

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF GEM STATE WATER)	CASE NO. GSW-W-24-01
COMPANY, LLC'S APPLICATION FOR)	
AUTHORITY TO INCREASE ITS RATES)	ORDER NO. 36769
AND CHARGES FOR WATER SERVICE)	
)	

On December 27, 2024, Gem State Water Company, LLC (“the Company”) applied to raise its rates and charges for water service in Idaho. The Company requested that the new rates take effect on February 1, 2025, and requested that the application be processed by Modified Procedure.

On July 31, 2025, the Commission issued a Final Order authorizing the Company to increase its rates for water service. Order No. 36703.

On August 22, 2025, Darrel Ramus, a customer of the Company, sent an email to the Commission Secretary with the subject line “Idaho Public Utilities Commission, Gem State Water rate case – Cross-Petition for Reconsideration.” Mr. Ramus characterized the email as a cross-petition for reconsideration in response to an alleged petition for reconsideration seeking reconsideration of Order No. 36703.

On August 26, 2025, a group of 17 customers filed a petition for reconsideration, seeking reconsideration of the same order.

On August 28, 2025, Stephanie Gossard filed a petition for reconsideration on behalf of “the Bitterroot Water District” (“Bitterroot”) also challenging Order No. 36703. With this Order, we deny these petitions for the reasons described below

ORDER NO. 36703

In Order No. 36703, the Commission granted the Company a revenue requirement of \$1,137,498, resulting from a 9.8% Return on Equity applied to a net rate base of \$3,774,729. Additionally, the Commission approved a rate design that lowered the monthly water allowance for most of the Company’s customers, authorized certain non-recurring charges, and required the Company to address significant unexplained water loss in its systems.

PETITIONS FOR RECONSIDERATION

Mr. Ramus contends that his email to the Commission Secretary was a cross-petition for reconsideration. Mr. Ramus attached a copy of an email from other customers of the Company to

his purported cross-petition that he claims is the original petition for reconsideration to which he is responding.

Mr. Ramus's purported cross-petition focuses largely on two issues. First, he claimed that the Company installed water meters that measured usage in cubic feet instead of gallons during the winter of 2023–24. He further claimed that, from February 2024 to July 2025, the meter readings on his water bills were inconsistent or confusing, and that the readings still appear to be in cubic feet, even though he is being billed in gallons. After recounting these facts, Mr. Ramus asks, among other things, whether measuring consumption in cubic feet could have affected the Company's reported water usage or actual revenue during 2024 or 2025.

Second, Mr. Ramus cited a portion of Order No. 36703 that directed the Company to address the significant, unexplained water loss in its systems during the test period. He then raised several related points, including that the test period coincided with the meter installation issue described earlier. He also asked additional questions, such as whether Staff accounted for the difference between cubic feet and gallons in their calculations. Mr. Ramus asked that the Commission answer the questions and address the concerns identified in his email before allowing the Company to increase rates. If the Company failed to report these issues promptly, Mr. Ramus asked that the Application be denied due to possible faulty data. If Staff overlooked errors from incorrect units, Mr. Ramus requested rejection of the Application and a corrected filing.

On August 26, 2025, a group of 17 customers filed a petition for reconsideration, arguing that the Company's acquisition of the Spirit Lake East Water Company ("Spirit Lake") was not a prudent investment. To support this argument, the customers contend that the Company would have discovered Spirit Lake's rates were too low had it done its due diligence when purchasing Spirit Lake. Because the purchase was not prudent, the customers contend that the Company is not entitled to a return on that investment. The customers also argued that the Company's rates are unreasonable compared to nearby water providers and claimed the Company's investors focus on profits by acquiring small water companies and raising rates to increase earnings.

On August 28, 2025, Stephanie Gossard filed a petition for reconsideration on behalf of the Bitterroot Water District ("Bitterroot"). In the petition, Ms. Gossard stated that Bitterroot joined the petitions for reconsideration submitted by Spirit Lake East Water District, Diamond Bar Estates, and Troy Hoffman Water District.

Ms. Gossard also noted that the Company's water systems became subject to regulation only after being acquired by an out-of-state, for-profit company. She expressed concern that such ownership shifts control away from Idaho communities. In her view, the Commission's perceived financial ties to the utilities it regulates undermine its impartiality. She also argued that the Company's continued reduction of the monthly minimum water allowance—particularly in fire-prone areas like Bitterroot—puts residents at risk, as many already struggle to maintain green space, feed livestock, and meet basic needs.

COMMISSION FINDINGS AND DECISION

Reconsideration provides an opportunity for a party to bring to the Commission's attention any question previously determined and thereby affords the Commission an opportunity to rectify any mistake or omission it may have made. *Washington Water Power Co. v. Kootenai Environmental Alliance*, 99 Idaho 875, 879, 591 P.2d 122, 126 (1979). Under *Idaho Code* § 61-626(1), a petition for reconsideration must be filed within 21 days of the order being challenged. Once a petition for reconsideration is filed, there is a seven-day period for persons to file a cross-petition addressing the issues raised in the original petition.

The Commission is a creature of statute and has only the authority granted to it by statute. *See Idaho State Homebuilders v. Washington Water Power*, 107 Idaho 415, 418, 690 P.2d 350, 353 (1984). The Commission does not have authority to modify, invalidate, or depart from its statutory mandates. *Idaho Code* § 61-626 does not authorize the Commission to modify the deadlines that it establishes. Accordingly, the Commission is required to adhere to and enforce those deadlines.

As stated, Mr. Ramus contends that his email is a cross-petition for reconsideration. Under *Idaho Code* § 61-626(1), a cross-petition for reconsideration must be filed within seven days of the filing of a petition for reconsideration in response to issues raised therein. *Id.* Additionally, a cross-petition for reconsideration must be denied if the petition for reconsideration it addresses is denied. *Id.*

Mr. Ramus's purported cross-petition for reconsideration must be denied because it was not filed in response to a petition for reconsideration that was validly filed. The purported petition for reconsideration that Mr. Ramus contends he is cross-petitioning from is an email addressed to the Commission's Public Information Officer and various Idaho legislators. That email from other customers was not, however, sent to the Commission Secretary, nor does the email bear a file

stamp indicating it was subsequently filed with the Commission and served on the Company. Pleadings, like a petition for reconsideration, must be filed with the Commission Secretary. *See* IDAPA 31.01.01.014; 31.01.01.051; 31.01.01.061. Because the email from other customers that Mr. Ramus contends he is cross-petitioning from was not properly filed with the Commission, he cannot cross-petition in response to it.

Moreover, even if we could deem Mr. Ramus's cross-petition to be an initial petition for reconsideration we would have to deny it as untimely. Order No. 36703 that Mr. Ramus seeks to challenge issued on July 31, 2025. Thus, he had until August 21, 2025, to file a petition for reconsideration. Mr. Ramus missed this deadline as the Commission Secretary did not receive his purported cross-petition until August 22, 2025.

The petitions for reconsideration filed by the group of customers on August 26, 2025, and Stephanie Gossard on August 28, 2025, must similarly be denied as untimely. As stated, the deadline to file a petition for reconsideration of Order No. 36703 had to be filed by August 21, 2025. Because neither petition was filed before the August 21, 2025 deadline, we must deny them as untimely.

ORDER


IT IS HEREBY ORDERED that Mr. Ramus's cross-petition for reconsideration is denied.

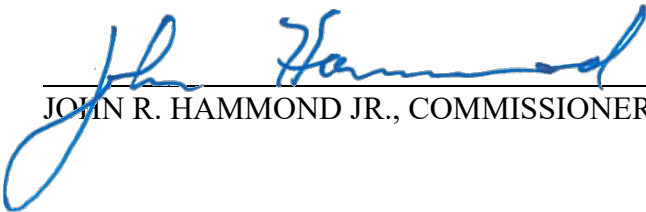
IT IS FURTHER ORDERED that the petitions for reconsideration filed on August 26, 2025, and August 28, 2025, are denied.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 26th day of September 2025.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER

recused
DAYN HARDIE, COMMISSIONER

ATTEST:


Laura Calderon Robles
Interim Commission Secretary

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