

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: MATT HUNTER
DEPUTY ATTORNEY GENERAL

DATE: JUNE 20, 2019

SUBJECT: APPLICATION OF MORNING VIEW WATER COMPANY FOR
AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR WATER
SERVICE IN IDAHO, CASE NO. MNV-W-19-01

On June 5, 2019, Morning View Water Company (“Morning View” or “Company”) filed a one-page Application with the Commission requesting a rate increase. The Company proposes a June 30, 2019 effective date.

APPLICATION

In its Application, Morning View identifies three reasons it needs a rate increase. First, the Company claims that water usage is down because many users are choosing not to water their lawns during the summer months. Second, the Company claims that its previous rate case failed to provide the Company with an adequate rate of return. *See* Case No. MNV-W-16-01. The Company claims it has “been operating at a negative every year since” the rate case, and that the Company’s owners have had to “subsidize the entire water system with personal retirement funds due to the failure of the previous rate case.” Third, the Company claims it is facing unanticipated expenses, including water testing, a pipeline repair, and other “expenses not considered in the previous rate case.”

Morning View’s Application does not include a proposed rate tariff. Nor does Morning View provide a proposed rate increase.

STAFF RECOMMENDATION

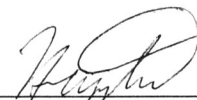
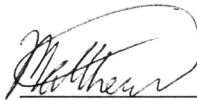
Staff has reviewed the Company’s Application and notes it does not comply with Commission Procedural Rules 052.02 and 121, 31.01.01.052.02 and 121. While a non-compliant rate application may be dismissed under Procedural Rules 065 and 121.03, 31.01.01.065 and

121.03, Staff has worked with the Company on prior rate cases and proposes to continue working closely with the Company in this rate case. Therefore, Staff does not propose dismissing this case, recognizing that Morning View is a small water company. Staff is prepared to work with the Company's representatives to obtain all records and information necessary to develop just and reasonable rates for the Company and its customers.

Staff recommends that the Commission issue a Notice of Application under Procedural Rule 123.02, 31.01.01.123.02, and a Notice of Intervention Deadline. Staff recommends an intervention deadline set for 21 days after the service of the Notice. Additionally, Staff recommends that the Commission suspend Morning View's proposed effective date for its updated rates. The Company's proposed effective date—June 30, 2019—does not provide sufficient time to audit and prepare a reserve requirement rate design and an updated tariff that will be just and reasonable. Therefore, Staff recommends that the proposed rate increase be suspended for a period of 30 days plus five months, under *Idaho Code* § 61-622.

COMMISSION DECISION

1. Does the Commission wish to issue a Notice of Application and Intervention Deadline that establishes an intervention deadline set for 21 days after service of the Notice?
2. Does the Commission wish to suspend Morning View's proposed effective date of June 30, 2019 for any increase in its rates for a period of 30 days plus five months, under *Idaho Code* § 61-622?



Matt Hunter
Deputy Attorney General