrictions or an increase in system capacity through additional sources, storage or pumping.

When the potential solutions were deemed inadequate or cost prohibitive, Falls Water sought to add capacity through the construction of a new well.

The Commission found that the company’s proposal “appears to be the most cost-effective means of providing adequate service to its customers.”

The Commission's order authorizes the use of \$39,172 from the company's plant reserve fund.

The fund was established per Commission order in 2012, when Falls Water's current rates were set.

The company had asked for that \$39,172 to be included in the revenue requirement used to determine customer rates in the future.

The Commission disallowed that, ruling that the amount taken from the fund came from customers rather than investors and would therefore offset the cost of the project in a future rate case.

The company's application and supporting documents are available on the commission's web site at www.puc.idaho.gov. Under the "Water" heading, click on "Open Cases" and scroll down to case number (FLS-W-17-01).