

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF DIAMOND BAR)
ESTATES WATER COMPANY'S) CASE NO. DIA-W-15-01
APPLICATION FOR AUTHORITY TO)
INCREASE ITS RATES AND CHARGES FOR) NOTICE OF APPLICATION
WATER SERVICE IN THE STATE OF)
IDAHO) NOTICE OF
) MODIFIED PROCEDURE
)
) ORDER NO. 33452**

On December 28, 2015, Diamond Bar Estates Water Company filed a general rate case Application to increase its rates and charges for water service, effective February 1, 2016. Diamond provides water service to 44 customers in the Diamond Bar Estates and Boekel Estates Subdivisions in Kootenai County, Idaho, per a Certificate of Public Convenience and Necessity granted by this Commission in 2003, and as expanded in 2004. *See* Order Nos. 29247, 29556. The Company proposes to increase its rates by 79.39%, which if approved, would produce about \$20,910 more in annual revenue than the prior year. Application at 1. Diamond notes that it has not had a rate increase since October 2007, when the Commission issued Order No. 30455. *Id.* The Company also proposes to increase its new customer, meter installation fee from \$310 to \$475. *Id.*

With this Order, the Commission suspends the Company's requested effective date, authorizes the use of Modified Procedure, establishes a deadline for interested persons to submit comments, directs Staff to conduct a public workshop, and gives notice that a public customer hearing will be set by subsequent Order.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Diamond proposes raising the monthly minimum rate from \$29.00 for the first 5,500 gallons of water to \$52.02 per month, and raising the commodity rate for usage above 5,500 gallons per month from \$0.80 per 1,000 gallons (above the initial 5,500 gallons) to \$1.44 per 1,000 gallons. Proposed Amended Tariff. Diamond proposes a rate base of \$40,398, reflecting accumulated depreciation of \$12,669, but

also including a working capital allowance of \$4,679 – or 1/8 of the Company’s operation and maintenance expenses. *Id.* at 1-2; Exh. 1.

YOU ARE FURTHER NOTIFIED that, according to Diamond, the Company has been operating at a loss, and the proposed increases, if approved, would enable it to recover various expenses. Application at 2. The biggest expense that Diamond seeks to recover is for costs incurred from multiple pump failures during 2015. *Id.* The Company also asks to recover costs of “bookkeeping and customer-service related services,” and recovery for expenses from “water testing, meter reading, pump service and on-call duties.” *Id.*; Exh. 2. In addition, the Company seeks to recover rate case expenses for this filing, and the cost of electricity to run its pumps. *Id.*

YOU ARE FURTHER NOTIFIED that, with its Application, the Company submitted proposed notices to be sent with customer bills, and to be published in local newspapers. *Id.* at 3; Exh. 5. The Company is working with Staff to ensure its notices include all required information, and are published to all required media, per Rule 125, IDAPA 31.01.01.125.

YOU ARE FURTHER NOTIFIED that Diamond’s revenue requirement, and every component of it, both rate base and expense, are at issue. The Commission may grant, deny, or modify the revenue requirement requested and may find a revenue requirement different from that proposed by any party to be just, fair, and reasonable. IDAPA 31.01.01.124.01.

YOU ARE FURTHER NOTIFIED that the rates and charges of all Diamond retail customers, both recurring and non-recurring, including those of any special contract customers are at issue, and every component of every existing and proposed rate and charge is at issue. 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. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the tariffs, practices, rules and regulations, services, instrumentalities, equipment, facilities, classifications, and customer relations of the utility are at issue, and the Commission may address any of these issues in its Order. IDAPA 31.01.01.124.02.

SUSPENSION OF PROPOSED EFFECTIVE DATE

YOU ARE FURTHER NOTIFIED that the Commission finds it appropriate to suspend the proposed effective date of February 1, 2016, for a period of five months, or until July 1, 2016, unless the Commission issues an earlier Order accepting, rejecting, or modifying the Company's Application. *See Idaho Code* § 61-622(4).

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filing of record in Case No. DIA-W-15-01 and has preliminarily determined that the public interest may not require a hearing to consider the issues presented in this case and that issues raised by the Company's filing may be processed under Modified Procedure, i.e. by written submission rather than by hearing. IDAPA 31.01.01.201-.204. In so doing, the Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

NOTICE OF COMMENT DEADLINE

YOU ARE FURTHER NOTIFIED that the **deadline for filing written comments with respect to the Application is May 18, 2016**. Diamond may file reply comments, if necessary, no later than June 1, 2016.

YOU ARE FURTHER NOTIFIED that written comments concerning this case should be mailed to the Commission and to the Company at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Robert N. Turnipseed
Diamond Bar Estates Water Co.
PO Box 1870
Hayden, ID 83835
E-mail: avondalecon@verizon.net

Alden Holm
9446 W. Fairview Ave.
Boise, ID 83704
E-mail: alden@treasurevalleycpa.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the form using the case number as it appears on

the front of this document. These comments must also be sent to the Company at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Application and supporting exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and exhibits are also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to the type of "Open Water Cases," and then click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-502, 61-503, and 61-622. The Commission may enter any final order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000, *et seq.*

ORDER

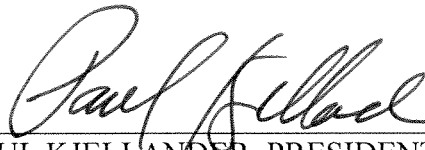
IT IS HEREBY ORDERED that the proposed schedules of rates and charges submitted by Diamond Bar Estates in this matter are suspended for a period of five months, until July 1, 2016, or until such time as the Commission enters an Order accepting, rejecting, or modifying the request in this case.

IT IS FURTHER ORDERED that this case be processed by Modified Procedure. Persons interested in submitting written comments regarding this case should do so no later than May 18, 2016. Diamond may file reply comments, if necessary, no later than June 1, 2016.

IT IS FURTHER ORDERED that Commission Staff conduct a public workshop in the affected service area to dispense information concerning the Company's Application, prior to Staff filing testimony or comments in this case. IDAPA 31.01.01.125. Notice of the public workshop, including date, time, and location, will be issued by separate Order.

IT IS FURTHER ORDERED that the Commission will conduct a public customer hearing to receive oral comments from the public. Notice of the public customer hearing, including date, time, and location, will be issued by separate Order.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 13th
day of January 2016.



PAUL KJELLANDER, PRESIDENT

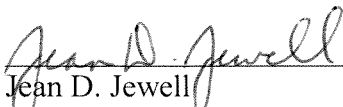


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:DIA-W-15-01_djh