

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF GEM STATE WATER</b>	)	<b>CASE NO. GSW-W-22-01</b>
<b>COMPANY LLC’S APPLICATION FOR AN</b>	)	
<b>ORDER AUTHORIZING AN INCREASE IN</b>	)	<b>NOTICE OF APPLICATION</b>
<b>ITS RATES AND CHARGES FOR WATER</b>	)	
<b>SERVICE IN THE STATE OF IDAHO</b>	)	<b>NOTICE OF INTERVENTION</b>
	)	<b>DEADLINE</b>
	)	
	)	<b>NOTICE OF SUSPENSION OF</b>
	)	<b>PROPOSED EFFECTIVE DATE</b>
	)	
	)	<b>ORDER NO. 35498</b>
	)	

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On July 21, 2022, Gem State Water Company, LLC (“Company”) filed an Application requesting Commission authorization to increase its rates and charges for water service. The Company requests its Application be processed by Modified Procedure and that any changes to its rates and charges be effective for bills rendered on or after September 1, 2022.

With this Order we issue a Notice of Application, a Notice of Intervention Deadline, and a Notice of Suspension of the Proposed Effective Date.

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that the Company states it “is a wholly owned subsidiary of NW Natural Water of Idaho, L.L.C. . . . which in turn is a wholly owned subsidiary of NW Natural Water Company, L.L.C. . . .” Application at 4. The Company currently operates multiple water systems and holds six Certificates of Public Convenience and Necessity (“CPCNs”). The Company proposes to combine its systems into a single schedule for recurring charges as follows: (1) Spirit Lake East Water Company and Lynwood Water (CPCN No. 293); (2) Bar Circle “S” Water, Inc. (including customers formally of Diamond Bar Estates, L.L.C.) (CPCN Nos. 413 and 296); (3) Bitterroot Water Company, Inc. (including customers formally of Rickel Water Company and Happy Valley Water System, Inc. (CPCN Nos. 319 and 390); and (4) Troy Hoffman Water Corporation, Inc. (CPCN No. 280)

YOU ARE FURTHER NOTIFIED that the Company requests Commission authorization to 1) change its customer rates to increase revenues by \$402,000—a 69.9% increase; 2) incorporate

the partial consolidation of rates into four systems under the Company’s tariff; and 3) incorporate the proposed rates for the 1-1/2 inch and 2-inch meter customers. *Id.* at 1. The Company proposes implementing a uniform minimum customer charge of \$35.00 for all 1-inch metered customers on the Company’s systems. *Id.* at 1. The Company further proposes to implement the following minimum customer volumes:

<b>Proposed</b>	<b>Current</b>	<b>Meter Size</b>	<b>Current Volume Included in Min Charge</b>	<b>Proposed Volume Included in Min Charge</b>
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

YOU ARE FURTHER NOTIFIED that the Company proposes the following minimum customer charges for 1 ½ inch and 2-inch meters:

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

YOU ARE FURTHER NOTIFIED that the Company proposes the following 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

YOU ARE FURTHER NOTIFIED the Company asserts this increase in rates and charges is justified to continue to provide safe, reliable, and adequate service.

YOU ARE FURTHER NOTIFIED that, attached to its Application, the Company filed a copy of its customer bill notification and published notice, rate base calculation, results of operations, cost of capital, revenue requirement, rate design, and a clean copy of its proposed tariffs. *Id.* at Exhibits 1-6.

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

YOU ARE FURTHER NOTIFIED that **the Commission has designated this case as a general rate case**. As such, the Company's intrastate revenue requirement, and every component of it, both rate base and expense, are at issue. The Commission may grant, deny, or modify the revenue requirement requested and may find a revenue requirement different from that proposed by any party is just, fair, and reasonable. IDAPA 31.01.01.124.01.

YOU ARE FURTHER NOTIFIED that all of the Company's retail rates and charges, both recurring and non-recurring, including those of special contract customers, are at issue, and every

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component of every existing and proposed rate and charge is at issue. The Commission may approve, reject, or modify the rates and charges proposed and may find that rates and charges different from those proposed by any party are just, fair, and reasonable. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may approve, reject, or modify existing or proposed relationships between and among rates and charges within, between, or among customer classes or rate groupings and may approve, reject, or modify existing or proposed relationships among and between customer classes or rate groupings. *Id.*

YOU ARE FURTHER NOTIFIED that the Commission may abolish, reduce, or create rate blocks or categories of rates and charges, abolish, create, or reduce components of rates and charges, abolish, reduce, or create customer classes or rate groupings, and abolish, reduce, or create absolute or relative differences among and between existing classes or rate groupings of customers. *Id.*

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

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

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

#### **NOTICE OF INTERVENTION DEADLINE**

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter to obtain parties' rights of participation must file a Petition to Intervene with the Commission pursuant to this Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. **Persons who wish to intervene as a party must file a Petition to Intervene no later than 21 days after the date of service of this Order.** Such persons shall also provide the Commission Secretary with their email address to facilitate further communications. After the intervention deadline runs, the Commission Secretary shall issue a Notice of Parties that identifies the parties and assigns exhibit numbers to each party. Once the Notice of Parties has issued, Commission Staff shall informally confer with the Company and any intervening parties about how to further process this case and shall then report back to the Commission on a proposed case schedule.

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YOU ARE FURTHER NOTIFIED that persons who would like to present their views without parties' rights of participation and cross-examination do not have to intervene but may present their views by submitting written comments to the Commission.

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

Leslie Abrams-Rayner  
General Manager  
Gem State Water Company  
P.O. Box 3388  
Coeur D'Alene, ID 83616  
leslie@gemstate-water.com

Eric Nelsen  
Senior Regulatory Attorney  
Adam Rue  
Rates and Regulatory Program Manager  
Northwest Natural  
250 SW Taylor St.  
Portland, OR 97204-3038  
[Eric.Nelsen@nwnatural.com](mailto:Eric.Nelsen@nwnatural.com)  
[Adam.Rue@nwnatural.com](mailto:Adam.Rue@nwnatural.com)

#### **SUSPENSION OF PROPOSED EFFECTIVE DATE**

The Company filed its Application on July 21, 2022, and proposes a September 1, 2022, effective date. The Commission finds the Company's proposed effective date does not provide adequate time for Commission Staff and interested persons to evaluate the Company's proposal. Pursuant to *Idaho Code* § 61-622, the Commission suspends the proposed changes for thirty (30) days and five months or until the Commission enters an order accepting, rejecting, or modifying the proposed rate increases.

#### **ORDER**

IT IS HEREBY ORDERED that persons desiring to intervene in this matter must file a Petition to Intervene no later than 21 days from the service date of this Order. Once the deadline has passed, the Commission Secretary shall prepare and issue a Notice of Parties.

IT IS FURTHER ORDERED that, after the Notice of Parties has issued, Commission Staff shall confer with the parties regarding a procedural schedule for this matter including, if necessary, a hearing in this matter.

IT IS HEREBY ORDERED that the September 1, 2022, effective date that the Company proposes for its rate increases is suspended for 30 days plus five months or until the Commission enters an earlier order accepting, rejecting, or modifying the proposed rate increases.

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IT IS FURTHER ORDERED that parties comply with Order No. 35375, issued April 21, 2022. Generally, all pleadings should be filed with the Commission electronically and will be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between parties should continue to be accomplished electronically when possible. However, voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 10<sup>th</sup> day of August 2022.



ERIC ANDERSON, PRESIDENT

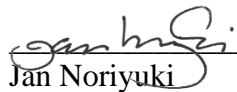


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

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