

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF TETON WATER & SEWER COMPANY'S APPLICATION FOR RESERVE FUND DISTRIBUTION) **CASE NO. TTS-W-22-01**
)
) **ORDER NO. 35382**
)

On January 3, 2022, Teton Water & Sewer Company (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) requesting approval to use its 2022 reserve fund for three separate 2021 repair projects. *Application* at 1.

On February 2, 2022, the Commission issued a Notice of Application and Notice of Modified Procedure setting comment deadlines for the public and the Company. *See* Order No. 35306. Staff was the only party to file comments in the matter.

Now the Commission issues this final Order granting in part the Company’s Application.

BACKGROUND

In 2009, the Commission authorized and established an Emergency Reserve Fund for the Company with specific parameters for using the funds. Order No. 30718 at 10. To use that Emergency Fund, the Company must (1) file a notice of application to use the fund with the Commission; (2) use the fund solely for emergencies and unplanned capital expenditures; and (3) establish an auditable paper trail for all expenditures paid from the fund. *Staff Comments* at 3; *see also* Order No. 30718 at 12-13.¹

THE APPLICATION

The Company completed three repair projects in 2021 including (1) a water leak repair at 48 Moulton Lane, (2) a water leak repair at 73 Beesley Lane, and (3) a water leak repair at 33 Targhee Trail. *Application* at 1. The Company stated the total cost of these projects \$35,494.85 exceeded the available funds in the reserve account. *Id.* The Company stated “[a]t the start of the year, the [reserve] account had \$4,666.55, with the addition of funds at \$640/month for the year, . . . the year-end available funds [totaled] \$12,106.55.” *Id.* The Company stated that it transferred

¹ Notably, Order No. 30718 also required the use of the emergency fund for capital expenditures greater than ten-percent of the company’s annual revenue requirement, but Order No. 34000 eliminated this requirement. *See* Order No. 34000 at 3.

“\$11,208.85 to reimburse the operating account, [which left] a balance of \$24,286.00 of expenses that were covered by funds other than the capital account.” *Id.* Thus, the Company requested approval from the Commission to use its future contributions to the reserve fund to reimburse the operating account for remaining unreimbursed expenses. *Id.* In its Application, the Company included a summary of expenses, invoices, and a QuickBooks report for each project as directed by the Commission in Order No. 30718. *Id.*

STAFF COMMENTS

Staff recommended the Commission approve the Company’s proposed use of the available Emergency Fund for incurred emergency expenses in 2021. *Staff Comments* at 3. To the extent the Emergency Fund could not cover those expenses, Staff recommended recovery through the Company’s subsequently filed general rate case (Case No. TTS-W-22-02). *Id.* Staff analyzed the repairs and believed all three projects qualified as emergencies—therefore, Staff believed the emergency repair costs were prudently incurred. *Id.*

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-501, -502 and -503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provision of law, and to fix the same by order. *Idaho Code* §§ 61-502 and -503.

Having reviewed the record, we find the emergency repair costs to be prudently incurred by the Company. Accordingly, the use of the Company’s Emergency Fund balance to pay for three 2021 emergency repairs is fair, just, and reasonable. Because the Emergency Fund was unable to cover all the 2021 emergency repair expenses, we direct the Company to seek recovery of those expenses through the Company’s subsequently filed 2022 general rate case (Case No. TTS-W-22-02).

ORDER

IT IS HEREBY ORDERED that the Company’s request to use its Emergency Fund—up to the balance in the fund—to cover three emergency repairs during 2021 is approved.


IT IS FURTHER ORDERED that the Company must seek recovery of expenses not covered by its Emergency Fund through the Company’s 2022 general rate case (Case No TTS-W-22-02).

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.

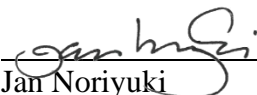
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 22nd day of April 2022.


ERIC ANDERSON, PRESIDENT


JOHN CHATBURN, COMMISSIONER


JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:


Jan Noriyuki
Commission Secretary

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