

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. FLS-W-23-01
OF FALLS WATER CO., INC., FOR)
AUTHORITY TO INCREASE ITS RATES) NOTICE OF APPLICATION
AND CHARGES FOR WATER SERVICE IN)
THE STATE OF IDAHO) NOTICE OF SUSPENSION OF
) PROPOSED EFFECTIVE DATE
)
) NOTICE OF
) INTERVENTION DEADLINE
)
) ORDER NO. 35806

On May 12, 2023, Falls Water Co., Inc., (“Falls Water” or “Company”) applied to the Idaho Public Utilities Commission (“Commission”) for authorization to raise the rates it charges for water service. The Company filed a corrected rate case application on May 15, 2023 (“Application”). The Company requested an approximate 47.3 percent increase in revenue collected and a 7.71 percent rate of return. Application at 2. The Company requested a July 1, 2023, effective date. *Id.* at 4.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Falls Water is a Commission-regulated water corporation that provides service to the area north of the City of Ammon, northeast the City of Idaho Falls, and currently serves approximately 6,510 residential and commercial customers in Bonneville County, Idaho. *See Idaho Code* §§ 61-125 and 61-129; Application at 2. The Company provides service under Amended Certificate of Public Convenience No. 236. *See Idaho Code* § 61-526; Application at 2.

YOU ARE FURTHER NOTIFIED that Falls Water’s most recent general rate case was two years ago in Case No. FLS-W-20-03. Application at 2.

YOU ARE FURTHER NOTIFIED that Falls Water proposes a revenue increase of approximately \$1,174,000, representing a 47.3 percent increase. *Id.* at 2. The Company has submitted proposed Schedule Numbers 1, 2, and 3 setting forth the proposed changes to be made to customers rates. Attachment 1 to Application. The Company represents the average customer bill for each customer type would change as follows:

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Rate Class (Company)	Average Usage (in 1000 gallons)	Current Bill	Proposed Bill	Percentage Increase
Falls Water 5/8" & 3/4" Meters	19	\$25.17	\$35.19	40%
Falls Water 1" Meters	20	\$29.15	\$45.11	55%
Falls Water 1 1/2" Meters	37	\$47.81	\$65.33	37%
Falls Water 2" Meters	81	\$91.90	\$127.17	38%
Falls Water 4" Meters	75	\$101.19	\$142.88	41%
Taylor Mountain 3/4"	21	\$24.26	\$36.57	51%
Taylor Mountain 1"	23	\$25.68	\$47.18	84%
Taylor Mountain 2"	250	\$362.60	\$389.12	7%
Morningview 1/4 Acre 5/8 & 3/4 Inch	8	\$56.36	\$27.60	-51.0%
Morningview 1/4 Acre 1" Meter	9	\$56.53	\$38.90	-31.2%
Morningview 1/2 Acre 5/8 & 3/4 Inch	14	\$67.38	\$31.74	-52.9%
Morningview 1/2 Acre 1" Meter	19	\$68.23	\$45.50	-33.3%
Morningview 1 Acre 5/8 & 3/4 Inch	43	\$77.81	\$68.09	-12.5%
Morningview 1 Acre 1" Meter	37	\$76.79	\$60.28	-21.5%

Customer Notice in Attachment 4 of Application; Application at 2.

YOU ARE FURTHER NOTIFIED that the Company represents that the proposed rate of return under the revised rates and charges will be 7.71 percent. Application at 2.

YOU ARE FURTHER NOTIFIED that the Company represents that the revenue realized under its presently authorized rates produces a rate of return of approximately -0.67 percent based on an adjusted test year ending December 31, 2022. *Id.* Falls Water states that it seeks additional revenues to recover increased operating expenses and costs associated with plant additions, and to produce a fair rate of return. *Id.*

YOU ARE FURTHER NOTIFIED that the Company proposes to “consolidate the rates for former Morning View and Taylor Mountain system customers into a single ratemaking area” and would replace the Company’s current Schedule Numbers 4, 5, 6, and 7. Application at 3; Attachments 1-2 to Application.

YOU ARE FURTHER NOTIFIED that the Company proposes to “increase tiered rates for three different usage bands” and have a “separate rate for secondary irrigation systems.” Application at 3.

YOU ARE FURTHER NOTIFIED that Falls Water represents that notice to its customers is being accomplished by news media releases simultaneously with the filing of this Application and by an individual notice mailed to each customer, that copies of the press release and customer notice are attached to its Application; and that a copy of the Application and proposed rate schedules are available for public inspection at the Company’s office at 2180 North Deborah Drive, Idaho Falls, Idaho, at any time during office hours.

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 website 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 designated this case as a general rate case**. As such, the Company’s intrastate 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 is just, fair, and reasonable. IDAPA 31.01.01.124.01.

YOU ARE FURTHER NOTIFIED that all of the Company’s retail rates and charges, both recurring and non-recurring, including those of 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 Commission may approve, reject, or modify existing or proposed relationships between and among rates and charges within, between, or among customer classes or rate groupings and may approve, reject, or modify existing or proposed relationships among and between customer classes or rate groupings. *Id.*

YOU ARE FURTHER NOTIFIED that the Commission may abolish, reduce, or create rate blocks or categories of rates and charges; abolish, create, or reduce components of rates and

charges; abolish, reduce, or create customer classes or rate groupings; and abolish, reduce, or create absolute or relative differences among and between existing classes or rate groupings of customers. *Id.*

YOU ARE FURTHER NOTIFIED that the tariffs, practices, rules and regulations, service, instrumentalities, equipment, facilities, classifications, and customer relations of the utility are at issue, and the Commission may address any of them in its order. *Id.*

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over Falls Water, its filing, and the issues pertaining to this case pursuant to Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-501, -502, -507, -520, -523, and -622.

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 SUSPENSION OF PROPOSED EFFECTIVE DATE

YOU ARE FURTHER NOTIFIED that Falls Water filed its corrected Application on May 15, 2023, 2022, and proposed a July 1, 2023, effective date. The Commission finds that Falls Water's proposed effective date does not provide adequate time for Commission Staff and interested persons to evaluate the Company's proposal. Pursuant to *Idaho Code* § 61-622, the Commission suspends the proposed changes for five (5) months or until the Commission enters an order accepting, rejecting, or modifying the proposed rate increases.

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter to obtain parties' rights of participation must file a Petition to Intervene with the Commission pursuant to this Commission's Rules of Procedure 71-73, IDAPA 31.01.01.072-073. **Persons who wish to intervene as a party must file a Petition to Intervene no later than 21 days after the date of service of this Order.** Persons desiring to present their views without parties' rights of participation do not have to intervene and may present their comments without prior notification to the Commission or the parties.

YOU ARE FURTHER NOTIFIED that the Commission Secretary shall issue a Notice of Parties after the deadline for intervention has passed. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

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YOU ARE FURTHER NOTIFIED that once the Notice of Parties is issued, Commission Staff will informally confer with the parties to discuss a schedule to process this case and other issues as may be raised by the parties.

YOU ARE FURTHER NOTIFIED that the following persons are designated as the Company's representatives in this matter:

Preston N. Carter
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K. Scott Bruce
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Idaho Falls, ID 83401
scott1@fallswater.com

ORDER

IT IS HEREBY ORDERED that the July 1, 2023, effective date that Falls Water proposes for its rate increases is suspended for five (5) months or until the Commission enters an earlier order accepting, rejecting, or modifying the proposed rate increases.

IT IS FURTHER ORDERED that persons desiring to intervene in this case for the purpose of obtaining parties' rights of participation must file a Petition to Intervene with the Commission, under Rules 71-73, IDAPA 31.01.01.071-073, no later than 21 days after the service date of this Order.

IT IS FURTHER ORDERED that, after the Secretary issues a Notice of Parties, Staff will informally confer with the parties to discuss the appropriate scheduling of this case.

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. *See* 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.

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 5th day of June 2023.



ERIC ANDERSON, PRESIDENT

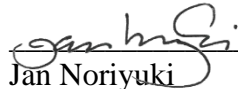


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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