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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF GEM STATE WATER)
COMPANY LLC’S APPLICATION FOR AN) **CASE NO. GSW-W-22-01**
ORDER AUTHORIZING AN INCREASE IN ITS)
RATES AND CHARGES FOR WATER SERVICE))
IN THE STATE OF IDAHO) **STAFF’S ANSWER TO**
) **PETITION FOR**
) **RECONSIDERATION**
)

BACKGROUND

On July 21, 2022, Gem State Water Company, LLC, (“the Company”) filed an Application requesting Commission authorization to increase its rates and charges for water service. Idaho Public Utilities Commission Staff (“Staff”) submitted comments to which the Company filed a reply; there were no other parties in the case.

On March 1, 2023, the Idaho Public Utilities Commission (“Commission”) issued Order No. 35692 approving an annual revenue requirement for the Company of \$789,044 and a corresponding rate design. Order No. 35692 at 16, Attachment 2, “Gem State Water, Approved Rates.” The approved revenue requirement was based on adjustments and calculations summarized in Attachment 1 to Order No. 35692. The Commission directed the Company to “submit tariffs in compliance with the rates and charges identified in this Order no later than fourteen (14) days from the service date of this Order”—that is, by March 15, 2023. Order No. 35692 at 16.

On March 13, 2023, the Company submitted a “Petition for Clarification or Reconsideration” (“Petition”) explaining that “calculations related to taxes were not adjusted” in

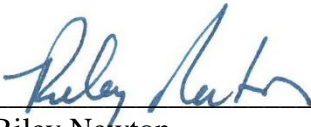
Order No. 35692. Petition at 1. As a result of what it believed was an “oversight,” the Company explained that the Commission’s approved revenue requirement was incorrectly calculated. *Id.* at 2.

To be consistent with the Commission’s other adjustments, the Company stated that its taxes must “increase by approximately \$45,773.” *Id.* at 1. Accordingly, the Company requested that Order No. 35692 be “revised or clarified to reflect a revenue requirement of \$834,870” along with other corresponding adjustments to rate design, Income Taxes, Total Other Expenses and Net Income. *Id.* at 2. The Company requested updates to the attachments to Order No. 35692 as well as modifications on pages 7, 15, and 16 of the Order “such that the references to revenue requirement of ‘\$789,004’ and ‘37.3%’ increase be changed to a revenue requirement of ‘\$834,870’ and a rate increase of ‘45.3%.’” *Id.* at 4.

STAFF ANALYSIS

Staff reviewed the Company’s Petition, including “Table 1: Rate Proof”, “Table 2: Update to Attachment 1, page 1 of 2”, and “page 2 of 2”, and “Table 2: Update to Attachment 2.” After further analysis of the Company’s Petition and the Excel model Staff used to formulate its recommendation, Staff believes that a formula error in the Excel model resulted in the discrepancy in Order No. 35692. Staff concurs with the Company’s analysis and believes that Order No. 35692 should be modified consistent with its requests in its Petition.

Respectfully submitted this 16th day of March 2023.



Riley Newton
Deputy Attorney General


CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 16th DAY OF MARCH 2023, SERVED THE FOREGOING *Staff's Answer to Petition for Reconsideration*, IN CASE NO. GSW-W-22-01, BY E-MAILING A COPY THEREOF TO THE FOLLOWING:

Jan Noriyuki
Commission Secretary
Idaho Public Utilities Commission
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