

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF BEAR CLAW WATER) CASE NO. BCW-W-25-01
SYSTEM, LLC’S APPLICATION FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY) ORDER NO. 36799
)

On July 14, 2025, Bear Claw Water System, LLC (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) requesting a Certificate of Public Convenience and Necessity (“CPCN”) to provide water service within the Bear Claw Subdivision in Bonner County, near Clark Fork, Idaho

On August 7, 2025, the Commission issued a Notice of Application and Notice of Modified Procedure, establishing deadlines for written comments. Order No. 36709. Commission Staff (“Staff”) and one member of the public filed written comments to which the Company did not file reply comments.

Based on our review of the record, the Commission now issues this Final Order approving the Application and issuing a CPCN to the Company.

THE APPLICATION

The Company represented that it provided water service within the Bear Claw Subdivision in Bonner County, near Clark Fork, Idaho, as an unregulated water corporation. Application at 1. The Company stated that it was an Idaho limited liability company, and submitted a copy of its Certificate of Organization, Amendment to Certificate of Organization, and Operating Agreement with its Application. *Id.* at Exhibits A-C.

The Company submitted a copy of the plat of the Bear Claw Subdivision, and the legal description of the area that the Company served. *Id.* at Exhibits D-E. In addition, the Company provided information regarding the layout of its water system and associated water rights. *Id.* at Exhibits G-J.

The Company included details regarding the current rate structure and customer payments in the Application. *Id.* at 3-4. The Company stated that the water system could not accommodate any additional water connections and included a copy of the Notice of Moratorium on Connections to Bear Claw Water System with its Application. *Id.* at Exhibit M.

STAFF COMMENTS

Staff recommended the Commission (1) find that the Company is a water corporation operating as a public utility in Idaho; and (2) issue the Company a CPCN. Staff Comments at 2. Staff also recommended the Commission set rates at the Company's interim rates as submitted in the Application. *Id.* Lastly, Staff recommended the Commission open a separate docket for Staff to review the Company's interim water rates and the reliability of its water system. *Id.*

Staff believed that the Company was a public utility as defined by *Idaho Code* § 61-129(1). *Id.* at 2-3. Based on its evaluation of the materials provided by the Company, Staff believed the Company was a single member limited liability company organized in the State of Idaho and did not qualify for any exceptions to the Commission's regulation under *Idaho Code* § 61-104. *Id.* at 3. Additionally, Staff believed that customers had no say in the operations of the Company, including ownership of the water system or control of rates for water service. *Id.*

Staff evaluated the Company's proposed service territory and believed it was consistent with the Company's water system layout and did not overlap with any other water systems in the area. *Id.* Staff recommended that the Commission issue the Company a CPCN with the proposed service territory, as filed. *Id.*

Staff reviewed the moratorium on the number of connections the water system could provide service to. *Id.* Staff believed that any additional connections beyond the 24 currently in service would require a second well to provide water service and would need to be approved by the Idaho Department of Environmental Quality. *Id.* Staff believed that none of the wells within a one-mile radius of the proposed service territory could be used in the future for municipal purposes. *Id.* at 4-5.

PUBLIC COMMENTS

The commentor stated that they own property within the Company's service area and had been unable to develop the property because of the moratorium. Comment at 1. The comment expressed concerns about rising property taxes when the property cannot be developed or sold as a result of the moratorium. *Id.*

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over this matter and the issues in this case under Title 61 of Idaho Code. The Commission regulates "public utilities," including "water corporations" that serve the public or some portion thereof for compensation. *Idaho Code* §§ 61-125, -129, and -501.

The term “public utility” is defined to include “water corporations.” *Idaho Code* § 61-129. A “water corporation” is “every corporation” that owns, controls, operates or manages a water system for compensation. *Idaho Code* § 61-125.

Idaho Code § 61-104 provides three exceptions to the Commission’s regulatory authority over “corporations.” The Commission does not regulate “mutual nonprofits,” “cooperative corporations,” nor “any other public utility organized and operated for service at cost and not for profit.” *Idaho Code* § 61-104. Pursuant to *Idaho Code* § 61-104, to be excluded from regulation a company may show that it is both “organized” for service at cost and not for profit, and that it is “operated” for service at cost and not for profit.

Having reviewed the record, all submitted materials, and all comments, we find that the Company is a corporation operating and managing a water system for compensation in Idaho and is, therefore, a public utility subject to Commission regulation under Idaho Code.

1. CPCN

As a public utility, the Company must have a CPCN from the Commission. *See Idaho Code* § 61-526. We find it reasonable to issue the Company a CPCN, and that the proposed legal description and map of the service area are reasonable. The legal description of the service area shall be consistent with the legal description provided by Staff as Attachment A to Staff’s Comments. The service area map shall be consistent with the service area map provided by Staff as Attachment B to Staff’s Comments.

Moreover, as a regulated utility, the Company is required to adopt the Commission’s Uniform Customer Relations Rules (“UCRR”) (IDAPA 31.21.01 *et seq.*) and Utility Customer Information Rules (IDAPA 31.21.02 *et seq.*).

2. Tariff and Other Documents

As a regulated entity, the Company must also submit certain documentation required under the UCRR for Commission review and approval, including a tariff, various customer notices, and an annual rules summary. The Company shall work with Staff to ensure appropriate notice has been provided to the Company’s customers regarding regulation.

3. Rates and Charges

We direct the Company to maintain its current rates. Staff shall open a separate docket to evaluate whether these interim rates are fair, just, and reasonable.

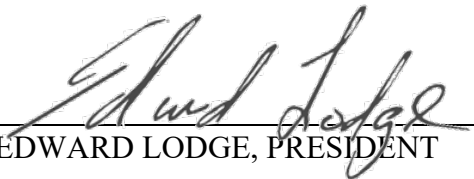
ORDER

IT IS HEREBY ORDERED that the Company is a public utility pursuant to Idaho law and is granted a CPCN consistent with the directives in this Order.

IT IS FURTHER ORDERED that the Company shall maintain its current rates, and Staff shall open a separate docket to evaluate whether the Company's interim rates are fair, just, and reasonable.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of 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. *See Idaho Code* § 61-626.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 9th day of October 2025.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Laura Calderon Robles
Interim Commission Secretary

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