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IDAHO PUBLIC
UTILITIES COMMISSION

P.O. Box 3388 1-877-755-9287
Coeur D'Alene ID 83816 gemstate-water.com

July 21, 2020

VIA ELECTRONIC DELIVERY

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

Re: GSW-W-22-01: In the matter of the Application of Gem State Water Company, LLC for an Order Authorizing Increase in the Company's Rates and Charges for Water Service in the State of Idaho.

Dear Commission Secretary Noriyuki,

Gem State Water Company hereby files with the Idaho Public Utilities Commission its Application to increase Rates and Charges for Water Service.

A copy of this filing is available for public review in Gem State Water's office in Coeur D'Alene, Idaho and on its website at www.gemstate-water.com.

Please contact this office with any questions or concerns.

/s/ Leslie Abrams-Rayner,

Leslie Abrams-Rayner
General Manager
Gem State Water Company
P.O. Box 3388
Coeur D'Alene, ID 83816

Attachments:

GSW-W22-01_Application
GSW-W22-01_Exh 1
GSW-W22-01_Exh 2
GSW-W22-01_Exh 3
GSW-W22-01_Exh 4
GSW-W22-01_Exh 5
GSW-W22-01_Exh 6
GSW-W22-01_Exh 7
GSW-W22-01_Exh 8

Leslie Abrams-Rayner
 General Manager
 Gem State Water Company
 P.O. Box 3388
 Coeur D'Alene, ID 83816

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
GEM STATE WATER COMPANY, LLC)
FOR AN ORDER AUTHORIZING INCREASE IN) CASE NO. GSW-W-22-01
THE COMPANY'S RATES AND CHARGES FOR)
WATER SERVICE IN THE STATE OF IDAHO) APPLICATION

COME NOW Gem State Water Company, LLC hereinafter referred to as "Applicant", "Gem State Water" or "Company" and holder of Certificates of Public Convenience and Necessity from the Idaho Public Utilities Commission ("Commission"), hereby applies to the Commission for authorization to increase its rates and charges for water service.

Applicant is requesting the Commission's authorization to 1) change the water rates it charges to customers to produce an increase in the Company's revenues by \$402,000, which represents an increase in the Company's revenues of 69.9%; 2) incorporate the partial consolidation of rates into four systems under the Gem State Water Company tariff; and 3) incorporate the proposed rates for the 1 1/2-Inch and 2-Inch meter customers.

The proposed consolidation impacts the fixed charges by aligning all the different systems onto a single fixed monthly charge for the 1-inch metered customers. The Company is proposing to increase the water rates for the existing 1-inch metered minimum customer charges are shown in Table 1.

TABLE 1: Current and Proposed Minimum Customer Charge (1-Inch Meters)

Proposed	Current	Current Charge	Proposed Charge
Spirit Lake East (including customers formerly of Lynnwood Estates Subdivision)	Spirit Lake East	\$25.55	\$35.00
	Lynnwood Estates Subdivision	\$35.00	\$35.00
Bar Circle "S" (including customers formerly of Diamond Bar)	Bar Circle "S"	\$27.43	\$35.00
	Diamond Bar	\$41.00	\$35.00
Bitterroot (including customers formerly of Rickel and Happy Valley)	Bitterroot	\$21.00	\$35.00
	Rickel Water	\$30.00	\$35.00
	Happy Valley	\$27.00	\$35.00
Troy Hoffman	Troy Hoffman	\$27.50	\$35.00

The proposed consolidation of rates and charges also applies to minimum customer volumes. The proposed minimum customer volumes are shown in Table 2 and reflect minimum charges that are consolidated among the systems into four consolidated groups, but the proposal intends to differentiate by meter size to allow higher, minimum charged meter sizes to include higher volumes as well.

TABLE 2: Current and Proposed Minimum Customer Volumes

Proposed	Current	Meter Size	Current Volume Included in Min Charge	Proposed Volume Included in Min Charge
Spirit Lake East (including customers formerly of Lynnwood Estates Subdivision)	Spirit Lake East	1- Inch	8000	8000
	Spirit Lake East	1 1/2-Inch	8000	20000
	Spirit Lake East	2- Inch	8000	32000
	Lynnwood Estates Subdivision		20,000	8000
Bar Circle "S" (including customers formerly of Diamond Bar)	Bar Circle "S"	1- Inch	7500	7500
	Bar Circle "S"	1 1/2-Inch	7500	20000
	Bar Circle "S"	2- Inch	7500	32000
	Diamond Bar		5500	7500
Bitterroot (including customers formerly of Rickel and Happy Valley)	Bitterroot		15000	10000
	Rickel		15000	10000
	Happy Valley	1- Inch	20000	10000
	Happy Valley	1 1/2-Inch	20000	20000
	Happy Valley	2- Inch	20000	32000
Troy Hoffman	Troy Hoffman		20000	10000

The Company is proposing to charge customers for their minimum customer charge based on meter size, with larger meters billed at higher amounts. The larger meter sizes create a larger demand and cost on the system. The AWWA Meter Factors are the basis for the higher charges and minimum gallons for 1 1/2 -inch and 2-inch metered minimum customer charges shown in Table 3.

TABLE 3: Proposed Minimum Customer Charge (1 1/2 – Inch and 2-Inch Meters)

Meter Size	Proposed Rate	Minimum Gallons Included
1 1/2-Inch	\$70.00	20,000
2-Inch	\$112.00	32,000

The Company is proposing to adjust the water rates for the commodity charges per thousand gallons consumed, in excess of the minimum gallons, as shown in Table 4.

TABLE 4: Current and Proposed Commodity Charge (per 1,000 gallons above minimum)

Proposed	Current	Current Rate	Proposed Rate
Spirit Lake East (including customers formerly of Lynnwood Estates Subdivision)	Spirit Lake East	\$2.33	\$5.10
	Lynnwood Estates Subdivision (20,000 – 100,000 gallons)	\$1.00	\$5.10
	Lynnwood Estates Subdivision (100,001 – 200,000 gallons)	\$2.00	\$5.10
	Lynnwood Estates Subdivision (over 200,001 gallons)	\$3.00	\$5.10
Bar Circle "S" (including customers formerly of Diamond Bar)	Bar Circle "S"	\$1.74	\$2.26
	Diamond Bar	\$1.16	\$2.26
Bitterroot (including customers formerly of Rickel and Happy Valley)	Bitterroot	\$1.73	\$2.85
	Rickel	\$1.10	\$2.85
	Happy Valley	\$0.70	\$2.85
Troy Hoffman	Troy Hoffman	\$1.12	\$4.15

This is the first general rate case for Company. The last increases in basic rates and charges for companies that comprise Gem State Water are as follows:

TABLE 5: Overview of Recent Rate Changes

Company	Last General Rate Case	Order No.
Bitterroot Water Company, Inc	2/1/2006	29966
Bar Circle "S" Water Company	1/1/2010	30970
Spirit Lake East Water (1)	11/1/2013	32904
Happy Valley Water Systems, Inc.	11/12/2013	32924
Troy Hoffman Water Corporation, Inc.	1/1/2014	32958
Diamond Bar Estates	8/30/2016	33578
Lynnwood Estates Subdivision (2)	7/3/2019	34372

(1) Current Spirit Lake East Water tariff was approved effective July 3, 2019, Order No. 34372. Last tariff update reflects incorporation of Lynnwood Estates Subdivision into Spirit Lake East tariff.

(2) Lynnwood Estates Subdivision was acquired in 2015 and has not changed since that time but was consolidated into the Spirit Lake East tariff in 2019.

GENERAL

Applicant requests that such changes in rates and charges be effective for bills rendered on or after September 1, 2022.

Applicant hereby certifies that it is notifying customers of the Application by inserting a notice in each customer's bill mailed on (July 27, 2022). A similar notice will be published in Coeur d Alene Press on (July 29, 2022). Copies of these notices are included with this Application.

Based on the test year ended 12/31/2021 Applicant believes its proposed rate increases are justified to continue to provide safe, reliable, and adequate service.

Applicant is a wholly owned subsidiary of NW Natural Water of Idaho, LLC (“NW Natural Water of Idaho”), which in turn is a wholly owned subsidiary of NW Natural Water Company, LLC (“NW Natural Water”). Applicant is a public utility water corporation within the meaning of Idaho Public Utility Law, is duly organized and exists under the laws of the State of Idaho and is engaged in conducting a general water utility business in northern Idaho.

Applicant is requesting this Application be processed under the Commission’s Rules of Modified Procedure.

Applicant’s current Certificates of Convenience and Necessity for the Gem State Water systems are shown below in Table 6.

Table 6: Certificate of Convenience and Necessity Numbers

Company	CPCN Certificate No.	Order No.	Date
Bitterroot Water Company, Inc (3)	319	34616	7/15/2022
Bar Circle "S" Water Company	296	34416	7/15/2022
Spirit Lake East	293	34372	7/15/2022
Happy Valley Water Systems, Inc.	390	34616	7/15/2022
Troy Hoffman Water Corporation, Inc.	280	35108	7/15/2022
Diamond Bar Estates	413	34416	7/15/2022
Lynnwood Estates Subdivision	293	34372	7/15/2022

(3) Order No. 34027 amended CPCN No 319 to include Rickel Water Company CPCN No. 324 and cancelled CPCN 324.

GENERAL RATE INCREASE REQUEST

Included with the Application are an original and seven copies of the Application and Exhibit Numbers 1 through 9 in support of the increase in revenue requested. Applicant is proposing the year 2021 as the test year in this case with adjustments to normalize and proforma the test year for known and measurable changes.

RATE BASE

Exhibit No. 1, presents the Company’s calculation of rate base. Column (A) of this exhibit represents the balances of accounts on the books of the Company as of December 31, 2021. Columns (B) through (C) represent proforma adjustments. Column (D) line (52) presents Applicant’s proforma rate base of \$1,406,120.

Column (A) reflects plant balances as of the end of 2021, which includes recent investments such as a new well and pumping equipment for the Diamond Bar system and shared tools and equipment under Gem State Water.

Column (B) presents the investment associated with meter replacement to begin replacing aging meters. The current meters are at the end of their useful life and this phase of their replacement is anticipated to be completed and used and useful during the processing of the rate case.

Column (C) presents the purchase of a truck. Currently operators are required to drive personal vehicles to operate the water systems. The increased rate base associated with the truck purchase has reduced the mileage reimbursement in Exhibit No. 2.

Column (D) presents the adjusted rate base calculation of \$1,406,120. This includes year-end plant in service balances less contribution in aid of construction and deferred income taxes, as well as an addition for working cash based on 1/8 of operation and maintenance expense from Exhibit 2.

RESULTS OF OPERATIONS

Exhibit No. 2 presents the Company's Results of Operations adjusted for known and measurable changes. Column (A) of the exhibit presents the actual recorded results of the Company for 2021. The actual results are adjusted in Columns (B) through (E) to develop the adjusted results shown in Column (F) that are used to establish the Company's revenue requirement.

Column (B) presents non-operating adjustments, such as taxes, non-utility income and expense, and depreciation expense. The depreciation expense and property taxes are impacted by plant additions in 2021, through both acquisition and investments in the current systems. The acquisition of the Troy Hoffman Water Corporation, Inc system and the wells and pumping equipment in the Diamond Bar system were the most significant plant additions that impacted depreciation expense and property taxes.

Column (C) presents the Company's labor costs for wages, benefits, and payroll taxes. The proposal reflects current wage and benefits costs and full-time new hires not included in the base year. The incremental labor costs are required to operate and maintain the respective systems and respond to customers. The total payroll costs are allocated among Gem State Water; Gem State Infrastructure, LLC (a non-Commission regulated affiliate) ("Infrastructure"); and the Pelican Point Water system in Moses Lake, Washington, owned by Cascadia Water, LLC and operated by Infrastructure (regulated by the Washington Utilities and Transportation Commission) on a direct allocation and customer count basis.

Column (D) presents an annualization for the partial year of Troy Hoffman Water Company, which was acquired by Gem State Water in 2021. The adjustment includes projected annual revenues and expenses.

Column (E) presents operating cost adjustments for increased rent expense and decreased transportation costs. The vehicle purchase is an increase to rate base but decreases transportation costs due to lower vehicle mileage reimbursements. The current lease for office space is being terminated and the market price for office space is higher than the current lease expense.

COST OF CAPITAL

Exhibit No. 3 presents the Company's capital structure and the weighted cost of capital as of December 31, 2021. The requested return on equity is 10.2%. Gem State Water has no long-term debt, and therefore, it is proposing a hypothetical capital structure of 55% equity /45% debt (assuming 4.86% rate) produces an overall weighted cost of capital for Gem State Water of 7.80%.

REVENUE REQUIREMENT

Exhibit No. 4 presents the revenue requirement for Gem State Water on a consolidated basis. Revenue requirement allocated to individual systems was also prepared. The individual system revenue requirement includes an allocation of both Rate Base and Operating Expenses for the shared services booked under Gem State Water.

Lines 1 through 5 of Exhibit 4 develops the net operating deficiency of \$297,631 shown on line 5 utilizing the rate base, rate of return and operating results from Exhibits Nos 1, 2 and 3. Lines 6 through 8 calculate the revenue increase necessary to overcome the income deficiency. The incremental revenue requirement is \$401,812, which represents an increase in the Company's revenues of 69.9%.

RATE DESIGN

Exhibit No. 5 presents the Company's proposal to develop new rates, which includes partially consolidating the Gem State Water systems, establishing a 1 1/2 – inch meter charge and 2-inch meter charge, and a separate charge for irrigation meters.

The proposed rate design is an incremental approach to a potential end state of fully consolidated rates for the Gem State Water Company systems. The proposed consolidation includes two components: a single schedule for non-recurring charges within the Gem State Water Company systems and the following consolidation of systems:

- Spirit Lake East and Lynnwood Estates are proposed to be combined into a single schedule for recurring charges. The two systems are currently both included in amended CPCN No. 293 and combined in the Spirit Lake East tariff under separate recurring charges schedules. The proposal requests combining the revenue requirements of these systems into a single recurring charges schedule to achieve the benefits described below.
- Bar Circle "S" and Diamond Bar are proposed to be combined into a single schedule for recurring charges. The two systems were both acquired by Gem State in 2019 and are operated under CPCN No. 296 and 413, respectively. The customers of these systems are billed under separate tariffs, but the systems were acquired in tandem. The proposal requests combining the two systems into a single recurring charges schedule to achieve the benefits of consolidation described below.
- Bitterroot, Rickel, and Happy Valley systems are proposed to be combined into a single schedule for recurring charges. The Rickel and Bitterroot systems were combined into a single company in 2017 but are billed on separate recurring charges schedules. In the proceeding to combine the companies staff recommended maintaining separate rates until the next rate case. These two systems, as well as Happy Valley, are proposed to be combined into a single recurring charges schedule to achieve the benefits of consolidation described below.
- The Troy Hoffman system is proposed to remain a separate rate making area in this application.

There are several benefits to the consolidation of rates: limiting the detail in cost tracking to reduce administrative burden, improved customer service and ease of doing business, and mitigating rate impacts related to large capital investments.

The consolidated rates provide operational benefits by reducing system level tracking of time and materials and accounting allocations to each system. Costs are tracked at the individual system level

and at Gem State to support the operations. The costs booked at Gem State are allocated to the individual systems. Tracking costs by system and allocating costs from Gem State are administrative processes that are supported by individual resources and time.

The consolidation of rates allows for improved customer service and responsiveness by reducing the complexity of the tariff structure. Reducing the number of tariffs under Gem State and the number of different rates makes the rates and charges easier to understand for customers and easier to administer for the Company.

The larger customer base also mitigates rate volatility for the different systems after the initial adjustment. Water utilities are highly capital intensive, and a relatively large investment can significantly impact rate base and the associated revenue requirement. Additionally, facilities, technology and other shared benefits at the Gem State Company level will impact all the respective systems and customers rather than being specific to a single system.

There are tradeoffs for all of the different factors that influenced the proposal. Rate consolidation from a smaller to a larger customer base raises concerns about equity and customers paying for their costs to serve.

The argument for equity in this perspective can be viewed in several different ways. First, moving away from smaller system to a larger customer base revenue requirement can provide revenue stability to all the respective customers when large capital investments are made in a specific system. Secondly, other rate design tools can be applied to align an individual customer’s costs with the rates charged. For example, aligning the basic and variable charges to fixed and variable costs within a larger rate group can address equity concerns. Additionally, addressing equity concerns related to large water users can be addressed with increasing tiered, block rates that charge larger water users for higher demand on the system. Finally, there will always be tradeoffs in efficiency and equity related to rate design and the proposal makes an incremental step towards consolidation while balancing these interests and allows for the Commission, customers, and the Company to evaluate and assess the impacts before moving towards full consolidation of these systems.

The proposed increase in revenue requirement differs for each system under both the consolidated proposal and when established separately. The increase in overall revenue requirement for each system is found in Table 7.

TABLE 7: Revenue Requirement Increases by System

Proposed	Current	Proposal
Spirit Lake East (including customers formerly of Lynnwood Estates Subdivision)	Spirit Lake East	79%
	Lynnwood Estates Subdivision	163%
Bar Circle “S” (including customers formerly of Diamond Bar)	Bar Circle “S”	29%
	Diamond Bar	42%
Bitterroot (including customers formerly of Rickel and Happy Valley)	Bitterroot	92%
	Happy Valley	210%
Troy Hoffman	Troy Hoffman	130%

The 2-inch meter charge and irrigation charge both intend to align costs with the rates charged to customers, as larger services require more system capacity and additional labor, and maintenance is required for irrigation meters.

CUSTOMER NOTIFICATION

Exhibit No. 6 are copies of the customer’s bill notification and the published notice.

TARIFFS

Exhibit No. 7 is a marked-up copy of Applicant’s existing tariff showing the proposed changes in rates and charges, including proposed non-recurring fees for initial hook-up, late fees and reconnection.

Exhibit No. 8 is a clean copy of Applicant’s proposed tariff.

CONTACT INFORMATION

Applicant further states that it stands ready for immediate consideration of this Application.

Gem State Water respectfully requests favorable consideration of this Application. Please direct any questions or correspondence related to the Application to the Applicant addressed to:

Leslie Abrams-Rayner
General Manager
Gem State Water Company
P.O. Box 3388
Coeur D’Alene, ID 83816

Eric Nelsen
Senior Regulatory Attorney
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Adam Rue
Rates and Regulatory Program Manager
Northwest Natural
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Date this day of Month, Year.

EXHIBIT 1

**GEM STATE WATER COMPANY
EXHIBIT 1
CALCULATION OF RATE BASE
Base Year 12/31/2021 and Test Year Adjustments**

		Exh.1 (A) (A)	Exh.1 (B) (B)	Exh.1 (C) (C)	(D)
		Fiscal Year 1/1/2021 to 12/31/2021	Meter Replacement Program	Vehicle Purchase	Total
Plant in Service					
1	301 - Organization	-	-	-	-
2	302 - Franchises and Consents	-	-	-	-
3	303 - Land & Land Rights	14,545	14,545		14,545
4	304 - Structures & Improvements	40,438	40,438		40,438
5	305 - Collecting & Impounding Reservoirs	120,672	120,672		120,672
6	307 - Wells	1,365,304	1,365,304		1,365,304
7	309 - Supply Mains	84,319	84,319		84,319
8	310 - Generators	140,880	140,880		140,880
9	311 - Pumps & Accessories	410,891	410,891		410,891
10	320 - Purification Systems	1,504	1,504		1,504
11	330 - Distribution Reservoirs & Standpipes	7,195	7,195		7,195
12	331 - Trans. & Distrib. Mains & Accessories	140,252	140,252		140,252
13	332 - Services	-	-		-
14	334 - Meters	69,331	69,331		129,431
15	335 - Hydrants	4,405	4,405		4,405
16	339 - Other Plant and Misc Equip	30,476	30,476		117,626
17	340 - Office Equipment	120,834	120,834	87,150	120,834
18	343 - Tools & Equipment	11,523	11,523		11,523
19	345 - Power Operated Equipment	42,352	42,352		42,352
20	346 - Communications Equipment	5,728	5,728		5,728
21	347 - Miscellaneous Equipment	3,168	3,168		3,168
22	348 - Other Tangible Property	2,655	2,655		2,655
23					-
24	Total Plant in Service	2,616,471	2,616,472	60,100	2,763,722
25					
26	Less Accumulated Depreciation	(1,428,485)	(1,428,485)		(1,428,485)
27	Net Plant in Service	1,187,985	1,187,987		1,335,237
28					
29					
30					
31	Less Contributions in Aid of Construction				
32	Gross Contributions (12/31/2021)		9,307		
33	Less Accumulated Amortization (12/31/2019)		-		
34	Net Contributions in Aid of Construction		9,307		9,307
35					
36	Net Plant in Service		1,178,680		1,325,930
37	Working Capital (1/8 of Operation and Maintenance Expense)				84,778
38	Deferred Taxes				(4,587)
39	Total Rate Base				1,406,120

Calculation of Annual Depreciation for Assets placed in Service During 2022:

Straight Line Depreciation in Years	20	7	
Annual Depreciation on New Assets placed in Service in 2022	3,005	12,450	15,455

EXHIBIT 2

GEM STATE WATER COMPANY
EXHIBIT 2
PROFORMA RESULTS OF OPERATIONS
Base Year 2021 and Test Year Adjustments

	Exh.2 (A) (A) Calendar Year January 1, 2021 December 31, 2021	Exh.2 (B) (B) Inc.(Dec.) Non-Operating Adjustments	Exh.2 (C) (C) Labor Adjustments	Exh.2 (D) (D) Partial Year for T. Hoffman Water Co.	Exh.2 (E) (E) Inc.(Dec.) Operating Costs Adjustments	(F) Adjusted Totals
Ordinary Income/Expense						
Income						
1 400 · Operating Revenue						
2 461.1 · Metered Residential	542,811			27,036	2,952	572,799
3 464 · Other Water Sales Revenue	1,801					1,801
4 Total 400 · Operating Revenue	544,612	-	-	27,036	2,952	574,600
5 Total Income	544,612	-	-	27,036	2,952	574,600
Expense						
6 601.1-6 Labor - Operation & Maintenance	102,345		25,328			127,673
7 601.7 Labor - Customer Accounts	15,058		3,636			18,694
8 601.8 Labor - Administrative & General	94,991		(2,329)			92,662
9 604 · Employee Benefits	49,087		16,242			65,329
10 610 · Purchased Water	-			5,086		5,086
11 615-16 · Electrical Power & Fuel for Power	88,731			-		88,731
12 618 · Chemicals	791				-	791
13 620.1-6 · M&S - O&M	15,176			715		15,891
14 620.7-6 · M&S - A&G	49,829			556		50,385
15 631.1-34 · Contracting Services - Professional	72,849			-		72,849
16 635 · Contracting Services - Water Testing	1,698			225		1,923
17 636 · Contracted Services - Other	9,148			-		9,148
18 641-42 · Rental of Property & Equipment	30,919			5,600	22,800	59,319
19 642 · Rental of Equipment					-	-
20 645 · Lease Rent Exp - Interest					-	-
21 646 · Lease Rent Exp - Depreciation					-	-
22 650 · Transportation Expense	11,718			188	(5,334)	6,572
23 656 · Insurance Expense	14,089			57		14,146
24 656.1 · Workers Compensation Ins						-
25 660 · Advertising Expense						-
26 666 · Rate Case Amortization						-
27 670 · Bad Debt Expense						-
28 675 · Miscellaneous	49,021					49,021
29 675.2 · Dues & Publications						-
30 675.4 · IDHW Fee Expense						-
31 675.9 · 2012 MXU Proj Mtr Reader Lbr						-
32 Shared Services Allocation						-
33 Total Expense	605,450	-	42,878	12,427	17,466	678,221
34 Net Ordinary Income	(60,838)	-	(42,878)	14,610	(14,514)	(103,620)
Other Income/Expense						
35 Other Income						
36 419 · Interest Earned						-
37 421 · Non-Utility Income	11,827	(11,827)				-
38 426 · Non-Utility Expense	(761)	761				-
39 Total Other Income	11,066	(11,066)				-

EXHIBIT 2

GEM STATE WATER COMPANY
EXHIBIT 2
PROFORMA RESULTS OF OPERATIONS
Base Year 2021 and Test Year Adjustments

	Exh.2 (A) (A) Calendar Year January 1, 2021 December 31, 2021	Exh.2 (B) (B) Inc./Dec.) Non- Operating Adjustments	Exh.2 (C) (C) Labor Adjustments	Exh.2 (D) (D) Partial Year for T. Hoffman Water Co.	Exh.2 (E) (E) Inc./Dec.) Operating Costs Adjustments	(F) Adjusted Totals
55	Other Expense					
56	403 · Depreciation Expense	38,181	76,736		-	114,917
	527.5 Other Interest Expense	8,173	(8,173)			-
57	408 · Taxes					
58	408.11 · Property Taxes	9,589	11,733			21,322
59	408.12 · Payroll Taxes	20,931	(2,462)			18,469
	408.13 · Other Taxes	4,077				4,077
60	Total 408 · Taxes	42,770	3,560	(2,462)	-	43,868
	Income Taxes		(74,409)			(74,409)
61	408.10 · Regulatory Fee	-				-
62	409.10 · Federal Income Tax	(25,546)	25,546			-
63	409.11 · State Income Tax	(9,057)	9,057			-
##	Total Other Expense	46,348	40,489	(2,462)	-	84,376
##	Net Other Income	(35,282)	(51,555)	2,462		(84,376)
##	Net Income	(96,120)	(51,555)	(40,416)	14,610	(187,996)
			3,578	Net before int & Tax		(258,328)
				Interest (cost of debt (cap struct) * rate		30,752
				Net before Tax		(289,081)
				Tax		(74,409)

EXHIBIT 3

**GEM STATE WATER COMPANY
EXHIBIT 3
CAPITAL STRUCTURE AND OVERALL RATE OF RETURN**

Line No.	Description	(A) Amount	(B) Percent of Total Capital	(C) Cost	(D) Component
1	Long Term Debt to adjust Debt/Equity Ratio	\$454,478	45.00%	4.86%	2.19%
2	Common Equity	<u>\$555,461</u>	<u>55.00%</u>	10.20%	<u>5.61%</u>
3	Total	\$1,009,939	100.00%		7.80%
4	Total Debt	\$454,478	45.00%	4.86%	2.19%
5	Total Equity	<u>\$555,461</u>	<u>55.00%</u>	10.20%	<u>5.61%</u>
		\$1,009,939			7.80%
	Effective cost of debt on rate base		2.19%		

EXHIBIT 4

**GEM STATE WATER COMPANY
EXHIBIT 4
CALCULATION OF REVENUE REQUIREMENT**

	Total	Spirit Lake East (including former Lynwood Estates)	Bar Circle "S" (including former Diamond Bar)	Bitterroot (including former Happy Valley and Rickel Water)	Troy Hoffman
1 Rate Base	1,406,118 \$	419,739 \$	819,257 \$	82,665 \$	84,457
2 Required Rate of Return	7.80%	7.80%	7.80%	7.80%	7.80%
3 Net Operating Income Requirement	\$ 109,635 \$	32,727 \$	63,877 \$	6,445 \$	6,585
4 Net Operating Income Realized	(187,996) \$	(91,481) \$	7,694 \$	(70,608) \$	(33,601)
5 Net Operating Income Deficiency	\$ 297,631 \$	124,208 \$	56,184 \$	77,053 \$	40,186
6 Net Operating Income Deficiency	297,631	124,208	56,184	77,053	40,186
7 Gross up Factor	1.350034	1.350034	1.350034	1.350034	1.350034
8 Total Incremental Revenue Requirement	401,812	167,685	75,850	104,024	54,253
9 Revenues at existing rates	574,600 \$	199,990 \$	236,212 \$	96,887 \$	41,511
10 Total Revenue Requirement	\$ 976,412 \$	367,675 \$	312,062 \$	200,911 \$	95,764
11 Percent Increase Required	69.9%	83.8%	32.1%	107.4%	130.7%

EXHIBIT 4

**Gem State Water Company
Net to Gross Multiplier**

Total Gross Revenues	Total Gross Revenues		1.000000
Less Regulatory Fees (percentage)	Less Regulatory Fees (percentage)		0.002529
Net Revenue	Net Revenue		0.997471
State Income Tax Rate	State Income Tax Rate	6.000%	<u>0.059848</u>
Federal Income Tax Base	Federal Income Tax Base		0.937623
Federal Income Tax Rate	Federal Income Tax Rate	21.000%	0.196901
Net Operating Revenue	Net Operating Revenue		0.740722
Net Income to Gross Revenue Multiplier	Net Income to Gross Revenue Multiplier		1.35003
Composite Fed and State Tax Rate	Composite Fed and State Tax Rate		25.74%

**GEM STATE WATER COMPANY
EXHIBIT 5
RATE DESIGN**

Water System:	Meter Size	Current Rates			Proposed Rates			% Increase	
		Fixed Monthly Charge	Volume Included (gallons)	Price for Excess	Fixed Monthly Charge	Volume Included (gallons)	Price for Excess	Fixed Monthly Charge	Price for Excess
Spirit Lake East	1-Inch	25.55	8000	2.33	35.00	8000	5.10	37%	119%
Spirit Lake East .	1 1/2- Inch	25.55	8000	2.33	70.00	20000	5.10	174%	119%
Spirit Lake East .	2- Inch	25.55	8000	2.33	112.00	32000	5.10	338%	119%
Lynnwood Estates Subdivision		35.00	20000		35.00	8000	5.10	0%	
First Block			20,001 - 100,000	1.00		10,001 - 100,000			410%
Second Block			100,001 - 200,000	2.00		100,001 - 200,000			155%
Third Block			over 200,001	3.00		over 200,001			70%
Bar Circle "S" Water Company	1-Inch	27.43	7500	1.74	35.00	7500	2.26	28%	30%
Bar Circle "S" Water Company .	1 1/2- Inch	27.43	7500	1.74	70.00	20000	2.26		
Bar Circle "S" Water Company .	2- Inch	27.43	7500	1.74	112.00	32000	2.26		
Diamond Bar Estates		41.00	5500	1.16	35.00	7500	2.26	-15%	95%
Happy Valley Water Systems, Inc	1-Inch	27.00	20000	0.70	35.00	10000	2.85	30%	307%
Happy Valley Water Systems, Inc .	1 1/2- Inch	27.00	20000	0.70	70.00	20000	2.85	159%	307%
Happy Valley Water Systems, Inc .	2- Inch	27.00	20000	0.70	112.00	32000	2.85	315%	307%
Bitterroots Water Company, Inc.		21.00	15000	1.73	35.00	10000	2.85	67%	65%
Rickel Water Company		30.00	15000	1.10	35.00	10000	2.85	17%	159%
Troy Hoffman Water Corporation, Inc.		27.50	10000	1.12	35.00	10000	4.15	27%	271%

EXHIBIT 6

NOTICE TO GEM STATE WATER COMPANY CUSTOMERS

On July 21, 2022, Gem State Water Company filed an application with the Idaho Public Utilities Commission (IPUC) for a proposed general rate increase to become effective September 1, 2022. The filing is subject to public review and a Commission decision before it can take effect.

Gem State Water Company seeks approval to increase rates to recover the current cost of operating and maintaining their water systems, which have escalated in recent years, prudently incurred system improvements, and recent investments to replace aging infrastructure required to provide water service to customers.

If the proposed rate increases are approved, the table below shows the current and proposed typical monthly bill for customers using an average of 15,000 gallons.

System	Current	Current Average Bill	Proposed Average Bill	% Change
Spirit Lake East (including customers formerly of Lynnwood Estates Subdivision)	Spirit Lake East	\$41.86	\$70.70	69%
	Lynnwood Estates Subdivision	\$35.00	\$70.70	102%
Bar Circle "S" (including customers formerly of Diamond Bar)	Bar Circle "S"	\$40.48	\$51.95	28%
	Diamond Bar	\$52.02	\$51.95	0%
Bitterroot (including customers formerly of Rickel and Happy Valley)	Bitterroot	\$21.00	\$49.25	135%
	Rickel	\$30.00	\$49.25	64%
	Happy Valley	\$27.00	\$49.25	82%
Troy Hoffman	Troy Hoffman	\$33.10	\$55.75	68%

If approved the proposed increase would increase the Company's total annual revenues by \$402,000, or 69.9%. A copy of the application is available for review at Gem State Water Company's office located at 250 Northwest Blvd. Suite 203, Coeur D'Alene, Idaho, 83814. Copies of the application are on file at Idaho Public Utilities offices at 472 West Washington Street, Boise Idaho 83702. The application is also available for review on the Commission's website at www.puc.idaho.gov. Please send any comments or question to either Gem State Water Company or the Idaho Public Utilities Commission:

Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074
(800) 432-0369

Gem State Water Company
PO Box 3388
Coeur D'Alene, ID 83816
(877) 755-9287

Comments may be submitted to the Idaho Public Utilities Commission via email by going to the following website:

<https://puc.idaho.gov/Form/CaseComment> Please refer to Case No. GSW-W-22-01 in all correspondence.

For Immediate Release

Media Contact:

Leslie Abrams-Rayner at (877) 755-9287 or leslie@gemstate-water.com

Gem State Water Company Files General Rate Case

Coeur D’Alene, ID -- On July 21, 2022 -- Gem State Water Company filed an application with the Idaho Public Utilities Commission (IPUC) for a proposed general rate increase to become effective September 1, 2022. The filing is subject to public review and a Commission decision before it can take effect.

Gem State Water Company seeks approval to increase rates to recover the current cost of operating and maintaining they water systems, which have escalated in recent years, prudently incurred system improvements, and recent investments to replace aging infrastructure required to provide water service to customers.

If approved the proposed increase would increase the Company’s total annual revenues by \$402,000, or 69.9%. The table below shows the current and proposed typical monthly bill and proposed increase for customers using an average of 15,000 gallons.

System	Current	Current Average Bill	Proposed Average Bill	% Change
Spirit Lake East (including customers formerly of Lynnwood Estates Subdivision)	Spirit Lake East	\$41.86	\$70.70	69%
	Lynnwood Estates Subdivision	\$35.00	\$70.70	102%
Bar Circle “S” (including customers formerly of Diamond Bar)	Bar Circle “S”	\$40.48	\$51.95	28%
	Diamond Bar	\$52.02	\$51.95	0%
Bitterroot (including customers formerly of Rickel and Happy Valley)	Bitterroot	\$21.00	\$49.25	135%
	Rickel	\$30.00	\$49.25	64%
	Happy Valley	\$27.00	\$49.25	82%
Troy Hoffman	Troy Hoffman	\$33.10	\$55.75	68%

A copy of the application is available for review at Gem State Water Company’s office located at 250 Northwest Blvd. Suite 203, Coeur D’Alene, Idaho, 83814. Copies of the application are on file at Idaho Public Utilities offices at 472 West Washington Street, Boise Idaho 83702. The application is also available for review on the Commission’s website at www.puc.idaho.gov. Please send any comments or question to either Gem State Water Company or the Idaho Public Utilities Commission:

Idaho Public Utilities Commission
PO Box 83720
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(800) 432-0369

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Comments may be submitted to the Idaho Public Utilities Commission via email by going to the following website: <https://puc.idaho.gov/Form/CaseComment> Please refer to Case No. GSW-W-22-01 in all correspondence.

Gem State Water Company
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Schedule No. 1

Recurring Charges for Gem State Water Company (Legacy Spirit Lake East Water and Lynnwood Estates Subdivision) Customers:

METERED CUSTOMERS

Minimum Customer Charge

†

<u>Meter Size</u>	<u>Monthly Min Charge</u>	<u>Volume Included</u>
-1-inch- (10.7 CCF)	\$35.00 25.55	8,000 gallons
1 1/2 – Inch	\$70.00	20,000 gallons (26.7 CCF)
2-inch	\$112.00	32,000 gallons (42.8 CCF)

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The Minimum Monthly Charge includes up to 8,000 gallons / ~~10.7~~ 10.7 CCF or less per month

Commodity Charge (gallons): \$~~5.102~~ 33

The Commodity Charge for each addition 1,000 gallons over 8,000 gallons for customers with usage measure in gallons

Commodity Charge (CCF): \$~~3.81~~ 1.74

The Commodity Charge for each addition 1.0 CCF over 10.7 CCF for customers with usage measure in cubic feet

(CCF = 100 cubic feet; 1 CCF = 748 gallons)

Contract Conditions:

Meter readings will be done at the end of each month, except when conditions make meters

Issued July ~~2017~~, 201922
 Effective July ~~2003~~, 202219

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 Leslie Abrams, General Manager

Gem State Water Company
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inaccessible. In the event the Company cannot read a customer's meter for a billing period, the customer will only be billed the minimum monthly charge as set forth above. The Company aggregates the 8,000 gallons / 10.7 CCF monthly allowance for each month that no meter reading is taken and bills for all usage exceeding the total aggregate allowances on the next bill issued after the meter reading is taken.

Issued July ~~2017~~, ~~2019~~
Effective July ~~2003~~, ~~2021~~

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Leslie Abrams, General Manager

Gem State Water Company

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Example: If the customer has used more than the monthly allowance (8,000 gallons or 10.7 CCF) over a six (6) month winter period when no meter can be read, he or she will be billed for usage exceeding the aggregate monthly allowance (48,000 gallons or 64.2 CCF) on the first bill issued after a meter reading is taken.

For customers who have separate meters for domestic and irrigation usage the usage for both meters will be added together before applying the 58,500-gallon allowance.

Issued July ~~2017~~, ~~2019~~
Effective July ~~2003~~, ~~2021~~

Issued by Gem State Water Company
Leslie Abrams, General Manager

Gem State Water Company
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Schedule No. 2

Recurring Charges for Gem State Water Company (Legacy Bar Circle "S" and Diamond Bar) Customers:

METERED CUSTOMERS

<u>Meter Size</u>	<u>Monthly Min Charge</u>	<u>Volume Included</u>
<u>1-inch</u>	<u>\$35.00</u>	<u>7,500 gallons</u>
<u>1 1/2 – Inch</u>	<u>\$70.00</u>	<u>20,000 gallons</u>
<u>2-inch</u>	<u>\$112.00</u>	<u>32,000 gallons</u>

Commodity Charge (gallons): \$2.26

The Commodity Charge for each addition 1,000 gallons over 7,500 gallons for customers with usage measure in gallons

Contract Conditions:

Meter readings will be done at the end of each month, except when conditions make meters inaccessible. In the event the Company cannot read a customer's meter for a billing period, the customer will only be billed the minimum monthly charge as set forth above. The Company aggregates the 7,500 gallons monthly allowance for each month that no meter reading is taken and bills for all usage exceeding the total aggregate allowances on the next bill issued after the meter reading is taken.

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Issued July 2017, 201922
Effective July 2003, 202249

Issued by Gem State Water Company
Leslie Abrams, General Manager

Gem State Water Company
Sheet No. 14
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Schedule No. 3

Recurring Charges for Gem State Water Company (Legacy Bitterroot, Rickel, and Happy Valley) Customers:

METERED CUSTOMERS

<u>Meter Size</u>	<u>Monthly Min Charge</u>	<u>Volume Included</u>
<u>1-inch</u>	<u>\$35.00</u>	<u>10,000 gallons</u>
<u>1 1/2 – Inch</u>	<u>\$70.00</u>	<u>20,000 gallons</u>
<u>2-inch</u>	<u>\$112.00</u>	<u>32,000 gallons</u>

Commodity Charge (gallons): \$2.85

The Commodity Charge for each addition 1,000 gallons over 10,000 gallons for customers with usage measure in gallons

Contract Conditions:

Meter readings will be done at the end of each month, except when conditions make meters inaccessible. In the event the Company cannot read a customer's meter for a billing period, the customer will only be billed the minimum monthly charge as set forth above. The Company aggregates the 10,000 gallons monthly allowance for each month that no meter reading is taken and bills for all usage exceeding the total aggregate allowances on the next bill issued after the meter reading is taken.

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Issued July 2017, 201922
Effective July 2003, 202219

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Gem State Water Company
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Schedule No. 4

**Recurring Charges for Gem State Water Company (Legacy Troy Hoffman)
Customers:**

METERED CUSTOMERS

<u>Meter Size</u>	<u>Monthly Min Charge</u>	<u>Volume Included</u>
1-inch	\$35.00	10,000 gallons

Commodity Charge (gallons): \$4.15

The Commodity Charge for each addition 1,000 gallons over 10,000 gallons for customers with usage measure in gallons

Contract Conditions:

Meter readings will be done at the end of each month, except when conditions make meters inaccessible. In the event the Company cannot read a customer's meter for a billing period, the customer will only be billed the minimum monthly charge as set forth above. The Company aggregates the 10,000 gallons monthly allowance for each month that no meter reading is taken and bills for all usage exceeding the total aggregate allowances on the next bill issued after the meter reading is taken.

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Effective July 2003, 202249

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Gem State Water Company
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Issued July 2017, 201922
Effective July 2003, 202219

Issued by Gem State Water Company
Leslie Abrams, General Manager

Schedule No. 2

Recurring Charges for Lynnwood Estates Subdivision Customers:

METERED CUSTOMERS

Minimum Customer Charge: _____ \$35.00

The Minimum Monthly Charge includes up to 20,000 gallons or less per month

Commodity Charge (gallons): _____

\$1.00 for each additional 1,000 gallons between 20,001 and 100,000 gallons

\$2.00 for each additional 1,000 gallons between 100,001 and 200,000 gallons

\$3.00 for each additional 1,000 gallons between 200,000 gallons

Contract Conditions:

Meter readings will be done at the end of each month, except when conditions make meters inaccessible. In the event the Company cannot read a customer's meter for a billing period, the customer will only be billed the minimum monthly charge as set forth above. The Company aggregates the 20,000 gallons monthly allowance for each month that no meter reading is taken and bills for all usage exceeding the total aggregate allowances on the next bill issued after the meter reading is taken.

Example: If the customer has used more than the monthly allowance (20,000 gallons) over a six (6) month winter period when no meter can be read, he or she will be billed for usage exceeding the aggregate monthly allowance (120,000 gallons) on the first bill issued after a meter reading is taken.

Issued July 2017, 201922
Effective July 2003, 202219

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Leslie Abrams, General Manager

Schedule No. 35

Non- Recurring Charges for ~~Spirit Lakes East Water Customers and Lynnwood Estates Subdivision~~ Gem State Water Customers:

1. Hook up Fee (New Services) - \$25,500 per each new customer hook-up.
2. New Customer Connection Charge – When the installation of a new service lines requires the Company to bore a line under a road, all additional costs will be charged to the customer on a time and materials basis. The new customer may, at their option, hire Gem State Water approved independent contract to perform the road bore and connection. The Company will require such contractor to show proof of bonding, licensing, and insurance and at least five (5) years of experience at hot tapping water lines. Gem State Water Master will inspect and approve all work being performed to insure compliance with the Company’s installation requirements.
3. Late Payment Charge – One (1%) percent monthly applicable to the unpaid balance owing at the time of the next billing statement
4. Reconnection Fees for accounts closed thirty (30) days or less
Requested during normal office hours - \$16.00
Requested during other than normal office hours - \$32.00
5. Reconnection fees for accounts closed longer than thirty (30) days
Requested during normal office hours - \$52.00
Requested during other than normal office hours - \$65.00

Rates are based on continuous service. Disconnect and reconnect transactions do not relieve a customer from the obligation to pay the base rate or minimum charge that accumulates during the period of time the service is voluntarily disconnected for up to 12 months. Should the customer wish to recommence service within 12 months at the same premise, the customer will be required to pay the accumulated minimum monthly charge or base rate as if service had been continuous. Does not apply to situations where the customer requests

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Effective July 2003, 202219

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Gem State Water Company
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disconnection to make repairs or prevent water damage to the customer's property. Also does not apply when service was disconnected by the Company for its convenience.

Issued July 2017, 2019
Effective July 2003, 2021

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5-6. Return Check fee for each customer check returned to the Company for non-sufficient funds - \$20.00

Normal office hours are defined as 8:00 a.m. to 5:00 p.m. Monday through Friday except for Legal Holidays recognized by the Idaho State Government Offices

Normal due date for all bills shall be fifteen (15) days after the billing date.

Issued July 2017, 2019
Effective July 2003, 2021

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Schedule No. 4

Recurring Charges for Bar Circle "S" Water Customers:

METERED CUSTOMERS

Minimum Customer Charge: _____ \$27.43

The Minimum Monthly Charge includes up to 7,500 gallons or less per month

Commodity Charge (gallons): _____ \$1.74

The Commodity Charge for each addition 1,000 gallons over 7,500 gallons for customers with usage measure in gallons

Contract Conditions:

Meter readings will be done at the end of each month, except when conditions make meters inaccessible. In the event the Company cannot read a customer's meter for a billing period, the customer will only be billed the minimum monthly charge as set forth above. The Company aggregates the 7,500 gallons monthly allowance for each month that no meter reading is taken and bills for all usage exceeding the total aggregate allowances on the next bill issued after the meter reading is taken.

Issued January-July 2014, 2022
Company
Effective January-July 2004, 2022

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Leslie Abrams, General Manager

Schedule No. 5

Non-Recurring Charges for Bar Circle "S" Water Customers:

1. ~~New Customer Connection Charge—\$400 if there is an existing service line and meter base are already in place on the property.~~
2. ~~New Customer Connection Charge—\$2,500 if there is no existing service line and meter base are already in place on the property.~~
3. ~~New Customer Connection Charge—When the installation of a new service lines requires the Company to bore a line under a road, all additional costs will be charged to the customer on a time and materials basis. The new customer may, at their option, hire Gem State Water approved independent contract to perform the road bore and connection. The Company will require such contractor to show proof of bonding, licensing, and insurance and at least five (5) years of experience at hot tapping water lines. Gem State Water Master will inspect and approve all work being performed to insure compliance with the Company's installation requirements.~~
4. ~~Reconnection Fees
Requested during normal office hours—\$20.00
Requested during other than normal office hours—\$40.00~~
5. ~~Customer Requested Service Calls
Requested during normal office hours—\$0.00
Requested during other than normal office hours—\$20.00~~
6. ~~Return Check fee for each customer check returned to the Company for non-sufficient funds—\$20.00~~

~~Normal office hours are defined as 8:00 a.m. to 5:00 p.m. Monday through Friday except for Legal Holidays recognized by the Idaho State Government Offices~~

~~Normal due date for all bills shall be fifteen (15) days after the billing date.~~

Issued ~~January-July 2011, 2022~~40
Company
Effective ~~January-July 2001, 2022~~40

Issued by Gem State Water
Leslie Abrams, General Manager

Gem State Water Company
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Schedule No. ~~66~~

Commercial Fire Protection Service for Bar Circle "S" Water Customers:

Applicable for commercial customers with private fire protection upon the customer's premises.

For each fire hydrant	\$17.37	Per Month
For each separate building sprinkler connection	\$88.02	Per Month

Billing for each service will be charged in advance of the beginning of each month.

Issued ~~January-July 2011, 2022~~
Company

Effective ~~January-July 2001, 2022~~

Issued by Gem State Water

Leslie Abrams, General Manager

**Gem State Water Company
Sheet No. 7
Replaces All Previous Sheets**

Schedule No. 7

Recurring Charges for Bitterroot Water Customers:

METERED CUSTOMERS

Minimum Customer Charge: _____ \$21.00

The Minimum Monthly Charge includes up to 15,000 gallons or less per month

Commodity Charge (gallons): _____ \$1.73

The Commodity Charge for each addition 1,000 gallons over 15,000 gallons for customers with usage measure in gallons

Contract Conditions:

Meter readings will be done at the end of each month, except when conditions make meters inaccessible. In the event the Company cannot read a customer's meter for a billing period, the customer will only be billed the minimum monthly charge as set forth above. The Company aggregates the 15,000 gallons monthly allowance for each month that no meter reading is taken and bills for all usage exceeding the total aggregate allowances on the next bill issued after the meter reading is taken.

Issued January-July 834, 202206
Company

Effective February-July 804, 202207

Issued by Gem State Water

Leslie Abrams, General Manager

Gem State Water Company
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Replaces All Previous Sheets

Schedule No. 8

Non-Recurring Charges for Bitterroot Water Customers:

1. ~~Hook up Fee (New Services) – \$750 per each new customer hook up~~
2. ~~Reconnection Fees – \$25.00~~
3. ~~Return Check fee for each customer check returned to the Company for non-sufficient funds – \$20.00~~

Issued ~~January~~ July 831, 2022
Company
Effective ~~February~~ July 804, 2022

Issued by Gem State Water
Leslie Abrams, General Manager

Gem State Water Company
Sheet No. 9
Replaces All Previous Sheets

Schedule No. 9

Recurring Charges for Diamond Bar Estates Water Customers:

METERED CUSTOMERS

Minimum Customer Charge: _____ **\$41.00**

The Minimum Monthly Charge includes up to 5,500 gallons or less per month

Commodity Charge (gallons): _____ **\$1.16**

The Commodity Charge for each addition 1,000 gallons over 5,500 gallons for customers with usage measure in gallons

Contract Conditions:

Meter readings will be done at the end of each month, except when conditions make meters inaccessible. In the event the Company cannot read a customer's meter for a billing period, the customer will only be billed the minimum monthly charge as set forth above. The Company aggregates the 5,500 gallons monthly allowance for each month that no meter reading is taken and bills for all usage exceeding the total aggregate allowances on the next bill issued after the meter reading is taken.

~~For customers who have separate meters for domestic and irrigation usage the usage for both meters will be added together before applying the 5,500 gallon allowance.~~

Issued ~~August July 829, 2022~~ 16
Company
Effective ~~August July 830, 2022~~ 16

Issued by Gem State Water
Leslie Abrams, General Manager

Schedule No. 10

Non-Recurring Charges for Diamond Bar Estates Water Customers:

- ~~1. New Customer Connection Charge – \$335 if there is an existing service line and meter base are already in place on the property.~~
- ~~2. New Customer Connection Charge – \$2,500 if there is no existing service line and meter base are already in place on the property.~~
- ~~3. New Customer Connection Charge – When the installation of a new service lines requires the Company to bore a line under a road, all additional costs will be charged to the customer on a time and materials basis. The new customer may, at their option, hire Gem State Water approved independent contract to perform the road bore and connection. The Company will require such contractor to show proof of bonding, licensing, and insurance and at least five (5) years of experience at hot tapping water lines. Gem State Water Master will inspect and approve all work being performed to ensure compliance with the Company's installation requirements.~~
- ~~4. Late Payment Charge – One (1%) percent monthly applicable to the unpaid balance owing at the time of the next billing statement~~
- ~~5. Reconnection Fees
Requested during normal office hours – \$15.00
Requested during other than normal office hours – \$30.00~~

~~Applies when a customers requests reconnection following disconnection of service for non-payment.~~

~~Does not apply to seasonal installation of irrigation meters. Does not apply to situations where the customer requests disconnection to make repairs or prevent water damage to the customer's property. Also does not apply when service was disconnected by the Company for its convenience.~~

Issued August ~~July~~ 829, 202216
Company
Effective August ~~July~~ 830, 202216

Issued by Gem State Water
Leslie Abrams, General Manager

Gem State Water Company
Sheet No. 10
Replaces All Previous Sheets

~~6. Return Check fee for each customer check returned to the Company for non-sufficient funds—\$20.00~~

Issued ~~August~~ July 829, 2022¹⁶
Company
Effective ~~August~~ July 830, 2022¹⁶

Issued by Gem State Water
Leslie Abrams, General Manager

Gem State Water Company
Sheet No. 11
Replaces All Previous Sheets

Schedule No. 10 (Continued)

Non-Recurring Charges for Diamond Bar Estates Water Customers:

Normal office hours are defined as 8:00 a.m. to 5:00 p.m. Monday through Friday except for Legal Holidays recognized by the Idaho State Government Offices

Normal due date for all bills shall be fifteen (15) days after the billing date.

Issued ~~August~~ July 829, 202216
Company
Effective ~~August~~ July 830, 202216

Issued by Gem State Water
Leslie Abrams, General Manager

Gem State Water Company
Sheet No. 12
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Schedule No. 11

Recurring Charges for Happy Valley Water Systems Customers:

METERED CUSTOMERS

Minimum Customer Charge: _____ **\$27.00**

The Minimum Monthly Charge includes up to 20,000 gallons or less per month

Commodity Charge (gallons): _____ **\$0.70**

The Commodity Charge for each additional 1,000 gallons over 20,000 gallons for customers with usage measure in gallons

Contract Conditions:

Meter readings will be done at the end of each month, except when conditions make meters inaccessible. In the event the Company cannot read a customer's meter for a billing period, the customer will only be billed the minimum monthly charge as set forth above. The Company aggregates the 20,000 gallons monthly allowance for each month that no meter reading is taken and bills for all usage exceeding the total aggregate allowances on the next bill issued after the meter reading is taken.

Issued November July 813, 202213
Company
Effective November July 812, 202213

Issued by Gem State Water
Leslie Abrams, General Manager

Gem State Water Company
Sheet No. 13
Replaces All Previous Sheets

Schedule No. 12

Non-Recurring Charges for Happy Valley Water Systems Customers:

1. ~~Hook up Fee (New Services) — \$500 per each new customer hook-up~~
2. ~~Late Payment Charge — One (1%) percent monthly applicable to the unpaid balance owing at the time of the next billing statement~~
3. ~~Reconnection Fees
Reconnecting Service after the customer has disconnected for any reason — \$20.00~~

Issued ~~November July 813, 2022~~13
Company
Effective ~~November July 812, 2022~~13

Issued by Gem State Water
Leslie Abrams, General Manager

Gem State Water Company
Sheet No. 14
Replaces All Previous Sheets

Schedule No. 13

Recurring Charges for Rickel Water Company Customers:

METERED CUSTOMERS

Minimum Customer Charge: _____ \$30.00

The Minimum Monthly Charge includes up to 15,000 gallons or less per month

Commodity Charge (gallons): _____ \$1.10

The Commodity Charge for each addition 1,000 gallons over 15,000 gallons for customers with usage measure in gallons

Contract Conditions:

Meter readings will be done at the end of each month, except when conditions make meters inaccessible. In the event the Company cannot read a customer's meter for a billing period, the customer will only be billed the minimum monthly charge as set forth above. The Company aggregates the 15,000 gallons monthly allowance for each month that no meter reading is taken and bills for all usage exceeding the total aggregate allowances on the next bill issued after the meter reading is taken.

Issued ~~May-July 84, 2022~~1997
Company
Effective ~~May-July 84, 2022~~1997

Issued by Gem State Water
Leslie Abrams, General Manager

Gem State Water Company
Sheet No. 15
Replaces All Previous Sheets

Schedule No. 14

Non-Recurring Charges for Rickel Water Company Customers:

- ~~1. Hook up Fee (New Services) — \$6,000 per each new customer hook up~~
- ~~2. Reconnection Fees
Reconnecting Service after the customer has disconnected for any reason — \$25.00~~

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Issued by Gem State Water
Leslie Abrams, General Manager

Gem State Water Company
Sheet No. 16
Replaces All Previous Sheets

Schedule No. 15

Recurring Charges for Troy Hoffman Water:

METERED CUSTOMERS

Minimum Customer Charge: _____ **\$27.50**

The Bi-Monthly Minimum Monthly Charge includes up to 10,000 gallons or less per bi-monthly billing period

Commodity Charge (gallons): _____ **\$1.12**

The Commodity Charge for each addition 1,000 gallons over 10,000 gallons per billing period for customers with usage measure in gallons

Contract Conditions:

Bills for water service will be rendered bi-monthly and are payable within twenty (20) days of the billing date.

The Company reads meters four times a year in April, June, August, and October. The accumulated usage for the six-month period from November through April is shown on the April billing statement. Usage exceeding the water allowance is also shown on the bill.

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Company
Effective January-July 84, 2022¹⁴

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Leslie Abrams, General Manager

Gem State Water Company
Sheet No. 178
Replaces All Previous Sheets

Schedule No. 16

Non-Recurring Charges For the Former Customers of Troy Hoffman Water:

1. ~~Hook-up Fee (New Services) — \$458 per each new customer hook-up~~
2. ~~Account Initiation Fee — \$10.00~~
~~Applies when a new account is established and, if necessary, service is turned on.~~
3. ~~Reconnection Fees~~
~~Requested during normal office hours — \$20.00~~
~~Requested during other than normal office hours — \$40.00~~
4. ~~Late Payment Charge — One (1%) percent monthly applicable to the unpaid balance owing at the time of the next billing statement~~
5. ~~Return Check fee for each customer check returned to the Company for non-sufficient funds — \$20.00~~

Normal office hours are defined as 8:00 a.m. to 5:00 p.m. Monday through Friday except for Legal Holidays recognized by the Idaho State Government Offices

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Issued ~~January~~ July 87, 2022
Company
Effective ~~January~~ July 84, 2022

Issued by Gem State Water
Leslie Abrams, General Manager

Schedule No. 7

Irrigation Service for Diamond Bar Water Customers:

METERED CUSTOMERS

<u>Meter Size</u>	<u>Monthly Min Charge</u>	<u>Volume Included</u>
1-inch	\$35.00	7,500 gallons
1 1/2 – Inch	\$70.00	20,000 gallons
2-inch	\$112.00	32,000 gallons

Commodity Charge (gallons): \$2.26

The Commodity Charge for each addition 1,000 gallons over 7,500 gallons for customers with usage measure in gallons

Contract Conditions:

Meter readings will be done at the end of each month, except when conditions make meters inaccessible. In the event the Company cannot read a customer's meter for a billing period, the customer will only be billed the minimum monthly charge as set forth above. The Company aggregates the 7,500 gallons monthly allowance for each month that no meter reading is taken and bills for all usage exceeding the total aggregate allowances on the next bill issued after the meter reading is taken.

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Issued January-July 87, 2022
Company
Effective January-July 84, 2022

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Gem State Water Company

Sheet No. ~~1018~~

Replaces All Previous Sheets

GENERAL RULES & REGULATIONS FOR SMALL WATER UTILITIES

1. GENERAL

- 1.1 The Customer, in receiving water service, and the Company, in providing water service, shall both agree to abide by these rules and regulations.
- 1.2 In the event that there is a conflict between these rules and regulations and the Utility Customer Relations Rules (UCRR) and the Utility Customer Information Rules (UCIR), the Rules and Regulations of the Idaho Public Utilities Commission (Commission) shall take precedence unless an exception has been granted.
- 1.3 All recurring and non-recurring charges shall be approved in advance by the Commission.

2. DEFINITIONS

- 2.1 Applicant – a potential customer (person, business or government agency) applying for service to the Company and subject to the Commission's rules and regulations.
- 2.2 Billing Period - the period of time between bills from the Company for normal services rendered.
- 2.3 Commission - Idaho Public Utilities Commission.
- 2.4 Commodity Charge – a recurring charge based only on the quantity of water used.
- 2.5 Company – the water company.
- 2.6 Connection or Hook-Up Fee – a non-recurring charge paid by a Customer requesting service for partial or full recovery of the Company's cost of providing a new service connection.
- 2.7 Contribution in Aid of Construction – a non-recurring charge paid by a Customer or developer to help defray the cost of system expansion.

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Effective July ~~203~~, ~~2022~~¹⁹

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- 2.8 Customer - a person, business or government agency responsible for paying bills and complying with the rules and regulations of the company.

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- 2.9 Customer Charge – a recurring fixed charge to recover a portion of the cost of meter reading and billing.
 - 2.10 Fixed or Flat Rate – a recurring charge of a fixed amount, usually in an unmetered system.
 - 2.11 Franchise Tax – the tax imposed on a Company by a governmental entity for the privilege of doing business within its boundaries.
 - 2.12 Late Payment Charge – the non-recurring charge levied against any delinquent balance.
 - 2.13 Minimum Charge – the minimum recurring charge for a billing period that may or may not include a specified quantity of water.
 - 2.14 Non-recurring Charges – the charges that are not assessed each billing period.
 - 2.15 Premises – the Customer's property including out buildings which are normally located on one lot or parcel of ground.
 - 2.16 Rate Schedule - the schedules of all recurring and non-recurring charges of the Company.
 - 2.17 Reconnection Charge – the charge paid by a Customer to the Company to restore service after disconnection.
 - 2.18 Recurring Charges – the charges that are assessed each billing period.
 - 2.19 Tariff – the rate schedules and the rules and regulations which govern the Company's service.
 - 2.20 Utility Customer Information Rules (UCIR) – Information to Customers of Gas, Electric, and Water Public Utilities - IDAPA 31.21.02.000 et seq.
 - 2.21 Utility Customer Relations Rules (UCRR) - Customer Relations Rules for Gas, Electric, and Water Public Utilities Regulated by the Idaho Public Utilities Commission (The Utility Customer Relations Rules) - IDAPA 31.21.01.000 et seq.

3. SERVICE FOR NEW CUSTOMERS

- 3.1 The Company shall furnish service to applicants within its certificated service area in accordance with rates and the rules and regulations approved by the Commission.

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- 3.2 Applicants for water service may be required to sign a standard form of service application.
 - 3.3 The Company shall not be obligated to provide service at a service location until any required deposit has been received by the Company in accordance with the UCRR.
 - 3.4 Special contracts may be required where large investments in special facilities are necessary to provide the requested service. The Company may require contribution toward such investment and establish such minimum charges as are deemed necessary. All such contracts shall be subject to the approval of the Commission.
 - 3.5 The Company reserves the right to place limitations on the amount and character of water service it will supply and to refuse service if, in its opinion:
 - a. the Company is required to refuse or limit service by regulatory authorities having jurisdiction over the Company;
 - b. the requested service installation is of larger size than is necessary to properly serve the premises;
 - c. the permanency of the building, structure, or institution requesting to be served is such that the Company's investment in such service is jeopardized;
 - d. the depth of the applicant's service line is less than the minimum depth required for frost protection;
 - e. the applicants' proposed service, main or other appurtenance does not conform to good engineering design or meet the standard specifications of the Company; or
 - f. if the applicant refuses to agree to abide by the rules and regulations of the Company.

If the Company denies service to an applicant for any reason, it shall immediately provide the applicant with a written explanation of its decision in accordance with the UCRR.

4. DEPOSITS

- 4.1 Rules and Regulations regarding deposits can be found in the UCRR.**

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5. RATES

- 5.1 Rates charged for water service and supply shall be those published in the Company's tariff and approved by the Commission.

6. BILLING AND PAYMENT

- 6.1 All Customers shall be billed on a regular basis as identified on the applicable rate schedule.
- 6.2 If the system is metered, the Company shall try to read the meters prior to each billing unless specified differently on the applicable rate schedule. If the Company's meter reader is unable to gain access to the premises to read the meter, or in the event the meter fails to register, the Company will estimate the Customer's water consumption for the current billing period based on known consumption for a prior similar period or average of several periods. Subsequent readings will automatically adjust for differences between estimated and actual. Bills based on estimated consumption shall be clearly marked as "estimated".
- 6.3 All bills shall clearly indicate the balance due, and may be due and payable no less than 15 days after the date rendered. All bills not paid by due date may be considered delinquent and service may be disconnected subject to the provisions of the UCRR.
- 6.4 A Late Payment Charge may be levied against any delinquent account. All payments received by the next billing date shall be applied to the Customer's account prior to calculating the Late Payment Charge.
- 6.5 The minimum bill or customer charge shall apply when service is provided for less than one month.
- 6.6 Owners of premises with one or more condominiums, buildings, stores, apartments or any other divisions of like or similar character, all of which are served from one (1) service connection are responsible for the entire water charges. If the owner desires to cease being responsible for water bills for such places and desires that the occupant of each division will be responsible for her or her respective bill, such transfer of responsibility will not be accepted or recognized

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by the Company until the plumbing arrangements of the building or premises are so changed by the owner or his or her agent as to permit

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the Company, to its satisfaction, to serve each division or occupant separately from the other occupants in the same building.

- 6.7 Accounts shall be continued and water bills rendered regularly until the Company has been duly notified to discontinue service.

7. METERING (If Applicable)

- 7.1 Meters will be installed by the Company near the Customer's property line or at any other reasonable location on the Customer's premises that is mutually agreed upon.
- 7.2 The Company's representative shall be given access to the Customer's premises at all reasonable hours for the purpose of obtaining meter readings. In the event of recurring inaccessibility the Company may, at its option and after notifying the customer, relocate its metering equipment at the Customer's expense.
- 7.3 The Company shall be responsible for the maintenance of its metering equipment. Meters are considered to be sufficiently accurate if tests indicate that meter accuracy is within ± 2 percent. When for any reason a meter fails to register within these limits of accuracy, the Customer's use of water shall be estimated on the basis of available data and charges shall be adjusted accordingly. Corrected bills shall then be sent out to the customer and additional payment or refund arrangements shall be made in accordance with the UCRR.
- 7.4 The Company reserves the right to test and/or replace any meter. Upon deposit of a "Meter Testing Fee" by a Customer, the Company will test the Customer's meter. If the test indicates that the meter over-registers by more than 2 percent, it shall be replaced with an accurate meter at no cost to the Customer and the "Meter Testing Fee" shall be refunded and water bills shall be adjusted in accordance with the UCRR. Meter Testing Fees shall require prior approval by the Commission.
- 7.5 At the Company's discretion, un-metered Customers may be converted to metered service if such transition occurs in a planned, systematic manner without unreasonable discriminations and if the Company has an approved metered rate.

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7.6 The Company will have the right to set meters or other devices without notice to the Customer for the detection and prevention of fraud.

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- 7.7 In any building where the meter is to be installed in the basement, the incoming water pipe must enter the basement at least sixteen (16) inches from the riser in order that a meter can be set in a horizontal position in the basement. All pipes to the different parts of the building or grounds must lead from the riser at least one (1) foot above the elbow.

8. CUSTOMER PLUMBING AND APPLIANCES

- 8.1 All plumbing, piping, fixtures and appliances on the Customer's side of the service connection will be installed and maintained under the responsibility and at the expense of the Customer or owner of the premises.
- 8.2 The plumbing, piping, fixtures and appliances shall be maintained in conformity with all municipal, state and federal requirements. The nature and condition of this plumbing, piping and equipment will be such as not to endanger life or property, interfere with service to other Customers or permit those with metered services to divert system water without meter registration.
- 8.3 A stop-and-waste valve will be installed on the Customer's plumbing in a place always accessible and so located as to permit shutting off the water for the entire premises with the least possible delay.
- 8.4 All persons having boilers, water tanks or other equipment supplied by direct pressure from the Company's mains should install a pressure relief valve, or other device to serve the same purpose, so as to prevent excess pressure from forcing hot water and/or steam back into the water meter and mains of the Company. All damage to the Company's property resulting from the failure to properly equip plumbing with a relief valve will be billed to the Customer.
- 8.5 The Company is not obligated to perform any service whatever in locating leaks or other trouble with the customer's piping.
- 8.6 When the premises served by the Company are also served in any manner from another water supply of any kind, an approved backflow prevention device shall be installed at the service connection. Water service for either stand-by or other purposes will not be furnished until piping and connections are inspected and approved by a representative of the Company.

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- 8.7 Property owners will not be allowed to connect the water service of different properties together.
 - 8.8 All of the Customer's service pipes and fixtures must be kept in repair and protected from freezing at his or her expense. When there are leaking or defective pipes or fixtures, the water may be turned off at the option of the Company until the proper repairs are made.

9. INSTALLATION OF SERVICE CONNECTIONS

- 9.1 The service connection is the property of the Company and as such, the Company is responsible for its installation and maintenance. It consists of piping, curbstop and valve or meter box and a meter, if the system is metered. The service connection transmits water from the Company's water main to a valve or meter box generally located near the Customer's property line. All piping, valves or appliances beyond this point shall be the property and responsibility of the Customer.
- 9.2 The Company reserves the right to designate the size and location of the service line, curbstop, meter (if applicable) and meter or valve box and the amount of space which must be left unobstructed for the installation and future maintenance and operation thereof.
- 9.3 Where a service connection is desired for premises on which there is no permanent structure, the Company will install a service connection to said premises only upon payment by the applicant of the estimated cost of said service connection. If within a period of five (5) years from the installation of said service connection a permanent structure is erected on the premises, the Company will refund, with interest, the difference between any approved new Customer charges in effect at the time of connection, and the applicant's advance.
- 9.4 The extra costs of any out-of-the-ordinary circumstances requiring additional equipment or special construction techniques involved in the installation of a service connection will be agreed to in advance by the Customer and the Company.

10. REPLACEMENT OR ENLARGEMENT OF SERVICE CONNECTION

- 10.1 Unless otherwise provided herein, the Company shall replace or enlarge service connections at its own expense as follows:

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- a. whenever it is necessary to change the location of any service connection due to relocation or abandonment of the Company's mains; and,
 - b. for commercial or industrial services where the type or volume of use has changed and the enlargement will result in sufficient increase in annual revenue to justify the enlargement.
- 10.2 The relocation, enlargement or reduction of service connections for the convenience of the Customer will be at the expense of the Customer. Prior to such relocation, enlargement or reduction, the Customer will deposit the estimated cost thereof with the Company. Within fifteen (15) days, a refund will be made to the Customer in the amount by which the estimated cost exceeds the actual cost. The amount by which the actual cost exceeds the estimated cost will be due and payable within fifteen (15) days after billing for such deficiency.
- 10.3 Enlargement of any service connection will be made only after such time as the Customer's plumbing inside his or her premises have been enlarged sufficiently to accommodate the additional capacity.

11. DISCONNECTION AND RECONNECTION OF SERVICE

- 11.1 When a Customer desires to discontinue service he shall give notice to the Company at least two (2) days in advance and be responsible for all water consumed for the two (2) days after the date of such notice.
- 11.2 The Company shall discontinue a Customer's service on an involuntary basis only in accordance with UCRR.
- 11.3 When it becomes necessary for the Company to involuntarily discontinue water service to a Customer, service shall be reconnected only after all bills for service then due have been paid or satisfactory payment arrangements have been made.
- 11.4 A reconnection fee may be charged each time a Customer is disconnected, either voluntarily or involuntarily, and reconnected at the same premises. The reconnection fee will be paid before service is restored. Reconnection fees shall not be charged for any situation or circumstance in which the Customer's water supply is disconnected by the Company for its convenience.

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11.5 The Company reserves the right at any time, upon notice, to shut off the water for maintenance or expansion and, in emergencies, may do

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so without notice. The Company shall at all times use reasonable diligence and care to prevent interruption of said water service.

- 11.6 Except in the case of an emergency, no one, except an authorized Company representative, shall turn on or turn off the water on the Company's side of the service connection.

12. EXTENSION OF WATER MAINS

- 12.1 The extension of system water mains for the purpose of providing new service shall be handled in accordance with the "Uniform Main Extension Rules for Small Water Companies" which is attached to these Rules and Regulations as an Appendix.

13. MISCELLANEOUS

- 13.1 No customer shall permit any person from another premises to take water from his or her water service or tap for more than (1) week without the written permission and consent of the Company.
- 13.2 No person acting either on his or her own behalf or an agent of any person, firm, corporation or municipality not authorized by the Company shall take any water from any fire hydrant on the Company's system except in the case of an emergency.
- 13.3 No person shall place upon or about any hydrant, gate, box, meter, meter box or other property of the Company any building material or other substance so as to prevent free access at all times to the same.
- 13.4 Service will be maintained to domestic Customers on a preferential basis. Delivery of water under all schedules may be restricted, interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of water.
- 13.5 No rate contract or application is assignable from one user to another, except upon agreement of all parties concerned.
- 13.6 The Company representative shall be given access to the premises of the Customer at all reasonable hours for obtaining meter readings, for turning on or shutting off the flow of water, for inspecting, removing, repairing or protecting from abuse or fraud any of the property of the

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Company installed on the premises. Access shall be granted at all times for emergency purposes.

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- 13.7 No one shall tamper or interfere with the Company's equipment or property, nor shall repairs, connections or replacements be made without the Company authorization.
 - 13.8 Whenever an applicant desires service of a character for which there is no available service classification, a contract may be executed in lieu of a tariff. Any such contract shall be subject to the approval of the Idaho Public Utilities Commission.
 - 13.9 Copies of the Company's rates and summary of rules and regulations shall be available at the Company's office and provided to customers upon commencement of service, and annually thereafter in accordance with the UCRR and the UCIR.

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14. 14. Special Provisions or Amendments

14.14.1 It shall be the responsibility of the Customer to keep the area within three (3) feet of a fire hydrant clear from snow, tress, brush, weeds, growth, fences, or any other obstructions if a fire hydrant is located upon or adjacent to the customer's premises.

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Schedule No. 1

Recurring Charges for Gem State Water Company (Legacy Spirit Lake East Water and Lynnwood Estates Subdivision) Customers:

METERED CUSTOMERS

Minimum Customer Charge

<u>Meter Size</u>	<u>Monthly Min Charge</u>	<u>Volume Included</u>
1-inch	\$35.00	8,000 gallons (10.7 CCF)
1 1/2 – Inch	\$70.00	20,000 gallons (26.7 CCF)
2-inch	\$112.00	32,000 gallons (42.8 CCF)

The Minimum Monthly Charge includes up to 8,000 gallons / 10.7 CCF or less per month

Commodity Charge (gallons): \$5.10

The Commodity Charge for each addition 1,000 gallons over 8,000 gallons for customers with usage measure in gallons

Commodity Charge (CCF): \$3.81

The Commodity Charge for each addition 1.0 CCF over 10.7 CCF for customers with usage measure in cubic feet

(CCF = 100 cubic feet; 1 CCF = 748 gallons)

Contract Conditions:

Meter readings will be done at the end of each month, except when conditions make meters inaccessible. In the event the Company cannot read a customer's meter for a billing period, the customer will only be billed the minimum monthly charge as set forth above. The Company aggregates the 8,000 gallons / 10.7 CCF monthly allowance for each month that no meter reading is taken and bills for all usage exceeding the total aggregate allowances on the next bill issued after the meter reading is taken.

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Example: If the customer has used more than the monthly allowance (8,000 gallons or 10.7 CCF) over a six (6) month winter period when no meter can be read, he or she will be billed for usage exceeding the aggregate monthly allowance (48,000 gallons or 64.2 CCF) on the first bill issued after a meter reading is taken.

For customers who have separate meters for domestic and irrigation usage the usage for both meters will be added together before applying the 8,000-gallon allowance.

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Schedule No. 2

Recurring Charges for Gem State Water Company (Legacy Bar Circle "S" and Diamond Bar) Customers:

METERED CUSTOMERS

<u>Meter Size</u>	<u>Monthly Min Charge</u>	<u>Volume Included</u>
1-inch	\$35.00	7,500 gallons
1 1/2 – Inch	\$70.00	20,000 gallons
2-inch	\$112.00	32,000 gallons

Commodity Charge (gallons): \$2.26

The Commodity Charge for each addition 1,000 gallons over 7,500 gallons for customers with usage measure in gallons

Contract Conditions:

Meter readings will be done at the end of each month, except when conditions make meters inaccessible. In the event the Company cannot read a customer's meter for a billing period, the customer will only be billed the minimum monthly charge as set forth above. The Company aggregates the 7,500 gallons monthly allowance for each month that no meter reading is taken and bills for all usage exceeding the total aggregate allowances on the next bill issued after the meter reading is taken.

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Schedule No. 3

Recurring Charges for Gem State Water Company (Legacy Bitterroot, Rickel, and Happy Valley) Customers:

METERED CUSTOMERS

<u>Meter Size</u>	<u>Monthly Min Charge</u>	<u>Volume Included</u>
1-inch	\$35.00	10,000 gallons
1 1/2 – Inch	\$70.00	20,000 gallons
2-inch	\$112.00	32,000 gallons

Commodity Charge (gallons): \$2.85

The Commodity Charge for each addition 1,000 gallons over 10,000 gallons for customers with usage measure in gallons

Contract Conditions:

Meter readings will be done at the end of each month, except when conditions make meters inaccessible. In the event the Company cannot read a customer's meter for a billing period, the customer will only be billed the minimum monthly charge as set forth above. The Company aggregates the 10,000 gallons monthly allowance for each month that no meter reading is taken and bills for all usage exceeding the total aggregate allowances on the next bill issued after the meter reading is taken.

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Schedule No. 4

Recurring Charges for Gem State Water Company (Legacy Troy Hoffman)

Customers:

METERED CUSTOMERS

<u>Meter Size</u>	<u>Monthly Min Charge</u>	<u>Volume Included</u>
1-inch	\$35.00	10,000 gallons

Commodity Charge (gallons): \$4.15

The Commodity Charge for each addition 1,000 gallons over 10,000 gallons for customers with usage measure in gallons

Contract Conditions:

Meter readings will be done at the end of each month, except when conditions make meters inaccessible. In the event the Company cannot read a customer's meter for a billing period, the customer will only be billed the minimum monthly charge as set forth above. The Company aggregates the 10,000 gallons monthly allowance for each month that no meter reading is taken and bills for all usage exceeding the total aggregate allowances on the next bill issued after the meter reading is taken.

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Sheet No. 6
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Schedule No. 5

Non- Recurring Charges for Gem State Water Customers:

1. Hook up Fee (New Services) - \$5,500 per each new customer hook-up
2. New Customer Connection Charge – When the installation of a new service lines requires the Company to bore a line under a road, all additional costs will be charged to the customer on a time and materials basis. The new customer may, at their option, hire Gem State Water approved independent contract to perform the road bore and connection. The Company will require such contractor to show proof of bonding, licensing, and insurance and at least five (5) years of experience at hot tapping water lines. Gem State Water Master will inspect and approve all work being performed to insure compliance with the Company’s installation requirements.
3. Late Payment Charge – One (1%) percent monthly applicable to the unpaid balance owing at the time of the next billing statement
4. Reconnection Fees for accounts closed thirty (30) days or less
Requested during normal office hours - \$16.00
Requested during other than normal office hours - \$32.00
5. Reconnection fees for accounts closed longer than thirty (30) days
Requested during normal office hours - \$52.00
Requested during other than normal office hours - \$65.00

Rates are based on continuous service. Disconnect and reconnect transactions do not relieve a customer from the obligation to pay the base rate or minimum charge that accumulates during the period of time the service is voluntarily disconnected for up to 12 months. Should the customer wish to recommence service within 12 months at the same premise, the customer will be required to pay the accumulated minimum monthly charge or base rate as if service had been continuous. Does not apply to situations where the customer requests disconnection to make repairs or prevent water damage to the customer’s property. Also does not apply when service was disconnected by the Company for its convenience.

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6. Return Check fee for each customer check returned to the Company for non-sufficient funds - \$20.00

Normal office hours are defined as 8:00 a.m. to 5:00 p.m. Monday through Friday except for Legal Holidays recognized by the Idaho State Government Offices

Normal due date for all bills shall be fifteen (15) days after the billing date.

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Schedule No. 6

Commercial Fire Protection Service for Bar Circle "S" Water Customers:

Applicable for commercial customers with private fire protection upon the customer's premises.

For each fire hydrant	\$17.37	Per Month
For each separate building sprinkler connection	\$88.02	Per Month

Billing for each service will be charged in advance of the beginning of each month.

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Schedule No. 7

Irrigation Service for Diamond Bar Water Customers:

METERED CUSTOMERS

<u>Meter Size</u>	<u>Monthly Min Charge</u>	<u>Volume Included</u>
1-inch	\$35.00	7,500 gallons
1 1/2 – Inch	\$70.00	20,000 gallons
2-inch	\$112.00	32,000 gallons

Commodity Charge (gallons): \$2.26

The Commodity Charge for each addition 1,000 gallons over 7,500 gallons for customers with usage measure in gallons

Contract Conditions:

Meter readings will be done at the end of each month, except when conditions make meters inaccessible. In the event the Company cannot read a customer's meter for a billing period, the customer will only be billed the minimum monthly charge as set forth above. The Company aggregates the 7,500 gallons monthly allowance for each month that no meter reading is taken and bills for all usage exceeding the total aggregate allowances on the next bill issued after the meter reading is taken.

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GENERAL RULES & REGULATIONS FOR SMALL WATER UTILITIES

1. GENERAL

- 1.1 The Customer, in receiving water service, and the Company, in providing water service, shall both agree to abide by these rules and regulations.
- 1.2 In the event that there is a conflict between these rules and regulations and the Utility Customer Relations Rules (UCRR) and the Utility Customer Information Rules (UCIR), the Rules and Regulations of the Idaho Public Utilities Commission (Commission) shall take precedence unless an exception has been granted.
- 1.3 All recurring and non-recurring charges shall be approved in advance by the Commission.

2. DEFINITIONS

- 2.1 Applicant - a potential customer (person, business or government agency) applying for service to the Company and subject to the Commission's rules and regulations.
- 2.2 Billing Period - the period of time between bills from the Company for normal services rendered.
- 2.3 Commission - Idaho Public Utilities Commission.
- 2.4 Commodity Charge - a recurring charge based only on the quantity of water used.
- 2.5 Company - the water company.
- 2.6 Connection or Hook-Up Fee - a non-recurring charge paid by a Customer requesting service for partial or full recovery of the Company's cost of providing a new service connection.
- 2.7 Contribution in Aid of Construction - a non-recurring charge paid by a Customer or developer to help defray the cost of system expansion.
- 2.8 Customer - a person, business or government agency responsible for paying bills and complying with the rules and regulations of the company.

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- 2.9 Customer Charge – a recurring fixed charge to recover a portion of the cost of meter reading and billing.
 - 2.10 Fixed or Flat Rate – a recurring charge of a fixed amount, usually in an unmetered system.
 - 2.11 Franchise Tax – the tax imposed on a Company by a governmental entity for the privilege of doing business within its boundaries.
 - 2.12 Late Payment Charge – the non-recurring charge levied against any delinquent balance.
 - 2.13 Minimum Charge – the minimum recurring charge for a billing period that may or may not include a specified quantity of water.
 - 2.14 Non-recurring Charges – the charges that are not assessed each billing period.
 - 2.15 Premises – the Customer's property including out buildings which are normally located on one lot or parcel of ground.
 - 2.16 Rate Schedule - the schedules of all recurring and non-recurring charges of the Company.
 - 2.17 Reconnection Charge – the charge paid by a Customer to the Company to restore service after disconnection.
 - 2.18 Recurring Charges – the charges that are assessed each billing period.
 - 2.19 Tariff – the rate schedules and the rules and regulations which govern the Company's service.
 - 2.20 Utility Customer Information Rules (UCIR) – Information to Customers of Gas, Electric, and Water Public Utilities - IDAPA 31.21.02.000 et seq.
 - 2.21 Utility Customer Relations Rules (UCRR) - Customer Relations Rules for Gas, Electric, and Water Public Utilities Regulated by the Idaho Public Utilities Commission (The Utility Customer Relations Rules) - IDAPA 31.21.01.000 et seq.

3. SERVICE FOR NEW CUSTOMERS

- 3.1 The Company shall furnish service to applicants within its certificated service area in accordance with rates and the rules and regulations approved by the Commission.

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- 3.2 Applicants for water service may be required to sign a standard form of service application.
- 3.3 The Company shall not be obligated to provide service at a service location until any required deposit has been received by the Company in accordance with the UCRR.
- 3.4 Special contracts may be required where large investments in special facilities are necessary to provide the requested service. The Company may require contribution toward such investment and establish such minimum charges as are deemed necessary. All such contracts shall be subject to the approval of the Commission.
- 3.5 The Company reserves the right to place limitations on the amount and character of water service it will supply and to refuse service if, in its opinion:
 - a. the Company is required to refuse or limit service by regulatory authorities having jurisdiction over the Company;
 - b. the requested service installation is of larger size than is necessary to properly serve the premises;
 - c. the permanency of the building, structure, or institution requesting to be served is such that the Company's investment in such service is jeopardized;
 - d. the depth of the applicant's service line is less than the minimum depth required for frost protection;
 - e. the applicants' proposed service, main or other appurtenance does not conform to good engineering design or meet the standard specifications of the Company; or
 - f. if the applicant refuses to agree to abide by the rules and regulations of the Company.

If the Company denies service to an applicant for any reason, it shall immediately provide the applicant with a written explanation of its decision in accordance with the UCRR.

4. DEPOSITS

- 4.1 Rules and Regulations regarding deposits can be found in the UCRR.

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5. RATES

- 5.1 Rates charged for water service and supply shall be those published in the Company's tariff and approved by the Commission.

6. BILLING AND PAYMENT

- 6.1 All Customers shall be billed on a regular basis as identified on the applicable rate schedule.
- 6.2 If the system is metered, the Company shall try to read the meters prior to each billing unless specified differently on the applicable rate schedule. If the Company's meter reader is unable to gain access to the premises to read the meter, or in the event the meter fails to register, the Company will estimate the Customer's water consumption for the current billing period based on known consumption for a prior similar period or average of several periods. Subsequent readings will automatically adjust for differences between estimated and actual. Bills based on estimated consumption shall be clearly marked as "estimated".
- 6.3 All bills shall clearly indicate the balance due, and may be due and payable no less than 15 days after the date rendered. All bills not paid by due date may be considered delinquent and service may be disconnected subject to the provisions of the UCRR.
- 6.4 A Late Payment Charge may be levied against any delinquent account. All payments received by the next billing date shall be applied to the Customer's account prior to calculating the Late Payment Charge.
- 6.5 The minimum bill or customer charge shall apply when service is provided for less than one month.
- 6.6 Owners of premises with one or more condominiums, buildings, stores, apartments or any other divisions of like or similar character, all of which are served from one (1) service connection are responsible for the entire water charges. If the owner desires to cease being responsible for water bills for such places and desires that the occupant of each division will be responsible for her or her respective bill, such transfer of responsibility will not be accepted or recognized by the Company until the plumbing arrangements of the building or premises are so changed by the owner or his or her agent as to permit

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the Company, to its satisfaction, to serve each division or occupant separately from the other occupants in the same building.

- 6.7 Accounts shall be continued and water bills rendered regularly until the Company has been duly notified to discontinue service.

7. METERING (If Applicable)

- 7.1 Meters will be installed by the Company near the Customer's property line or at any other reasonable location on the Customer's premises that is mutually agreed upon.
- 7.2 The Company's representative shall be given access to the Customer's premises at all reasonable hours for the purpose of obtaining meter readings. In the event of recurring inaccessibility the Company may, at its option and after notifying the customer, relocate its metering equipment at the Customer's expense.
- 7.3 The Company shall be responsible for the maintenance of its metering equipment. Meters are considered to be sufficiently accurate if tests indicate that meter accuracy is within ± 2 percent. When for any reason a meter fails to register within these limits of accuracy, the Customer's use of water shall be estimated on the basis of available data and charges shall be adjusted accordingly. Corrected bills shall then be sent out to the customer and additional payment or refund arrangements shall be made in accordance with the UCRR.
- 7.4 The Company reserves the right to test and/or replace any meter. Upon deposit of a "Meter Testing Fee" by a Customer, the Company will test the Customer's meter. If the test indicates that the meter over-registers by more than 2 percent, it shall be replaced with an accurate meter at no cost to the Customer and the "Meter Testing Fee" shall be refunded and water bills shall be adjusted in accordance with the UCRR. Meter Testing Fees shall require prior approval by the Commission.
- 7.5 At the Company's discretion, un-metered Customers may be converted to metered service if such transition occurs in a planned, systematic manner without unreasonable discriminations and if the Company has an approved metered rate.
- 7.6 The Company will have the right to set meters or other devices without notice to the Customer for the detection and prevention of fraud.

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- 7.7 In any building where the meter is to be installed in the basement, the incoming water pipe must enter the basement at least sixteen (16) inches from the riser in order that a meter can be set in a horizontal position in the basement. All pipes to the different parts of the building or grounds must lead from the riser at least one (1) foot above the elbow.

8. CUSTOMER PLUMBING AND APPLIANCES

- 8.1 All plumbing, piping, fixtures and appliances on the Customer's side of the service connection will be installed and maintained under the responsibility and at the expense of the Customer or owner of the premises.
- 8.2 The plumbing, piping, fixtures and appliances shall be maintained in conformity with all municipal, state and federal requirements. The nature and condition of this plumbing, piping and equipment will be such as not to endanger life or property, interfere with service to other Customers or permit those with metered services to divert system water without meter registration.
- 8.3 A stop-and-waste valve will be installed on the Customer's plumbing in a place always accessible and so located as to permit shutting off the water for the entire premises with the least possible delay.
- 8.4 All persons having boilers, water tanks or other equipment supplied by direct pressure from the Company's mains should install a pressure relief valve, or other device to serve the same purpose, so as to prevent excess pressure from forcing hot water and/or steam back into the water meter and mains of the Company. All damage to the Company's property resulting from the failure to properly equip plumbing with a relief valve will be billed to the Customer.
- 8.5 The Company is not obligated to perform any service whatever in locating leaks or other trouble with the customer's piping.
- 8.6 When the premises served by the Company are also served in any manner from another water supply of any kind, an approved backflow prevention device shall be installed at the service connection. Water service for either stand-by or other purposes will not be furnished until piping and connections are inspected and approved by a representative of the Company.

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- 8.7 Property owners will not be allowed to connect the water service of different properties together.
 - 8.8 All of the Customer's service pipes and fixtures must be kept in repair and protected from freezing at his or her expense. When there are leaking or defective pipes or fixtures, the water may be turned off at the option of the Company until the proper repairs are made.

9. INSTALLATION OF SERVICE CONNECTIONS

- 9.1 The service connection is the property of the Company and as such, the Company is responsible for its installation and maintenance. It consists of piping, curbstop and valve or meter box and a meter, if the system is metered. The service connection transmits water from the Company's water main to a valve or meter box generally located near the Customer's property line. All piping, valves or appliances beyond this point shall be the property and responsibility of the Customer.
- 9.2 The Company reserves the right to designate the size and location of the service line, curbstop, meter (if applicable) and meter or valve box and the amount of space which must be left unobstructed for the installation and future maintenance and operation thereof.
- 9.3 Where a service connection is desired for premises on which there is no permanent structure, the Company will install a service connection to said premises only upon payment by the applicant of the estimated cost of said service connection. If within a period of five (5) years from the installation of said service connection a permanent structure is erected on the premises, the Company will refund, with interest, the difference between any approved new Customer charges in effect at the time of connection, and the applicant's advance.
- 9.4 The extra costs of any out-of-the-ordinary circumstances requiring additional equipment or special construction techniques involved in the installation of a service connection will be agreed to in advance by the Customer and the Company.

10. REPLACEMENT OR ENLARGEMENT OF SERVICE CONNECTION

- 10.1 Unless otherwise provided herein, the Company shall replace or enlarge service connections at its own expense as follows:

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- a. whenever it is necessary to change the location of any service connection due to relocation or abandonment of the Company's mains; and,
 - b. for commercial or industrial services where the type or volume of use has changed and the enlargement will result in sufficient increase in annual revenue to justify the enlargement.
- 10.2 The relocation, enlargement or reduction of service connections for the convenience of the Customer will be at the expense of the Customer. Prior to such relocation, enlargement or reduction, the Customer will deposit the estimated cost thereof with the Company. Within fifteen (15) days, a refund will be made to the Customer in the amount by which the estimated cost exceeds the actual cost. The amount by which the actual cost exceeds the estimated cost will be due and payable within fifteen (15) days after billing for such deficiency.
- 10.3 Enlargement of any service connection will be made only after such time as the Customer's plumbing inside his or her premises have been enlarged sufficiently to accommodate the additional capacity.

11. DISCONNECTION AND RECONNECTION OF SERVICE

- 11.1 When a Customer desires to discontinue service he shall give notice to the Company at least two (2) days in advance and be responsible for all water consumed for the two (2) days after the date of such notice.
- 11.2 The Company shall discontinue a Customer's service on an involuntary basis only in accordance with UCRR.
- 11.3 When it becomes necessary for the Company to involuntarily discontinue water service to a Customer, service shall be reconnected only after all bills for service then due have been paid or satisfactory payment arrangements have been made.
- 11.4 A reconnection fee may be charged each time a Customer is disconnected, either voluntarily or involuntarily, and reconnected at the same premises. The reconnection fee will be paid before service is restored. Reconnection fees shall not be charged for any situation or circumstance in which the Customer's water supply is disconnected by the Company for its convenience.
- 11.5 The Company reserves the right at any time, upon notice, to shut off the water for maintenance or expansion and, in emergencies, may do

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so without notice. The Company shall at all times use reasonable diligence and care to prevent interruption of said water service.

- 11.6 Except in the case of an emergency, no one, except an authorized Company representative, shall turn on or turn off the water on the Company's side of the service connection.

12. EXTENSION OF WATER MAINS

- 12.1 The extension of system water mains for the purpose of providing new service shall be handled in accordance with the "Uniform Main Extension Rules for Small Water Companies" which is attached to these Rules and Regulations as an Appendix.

13. MISCELLANEOUS

- 13.1 No customer shall permit any person from another premises to take water from his or her water service or tap for more than (1) week without the written permission and consent of the Company.
- 13.2 No person acting either on his or her own behalf or an agent of any person, firm, corporation or municipality not authorized by the Company shall take any water from any fire hydrant on the Company's system except in the case of an emergency.
- 13.3 No person shall place upon or about any hydrant, gate, box, meter, meter box or other property of the Company any building material or other substance so as to prevent free access at all times to the same.
- 13.4 Service will be maintained to domestic Customers on a preferential basis. Delivery of water under all schedules may be restricted, interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of water.
- 13.5 No rate contract or application is assignable from one user to another, except upon agreement of all parties concerned.
- 13.6 The Company representative shall be given access to the premises of the Customer at all reasonable hours for obtaining meter readings, for turning on or shutting off the flow of water, for inspecting, removing, repairing or protecting from abuse or fraud any of the property of the Company installed on the premises. Access shall be granted at all times for emergency purposes.

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- 13.7 No one shall tamper or interfere with the Company's equipment or property, nor shall repairs, connections or replacements be made without the Company authorization.
- 13.8 Whenever an applicant desires service of a character for which there is no available service classification, a contract may be executed in lieu of a tariff. Any such contract shall be subject to the approval of the Idaho Public Utilities Commission.
- 13.9 Copies of the Company's rates and summary of rules and regulations shall be available at the Company's office and provided to customers upon commencement of service, and annually thereafter in accordance with the UCRR and the UCIR.

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14. 14. Special Provisions or Amendments

- 14.1 It shall be the responsibility of the Customer to keep the area within three (3) feet of a fire hydrant clear from snow, trees, brush, weeds, growth, fences, or any other obstructions if a fire hydrant is located upon or adjacent to the customer's premises.**

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