



Case No. GPW-W-17-01
Order No. 33910 Final Order
Contact: Matt Evans
(208) 334-0339 office
(208) 520-4763 cell
www.puc.idaho.gov

PUC approves increases to rates and charges for Grouse Point Water Company

BOISE (Oct. 16, 2017) – State regulators have approved increases to rates and charges for customers of a small water company near Kuna.

The changes for Grouse Point Water Company include an increase to the monthly customer charge and to charges based on the amount of water used.

Grouse Point Water provides service to 24 customers.

In requesting approval from the Idaho Public Utilities Commission to raise rates, the company said revenue had fallen short of operational expenses every year since 2003, when its current rates were set. Without a rate increase, the company said, it would be unable to continue operations.

The changes took effect Oct. 15 and include an increase to the monthly customer charge from \$22 to \$86, along with usage charges based on an inclining block rate structure that assesses a higher rate when usage exceeds certain amounts.

Grouse Point customers who use up to 8,000 gallons in a month are now charged \$2.50 per 1,000 gallons used. The rate increases to \$3.75 per 1,000 gallons for monthly usage between 8,001 and 20,000 gallons. It climbs to \$5 per 1,000 gallons for monthly usage exceeding 20,000 gallons.

Under the rate structure set in 2003, customers paid 50 cents per 1,000 gallons used when monthly consumption exceeded 8,000 gallons. There were no usage charges for customers who consume less than 8,000 gallons per month.

Grouse Point had proposed raising the monthly customer charge to \$113.86 and implementing consumptive charges with two tiers separated at 8,000 gallons - \$1.83 per 1,000 gallons for those who use less than 8,000 gallons in a month, and \$5 per 1,000 gallons for usage in excess of 8,000 gallons.

In its proposal, the company said revenue between 2012 and 2015 covered approximately 40 percent of its expenses for basic operations and maintenance, creating a deficit in excess of \$10,000.

In addition, the company contended its rates did not reflect \$127,441 in capital improvements made in 2009 and 2013. Those improvements included installation of a new well, two pumps and associated equipment needed to comply with federal drinking water standards involving uranium that were established in 2004.

While the Commission determined that expenses associated with the new well and pump were prudent, it did not allow the company to recover costs related to a pump that was no longer in service, and it deducted more than \$1,000 in equipment depreciation expenses.

The Commission's decision allows \$87,775 in expenses and an 11-percent rate of return.

The company had requested that the new rates be based on \$99,056 in expenses with a 12-percent rate of return.

The Commission's order also encouraged the company to collaborate with Commission staff to revise its tariffs and policies, to develop a strategy to avoid over- or under-earning when there are changes to the number of customers and to take steps to improve the efficiency of operations, particularly related to power consumption.

The Commission's order and other documents related to the case can be found at www.puc.idaho.gov. Under the "Water" heading, click on "Open Cases" and scroll down to Case No. GPW-W-17-01. Or go [here](#).

Interested parties may petition for reconsideration of the decision by no later than Nov. 3. 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 PO Box 83720, Boise, ID, 83720-0074, or faxed to (208) 334-3762.