

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF ROCKY MOUNTAIN) CASE NO. ROC-W-24-01
UTILITY COMPANY, INC.’S APPLICATION)
TO AMEND ITS CERTIFICATE OF PUBLIC) ORDER NO. 36503
CONVENIENCE AND NECESSITY)
)

On August 23, 2024, Rocky Mountain Utility Co., LLC d.b.a. Rocky Mountain Utilities Co., Inc.¹ (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) for approval to amend its Certificate of Public Convenience and Necessity (“CPCN”) to allow the Company to expand its service territory to include a newly created subdivision; the Company also noted that it had built a new well and related infrastructure (“Application”). The Company also submitted supplemental filings relevant to its request.

On October 10, 2024, the Commission issued a Notice of Application and Notice of Modified Procedure. Order No. 36346. On November 4, 2024, the comment deadlines established by Order No. 36346 were vacated to allow for additional discovery. Order No. 36380. The Company filed additional information with the Commission on November 22, 2024, requesting official authorization to serve territory that it had already been serving without authorization. On December 27, 2024, new comment deadlines were established. Order No. 36432. Commission Staff (“Staff”) submitted the only comments in this case.

Having reviewed the record in this case, the Commission issues this Order authorizing an expansion of the service territory outlined in CPCN No. 481 as discussed below.

THE APPLICATION

The Company seeks to amend its CPCN pursuant to *Idaho Code* § 61-526 to provide water service to a new subdivision. The Company provided a map of the subdivision and noted that it was not being serviced by another utility.

The Company stated that it also added a new well and related infrastructure and provided Attachments A through G which outlined its proposed service territory and provided additional information on recent building projects.

¹ The Idaho Secretary of State’s website lists the Company’s official name as “Rocky Mountain Utility Company, Inc.” The Company’s Application states that this is the name which it is doing business under.

STAFF COMMENTS

Staff evaluated whether the amended service territory description and maps were accurate, if the area infringed on other water systems, if system capacity could reliably serve the expansion, and if water rights were sufficient. Staff determined the system could adequately serve the expanded area with appropriate water rights. However, Staff also discovered the Company already served customers outside both its authorized and proposed territories. Staff recommended approving the expansion to include Pepperwood Crossing Divisions 2-3 and those areas with existing commercial customers which were being served despite being unauthorized.

1. Expanded Service Territory

Staff supported expanding the Company's service area to include Pepperwood Crossing Divisions 2-3 and 11 commercial customers already being served.² Staff's investigation revealed several discrepancies. Though Division 1 was previously authorized, Staff found that the Company had served Division 2 for years without proper authorization. Additionally, while Order No. 30703 mentioned commercial customers within Division 1, maps showed these properties fell outside of Division 1's boundaries.

Staff verified the legal descriptions and maps accurately represented the areas the Company served or planned to serve (Division 1, as well as adding Division 2, Division 3, and those 11 commercial customers formerly thought to be within CPCN's Division 1). Staff confirmed no other water systems overlapped with the proposed territory expansion and found no potential conflicts with future municipal system growth. Staff recommended that the CPCN be amended so that all areas be served under one comprehensive certificate.

2. Reliability Analysis

Staff assessed whether the Company's water system could handle the expanded territory by examining: 1) water capacity; 2) water quality deficiency; and 3) water rights. Staff believed the Company's water system possessed adequate resources to satisfy relevant regulations and future demand in the proposed service areas.

² There are essentially four categories of customers/service territory described in this case: 1) Service territory that the Company has previously been authorized to serve in Division 1; 2) Service territory that the Company has been serving for several years without proper authorization in Division 2 (which the Company requested to serve in its November 22, 2024, filing); 3) Service territory in Division 3 that the Company requested to serve when it filed its Application in this case; and 4) 11 commercial customers that were part of the Company's original CPCN request (which was approved by the Commission) but were unintentionally left out when the CPCN was issued. The outlines of the Company's service territory can be seen as outlined in Attachment A to this Order.

Water Capacity

The water system currently serves 108 residential and 11 commercial customers but could grow to 254 with full development of the expanded territory. Staff calculated that with three wells providing 885 gallons per minute (“gpm”), the water system could meet the projected 748 gpm peak demand. Importantly, even with one well offline, Staff calculated that the remaining capacity exceeded the required peak demand, satisfying Idaho Department of Environmental Quality (“IDEQ”) redundancy requirements.

Water Quality

Staff’s review of IDEQ’s April 2024 sanitary survey uncovered no unresolved major deficiencies. Staff determined the system was properly maintained and had no critical issues affecting the delivery of safe water.

Water Rights

Staff examined the Company’s water rights to ensure adequate supply. Staff reviewed the quitclaim deed for the Company’s water rights and determined that the Company possessed rights to 2.05 cubic feet per second (920 gpm). This exceeded the calculated peak demand of 748 gpm. Staff believed that the water rights aligned with both existing and proposed service territories—enabling the Company to properly serve all residential and commercial customers.

COMMISSION DISCUSSION AND FINDINGS

The Commission has jurisdiction over the Company and the issues in this case under Title 61 of the Idaho Code. Specifically, the Commission regulates “public utilities,” including “water corporations” that serve the public or some portion thereof for compensation. *See Idaho Code* §§ 61-125, -129, and -501.

Having reviewed the record, the Commission finds that it is in the public interest to approve the Company’s requested expansion of the service territory discussed above. The Commission reaffirms that, before the Company begins to service new customers, the Company should take notable precautions to ensure that the area it seeks to operate in has already been designated as the Company’s service territory as described in amended CPCN No. 481—which shall be updated pursuant to this Order. These measures will avoid certain complicating factors that arose in this case. Nonetheless, the Commission approves the service territory expansion described above for CPCN No. 481 to include Divisions 2 and 3 of Pepperwood Crossing subdivision, and the area

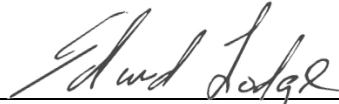
that includes the 11 commercial customers the Company currently serves outside of its authorized territory.

ORDER

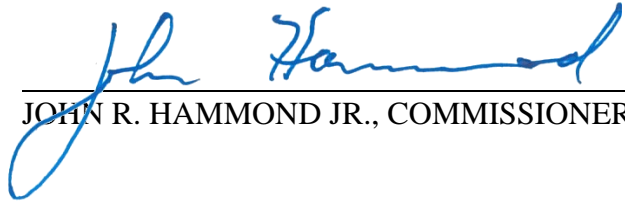
IT IS HEREBY ORDERED that the Company’s description of its service territory in CPCN No. 481 shall be modified and expanded to include Divisions 2 and 3 of Pepperwood Crossing subdivision, and the area that includes the 11 commercial customers the Company is currently serving outside its authorized territory.

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 about 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. *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 11th day of March 2025.



EDWARD LODGE, PRESIDENT



JOHN R. HAMMOND JR., COMMISSIONER

Recused

DAYN HARDIE, COMMISSIONER

ATTEST:



Monica Barros-Sanchez
Commission Secretary

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