Workshop Participation

• Online:
  • To open chat in WebEx, please select the icon
  • Type questions and comments in the chat box
    • Please use the “all panelists” option when using chat to ensure your message will be seen
  • To speak, click on the hand in the lower right corner

• On the phone:
  • *3 is the command to raise and lower your hand
    • When your line has been un-muted, you will hear an announcement indicating that

This PowerPoint is available on the commission’s homepage at puc.idaho.gov
PUBLIC WORKSHOP

VP Inc.
Request for a CPCN and Increase in Water Rate
Case No. VPI-W-24-01

IDAHO PUBLIC UTILITIES COMMISSION
June 6, 2024
Introduction

Adam Rush  Public Information Officer
Travis Culbertson  Auditor III
Chris Hecht  Utilities Compliance Investigator
Purpose of a Public Workshop

- Informational session to learn about the case
  - Present VP, Inc. Application
  - Explain Staff’s role
  - Provide customers an opportunity to meet Commission Staff
  - Ask questions to Staff and learn 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 and 62

• 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, and Admin

• Staff is conducting this workshop. Staff is one of the Parties in the case and providing comments to the Commissioners
What is the Commission’s role?

State law requires that the Commission

• Consider the evidence that is on the record, which includes
  1. The Company’s Application
  2. Comments from Staff & Parties
  3. Customers’ written comments (or oral testimony at customer hearings)

• Meet the statutory public interest standard that ensures customers have
  1. Adequate, safe, and reliable service
  2. 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
How are regulated utilities different from other businesses?

- Regulated utilities are not like any other business
  - They are assigned service territories and must serve every customer in that territory
- What they charge customers is determined by state regulators
- In exchange for the utility’s guarantee to provide adequate, safe, and reliable service, the state must provide the utility the opportunity to
  1. Recover prudently incurred expenses necessary to serve customers
  2. Earn a reasonable rate of return on its investment
# Schedule

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Location</th>
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</thead>
<tbody>
<tr>
<td>Case Filed</td>
<td>January 11, 2024</td>
<td></td>
</tr>
<tr>
<td><strong>Public Workshop</strong></td>
<td><strong>Today (June 6, 2024)</strong></td>
<td><strong>Virtual</strong></td>
</tr>
<tr>
<td>Staff &amp; Intervenor Comments</td>
<td>June 13, 2024</td>
<td></td>
</tr>
<tr>
<td><strong>Public Comments</strong></td>
<td><strong>File Now</strong></td>
<td></td>
</tr>
<tr>
<td>Customer Hearing</td>
<td>June 24, 2024 @ 5 pm PDT</td>
<td>Sandpoint Community Hall</td>
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<tr>
<td>Company Reply Deadline</td>
<td>June 27, 2024</td>
<td></td>
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<tr>
<td>Close of Case</td>
<td>Final Order</td>
<td></td>
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</tbody>
</table>
Background & Application
Background

**GNR-W-17-01** – Investigation of VP, Inc, an unregulated northern Idaho water Company

- Order 35998 – November 14, 2023
  
  “It is hereby ordered that VP apply to the Commission for a CPCN to provide water service to its customers in Idaho as a regulated utility within 60 days of the service date of this order.”

**VPI-W-24-01** – Application for a CPCN and Rate Increase
Application

- January 11, 2024, Requested a Certificate of Public Convenience and Necessity ("CPCN")

- February 20, 2024, Submitted an amendment that included a rate increase for all customers
Application

- Company currently has 71 customers
  - When fully built out, it will have 74 customers

- Requesting one flat-rate for all customers
  - Currently charges three different rates
  - Proposed Rate of $55.00 per month
Certificate of Public Convenience and Necessity
What is a CPCN?

- *Idaho Code §§ 61-526, 61-528*
  - Certificate is for such purpose to own, maintain, and operate assets that provide a service
  - Grants authority to serve within a geographical territory
  - Obligated to provide to those requesting service
General Rate Case
Purpose

- Establish a Revenue Requirement
  - Recover Prudently Incurred Expenditures
    - Operating Expense
    - Taxes
    - Depreciation
    - Plant Additions

- Set a Rate of Return

- Establish rate(s) to recover its requested revenue
Revenue Requirement

- Annual Revenue needed to operate the water system
  - Allows recovery of prudently incurred expenses

- Earn a Return on Capital investments
  - Infrastructure Needed to Provide Service
  - Pumps, wells, meters, etc.
Components

- **Operating Expenses**
  - Wages, office supplies, contract services
- **Taxes**
  - State and Federal taxes related to the water company
- **Depreciation Expense**
  - Return of Plant used to provide service
- **Plant**
  - Infrastructure used to provide service
- **Rate of Return**
  - Return on the capital investments into the water system
Consumer Assistance
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’s Tariff

• In a rate case, Investigators
  • Review issues from previous cases
  • Review previous complaints
  • Review submitted comments from customers
  • Investigate consumer issues raised in the case
Consumer Issues

• As of this week, the IPUC has received two customer comments
  • Against the rate increase
  • Safe and Reliable service
Customer Comments

Customer written comments are due prior to the Commission closing the record on the case (Reference Case Number VPI-W-24-01)

- Internet Website Address – puc.idaho.gov
- Select - Case Comment Form (once comments are submitted, they become part of public record)
- Email – Address: secretary@puc.idaho.gov
- Mail – IPUC, PO Box 83720, Boise, ID 83720-0074
- Fax letters or comment sheets to the Commission at 208-334-3762
- Public Customer Hearing – June 24, 2024 @ 5 pm PDT

COMMENTS ONLY
(QUESTIONS WILL NOT BE ADDRESSED)
Comments Form Page

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 83720-0734
FAX: (208) 334-1762

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 line extension, customer service, or other issues that are not related to a utility case.
PUC Home Page

News Updates
- PAC-E-23-17 Public Workshop
- QST-G-23-01 Virtual Public Workshop
- IPUC 2023 Annual Report
- Idaho Power Company On-Site Generation Compensation Case Virtual Public Workshop Presentation
- In Re COVID-19 Response - Order No. 35375
- Current Openings - Careers
### 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
## IPUC Open Water Cases

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<th>CaseNo</th>
<th>Company</th>
<th>Description</th>
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<tbody>
<tr>
<td>ASP-W-24-01</td>
<td>ASPEN CREEK WATER COMPANY, INC.</td>
<td>ASPEN CREEK WATER COMPANY - IN THE MATTER OF THE INVESTIGATION INTO BILLING PRACTICES</td>
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<tr>
<td>CAP-W-24-01</td>
<td>CAPITOL WATER CORPORATION</td>
<td>CAPITOL WATER CORP -- GENERAL RATE CASE</td>
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<tr>
<td>DRY-W-24-01</td>
<td>DRY CREEK WATER COMPANY</td>
<td>DRY CREEK - INVESTIGATION INTO DRY CREEK WATER COMPANY, LLC, OWNER OF A WATER SUPPLY AND DISTRIBUTION SYSTEM</td>
</tr>
<tr>
<td>FLS-W-24-01</td>
<td>FALLS WATER COMPANY INC</td>
<td>FALLS WATER COMPANY -- APPLICATION FOR APPROVAL OF A REPLACEMENT WELL FOR ITS MORNING VIEW SYSTEM</td>
</tr>
<tr>
<td>GNR-W-17-01</td>
<td>GENERIC</td>
<td>INVESTIGATION OF VP, INC. AN UNREGULATED NORTHERN IDAHO WATER COMPANY</td>
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<td>GNR-W-24-01</td>
<td>GENERIC</td>
<td>VALIANT IDAHO, INC AND TIC UTILITIES, LLC -- INVESTIGATION INTO VALIANT IDAHO, INC. AND TIC UTILITIES, LLC, OWNERS OF A NORTHERN IDAHO WATER SUPPLY AND DISTRIBUTION SYSTEM</td>
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<tr>
<td>ISL-W-23-01</td>
<td>ISLAND PARK WATER COMPANY</td>
<td>ISLAND PARK WATER -- FAILURE TO COMPLY WITH IPUC REPORTING AND FISCAL REQUIREMENT</td>
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<td>ISL-W-23-02</td>
<td>ISLAND PARK WATER COMPANY</td>
<td>ISLAND PARK WATER COMPANY -- IN THE MATTER OF THE INVESTIGATION OF VIOLATIONS OF THE IDAHO PUBLIC UTILITIES LAW</td>
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<tr>
<td>MSW-W-23-01</td>
<td>MAYFIELD SPRINGS WATER COMPANY, INC.</td>
<td>MAYFIELD SPRINGS WATER COMPANY -- FORMAL COMPLAINT OF ARROWROCK RANCH ASSOCIATION, INC</td>
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<tr>
<td>PTE-W-24-01</td>
<td>PONDEROSA TERRACE ESTATES WATER SYSTEM</td>
<td>PONDEROSA TERRACE ESTATES WATER SYSTEM -- CANCELLATION OF CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY</td>
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<td>SWC-W-23-01</td>
<td>SCHWEITZER WATER COMPANY</td>
<td>SCHWEITZER WATER COMPANY -- APPLICATION FOR APPROVAL OF ACQUISITION AND ISSUANCE OF A NEW CERTIFICATE OF CONVENIENCE AND NECESSITY</td>
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<td>SWI-W-24-01</td>
<td>SYRINGA WATER INC</td>
<td>SYRINGA -- APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE</td>
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<tr>
<td>SWS-W-23-02</td>
<td>CDS STONERIDGE UTILITIES LLC</td>
<td>CDS STONERIDGE UTILITIES LLC -- APPLICATION TO MAKE CHANGES TO SCHEDULE NO. 3</td>
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<td>SWS-W-24-01</td>
<td>CDS STONERIDGE UTILITIES LLC</td>
<td>CDS STONERIDGE UTILITIES, LLC -- GENERAL RATE CASE</td>
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<tr>
<td>VEO-W-22-04</td>
<td>VEOLIA WATER IDAHO INC.</td>
<td>VEOLIA WATER IDAHO, INC -- APPLICATION FOR APPROVAL OF FIRE HYDRANT CONVEYANCE, INSTALLATION, AND OPERATION AGREEMENT</td>
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<td>VEO-W-23-05</td>
<td>VEOLIA WATER IDAHO INC.</td>
<td>VEOLIA WATER IDAHO, INC -- JOINT APPLICATION FOR AMENDMENT OF VEOLIA WATER IDAHO CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY</td>
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<td>VPLW-24-01</td>
<td>VP INC</td>
<td>VP INC -- APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY</td>
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# Case Summary

## Case Summary

<table>
<thead>
<tr>
<th>Last Updated</th>
<th>Case Number</th>
<th>Date Filed</th>
<th>Case Type</th>
<th>Status</th>
<th>Description</th>
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<tbody>
<tr>
<td>04/25/2024</td>
<td>VPI/W-24-01</td>
<td>01/11/2024</td>
<td>Application</td>
<td>Notice Received</td>
<td>VP INC -- APPLICATION F</td>
</tr>
</tbody>
</table>

## Case Files

- 01/11/2024  APPLICATION.PDF
- 02/20/2024  AMENDMENT TO APPLICATION.PDF
- 02/20/2024  ATTACHMENT - BALANCE SHEET.PDF
- 02/20/2024  EXHIBIT 14.PDF
- 02/20/2024  EXHIBIT 19.PDF

## Orders & Notices

- 03/12/2024  NOTICE_OF_APPLICATION_ORDER_NO_36117.PDF
- 04/08/2024  NOTICE_OF_PARTIES.PDF
- 04/23/2024  NOTICE_OF_MODIFIED_PROCEDURE_ORDER_NO_36156.PDF
- 05/20/2024  NOTICE_OF_VIRTUAL_PUBLIC_WORKSHOP_ORDER_NO_36183.PDF

## Public Comments

- 04/22/2024  COMMENT_1.PDF
- 05/07/2024  COMMENT_1.PDF
Where do we go from here?

- Customers can subscribe to the Commission’s RSS feed to receive updates about all cases via email
- Continue submitting your comments
- Customer Hearing date is June 24, 2024, at 5:00 pm PDT
- 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 VPI-W-24-01

Direct: (208) 334-0300
Toll-Free: (800) 432-0369
Fax: (208) 334-3762
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QUESTIONS?