

Idaho Water Utilities

The commission regulates 30 privately held water systems, or only about 1 percent of the approximate 2,100 water systems in the state. The regulated systems vary in size from companies with about 85,000 customers to companies with as few as 22 customers. These companies provide industrial, commercial and residential customers throughout the state with drinking water as well as water for irrigation, recreation and manufacturing. Most of the unregulated systems are operated by homeowner associations, water districts, co-ops and cities. The rates listed here represent only the residential customer class and may not reflect the actual rates paid by a specific customer.



(bh) = business hours **(ah)** = after hours **(nm)** = non-metered **(g)** = gallons **(cf)** = cubic feet

Utility Name	Number of Customers	New Hook-up Fee	Reconnect Fee	Residential Monthly Rates	Last Rate Revision	Sur-charge
1. Algoma	27	\$0.00	\$ 25	\$ 27 per month \$44.50 (commercial)	7/4/2008	
2. Aspen Creek	38	\$1,000	\$15bh/\$25ah After 30 days --\$75	\$25 up to 15,000 gal \$1 each 1,000 gals over	9/25/2002	
3. Bar Circle "S"	200	\$400 if line, meter in place \$2500 if not	\$ 20bh/\$40 ah	\$27.43 up to 7,500 gal \$1.74 each 1,000 gal over	1/1/2010	
4. Bitterroot	117	\$750	\$ 25 bh/ah	\$21 up to 15,000 gal \$1.73 each 1,000 gal over	2/1/2006	\$1.24 BF \$2.67 Valve
5. Brian	46	None approved	\$ 12.50 bh/ah	\$17.50 up to 4,000 gal \$1.51 each 1,000 gal over	9/01/2012	\$15 per mo
6. Capitol Water Corp.	2,894	None approved	\$20bh/\$40ah	Starts at \$12.65/mo in winter and \$28.70/mo summer for non-metered. Metered rates start at \$8.05/mo	8/01/2012	Annual Power Cost Adjustment at 1.85% of bill
7. Country Club Hills Utility	148	\$1,179	\$20 bh \$40 ah	\$17 up to 15,000 gal \$0.91 each 1,000 gal over	10/12/2012	
8. Diamond Bar Estates	51	\$310 /existing \$2,500 to install	\$ 15 bh \$ 30 ah	\$ 29.00→5,500 gal .80 each 1,000 gal over	12/1/2007	
9. Eagle Water Company	3,438	\$845 includes \$100 study surcharge and \$500 loan surcharge.	\$15 bh/ \$30 ah	Monthly flat rate starting at \$11.75 (nm); \$ 7.84 up to 600 cf. metered and \$0.45 for each add 100 cf	2/23/2009	
10. Evergreen	36	\$600	None approved	\$ 15 up to 7,500 gal \$0.35 each 1,000 gal over	02/01/1995	
11. Falls Water	4,204	Minimum \$500 depending on meter size	\$20/bh and \$40/ah	\$17.75 (depending on meter size) up to 12,000 gal and \$0.689 Each 1,000 gal over	10/16/2012	

Utility Name	Number of Customers	New Hook-up Fee	Reconnect Fee	Residential Monthly Rates	Last Rate Revision	Sur-charge
12. Grouse Point	24	None approved	\$20bh/ah	\$22 up to 8,000 gal \$0.50 each 1,000 gal over	1/4/2004	
13. Happy Valley	27	\$500	\$ 20bh/ah	\$27.00 up to 20,000 gal \$0.70 each 1,000 gal over	8/3/2001	
14. Island Park	430	\$200 authorized \$1100 unauthzed	\$20bh/\$40ah	\$280/year nm	11/05/2008	
15. Kootenai Heights Water	11	None approved	\$50	\$38.50 up to 10,000 gal \$3.10 each 1000 gal over	6/21/2007	
16. Mayfield Springs	61	\$725	\$35bh/\$70ah	1" meter \$22 up to 10,000 gal \$0.30 each 1,000 gal over 2" meter \$50 up to 20,000 gal \$0.30 each 1,000 gal over	10/10/2008	
17. Morning View	106	None approved	\$ 25 bh/ah	¼ acre-\$ 27.41/mo. ½ acre-\$ 35.94/mo. 1 acre-\$ 44.48/mo	9/01/2007	\$5 for Reserve Account
18. Murray Water Works	37	\$1,200	\$35 bh/ah	\$51.50/mo full-time \$34.25/mo part-time	11/15/2010	Rate case pending
19. Pack Saddle Estates	35	\$430	\$ 25 if 45 days or less; \$130 for more than 45 days	\$34.24/mo	6/3/1996	
20. Picabo	31	\$500	\$25 bh/ah	\$41/mo summer \$22/mo winter	7/1/2004	Irrigation (April-Sept) \$19/mo
21. Ponderosa	22	\$2,500	\$ 35 bh/ah	Resident: \$ 48/mo Seasonal: \$ 25/mo	7/1/2003	
22. Resort	407	None approved	\$ 20 bh/\$60ah 4X that after 30 days	\$ 44.80/mo per 1 ERU	3/15/2005	
23. Rickel	33	\$6,000	\$25 bh/ah	\$ 30 up to 15,000 gal \$1.10 each 1,000 gal over	5/01/1997	
24. Rocky Mountain Utility Company	91	\$150	\$20 bh Or \$40 ah	\$39/50/mo	01/01/2009	
25. Spirit Lake	309	\$2,500	\$ 16 bh/\$32 ah	\$12.50 up to 9,000 gal \$0.12 each 100 gal over	10/30/2009	
26. Stoneridge	353	\$1,200	\$18.50bh/\$33.50ah 30-days plus varies Per size of service	\$24/mo based on size \$0.79/1,000 gal	7/02/2007	Happy Valley res Pay \$16.83/mo
27. Sunbeam	22	None approved	None approved	\$12 up to 12,000 gal \$1.20 each 1,000 gal over	5/31/1983	Does not file annual report
28. Teton Springs	212	\$600 for 1" res/larger Based on size	\$20 if disconnected 30 days or less/ \$40 after hours	\$118/per quarter	2/2/2009	
29. Troy Hoffman	144	\$458/1"	\$20/bh \$40/ah	\$11.80/first 5,000 gal \$1.10 each 1,000 gal	1/1/2011	
30. United Water Idaho	84,380	See Tariff	\$20/ bh \$30/ ah	Starting at \$20.10 bi-monthly Winter -- \$1.44 per 100 cf Summer - \$1.44 per 100 cf Up to 300 cf and \$1.798 For each 100 cf over	2/1/2012	

Case No. UWI-W-11-02, Order No. 32443
January 24, 2012

Commission adopts settlement of United Water rate case

The commission approved a settlement to the United Water Idaho rate case that will increase rates for Boise area water customers by an average 8 percent effective Feb. 1, 2012, followed by a 2.5 percent increase on Feb. 1, 2013.

For an average residential customer, the monthly increase will be about \$2.28 per month in 2012 and another 72 cents per month in 2013.³

United Water, which serves about 84,000 customers in the Boise metro area, filed last August for a near 20 percent one-time increase of about \$5.82 per month, or about \$7.6 million in additional yearly revenue. The settlement allows a \$3 million revenue increase in 2012 and \$950,000 in 2013 or about 52 percent of United Water's original request. Further, the agreement precludes any other rate increases until 2014 at the earliest.

Parties proposing the settlement to the commission included commission staff, United Water and the Community Action Partnership Association of Idaho (CAPAI), which represents low-income customers.

The commission acknowledged the more than 250 comments filed by concerned customers, none favorable to the request. Most of the comments expressed concern about United Water seeking more revenue because declining water use resulted in less revenue. About 38 percent of United Water's \$7.6 million request in new revenue was attributed to declining water sales. The settlement approved by the commission removed nearly all the revenue increase requested attributable to reduced water use. The agreement calls for future meetings between staff and United Water to discuss revenue and earnings instability associated with reduced water use.

Parties to the settlement also did not agree on an appropriate return on equity (ROE). United Water requested an overall rate of return of 8.43 percent (it is currently earning 5.64 percent) and an ROE of 10.5 percent. Commission staff's recommended ROE was significantly below anything approved by the commission for an Idaho utility in the last 20 years. A specified level of return is not included in the stipulation, one reason why a lower overall revenue requirement could be achieved.

Commission staff thoroughly reviewed United Water's expenses and investments. The staff adjustments approved by the commission totaled a nearly \$4 million reduction in the company's revenue request. "The stipulation we approve is for a significantly reduced amount and spreads recovery of that reduced amount over two years," the commission said.

³ For the average customer who uses a 5/8" to 3/4"-inch meter, the fixed customer charge would increase from \$18.10 every two months to \$20.10 in 2012 and \$20.80 in 2013. The commodity charge, which varies according to consumption, would increase from \$1.35 per hundred cubic feet (ccf) in the winter months to \$1.44 per ccf in 2012 and \$1.464 in 2013. During the months of May through September, all use above 3 ccf would be billed at \$1.80 per ccf in 2012 (up from \$1.69) and to \$1.83 in 2013.

However, further reductions were difficult to find because much of the company's request was driven by additional investment for pipelines, filtration and pumping, which are required to provide adequate service. United Water claims it has invested more than \$20 million in its system since its last rate case. Improvements include a new supply treatment facility, a 600,000-gallon water storage tank, 1.7 miles of new 24-inch water main and replaced water mains, service lines and meters. The company is also investing \$5.5 million in a new customer information system. "There is no dispute that the company has made capital improvements that are properly recovered in rates, and that its costs have increased since its last rate increase, while its revenues have declined," the commission said.

Customers also objected to an increase in the fixed customer charge from \$9.05 per month to \$10.05. United Water's customer charge is notably higher than customer charges for other electric and gas utilities operating in Idaho.

Cost-of-service studies for water companies typically show a higher degree of fixed costs to deliver water than is necessary to deliver electricity or natural gas. Much of United Water's cost is in the infrastructure it operates and maintains, and those costs exist independent of the amount of water used. Revenue not collected in the customer charge must be recovered in the charge for water used (commodity charge), which, for many customers, would dramatically increase billing, particularly in the summer.

Both commission staff and CAPAI supported the increase to the customer charge over shifting those costs to the commodity charge. CAPAI said it generally prefers to place the bulk of any rate increase on the actual water used to enhance a customer's ability to control his or her bill.

United Water agreed to increase the cap on the amount of annual benefits it will make available to assist low-income customers from \$50 to \$65. Further, the company agreed to remove the upper limit of matching funds it will contribute to the "UW Cares." The company currently will match up to \$20,000 of customer contributions to UW Cares. Under the proposed stipulation, the company has agreed to match whatever customers contribute, even beyond \$20,000. That means funds will be available to meet the needs of all United Water customers who apply for the UW Cares program.

Case No. TTS-W-11-01, Order No. 32485
March 16, 2012

Utility can access emergency fund, but can't increase customer contributions to fund

The commission granted an eastern Idaho water company's request to access an emergency fund to pay for well repairs, but denied the company's request to assess residential customers an additional \$85 through 2012 to replenish the fund.

Teton Springs Water and Sewer Company sought reimbursement for nearly \$26,500 for emergency repairs at two wells that failed in July and August of last year. After review by commission staff, the commission is allowing the company to recover just under \$23,000 and to access its emergency fund which had nearly \$21,000 in reserve through 2011. Because the fund collects nearly \$7,000 annually, there will be enough money in it by the end of this year to cover well repair expenses without having to assess customers the additional \$85, the commission said.

The water company serves about 280 customers within the Teton Springs Golf and Casting Club Planned Unit Development in eastern Idaho. In a previous rate case, the commission allowed Teton Springs to establish an Emergency Reserve Fund for large-scale capital repairs and replacement projects that fall outside the scope of regular operations and maintenance.

About \$3,550 was removed from the company's original request. The labor costs billed to repair the primary well that failed in July were four times the original bid, commission staff said. Thus, \$1,680 was removed from the \$3,650 labor cost assessed Teton Springs. Further, commission staff said the company did not seek bids from more than one vendor for repairs on the second well. Commission staff received price quotes from other vendors that were about 30 percent less than the amount Teton Springs paid. Thus, the commission removed nearly \$1,600 of an \$8,600 bill for repairs at the second well.

Case No. BRN-W-12-01, Order No. 32566
June 14, 2012

Surcharge approved for Brian Water customers

The commission authorized an east Boise water company to assess its customers \$15 per month for six months beginning this month in order to raise \$4,000 to pay for an engineering study to address ways to reduce nitrate levels.

Brian Water Company, which serves about 46 households east of Boise, has been ordered by the state Department of Environmental Quality to hire a professional engineer to evaluate treatment options to reduce nitrate contaminate levels that continue to exceed the maximum allowable 10 milligrams per liter.

In March, Brian Water asked the commission to approve a \$22.50 per month customer surcharge to fund the study and a new well. The commission reduced the surcharge amount to fund only the study. The issue of how to respond to the mitigation study's findings, which may recommend a new well, will be considered after the preliminary engineering report is completed.

The commission attached several conditions to the surcharge approval. Among those are requirements that surcharge funds be deposited in a separate account and not co-mingled with Brian Water's operating funds or the personal funds of owner Tony Bowar. Further, the surcharge account is subject to random audits by commission staff upon one week's notice. The surcharge must be listed as a single line-item on customer bills and clearly identified as a surcharge.

DEQ is requiring that a preliminary engineering report must be submitted to DEQ by no later than Dec. 15. The company must also notify customers at least quarterly about the nitrate levels in its system.

Brian Water's residential customers pay a base rate of \$17.50 per month, plus \$1.51 for each thousand gallons that exceeds 4,000 gallons per month.

Case No. CAP-W-12-01, Order No. 32607
August 3, 2012

Capitol Water allowed increase to meet electric expense

Rates for about 2,900 Boise customers of Capitol Water Company increased by about 1.48 percent effective August 1 to account for the water utility's increased electric expense.

The commission allows Capitol Water, after commission review, to increase or decrease its rates in an annual adjustment outside a rate case if power expenses impact the company's revenue by greater than 0.25 percent.

Capitol Water maintains its annual electricity expense increased from \$75,483 to \$85,418 due to increases in Idaho Power Company's electric rates.

Capitol Water residential customers who use a ¾"-inch meter pay a flat monthly rate of \$12.65. The average annual power cost surcharge approved this week adds about 24 cents to that monthly bill, up from the previous 5-cent surcharge. From May 1 through September 30, non-metered customers also pay a monthly sprinkling rate of \$16.50.

Capitol Water serves residential and commercial customers in an area bounded roughly by Northview Street south to Ustick Road and from Curtis Road west to North Maple Grove.

Case No. FLS-W-12-01. Order No. 32663
Case No. CCH-W-12-01, Order No. 32662
October 16, 2010

Commission OKs increases for two Idaho Falls area water companies

The Idaho Public Utilities Commission has granted rate increases for customers of two Idaho Falls area water companies.

Falls Water Company

Rates for the approximate 3,900 customers of Falls Water will increase from about \$20.76 per month to \$23 effective Oct. 16. The commission granted the company an additional \$144,547 in annual revenue, about a 10.8 percent increase. When Falls Water filed its application in January, it asked for \$295,059 in new revenue, about a 26.5 percent increase. The total annual revenue requirement is now \$1.257 million. The company sought \$1.4 million. Falls Water serves an area north of Ammon and northeast of Idaho Falls.

For the vast majority of customers who use a ¾-inch or smaller meter, the new monthly minimum charge is \$17.75, up from \$16.10 per month, for the first 12,000 gallons. A commodity charge of 69 cents for every 1,000 gallons used above the 12,000 gallons is added. The commodity charge was 61 cents for every 1,000 gallons above 12,000 gallons.

Much of the increase to annual revenue requirement – about \$675,000 – is due to an automated meter reading project that allows the company to read meters year round. Currently, meters are read only in April through October, but not during the winter when meters are difficult to access.

Falls Water received commission approval following its last rate case in 2009 to replace 600 manually read meters with “touch-read” meters. The expense for that project was about \$126,300. Falls Water also installed MXU (meter transceiver unit) radio transmitters on about 3,300 other meters at an expense of about \$675,000. The MXUs allow the company to read the meters on a hand-held device or from a vehicle without having to access the property. Falls Water did not receive prior approval from the commission to make that investment.

At public workshops and hearings, customers said Falls Water should have gradually updated its infrastructure and should not have spent so much on meters without receiving prior input from customers and the commission. Commission staff, which operates separately from the commission, recommended that the \$675,000 investment in radio transmitters be denied. Staff claimed the meter conversion is not economically justifiable, noting that the \$8,315 per year estimated savings from reduced fuel and labor expense would take the company almost 86 years to recover.

The commission approved most of the radio transmitter investment because disapproval of such a large investment for a small water company “could jeopardize the company’s financial integrity and ability to provide safe and reliable service to customers,” the commission said.

“We are deeply troubled that the company abruptly invested so much money in MXU transmitters without obtaining prior input from customers, staff or the commission,” the commission said. Had it done so, the company likely would have received direction to invest in other needed improvements such as replacing old water lines and making improvements to trunk lines, storage and booster tank stations. “While a regulated public utility must spend enough on its system to ensure that its customers receive safe and reliable service, it may not engage in gold-plating at ratepayer expense,” the commission said. “We would wholly disallow the company’s MXU investment if the company were a larger utility.”

However, the commission did disallow about \$40,000 in MXU-related financing charges and temporary office labor. And it directed the company set aside its projected annual savings as a result of MXU installation – about \$8,300 per year -- and its annual MXU depreciation expense of about \$27,000 per year – in a plant reserve fund that may be used only to finance infrastructure projects and repairs. The company must maintain the plant reserve fund in a separate account that may be audited by commission staff.

Falls Water argued that year-round meter reading will enable it to detect leaks sooner and conserve water. The company also noted that customers would be able to pay for excess water used during the winter as overages incur instead of waiting to be billed in the spring. Customers who experience excess water use during the winter due to leaks are not pleased with their corresponding April water bills, the company claimed.

The commission also denied about \$12,000 of \$54,000 in building rental expense and about \$11,500 of \$31,400 in equipment rental expense because the company rents its office building, backhoe and dump truck from the company owner.

In Falls Water's 2009 rate case, the commission advised the company that it must prove that a related-party transaction such as renting from the company owner is reasonable and a product of arms-length bargaining. "The company has not, for example, demonstrated what a comparable empty building would rent for in this poor economic climate," the commission said, and it did not obtain a third-party analysis of the equipment rental expense.

Country Club Hills Water

Average monthly bills for customers for Country Club Hills Water increased from about \$28.10 per month to \$35.46 effective Oct. 12. The company serves about 150 households southeast of Idaho Falls. The increase is about 21.7 percent. The company requested 32 percent to offset yearly operating losses and to pay for system deficiencies and water service problems.

The monthly minimum charge is \$17, which does not change. However the commodity charge increases to 71 cents for every 1,000 gallons above 15,000 gallons. The company previously charged 60 cents for every gallon above 30,000 gallons per month. Country Club Hills proposed to increase the monthly minimum from \$17 to \$25 and charge 60 cents for every 1,000 gallons above 15,000 gallons and 70 cents for every 1,000 gallons above 25,000 gallons.

The company also wanted to create a capital replacement fund, which it said is required by the state Department of Environmental Quality. The fund would be used for emergency expenses. The commission declined to allow the company to create the fund saying an additional increase above the allowed 21.7 percent would be "unduly burdensome for the company's small customer base." Further, the commission said, state DEQ rules specifically exclude regulated water utilities in cases where DEQ requirements are in conflict with IPUC rules.

"Additionally, the commission finds that Country Club Hills Utilities has failed to demonstrate an adequate level of expertise and sophistication in its accounting and recordkeeping methods. As evidence of this, the commission notes that the company's application was woefully incomplete and failed to provide even the most basic calculations regarding the company's current financial structure and position," the commission said. "When the company demonstrates that it has rectified its accounting and recordkeeping deficiencies, the commission will entertain an application by the company for the establishment of a fund to reimburse the company for emergency repairs to its water system."