Office of the Secretary
Service Date
October 30, 2025

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF GEM STATE WATER COMPANY, LLC'S APPLICATION FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR WATER SERVICE	**CASE NO. GSW-W-24-01** **ORDER NO. 36819**

On December 27, 2024, Gem State Water Company, LLC ("Company") applied to raise its rates and charges for water service in Idaho ("Application"). 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 Idaho Public Utilities Commission ("Commission") issued a Final Order authorizing the Company to increase its rates for water service by an amount significantly lower than that requested in the Application. Order No. 36703.

Between August 22, 2025, and September 19, 2025, various customers of the Company filed four documents styled variously as petitions for reconsideration, cross-petitions for reconsideration, and amended petitions for reconsideration (collectively "Petitions").

On September 26, 2025, the Commission issued Order No. 36769, which denied three of the four Petitions as untimely. One of these Petitions is an email from Darrel Ramus, a customer of the Company, that was addressed to the Commission Secretary with the subject line "Idaho Public Utilities Commission, Gem State Water rate case – Cross-Petition for Reconsideration." Another was filed by Mark Mecord and a group of 16 customers. A third was filed by Stephanie Gossard ostensibly on behalf of the Bitterroot Water District. All three Petitions were denied as untimely. Order No. 36769.

A fourth petition filed by Martin Reighard, a customer of the Company, was filed too late to be considered with the first three petitions and is addressed in a separate order.

After issuance of Order No. 36769, Commission Staff ("Staff") discovered that one of the Petitions dismissed in that order had been post marked on August 19, 2025, within the 21-day period to file petitions for reconsideration of Order No. 36703. We issue this Amended Order to correct this oversight, but still deny the timely filed petition for reconsideration on other grounds. The other two Petitions denied in Order No. 36769 are untimely and, although we provide additional explanation and analysis of those petitions, are denied on that ground.

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 the directors of the Diamond Bar HOA authored on behalf of its members ("Diamond Bar Email") 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.

ORDER NO. 36769

In Order No. 36769, the Commission denied the three Petitions filed by Mr. Ramus, Mr. Mecord, and Ms. Gossard as untimely.

COMMISSION FINDINGS AND DECISION

The Idaho Code authorizes the Commission to amend or alter its orders. *Idaho Code* § 61-624. We find it reasonable to alter and amend Order No. 36769 to address an error related to the filing date of one of the Petitions and to provide additional analysis supporting denial of the other two Petitions.

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 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.

Moreover, just like the judicial courts of Idaho, we hold unrepresented individuals to the same standard as those represented by attorneys. *Cf. Greenfield v. Smith*, 162 Idaho 246, 253, 395 P.3d 1279, 1286 (2017), *abrogated on other grounds by Rich v. Hepworth Holzer, LLP*, 172 Idaho 696, 535 P.3d 1069 (2023). In other words, participants in Commission proceedings are not afforded special solicitude because they are representing themselves, and they must abide by the applicable procedural rules. *Cf. id.*

I. Mark Mecord's Petition for Reconsideration

The file stamp on the Petition for Reconsideration that Mr. Mecord and 16 other customers filed indicates that the Commission Secretary received it on August 26, 2025. Order No. 36703 that Mr. Mecord and the other customers seek to challenge issued on July 31, 2025. Thus, they had until August 21, 2025, to file a petition for reconsideration. Based upon the file stamp, the Petition should be denied as untimely, and the Commission denied it on that basis in Order No. 36769. However, following the issuance of Order No. 36769, Staff became aware that Mr. Mecord's Petition was postmarked to the Commission on August 19, 2025, within the statutory window for filing a petition for reconsideration. *Idaho Code* § 61-626.

Generally, pleadings are filed when the Commission Secretary receives them. *See* IDAPA 31.01.01.014.02. A petition for reconsideration, however, is deemed timely if the Commission Secretary receives it or it is postmarked within 21 days of the final order being challenged. *See* IDAPA 31.01.01.331.04. Because Mr. Mecord's petition for reconsideration was postmarked on August 19, 2025, it is considered timely, even though it was received by the Commission Secretary after the 21-day reconsideration period had expired. Accordingly, it was error to deny the petition as untimely. Nonetheless, we find that the petition contains other substantive deficiencies that compel its denial.

A Petition for Reconsideration must state why an issue decided within the order being challenged was unreasonable, unlawful, erroneous or not in conformity with the law as required.

See IDAPA 31.01.01.331.01. Furthermore, "the petition . . . must state whether the petitioner . . . requests reconsideration by evidentiary hearing, written briefs, comments, or interrogatories." IDAPA 31.01.01.331.03.

Mr. Mecord and the 16 other customers did not directly address the Commission's basis for granting the Company a rate increase in their Petition. Instead, the customers conclusory assert that the Company did not make a prudent investment when it purchased Spirit Lake East Water company ("Spirit Lake"). Thus, according to these customers, the Company should not be allowed a rate increase because it should have known Spirit Lake's rates were too low for the Company. This conclusory assertion is not a basis for denying it recovery of expenses and prudent investments the Company has made to serve its customers. The pertinent inquiry is not into the Company's decision to purchase Spirit Lake. Rather, it is whether rates are sufficient for the Company to maintain safe, adequate, and reliable service at just and reasonable rates. *Idaho Code* §§ 61-301, -302, -502. To be just and reasonable, the Company's rates must allow it to recover its expenses while providing a reasonable opportunity to obtain a fair return on its prudent investments to provide service to customers. *See Citizens Utilities Co. v. Idaho Pub. Utilities Comm'n*, 99 Idaho 164, 170, 579 P.2d 110, 116 (1978) (observing that the Commission must fix rates that allow utilities to make a just and reasonable return on investments).

The customers also argue that the Company's rates are unreasonable because they are higher than those charged by other nearby water utilities. A mere disparity in rates between utilities, standing alone, is insufficient to show that a rate is not just and reasonable. *Cf. Agric. Prods. Corp. v. Utah Power & Light Co.*, 98 Idaho 23, 30, 557 P.2d 617, 624 (1976) (holding that a mere comparison of rates is insufficient to show impermissible rate discrimination). Rates may differ among nearby utilities for several reasons, such as the age of their systems, the size of their customer base, and the quality or frequency of their system maintenance. In summary, a mere difference in rates among utilities is insufficient to establish that a utility's rates are unreasonable absent a showing that the utilities are similarly situated. Mere geographic proximity, by itself, is insufficient to establish the necessary similarity.

Finally, the customers assert that the Company's corporate parent is actively seeking to acquire small water companies to raise their rates. It may be that the Company is actively seeking to acquire water systems in need of reinvestment. However, as long as the Company makes prudent investments in plant that is used and useful in serving its customers, the Company is entitled to rates that provide it a reasonable opportunity to obtain a fair rate of return on the property it uses to serve customers. *See Intermountain Gas Co. v. Idaho Pub. Utilities Comm'n*, 97 Idaho 113, 125, 540 P.2d 775, 787 (1975) *quoting Bluefield Waterworks & Improvement Co. v. Public Service Commission of West Verginia*, 262 U.S. 679, 690 (1923).

Under Rule 332, "[g]rounds for reconsideration or issues on reconsideration that are not supported by specific explanation may be dismissed." IDAPA 31.01.01.332. Because Mr. Mecord's petition does not provide specific grounds and supporting argument challenging the Commission's rationale for granting the Company a rate increase, Mr. Mecord's petition for reconsideration is denied.

II. Darrel Ramus' Petition for Reconsideration

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. The email states that it was written by the Diamond Bar Estates Homeowners Association ("Diamond Bar HOA") and claims to be an official petition made on behalf of all its members. However, the Diamond Bar Email was not sent to the Commission Secretary, nor does it bear a file stamp indicating it was subsequently filed with the Commission and served on the parties to this general rate case. Furthermore, the Diamond Bar Email does not indicate that it was prepared by an attorney licensed to practice law in Idaho and represent a legal entity like a homeowner's association.

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.

Additionally, only an attorney authorized to practice law in Idaho can file a Petition or Cross-Petition for Reconsideration on behalf of a partnership, corporation, unincorporated association, non-profit organization, or other legal entity. IDAPA 31.01.01.043.02. The Diamond Bar Email indicates that the directors of the Diamond Bar HOA sent it on behalf of its members. However, the Diamond Bar Email does not disclose information indicating that the Directors are attorneys authorized to represent the Diamond Bar HOA or its membership in Commission proceedings.

Even if we were to overlook these deficiencies, the Diamond Bar Email is fatally defective as a Petition for Reconsideration. Commission Rule of Procedure 331 requires petitions for reconsideration to "specify (a) why the order or any issue decided in it is unreasonable, unlawful, erroneous or not in conformity with the law, and (b) the nature and quantity of evidence or argument the petitioner will offer if reconsideration is granted." IDAPA 31.01.01.331.01.

The Diamond Bar Email voices general opposition to the Company's requested rate, but does not identify with specificity how Order No. 36703, or an issue decided within it, is unreasonable, unlawful, erroneous or not in conformity with the law. Instead, the Diamond Bar Email raises several questions about the Company's actions, including its use of meters that measure water in cubic feet instead of gallons, the termination of certain employees, possible errors in customer notices, investments in water system improvements, and rate increases compared to inflation.

Moreover, the Diamond Bar Email does not disclose what evidence, if any, the Diamond Bar HOA would adduce to answer the questions it presented. Petitions for reconsideration allow interested parties to point out specific errors, omissions, or issues in Commission orders. They are not intended as a means to raise general or exploratory questions for the Commission to consider. For all the reasons stated above, the Diamond Bar Email is not a valid Petition for Reconsideration. Accordingly, Mr. Ramus cannot properly file a cross-petition in response to it.

Furthermore, 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.

II. The Bitterroot Petition

The petition for reconsideration filed by 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 the petition for reconsideration Ms. Gossard filed was not filed before the August 21, 2025 deadline, we must deny it as untimely.

Even if it were timely filed, the petition Ms. Gossard filed suffers many of the same defects as the one Mr. Ramus filed. First, Ms. Gossard petition purports to be on behalf of the Bitterroot Water District, not herself individually. Legal entities must be represented by an attorney authorized to practice law in Idaho to file petitions for reconsideration. *See* IDAPA 31.01.01.043.02. Ms. Gossard's petition does not indicate that she is an attorney authorized to practice law.

Second, instead of presenting cogent arguments challenging the decisions in Order No. 36703 or their supporting rationale, Ms. Gossard's petition raises broad, open-ended questions about issues such as out-of-state ownership of Idaho utilities, the Commission's funding sources,[1] and reductions in commodity allowances. As discussed above, a general attack on a Commission decision without cogent argument demonstrating specifically how an order, or an issue decided therein, is unreasonable, unlawful, erroneous or not in conformity with the law as required fails to meet the substantive requirements of a petition for consideration. *See* IDAPA 31.01.01.331.01. Accordingly, Ms. Gossard's petition for reconsideration is denied.

ORDER

IT IS HEREBY ORDERED that the petitions filed by Darryl Ramus, Mike Mecord, and Stephanie Gossard are denied.

THIS IS A FINAL ORDER. Any party aggrieved by this Order or other final or interlocutory Orders previously issued in this case may appeal to the Supreme Court of Idaho under the Public Utilities Law and the Idaho Appellate Rules.

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[1] We note that Commissioner salaries are fixed by statute. *See Idaho Code* § 61-215 (setting the salary of each Commissioner at $129,648). Additionally, Commissioners are prohibited from holding any financial interest in entities they oversee. *Idaho Code* § 61-207. Consequently, the Commissioners and their employees are prohibited from receiving any personal gain or advantage from the financial position or activities of any regulated entity.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 30th day of October 2025.

EDWARD LODGE, PRESIDENT

JOHN R. HAMMOND JR., COMMISSIONER

Recused
DAYN HARDIE, COMMISSIONER

ATTEST:

Laura Calderon Robles
Interim Commission Secretary

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