

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF FALLS WATER CO.,)	CASE NO. FLS-W-21-01
INC'S. APPLICATION FOR APPROVAL OF)	
THREE CAPITAL PROJECTS: (1))	NOTICE OF APPLICATION
CREATION OF A NEW WATER SOURCE;)	
(2) CONSTRUCTION OF A STORAGE)	NOTICE OF MODIFIED
TANK; AND (3) CONSTRUCTION OF A)	PROCEDURE
WELLHOUSE)	
)	NOTICE OF PUBLIC
)	WORKSHOP
)	
)	NOTICE OF CUSTOMER
)	HEARING
)	
)	ORDER NO. 35086

On May 7, 2021, Falls Water Co. Inc. (“Company”) applied to the Commission for approval to build: (1) a new water source—Well #11; (2) a new water-storage tank and related facilities; and (3) a wellhouse and related improvements at the Taylor Mountain Water System. The Company also requested authority to fund all or part of these projects through the Company’s Special Plant Reserve Fund. The Company requested its Application be processed by Modified Procedure.

With this Order we issue notice of the Company’s Application, establish dates for Staff and the public to comment on the Application and for the Company to reply, and schedule a public workshop and customer hearing.

BACKGROUND

The Commission approved the Company’s request to build Well #10 in Order No. 33863, Case No. FLS-W-17-01. In Order No. 33863, the Commission recognized Staff’s concern that the Company still would be unable to “meet pressure requirements for firewater flow” even with the addition of Well #10 and recommended the Company complete a hydraulic model to list

NOTICE OF APPLICATION
 NOTICE OF MODIFIED PROCEDURE
 NOTICE OF PUBLIC WORKSHOP
 NOTICE OF CUSTOMER HEARING
 ORDER NO. 35086

priorities for future system investments. Well #10 was completed and put into service in June 2018.¹

In 2019, the Company commissioned an engineering study and Drinking Water Capital Facilities Plan (“Plan”) to identify system needs. The Plan contained a hydraulic model that recommended projects including high-priority projects involving two wells, Wells #11 and #12, or building Well #11 plus storage.

The Commission subsequently approved the Company’s acquisition of the assets of Taylor Mountain Water and Sewer District (“Taylor Mountain”). *See* Order No. 34486. In August 2020, the Company assumed responsibility for operating and maintaining the Taylor Mountain system. Currently, Taylor Mountain’s wells lack wellhouses and fencing, which creates unsafe working environments and security issues.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company’s water system is generally in compliance with Idaho Department of Environmental Quality (“IDEQ”) requirements. But even with the addition of Well #10, the system is about 3,000 gallons per minute (“GPM”) capacity deficient. The Company states that if Well #9 loses power, the system would not meet IDEQ’s redundancy or pressure standards.

YOU ARE FURTHER NOTIFIED that the Company anticipates that adding Well #11 would increase capacity by 1,500 GPM and enable the system to provide sufficient pressure and source redundancy even if Well #9 loses power.

YOU ARE FURTHER NOTIFIED that the Company requests authority to build Well #11 at an estimated cost of about \$1.05 million.² The Company would use the remainder of its Special Plant Reserve Fund to finance the construction.

YOU ARE FURTHER NOTIFIED that the Plan identified two alternative solutions to the Company’s difficulties associated with the water system’s large daytime pressure swings. First,

¹ Even with the addition of Well #10, the Company’s system has struggled to meet the Idaho Department of Environmental Quality’s standards for pressure in certain situations.

² On June 17, 2021, the Company filed an update to its Application. The update states the Company is “investigating possible ways to accelerate the project [Well #11] to have the well in service as soon as possible.” The Company cites its customers having already used significantly more water this year and the dry and warm spring as reasons for emphasizing the completion of Well #11 even while the Application is pending.

the Company could build two new wells, Wells #11 and #12. Second, the Company could build Well #11 plus a 2.0-million-gallon storage tank. According to the Company, the second alternative would address pressure-swing issues and provide additional advantages the first alternative might not. This second alternative would increase the combined peak capacity of Wells #5 and #9, reduce the water right's peak diversion rate, improve system stability, and filter sand. The second alternative would also avoid the need to acquire more water rights.

YOU ARE FURTHER NOTIFIED that the Company asks to pursue the second solution by building a 2.0-million-gallon storage tank and related facilities for an estimated cost of about \$4.1 million.

YOU ARE FURTHER NOTIFIED that the Company notes that building Well #12 (the first alternative) would cost less than building a 2.0-million-gallon storage tank (second alternative) and may address pressure swings the Company is trying to control. But there are many unknowns in relying on the construction of Well #12. For example, the Company's recent water-rights purchase leads it to believe it could take several years to acquire the water rights it would need for Well #12. Additionally, until Well #12 is drilled, the Company only can speculate on how much water Well #12 might deliver.

YOU ARE FURTHER NOTIFIED that the Company also requests authority to build a wellhouse, fence, and water runoff system at Taylor Mountain Well #2. The Company estimates this additional project would cost about \$300,000.

YOU ARE FURTHER NOTIFIED that the Application and supporting documentation have been filed with the Commission and are available for public inspection during regular business hours at the Commission's office. These documents are also available on the Commission's web site at www.puc.idaho.gov. Click on the "WATER" icon, select "Open Cases," and click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over the Company, its filing, and the issues pertaining to this case pursuant to Title 61 of the Idaho Code.

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.*

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and it will review the case through written submissions under the Commission’s Rules of Modified Procedure Rules 201 through 204 of the Idaho Public Utilities Commission’s Rules of Procedure, IDAPA 31.01.01.201-204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that persons desiring to state a position on this Application may file a written comment explaining why the person supports or opposes the Application. Persons who would like a hearing must specifically request a hearing in their written comments. **Members of the public shall have until August 11, 2021, to file written comments.** Comments must be filed by e-mail unless e-mail is unavailable. To comment by e-mail, please access the Commission’s home page at www.puc.idaho.gov. Click the “Consumers” tab and then “Case Comment Form” and complete the form using the case number as it appears on the front of this document. Comments filed by e-mail must also be e-mailed to the Company at the e-mail addresses listed below. If e-mail is unavailable, then comments may be mailed to the Commission and Company at these addresses:

For the Idaho Public Utilities Commission:

For Falls Water Co. Inc.:

Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074
secretary@puc.idaho.gov

Preston N. Carter
Givens Pursley LLP
601 W. Bannock St.
Boise, ID 83702
prestoncarter@givenspursley.com

Street Address for Express Mail:

11331 W. Chinden Blvd.
Building 8, Suite 201-A
Boise, ID 83714

K. Scott Bruce
Falls Water Company, Inc.
2180 North Deborah Drive
Idaho Falls, ID 83401
scott1@fallswater.com

Eric Nelson
NW Natural
250 SW Taylor St.
Portland, OR 97204
Eric.Nelson@nwnatural.com

YOU ARE FURTHER NOTIFIED that **the Commission Staff must file any comments by August 4, 2021.**

YOU ARE FURTHER NOTIFIED that **the Company must file any reply comments by August 18, 2021.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

NOTICE OF PUBLIC WORKSHOP

YOU ARE FURTHER NOTIFIED that Staff will hold a telephonic, public, informational workshop for customers taking water service from the Company on **TUESDAY, JULY 27, 2021, AT 7:00 PM (MDT)**. The purpose of the workshop is to provide customers with an overview of the Application and Staff's analysis regarding how the Company's proposed capital projects would impact customers if approved by the Commission. At the workshop, customers may ask Staff about the Application and how customers may further participate in the proceeding. Company representatives will also be available. To participate online, please visit **idahogov.webex.com** and enter **177 972 0470**. At the next window, enter your name, e-mail address, and the password **JulyWorkshop**. To participate by telephone, please call **1-415-655-0001** and enter the passcode **177 972 0470** when prompted.

NOTICE OF CUSTOMER HEARING

YOU ARE FURTHER NOTIFIED that the Commission's Rules of Modified Procedure contemplate that a case will be processed by written submissions without the need for a public hearing. However, the Commission finds good cause to schedule a public hearing in this case because of the potential impact to customers if the Company's Application is approved.

YOU ARE FURTHER NOTIFIED that the Commission will conduct a telephonic customer hearing in this matter on **MONDAY, AUGUST 9, 2021, AT 7:00 PM (MDT)**. The purpose of the public hearing is to take testimony from members of the public and customers of the Company. To participate in the customer hearing, please call **1-415-655-0001** and enter the passcode **177 124 0566** when prompted. Those planning to testify are encouraged to join the hearing at 6:45 PM (MDT).

NOTICE OF APPLICATION
NOTICE OF MODIFIED PROCEDURE
NOTICE OF PUBLIC WORKSHOP
NOTICE OF CUSTOMER HEARING
ORDER NO. 35086

YOU ARE FURTHER NOTIFIED that the telephonic customer hearing and telephonic public workshop will meet accessibility requirements of the Americans with Disabilities Act. Persons needing the help of a sign language interpreter or other assistance to participate in or to understand testimony at a customer hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing. The request for assistance must be received at least five working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION
P.O. BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0338 (Telephone)
(208) 334-3762 (FAX)
secretary@puc.idaho.gov

ORDER

IT IS HEREBY ORDERED that this case be processed by Modified Procedure, Rules 201-204 (IDAPA 31.01.01.201 - .204). Staff shall have until August 4, 2021 to file written comments, members of the public shall have until August 11, 2021 to file written comments, and the Company shall have until August 18, 2021 to reply.


IT IS FURTHER ORDERED that Commission Staff will hold a telephonic, public, informational, customer workshop on Tuesday, July 27, 2021, at 7:00 PM (MDT).

IT IS FURTHER ORDERED that the Commission will hold a telephonic customer hearing at which customers and interested members of the public may testify on Monday, August 9, 2021, at 7:00 PM (MDT).

IT IS FURTHER ORDERED that parties should continue to comply with Order No. 35058, issued June 3, 2021. All pleadings should be filed with the Commission electronically and shall be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between parties should also be accomplished electronically. Voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

///

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 24th day of June 2021.



PAUL KJELLANDER, PRESIDENT

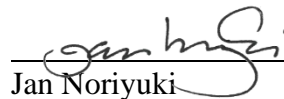


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

I:\Legal\WATER\FLS-W-21-01\FLSW2101_Ntc App Mod Cust Hear Workshop_dh.docx

NOTICE OF APPLICATION
NOTICE OF MODIFIED PROCEDURE
NOTICE OF PUBLIC WORKSHOP
NOTICE OF CUSTOMER HEARING
ORDER NO. 35086