

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

FROM: SCOTT WOODBURY

DATE: MARCH 31, 2005

**SUBJECT: CASE NO. CCH-W-05-1 (Country Club Hills Water)
GENERAL RATE CASE**

On March 21, 2005, Country Club Hills Utilities, Inc. (Country Club; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting authority to increase rates and charges for water service. Country Club provides metered water service in the Idaho Falls area to 118 residential customers and 1 commercial customer and flat rate water service to 10 residential customers. The Company's present rates were established in 1990. Country Club contends that a 30% rate increase is required in order to meet system demands and to continue providing uninterrupted water service of the highest quality. The Company's filed Annual Report for the year ending December 31, 2004 reflects annual revenue of \$32,356 and annual operating and interest expenses of \$41,220, a net loss of \$8,664. Accompanying the Application is a recent invoice from Denning Well Drilling, Inc. dated February 7, 2005 in the amount of \$7,370 for replacement of a 30 H.P. pump in the #2 well.

Country Club requests that the Commission authorize general increase in water rates as follows:

Residential

Increase flat rate residential rates from \$14 per month to \$20 per month.

Increase metered residential rates from \$.35 per 1,000 gallons to \$.45 per 1,000 gallons for all consumption in excess of 15,000 gallons per month.

Commercial

Increase flat rate commercial rate from \$14 per month to \$22 per month.

Increase metered commercial rates from \$.35 per 1,000 gallons to \$.45 per 1,000 gallons for all consumption in excess of 15,000 gallons per month.

Hook-up Fee

Increase hook-up fee from \$300 to \$500 per hook-up.

COMMISSION DECISION

The Commission Staff performed an audit of Country Club Hills Utilities in 2004. A Staff audit of Company books related to the Company's Application is scheduled for April 8, 2005. Based on its prior review, Staff believes that a formal technical hearing may not be required. The Staff will conduct a public workshop for customers in late April or early May. Staff recommends that the Company's Application be processed pursuant to Modified Procedure and that a comment deadline for Staff and customers be established following the workshop. Staff recommends that a Notice of Application be issued and that scheduling for the workshop and comments be established. Does the Commission agree with Staff's recommended procedure?

Scott D. Woodbury

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