

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF TETON WATER AND SEWER COMPANY'S APPLICATION FOR RESERVE FUND DISTRIBUTION FOR 2025** ) **CASE NO. TTS-W-26-01**  
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 ) **ORDER NO. 37034**

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On January 13, 2026, Teton Water and Sewer company, LLC (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) requesting approval of reserve fund distribution for necessary projects in 2025 (“Application”). Application at 1.

On February 9, 2026, the Commission issued a Notice of Application and Notice of Modified Procedure, establishing public comment and Company reply deadlines. Order No. 26933. Staff filed the only comments.

Based on our review of the record, we issue this Final Order.

**THE APPLICATION**

The Company represented the total cost of eligible projects in 2025 was \$63,769.11. Application at 1. The Company stated its 2025 expenditures exceeded available funds in the emergency reserve account, which was created and authorized by the Commission in Order No. 30718 (“Emergency Reserve Fund”). *Id.* Only \$8,051.55 in Emergency Reserve Fund’s were available with the balance of the invoices being paid from operating funds. *Id.* The Company detailed eligible expenditures for four projects completed in 2025:

1. 12-inch Main Line – \$17,802.86;
2. Palisades Condo – \$8,545.00;
3. 52 Moulton – \$5,692.50; and
4. 28, 29, & 36 Targhee Trail – \$31,728.75. *Id.*

**STAFF COMMENTS**

Staff’s review focused on the Commission’s authorized access to the funds as set forth in Commission Order Nos. 30718 and 34000. Staff Comments at 2. To use the funds, three requirements must be met: (1) the Company must file a notice of application to use the funds; (2) the funds can only be used for emergencies or major unplanned capital expenditures; and (3) the Company must provide a paper trail for expenses paid from the fund. Order No. 30718. Staff believed the Company satisfied the three requirements for use of the funds. Staff noted the

documentation submitted in the Application and the nature of the projects being unplanned emergency repairs and/or major unplanned capital expenditures met the requirements of Order No. 30718. Staff Comments at 2.

The Company represented that the total cost of the four projects were \$63,769.11, which exceeded the available balance in the Emergency Reserve Fund by \$55,717.56. *Id.* Staff identified a \$659 difference between the Company's bank statement balance and Staff's calculated Emergency Reserve Fund balance. *Id.* Staff believed that the difference was due to: (1) a 2024 \$620 deposit made by the Company; (2) bank fees in the amount of \$26 charged to the account; and (3) \$65 in excess deposits—\$5 per year for the last 13 years. *Id.* Staff's recalculations showed that the Emergency Reserve Fund's balance at the end of 2025 was \$8,417.65, which covered the Company's request for Emergency Reserve Fund use, and left a remaining balance of \$366.10. *Id.* Staff recommended that the Commission find the \$8,051.55 cost for various materials and services, to be prudent and should be recovered from the Emergency Reserve Fund. *Id.*

During its review Staff identified a duplicated invoice and non-capitalizable items in the Company's original Emergency Reserve Fund usage worksheet for the cost of the 12-inch Main Line repair. *Id.* at 3. The Company agreed that this invoice was improperly included and provided Staff an updated Emergency Reserve Fund usage worksheet. *Id.* Staff recommended that the total cost of repairs for the 12-inch Main Line repair should be reduced from \$17,802.86 to \$11,423.20. *Id.* Due to this decrease, the cost of emergency repairs not covered by the Emergency Reserve Fund accordingly decreased from \$55,717.56 to \$49,337.90. *Id.* Staff recommended that the remaining repairs of \$49,337.90 be recorded to Plant-in-Service – Services, Account 333, for prudence determination and possible recovery in the Company's next general rate case. *Id.*

Staff noted that the Company's Emergency Reserve Fund surcharge has been insufficient to cover emergency repairs for the last several years. *Id.* Staff recommended that the Company consult with Staff to evaluate alternative mechanisms to fund future emergency repairs and to reconcile the difference in the ending balance. *Id.*

### **COMMISSION FINDINGS AND DECISION**

The Commission has jurisdiction over the Company's Application and the issues in this case under Title 61 of the Idaho Code including, *Idaho Code* §§ 61-501, -502, and -503. The Company operates a water system as a water corporation as defined by *Idaho Code* §§ 61-124 and 61-125 and is a public utility under § *Idaho Code* 61-129. The Commission is empowered to

investigate rates, charges, rules, regulations, practices, and contracts of all public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provisions of law, and to fix the same by order. *Idaho Code* §§ 61-501, -502, and -503.

The Commission has reviewed the record in this case. Based on our review, we find that the projects identified in the Application are projects that the Emergency Reserve Fund is intended to cover. Further, we find that the Company adequately documented its expenses for the projects identified in the Application. Because the Company applied to use the Emergency Reserve Fund, the Company's projects identified in the Application are projects that the Emergency Reserve Fund is intended to cover, and the Company had an auditable paper trail for all expenses, the Commission finds that the Company satisfied the requirements of Order Nos. 30718.

Based on our review of the record, we find that the balance of the Emergency Reserve Fund at the end of 2025 was \$8,417.6 and that said balance covers the Company's request to use \$8,051.55 from the Company's Emergency Reserve Fund. The Commission also finds that the total cost of repairs for the 12-inch Main Line repair project is \$11,423.20. Thus, the Commission finds that the costs of emergency repairs not covered by the Emergency Reserve Fund are \$49,337.90 which should be recorded to plant-in-service for prudence determination and possible recovery in a future rate case. Because the Emergency Reserve Fund has been insufficient to cover the Company's emergency repairs for several years, the Company may work with Staff to evaluate alternative mechanisms to fund future emergency repairs.

### **ORDER**


IT IS HEREBY ORDERED that the Company's use of \$8,051.55 from the Company's Emergency Reserve Fund is approved as prudently incurred.


IT IS FURTHER ORDERED that the Company shall book the remaining \$49,337.90 in projects costs not covered by the Emergency Reserve Fund in 2025 to Plant-in-Service – Services, Account 333, for potential recovery during the Company's next general rate case.

IT IS FURTHER ORDERED that the Company may work with Staff to evaluate alternative mechanisms to fund future emergency repairs.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within 21 days of the service date of this Order regarding any matter decided in this Order. Within seven 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 6<sup>th</sup> day of May, 2026.

  
EDWARD LODGE, PRESIDENT

  
JOHN R. HAMMOND JR., COMMISSIONER

  
DAYN HARDIE, COMMISSIONER

ATTEST:

  
Monica Barrios-Sanchez  
Commission Secretary

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