

**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 )  
WATER SERVICE IN THE STATE OF ) ORDER NO. 33547  
IDAHO )**

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In December 2015, Diamond Bar Estates Water Company filed a general rate case Application to increase its rates for water service by about 79%, which would produce about \$20,910 more in annual revenue than the prior year. The Commission issued a Notice of Application, Notice of Modified Procedure, and Order suspending the effective date until July 1, 2016. Order No. 33452. In keeping with the Commission's Order, Staff conducted a public workshop for customers, performed an investigation and audit, and filed written comments. Diamond Bar filed a timely reply. On June 7, 2016, the Commission held a public hearing at which about 10 customers appeared – 6 of whom testified. The Commission received more than 18 written comments.

**COMMISSION FINDINGS**

After reviewing the record and on its own Motion, the Commission will further suspend the effective date of Diamond Bar's Application to increase rates. Under *Idaho Code* § 61-622(4), the Commission may suspend the effective date of such Application an additional 60 days for good cause shown. In light of comments and questions raised by customers, we find good cause to extend suspension of the effective date in order to more fully develop the record. To this end, we direct the Company to provide responses to the following:

1. The AEI engineering report states that Kootenai Electric rules require a soft start on all motors larger than 20 hp. Prior to this report, was Diamond Bar ever made aware of this rule by Kootenai Electric or pump contractors working on prior pump motor failures? Please explain.
2. The AEI engineering report recommends that a soft start be installed at the pump, yet no such equipment has been installed to date. What is Diamond Bar's understanding with respect to the need for soft start equipment at the pump to prevent additional motor failures? Is it Diamond Bar's belief that soft start equipment at the pump for 2002 forward would not have prevented motor failure? Please explain.

3. Did Diamond Bar or its pump contractor ever inform Kootenai Electric of the increase in pump size from 50 hp to 60 hp in 2004? Please explain.
4. Prior to the AEI report in 2015, did Diamond Bar ever hire a certified electrician to assess the electrical equipment at the pump, including grounding, transformer adequacy, surge protection and conductors as a result of motor failure? If so, please list service providers and any reports provided. If not, why not?
5. Based on available information, what does Diamond Bar believe was the root cause of the multiple pump motor failures between 2002 and 2015? Please provide support for the Company's position with references to any written repair recommendations, investigative reports or other written analysis.
6. Please provide a schedule showing all dates when there was contamination at either well. Please provide an explanation of the type of notice provided to all customers. Please provide copies of any written notices.

The Company's responses shall be provided by no later than July 8, 2016. Staff shall have until July 22, 2016, to file an addendum to its comments, if any, addressing the Company's responses. The Company will then have until July 29, 2016, to file a reply, if any. Upon that date, the matter will be fully submitted, and the Commission will deliberate and issue its final Order on or before the new effective date of August 30, 2016.

### **ORDER**

IT IS HEREBY ORDERED that the effective date of the Company's Application is suspended an additional 60 days, until August 30, 2016.

IT IS FURTHER ORDERED that Diamond Bar shall provide responses to the Commission's questions set forth in the body of this Order by no later than July 8, 2016.

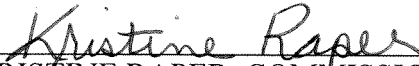
IT IS FURTHER ORDERED that Staff shall file an addendum to comments addressing the Company's responses, if any, by no later than July 22, 2016.

IT IS FURTHER ORDERED that the Company shall file a reply to Staff's addendum, if any, by no later than July 29, 2016.

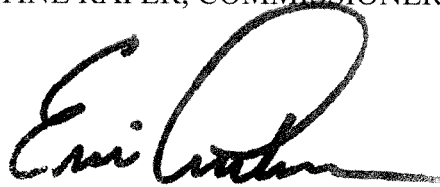
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 24<sup>th</sup>  
day of June 2016.



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PAUL KJELLANDER, PRESIDENT

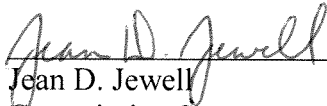


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KRISTINE RAPER, COMMISSIONER



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ERIC ANDERSON, COMMISSIONER

ATTEST:



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Jean D. Jewell  
Commission Secretary

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