

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF ASPEN CREEK</b>	)	<b>CASE NO. ASP-W-24-03</b>
<b>WATER CO., INC.’S APPLICATION TO</b>	)	
<b>INCREASE ITS RATES AND CHARGES FOR</b>	)	<b>ORDER NO. 36587</b>
<b>WATER SERVICE IN THE STATE OF</b>	)	
<b>IDAHO</b>	)	
	)	

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On August 26, 2024, Aspen Creek Water Co., Inc. (“Company”) applied for authority to increase its rates and non-recurring charges. The Company sought to increase the rate for water service to \$134 per month. Application at 1. The Company requested that new rates become effective May 1, 2025. *Id.* at 2.

On September 13, 2024, the Commission issued a Notice of Application and Notice on Intervention Deadline. Order No. 36324. No party intervened. On January 9, 2025, the Commission issued a Notice of Modified Procedure, Notice of Virtual Public Workshop, and Notice of Customer Hearing. Order No. 36440. On February 26, 2025, Commission Staff (“Staff”) held a virtual public workshop to answer customer questions about the Application. *Id.* On March 26, 2025, the Commission held a Customer Hearing in St. Charles, Idaho, taking customer testimony on the Application. Order No. 36505.

Having reviewed the record and all submitted materials, the Commission issues this Final order approving the Company’s Application as provided herein.

**APPLICATION**

The Company represented that it is a regulated water corporation serving 73 unmetered customers in the Aspen Creek Estates and Aspen Creek Meadows subdivisions in Fish Haven, Idaho in Bear Lake County. *Id.* at 1. The Company stated that its rates have not changed since its tariff was first approved in 2002. *Id.* at 2. The Company operates under certificate of public convenience and necessity (“CPCN”) No. 403.

Under the Company’s proposal to raise the monthly rate to \$134, the Company would generate \$117,384 in annual revenues. *Id.* To justify these proposed rates the Company cited expenses including electricity, water testing, and maintenance, among others. *Id.* The Company also requested authority to charge between \$500 and \$7,505 for new connections depending on the type of connection required. *Id.* at 1.

## STAFF COMMENTS

Staff reviewed the Company's Application, exhibits, workpapers, and responses to Production Requests. Staff Comments at 2. Staff represented that it conducted audits of the Company's financial records, processes, and internal controls. *Id.* Based on its review, Staff recommended that the Commission establish a revenue requirement of \$54,459, an increase of \$25,549. Attachment A to Staff's Comments, Line 13. Staff's recommended revenue requirement was \$62,879 less than the Company's request, and resulted in an increase of 88% to the Company's annual revenues based on a return on equity ("ROE") of 11%. Staff Comments at 2.

Ultimately, Staff Recommended the Commission:

1. Establish a revenue requirement of \$54,459, which is an increase of \$25,549 calculated using a ROE of 11%;
2. Approve a non-metered flat-rate of \$62.17, Attachment D to Staff Comments;
3. Approve a voluntary disconnection exceeding 30 days charge be an amount equal to three times the Commission-approved monthly flat-rate;
4. Approve the treatment of the over-collection of connection fees of \$59,000 as contribution in aid of construction;
5. Approve the treatment of vacant lot revenues from the last three years, if applicable, as a credit against a future connection fee;
6. Order the Company to provide a report to Staff that includes a list of customers and the total dollar amount each may receive as a credit against a future connection charge;
7. Direct the Company to begin reading customer meters monthly, or per the schedule in Table No. 4 of Staff Comments;
8. Approve connection fees that are based on Staff's proposed New Connection Charges in Attachment E to Staff Comments;
9. Order the Company to work with Staff to update the language in the tariff after the final order has been submitted and to submit the updated tariff to the Commission through a compliance filing within 30 days for Commission approval; and
10. Order the Company to obtain and retain contractor quotes, invoices, and other cost records of all future new customer connections broken down by individual installation categories (*i.e.*, Pit Setter, Meter Installation, and Tap Main Line, Pit Setter and Meter Installation Only, etc.), and further broken down by labor (hours and labor rate),

material cost (cost of individual components), and equipment cost (hours and cost per hour).

Staff Comments at 21-22.

### **PUBLIC COMMENTS**

The Commission received 27 public comments. The comments were made primarily by residential customers, all of which were opposed to the Company's rate increase proposal. Commentors believed that: (1) the percentage increase was too high, and the Commission should limit the percentage increase; (2) there was a lack of clarity with the Application; (3) the cost of improvements, and the connection charge were too high; (4) customers were paying for new development; and (5) the water use should be metered.

### **COMPANY REPLY COMMENTS**

In its reply comments, the Company agreed with Staff's recommendation on the treatment of vacant lot charges, and that holding the amount as a credit that would be applied to future connection charges when customers connect to the system benefited both the Company and the property owners. Company Reply Comments at 2. However, the Company disagreed with Staff on the cost for professional services. *Id.* The Company felt that professional services such as a water operator/plumber charge at only \$32 per hour for 16 hours a month was not enough. *Id.* The Company stated that it would be difficult to retain help for \$512 a month, mainly due to the low number of hours the Company's system required. *Id.*

The Company supported Staff's recommendation on rate design for \$62.17. *Id.* The Company felt that it was a fair price for connected customers until further data could be collected from reading meters that may result in another rate case. *Id.* The Company believed that monitoring the meters would help alleviate customer concerns about water consumption, and the Company supported Staff's meter reading schedule. *Id.*

Finally, the Company supported allowing customers to seek out and contract their own horizontal boring and excavation services, and the Company agreed to provide oversight and inspection, and the Company agreed with Staff's recommendation that reconnection charges be updated to an amount equal to three times the commission approved monthly customer charge. *Id.*

### **COMMISSION FINDINGS AND DECISION**

The Company is a water corporation and a public utility, as defined under Title 61 of the Idaho Code, and provides water service to the public in Idaho. *Idaho Code* §§ 61-125, and -129.

The Commission has jurisdiction over the Company and this matter under *Idaho Code* §§ 61-501, -502, -503, -507, -520, -523, and -622.

In a general rates case, the Company's intrastate revenue requirement, and every component of it, both rate base and expense, are at issue. IDAPA 31.01.01.124.01. The Commission may grant, deny, or modify the revenue requirement requested and may find a revenue requirement different from that proposed by any party is just, fair, and reasonable. *Id.*

The Company's retail rates and charges, both recurring and non-recurring, including those of special contract customers, are at issue, and every component of every existing and proposed rate and charge is at issue. IDAPA 31.01.01.124.02. The Commission may approve, reject, or modify the rates and charges proposed and may find that rates and charges different from those proposed by any party are just, fair, and reasonable. *Id.*

Having reviewed the Application, the record, and all submitted comments, the Commission finds it fair, just, and reasonable to approve a revenue requirement of \$54,459 calculated using a ROE of 11%, and the Commission approves a non-metered flat-rate of \$62.17.

For voluntary disconnection exceeding 30 days, the Company is authorized to charge an amount equal to three times the Commission-approved monthly flat-rate. The Company is authorized to treat the over-collection of connection fees of \$59,000 as contribution in aid of construction, and the Commission approves the following connections fees.

<b>Connection Type</b>	<b>Cost</b>
Install Meter and Turn on Water Only	\$400
Pit Setter and Meter Installation Only	\$2,150
Pit Setter, Meter Installation, and Tap Main Line	\$2,500
Horizontal Boring Adder	\$2,000

As part of its operation, the Company shall obtain and retain contractor quotes, invoices, and other cost records of all future new customer connections broken down by individual installation categories and further broken down by labor, material cost, and equipment cost.

The Commission approves the treatment of vacant lot revenues from the last three years, if applicable, as a credit against a future connection fee, and the Company is ordered to provide a report to Staff that includes a list of customers and the total dollar amount each may receive as a credit against a future connection charge.

To gain the most accurate measure of water consumption for use in future proceedings, the Company is directed to begin reading customers' meters monthly if practicable, or pursuant to the following schedule.

<b>Time Period</b>	<b>Customers</b>	<b>Purpose</b>
June - September Read Monthly	All	Obtain consumption data during peak occupancy and water use.
October-May Read Once	All	Obtain consumption data during winter off-peak season

The Company shall work with Staff to update the language in its tariffs in conformity with this Order and shall file those tariffs in a compliance filing for Commission approval within 30 days of this Order.

While the Commission does not find it necessary to modify the amount for professional services such as a water operator/plumber charge to something other than \$32 per hour, the Company may bring its request again in a future proceeding with evidence showing that the amounts currently authorized are insufficient for the Company's operation.

The Commission appreciates the work that Staff and the Company have put into this case, and the Company's movement in reaching this final position. As the Commission conducted the Customer Hearing on March 26, 2025, it became apparent that, outside of disagreements on the cost to receive service at issue in this case, the Company has developed a close and meaningful relationship with its customers, and that relationship was reflected in the testimony before the Commission.

### **ORDER**

IT IS HEREBY ORDERED that the Company is authorized to have an annual revenue requirement of \$54,459 to be recovered as described herein. The rates shall be effective on May 1, 2025. The Company shall work with Staff to promptly create and file conforming tariffs that comply with the Commission's rules and this Order. The Company shall file its compliance filing within 30 days of the date of this Order.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date upon this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 30<sup>th</sup> day of April 2025.

  
EDWARD LODGE, PRESIDENT

  
JOHN R. HAMMOND JR., COMMISSIONER

*Recused*  
DAYN HARDIE, COMMISSIONER

ATTEST:

  
Monica Barrios-Sanchez  
Commission Secretary

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