

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF FALLS WATER CO.,) CASE NO. FLS-W-22-01
INC.'S APPLICATION FOR DEFERRAL OF)
CERTAIN COSTS) NOTICE OF APPLICATION
)
) **NOTICE OF**
) **MODIFIED PROCEDURE**
)
) **ORDER NO. 35627**

On October 31, 2022, Falls Water Co., Inc. (“Falls Water” or “Company”), filed an application (“Application”) with the Idaho Public Utilities Commission (“Commission”) requesting authorization to defer costs associated with groundwater mitigation so that Falls Water may advocate for recovery of those costs in a future rate case.

The Commission now provides Notice of the Application, Notice of Modified Procedure, and sets a public comment deadline and Company reply comment deadline.

BACKGROUND

The Company states that Falls Water is a regulated water company that serves approximately 6,400 customers within its service territory near Idaho Falls, Idaho pursuant to Certificate of Public Convenience and Necessity No. 236, and owns certain water rights, under which Falls Water is allowed to pump groundwater from its wells to serve its customers. Application at 1. Falls Water is located within the Bonneville-Jefferson Ground Water District (“District”), which is a member of an entity known as the Idaho Ground Water Appropriators, Inc. (“IGWA”). *Id.* at 2.

In 2016, IGWA entered into a Stipulated Mitigation Plan (“Mitigation Plan”) with an entity known as the Surface Water Coalition. *Id.* The Mitigation Plan provided a framework for administrating groundwater rights, including Falls Water’s groundwater rights, in a manner designed to decrease conflict between water users. *Id.* As a result of the Mitigation Plan, groundwater users within the District were required to decrease groundwater production by approximately 18,000 acre-feet. *Id.*

Upon examining its records, the District determined that it had not met its mitigation requirements for the years 2020 and 2021. *Id.* at 3. To meet the required production reductions,

the District required all non-irrigation systems to pump at or below their baseline pumping volumes. Pumping over this amount would result in an assessment of \$100 per acre-foot. *Id.*

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company represents that since 2014, Falls Water's customer base has grown approximately 40%. The Company states that while its water rights portfolio is sufficiently large to meet the needs of its customers, the demand on its system requires it to pump at volumes greater than baseline.

YOU ARE FURTHER NOTIFIED that the Company represents that in 2022, the cumulative growth on the system, drought conditions, and the actions of other members of the District were such that incurring mitigation fees was necessary for Falls Water to pump sufficient water to meet customer demand.

YOU ARE FURTHER NOTIFIED that the Company represents that it expects to be invoiced for mitigation fees in the first quarter of 2023 for pumping that occurred in 2021. The Company indicates that the precise amount of mitigation fees is not known at this time, but the Company expects the fees to be material in light of Falls Water's overall operations.

YOU ARE FURTHER NOTIFIED that the Company represents that it has attempted to manage its operations so as to minimize production and to avoid mitigation fees; it has pursued the purchase of additional water rights; it has urged its customers to conserve water; it has explored the possibility of leasing water rights from the water bank; and it has explored changing its rate structure to encourage conservation. However, conservation measures have not been sufficient to bring production below baseline levels.

YOU ARE FURTHER NOTIFIED that the Application is available for public inspection during regular business hours at the Commission's office. All documents are also available on the Commission's website at <http://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 all proceedings in this case will be held pursuant to the Commission's jurisdiction under 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 that it will proceed under Modified Procedure pursuant to Rules 201-204 of the 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. **Persons interested in filing written comments must do so by February 2, 2023.** Comments must be filed through the Commission’s website or by e-mail unless computer access is unavailable. To comment electronically, please access the Commission’s website at <http://www.puc.idaho.gov/>. Click the “Case Comment Form” and complete the form using the case number as it appears on the front of this document. To file by e-mail, persons must e-mail the comments to the Commission Secretary and the Company at the e-mail addresses listed below. If computer access is unavailable, then comments may be mailed to the Commission and Company at these addresses:

**For the Idaho Public Utilities
Commission:**

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

Street Address for Express Mail:

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

For Falls Water Co., Inc.:

Preston N. Carter
Morgan D. Goodin
Givens Pursley LLP
601 W. Bannock St.
Boise, ID 83702
prestoncarter@givenspursley.com
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YOU ARE FURTHER NOTIFIED that the Company must file any reply comments **by February 23, 2023.**

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 final

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.

ORDER

IT IS HEREBY ORDERED that the Company's Application be processed by Modified Procedure, Rules 201-204 (IDAPA 31.01.01.201-.204). Persons interested in filing written comments must do so by February 2, 2023. The Company must file any reply comments by February 23, 2023.

IT IS FURTHER ORDERED that parties comply with Order No. 35375, issued April 21, 2022. Generally, all pleadings should be filed with the Commission electronically and will be deemed timely filed when received by the Commission Secretary. Rule 14.02. Service between parties should continue to be accomplished electronically when possible. However, 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 16th day of December 2022.



ERIC ANDERSON, PRESIDENT

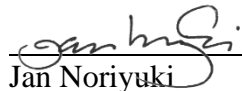


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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