

## DECISION MEMORANDUM

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

**FROM:** MATT HUNTER  
DEPUTY ATTORNEY GENERAL

**DATE:** DECEMBER 13, 2019

**SUBJECT:** IN THE MATTER OF TETON WATER & SEWER COMPANY'S  
APPLICATION FOR APPROVAL OF USE OF EMERGENCY RESERVE  
FUND MONIES; CASE NO. TTS-W-19-01.

On November 22, 2019, Teton Water & Sewer Company ("Teton Water" or "Company") applied to the Commission for approval of \$18,044.80 in expenses to be reimbursed from Teton's emergency reserve fund ("Fund").

### BACKGROUND

In Order No. 30718, the Commission authorized Teton Water to establish the Fund. The Fund is only to be used "for emergencies and major unplanned capital expenditures," such as plant maintenance, repair, or replacement. Order No. 30718 at 12. While Teton Water may immediately access the Fund, it must "establish an auditable paper trail and provide the Commission with contemporaneous written notice of the Company's use of the [Fund] for an allegedly permitted purpose with emergency details and related invoices." *Id.* at 13. After the emergency use of Fund monies, the Company must file an application requesting the Commission determine whether the Fund withdrawal(s) meet the Commission's eligibility requirements. *Id.*

### APPLICATION

Teton Water states in its Application that it spent \$18,044.80 to purchase a backup well pump, transformer, and associated materials during summer 2019. Application at 1. The Company states Well #1 and Well #2 were running almost continuously, but failing to maintain minimum reservoir levels during peak demand periods. *Id.* The Company estimated that, if Well # 1 failed, the Company would have only 8-12 hours to repair the well before its reservoir would be emptied.

*Id.* Because Well #1 has not been replaced or serviced since 2011, the Company determined it would be wise to have a replacement pump, motor, and transformer on hand in case of failure. *Id.* The Company states it began consulting with Buchanan Well Drilling, Inc. (“Buchanan”) and Rendezvous Engineering on June 18, 2019 about pump replacement parts. On June 27, 2019, the Company requested Buchanan order a Goulds pump, a Franklin motor, 310 feet of pump cable, two check valves, and 42 feet of galvanized steel pipe. *Id.* at 1-2. The total cost of this purchase (including three person hours and mileage) was \$16,864.80. *Id.* at 2. The Company also ordered around this time a replacement transformer for \$1,180.00. *Id.* at 1 and 3.


The Company states the transformer was delivered on July 17, 2019, and the remaining replacement materials were on hand with Buchanan sometime between July 29 and August 2, 2019. *Id.* at 1. The Company states that, while none of its water system failed during summer 2019, the length of time required to get replacement parts shows the Company could not have fixed a well before its reservoir was depleted. *Id.* The Company requests the Commission authorize the Company to use the Fund to cover these expenses, and requests its case be processed by Modified Procedure. *Id.*

#### **STAFF RECOMMENDATION**

Staff recommends the Commission issue a Notice of Application and Notice of Modified Procedure, setting a February 26, 2020 comment deadline and a March 4, 2020 reply comment deadline.

#### **COMMISSION DECISION**

Does the Commission wish to issue a Notice of Application and Notice of Modified Procedure, setting a February 26, 2020 comment deadline and a March 4, 2020 reply comment deadline?

A handwritten signature in black ink, appearing to read 'Matt Hunter', is written over a horizontal line.

Matt Hunter  
Deputy Attorney General