



# PUBLIC WORKSHOP

## Gem State Water Rate Case

Case No. GSW-W-24-01

IDAHO PUBLIC UTILITIES COMMISSION

May 1, 2025





# Introduction

Joe Terry – Auditor 3

Michael Ott – Utility Analyst

Jolene Bossard – Utilities Compliance Investigator

# Purpose of Public Workshop

Informational session to:

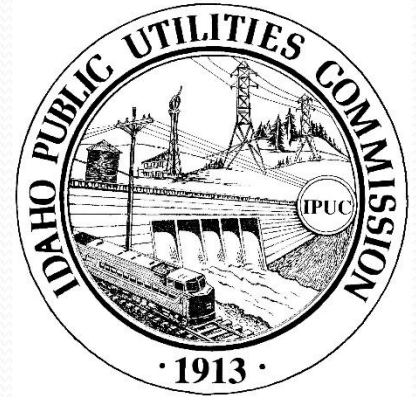
- Present Gem State's application.
- Explain Staff's role in this case.

Provide customers an opportunity to meet Commission Staff.

Ask questions to Staff and describe how to submit written public comments.

This Public Workshop is not part of the official case record.

# What is the Idaho Public Utilities Commission?



- Established in 1913. Idaho Code Sections 61, 62, and 63.
- The Commission regulates Idaho's investor-owned utilities, ensuring adequate service and reasonable rates.
- The Commission is made up of three commissioners appointed by the Governor. The Commissioners make the decisions in each case.
- Commission Staff is made up of Auditors, Consumer Compliance Investigators, Engineers, & Technical Analysts.
- Commission Staff is conducting this workshop. Staff is one of the parties in the rate case providing comments to the Commissioners.

# State Law Requirements

## **State law requires that the Commission:**

- Consider the evidence that is on the record, which includes the Company's Application, testimony from Staff & Parties, and customers' written comments or oral testimony at customer hearings.
- Meet the statutory public interest standard that ensures customers have adequate, safe, and reliable service at just and reasonable rates.

## **Important Points to Consider:**

- It is not in the public interest to have a utility that cannot adequately serve all the customers in its assigned territory now and in the future.
- All Commission decisions must withstand Idaho Supreme Court appeals from either utility or customer groups.

# Requirements of Investor-Owned Utilities

- Serve every customer in its assigned territory.
  - Customers do not have a choice of a different utility company.
- In exchange for their guarantee to provide **adequate, safe, and reliable service**, the state must provide utilities the opportunity to:
  - Recover **prudently incurred** expenses necessary to serve customers; and,
  - Earn a **reasonable rate of return** on their investment.





# Gem State Application



# Schedule



Event	Date	Location
Case Filed	December 27, 2024	
<b>Public Workshop</b>	<b>May 1, 2025</b>	<b>Athol, ID</b>
Staff Comments	June 13, 2025	
<b>Public Comments</b>	<b>June 13, 2025</b>	
Company Response	July 8, 2025	
Customer Hearing	June 18, 2025	Athol, ID
Close of Case	Final Order	
Proposed Effective Date	August 1, 2025 (or Final Order date)	



# Rate Case Drivers

From Gem State's Notice :

“...recover the current cost of operating and maintaining the water systems, which have escalated in recent years, prudently incurred system improvements, and recent investments to replace aging infrastructure...”

- Increases to costs
- Additional Plant in Service



# Revenue Requirement

# Revenue Requirement

- The revenue the Company needs to meet its expenses, cover depreciation, and earn a sufficient rate of return to attract investors.
- **Components:**
  - Operating Expenses;
  - Taxes;
  - Depreciation;
  - Return on Rate Base:
    - $\text{Rate Base} \times \text{Rate of Return}$ ;
    - Rate Base consists of Net Plant in Service and Working Capital;

# Expenses

- Must be prudent
- Must be used for service

# Taxes

- Properly Calculated

# Depreciation

- Properly Calculated
- Based on Plant in Service

# Return on Rate Base

- Plant in Service
  - Used and Useful
  - Must be prudent
- Working Capital (cash needed for everyday operations)
- Rate of Return
  - Calculated based on Debt and Equity Costs
  - Must be able to access the capital needed to maintain the system



# Gem State Financials

(Revenue Requirement in Practice)



# Case No. GSW-W-24-01 Expenses



Category	Commission Approved GSW-W-22-01	Company Application GSW-W-24-01	Difference	%
<b>Revenue</b>	836,671	763,610	(73,061)	
<b>Expenses</b>				
Labor	248,366	229,700	(18,666)	-7.69%
Purchased Water	5,086	-	(5,086)	-2.10%
Power	88,731	147,510	58,779	24.22%
Materials & Supplies	16,682	26,415	9,733	4.01%
Admin & General Expense	50,385	58,383	7,998	3.30%
Misc	49,021	5,764	(43,257)	-17.83%
Contract Services	87,661	52,110	(35,551)	-14.65%
Rent	31,911	40,142	8,231	3.39%
Transportation	6,572	14,867	8,296	3.42%
Insurance	14,146	36,935	22,789	9.39%
Depreciation	66,897	301,731	234,834	96.77%
Taxes	495	(4,929)	(5,424)	-2.24%
<b>Total Expenses</b>	665,953	908,629	242,676	
<b>Net Income</b>	170,718	(145,019)	(315,737)	



# Case No. GSW-W-24-01 Rate Base

Category	Commission Approved GSW-W-22-01	Company Application GSW-W-24-01	Difference	%
<b>Plant in Service</b>				
Land and Buildings	54,983	624,550	569,567	19.12%
Reservoirs	120,672	1,863,934	1,743,262	58.51%
Wells, Pumps, and Mains	1,813,460	1,166,635	(646,825)	-21.71%
Generators	140,880	279,346	138,466	4.65%
Wells, Pumps, and Pipes	140,252	419,667	279,415	9.38%
Meters, Hydrants and Other Water Plant	209,755	828,617	618,862	20.77%
Office	120,834	178,986	58,152	1.95%
Transportation	-	155,912	155,912	5.23%
Tools and Other	65,426	128,265	62,839	2.11%
<b>Total Plant In Service</b>	<b>2,666,262</b>	<b>5,645,912</b>	<b>2,979,650</b>	
Accumulated Depreciation	(1,410,122)	(1,946,830)	(536,708)	
<b>Net Plant In Service</b>	<b>1,256,140</b>	<b>3,699,081</b>	<b>2,442,941</b>	
<b>Other Rate base Items</b>				
Customer Contributions	(9,307)	(34,133)	(24,826)	
Working Capital	74,820	75,862	1,042	
Inventory	55,753	-	(55,753)	
Deferred Taxes	(4,587)	58,410	62,997	
<b>Total Rate Base</b>	<b>1,372,818</b>	<b>3,799,220</b>	<b>2,426,401</b>	



# Rate Design

# Background

- Purpose: Propose rates that allow the Company the opportunity to collect its revenue requirement.
  - Revenue is typically collected from a monthly customer charge, commodity charge, or both.
- Prior Rate Case GSW-W-22-01:
  - Resulted in partial consolidation of water system rates.
  - Present Tariff has different rate schedules for different systems.

# Company Application

- Consolidate rates into one schedule.
  - All customers with the same meter size have the same minimum customer charge, commodity charge, and water volumes (allowance) included with the customer charge.
  - Different meter sizes have different customer charges and water allowances.

# Company Application Cont.

- Allowances included in Customer Charge:
  - Company proposes to lower the amount of water included in the monthly charge.
  - “...allowance is contrary to the goal of encouraging conservation..”
- Commodity Rates:
  - Increase in rates per 1,000 gallons above volume included.
- Non-recurring charges:
  - Irrigation meter storage and reinstall. \$50 per year.
  - Account change/closing fee. \$20.
  - Refundable meter and backflow device deposit. \$2,500.





# Rate Proposal

# Proposed Customer Charges

<u>Water System</u>	<u>Meter Size</u>	<u>Current Rates</u>	<u>New Rates</u>	<u>% Increase</u>
All Systems	1 - Inch	\$35.00	\$53.50	53%
All Systems	1 1/2 – Inch	\$70.00	\$107.00	53%
All Systems	2 – Inch	\$112.00	\$171.20	53%
All Systems	3 – Inch	NA	\$321.00	NA
All Systems	4 – Inch	NA	\$535.00	NA
All Systems	6 – Inch	NA	\$1070.00	NA
Diamond Bar Estates	1 - Inch	\$41.00	\$53.50	31%

# Proposed Commodity Charges

Per 1,000 gallons over the volume included in monthly charge

Water System	Meter Size	Gallons Included		Overage Rate	
		Current	Proposed	Current	Proposed
Bar Circle "S" & Spirit Lake East	1-Inch	7,500	5,000	\$2.52*	\$4.50
Bar Circle "S" & Spirit Lake East	1.5-Inch	15,000	10,000	\$2.52*	\$4.50
Bar Circle "S" & Spirit Lake East	2-Inch	30,000	20,000	\$2.52*	\$4.50
Lynnwood	1-Inch	15,000	5,000	\$2.45	\$4.50
Bitterroot & Rickel	1-Inch	10,000	5,000	\$2.45	\$4.50
Troy Hoffman	1-Inch	7,500	5,000	\$2.45	\$4.50
Happy Valley	1-Inch	15,000	5,000	\$1.45	\$4.50
Happy Valley	1.5-Inch	15,000	10,000	\$1.45	\$4.50
Happy Valley	2-Inch	30,000	20,000	\$1.45	\$4.50
Diamond Bar Estates	1-Inch	7,500	5,000	\$2.45	\$4.50
Diamond Bar Estates	2-Inch	35,000	20,000	\$2.45	\$4.50
Diamond Bar Estates Irrigation	1-Inch	7,500	5,000	\$2.26	\$4.50
Diamond Bar Estates Irrigation	1.5-Inch	20,000	10,000	\$2.26	\$4.50
Diamond Bar Estates Irrigation	2-Inch	32,000	20,000	\$2.26	\$4.50

\* This amount is per 1,000 gallons. Some customers in this system are currently billed \$1.88 per 1.0 CCF

# Bill Impacts

## 1" Metered Connections

Water System	Consumption	Bill Amount		% Increase
	Gallons	Current	Proposed	
Bar Circle "S" & SLE	5,000	\$35.00	\$53.50	53%
	15,000	\$53.90	\$98.50	83%
	30,000	\$91.70	\$166.00	81%
Lynnwood	5,000	\$35.00	\$53.50	53%
	15,000	\$35.00	\$98.50	181%
	30,000	\$71.75	\$166.00	131%
Bitterroot & Rickel	5,000	\$35.00	\$53.50	53%
	15,000	\$47.25	\$98.50	108%
	30,000	\$84.00	\$166.00	98%

# Bill Impacts

## 1" Metered Connections

Water System	Consumption Gallons	Bill Amount		% Increase
		Current	Proposed	
Troy Hoffman	5,000	\$35.00	\$53.50	53%
	15,000	\$53.38	\$98.50	85%
	30,000	\$90.13	\$166.00	84%
Happy Valley	5,000	\$35.00	\$53.50	53%
	15,000	\$35.00	\$98.50	181%
	30,000	\$56.75	\$166.00	193%
Diamond Bar	5,000	\$41.00	\$53.50	30%
	15,000	\$59.38	\$98.50	66%
	30,000	\$96.13	\$166.00	73%
Diamond Bar Irr. (1.5 inch)	30,000	\$92.60	\$197.00	113%
	60,000	\$160.40	\$332.00	107%



# Consumer Assistance

*Jolene Bossard*

*Utilities Compliance Investigator*



# Consumer Assistance

- Utility Compliance Investigators assist customers to resolve issues and/or disputes with the Company.
- Investigators monitor compliance with laws, commission rules, and the Company tariff.
- Represent consumer interests when staff is developing a position in a case
- In a rate case, investigators review issues from previous cases, review previous complaints, review submitted comments from customers, and investigate consumer issues raised in the case.

# Consumer Issues

As of this week, the PUC has received 197 Customer Comments

## **Rate / Rate design**

- Concerns with the economy and the high average increase;
- Requesting a lower or phased in increase;
- Disagree with the changes in the volume amounts; and,

## **Irrigation**

- High cost to irrigate large properties, fire prevention, gardens, etc.

# Consumer Issues

## Customer Notice

- Not enough information
- Confusing information

## Additional comments:

- Low water pressure / Fire prevention
- Drought / Conservation
- Requested workshop / customer hearing

# Customer Comments

Customer written comments are due June 13, 2025  
(Reference Case Number **GSW-W-24-01**)

- Internet Website Address – [puc.idaho.gov](http://puc.idaho.gov)
- Online - Case Comment Form (once comments are submitted, they become part of public record)
- Email – Address: [secretary@puc.idaho.gov](mailto:secretary@puc.idaho.gov)
- Mail – IPUC, PO Box 83720, Boise, ID 83720-0074
- Public Customer Hearing – June 18, 2025

COMMENTS ONLY  
(QUESTIONS WILL NOT BE ADDRESSED)

# Idaho Public Utilities Homepage

The screenshot shows the homepage of the Idaho Public Utilities Commission. At the top is a navigation bar with links: Home, Cases, File Room, Laws & Rules, Consumers, Press Releases, About us, and Contact us. Below this is a sidebar with various utility-related links, each with an icon: Case Comment Form (person icon), Annual Gross Intrastate Revenues Report Form (person icon), Electric (lightbulb icon), Telecom (phone icon), Water (water drop icon), Natural Gas (flame icon), Rail Safety (warning triangle icon), Pipeline Safety (warning triangle icon), Multi-Utility (lightning bolt icon), and Tariff Advice (lightning bolt, flame, phone, and water drop icons). A yellow arrow points to the Case Comment Form link. The main content area features a News Updates section with a list of recent events, a Wildfire Safety Resources section with a warning triangle icon, and an eFile Portal section with a button labeled eFile Portal. A red arrow points to the right side of the News Updates list. Below the eFile Portal button is a paragraph explaining its use. At the bottom left, there is a Consumers section with links to Consumer Complaint / Inquiry Form, Frequently Asked Questions, Consumer Resources, and Why Can't You Tell Them No.

**IDAHO PUBLIC UTILITIES COMMISSION**

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**Case Comment Form**

**Annual Gross Intrastate Revenues Report Form**

**Electric**

**Telecom**

**Water**

**Natural Gas**

**Rail Safety**

**Pipeline Safety**

**Multi-Utility**

**Tariff Advice**

**News Updates**

- Rocky Mountain Power Technical Hearing - Jan. 9
- Rocky Mountain Power General Rate Case PowerPoint Presentation - Sept. 25
- IPC-E-24-22 PowerPoint Presentation - Sept. 17
- Idaho Power Rate Case PowerPoint - Sept. 5
- Idaho Power Rate Case Video Presentation - Sept. 5
- CDS Stoneridge Video Presentation
- CDS Stoneridge Workshop Presentation - June 4

**Wildfire Safety Resources**

Utility representatives may use their passcode to electronically file.

**eFile Portal**

Use the [eFile Portal Registration Form](#) if you are a representative of a utility and need a passcode to submit documents.

**Consumers**

[Consumer Complaint / Inquiry Form](#)

[Frequently Asked Questions](#)

[Consumer Resources](#)

[Why Can't You Tell Them No](#)

# Comments Form Page

[Home](#) [Cases](#) [File Room](#) [Laws & Rules](#) [Consumers](#) [Press Releases](#) [About us](#) [Contact us](#)

## Case Comment or Question Form

Use this form to **file a comment** or **ask a question about a utility case** pending before the Commission. If you know the case number, please include it.

Submit electronically below or send in to:

Idaho Public Utilities Commission  
P O Box 83720  
Boise, Idaho 83720-0074  
FAX: (208) 334-3762

Use the [Consumer Complaint / Inquiry Form](#) if you need help resolving a problem with a utility or have a question about your bill, disconnection of service, service reliability and outages, cost of a line extension, customer service, or other issues that are not related to a utility case.

### Case Comment Form

Use this form to file a comment or ask a question about a case

Case Number:	<input type="text"/>
First Name:	<input type="text"/>
Last Name:	<input type="text"/>
Address:	<input type="text"/>
City:	<input type="text"/>
State:	<input type="text" value="ID"/>
Zip:	<input type="text"/>
Daytime Phone:	<input type="text"/>
Email:	<input type="text"/>
Utility Company:	<input type="text"/>

I am interested in attending an online workshop or potentially an in-person workshop. ☐ Yes, I am interested. ☐ No thanks.

I am interested in attending a customer hearing to give testimony (verbal comments) for the record on this case. ☐ Yes, I am interested. ☐ No thanks.

I acknowledge that submitting a comment in an open case constitutes a public record under Idaho Code § 74-101 (13) and all information provided by me on this form is available for public and media inspection. My comment may be reviewed by the utility.

Ask a question or state your comment:





# PUC Home Page

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 **Case Comment Form**

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 **Electric**

 **Telecom**

 **Water** 

 **Natural Gas**

 **Rail Safety**

 **Pipeline Safety**

 **Multi-Utility**

    **Tariff Advice**

## News Updates

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## Consumers

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# Water Page

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## Water

### Cases

[Open Cases](#)



[Closed Cases](#)

### Resources

[Water Company Information Packet](#)

[EPA Information](#)

[DEQ - Public Drinking Water Systems](#)

[NARUC Committee on Water](#)

[Approved Water Tariffs](#)

### Orders & Notices

[Commission Order No. 36000- Interest Rate on Consumer Deposits](#)

[Commission Order No. 36141 - Utilities Regulatory Fees](#)

### Rules

[IPUC Rules](#)

[Safety and Accident Reporting Rules](#)

# Open Water Cases Page



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IPUC Open Water Cases

Search:

Case No ▾

For:

GSW-W-25-01

Go

CaseNo	Company	Description
<a href="#">ASP-W-24-03</a>	ASPEN CREEK WATER COMPANY, INC.	ASPEN CREEK WATER COMPANY - APPLICATION TO AUTHORIZE A GENERAL INCREASE IN WATER RATES AND NEW CONNECTION FEES
<a href="#">BPI-W-24-01</a>	Buckskin Properties, Inc.	BUCKSKIN PROPERTIES, INC - INVESTIGATION INTO BUCKSKIN PROPERTIES, INC. OWNER OF A WATER SUPPLY AND DISTRIBUTION SYSTEM
<a href="#">CAP-W-24-03</a>	CAPITOL WATER CORPORATION	CAPITOL WATER CORPORATION -- PETITION TO REQUEST AN INVESTIGATION INTO FLYING H TRAILER RANCH
<a href="#">FLS-W-24-02</a>	FALLS WATER COMPANY INC	FALLS WATER COMPANY, INC - GENERAL RATE CASE
<a href="#">GSW-W-24-01</a>	GEM STATE WATER COMPANY LLC	GEM STATE WATER -- GENERAL RATE CASE
<a href="#">ISL-W-23-01</a>	ISLAND PARK WATER COMPANY	ISLAND PARK WATER--FAILURE TO COMPLY WITH IPUC REPORTING AND FISCAL REQUIREMENT
<a href="#">ISL-W-23-02</a>	ISLAND PARK WATER COMPANY	ISLAND PARK WATER COMPANY -- IN THE MATTER OF THE INVESTIGATION OF VIOLATIONS OF THE IDAHO PUBLIC UTILITIES LAW

# Case Summary Page



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## Case Summary

Last Updated	Case Number	Date Filed	Case Type	Status	Description
12/30/2024	GSW-W-24-01	12/27/2024	Rate	Notice Received	GEM STATE WATER – GENERAL RATE CASE

## Case Files

12/27/2024 [APPLICATION.PDF](#)  
01/31/2025 [ERRATA TO APPLICATION.PDF](#)  
02/28/2025 [AMENDED APPLICATION AND EXHIBITS.PDF](#)  
02/28/2025 [AMENDED APPLICATION\\_REDLINE.PDF](#)

## Public Comments

03/10/2025 [COMMENTS\\_43.PDF](#)  
03/11/2025 [COMMENTS\\_20.PDF](#)  
03/12/2025 [COMMENTS\\_14.PDF](#)  
03/13/2025 [COMMENTS\\_13.PDF](#)  
03/14/2025 [COMMENTS\\_11.PDF](#)  
03/17/2025 [COMMENTS\\_11.PDF](#)  
03/18/2025 [COMMENTS\\_5.PDF](#)



# Where do we go from here?

- Customers can subscribe to the Commission's RSS feed to receive updates about all water cases via email.
- Continue submitting your comments.
- Public Customer Hearing, date is **June 18, 2025**.
- The Commission will issue a final order which will close the case.



You can find case information and file comments on the PUC website:

[puc.idaho.gov](http://puc.idaho.gov)

Case Number GSW-W-24-01

Direct: (208) 334-0300

Toll-Free: (800) 432-0369

Fax: (208) 334-3762



# QUESTIONS?