

WATER



Parties to United Water case announce proposed settlement

Case No. UWI-W-15-01, Order No. 33398

October 26, 2015 – Rates for United Water Idaho customers would go up about 6%, or about \$1.25 per month during 2016 and another 1.4% in 2017 if a settlement proposed by parties to a general rate case is approved by the Commission.

United Water Idaho initially proposed a one-year 13.2% increase, with an additional \$5.88 million in annual revenue. The proposed settlement reduces that to \$2.73 million in 2016 and \$670,000 in 2017. Under the proposed settlement, the monthly increase to standard residential customers with up to a three-quarter inch meter would be from \$20.80 to \$22.05, effective Dec. 16, 2015.

The proposed settlement also directs the company to increase its contribution to its “United Water Cares” program from \$65 to \$75 per customer per year. The program provides financial assistance to low-income customers. None of the program’s costs are included in customer rates. United Water Idaho currently serves more than 90,000 customers in Ada County.

Parties to the settlement include United Water, commission staff and the Community Action Partnership Association of Idaho.

United Water applied for the increase on May 21. The commission suspended the company’s application for six months to allow time for its staff of auditors, engineers, technical analysts and attorneys to review the case. The commission cannot, by state law, arbitrarily refuse to consider rate increase requests without first considering the evidence presented by the utility, intervening parties and customers. The burden of proof is on the utility to justify the expenses it seeks to recover as 1) necessary to serve customers and 2) prudently incurred.

United Water claims the increase is needed to recoup more than \$39 million of investment in its water system since the last rate case in 2011. The capital improvements include \$17.2 million to replace aging water mains and meters, \$3.5 million to replace treatment facilities, \$900,000 for a replacement storage tank in the Bogus Basin Road area and \$500,000 for auxiliary power equipment to ensure uninterrupted water supply during electric outages.

Commission OKs Falls Water request to expand service territory

Case No. FLS-W-15-01, Order No. 33356

August 19, 2015 – The commission is accepting a Falls Water Company application to extend its service territory in Bonneville County.

Falls Water serves an area adjacent to the City of Ammon's municipal water system. Over the last 16 years, developers have built additional residences adjacent to the company's original service areas. At the conclusion of the company's last rate case in 2012, the commission directed Falls Water to amend its certificate to include subdivisions the utility is serving that were outside its assigned boundaries. At that time, the company was serving about 3,840 customers. Now it serves about 4,340 customers.

The City of Ammon and Falls Water have signed a Memorandum of Understanding delineating an agreed upon service boundary between the two systems.

Falls Water plans to provide service to the new areas through water mains and service lines installed by various developers using the company's Main Extension Contract. Falls Water claims it has adequate water supply to provide service to the new area in a safe and reliable manner.

Commission OKs certificate, rates for water utility seeking to serve Schweitzer ski resort in Bonner County

Case No. AWW-W-13-01, Order No. 33219

February 11, 2015 – The Commission awarded a Certificate of Public Convenience and Necessity to Acme Water Works to operate as a water utility in Bonner County.

Acme will serve 23 residential customers on three lots within the Schweitzer Mountain Ski Resort, 15 miles northwest of Sandpoint. If both Phase 1 and Phase 2 of the development are completed, the company may eventually serve up to 260 residential customers on 107 lots. The water system consists of two wells, a 200,000-gallon storage reservoir, distribution mains and fire hydrants.

The owners are Joel and Leslie Wahlin of Sandpoint. The company currently contracts all water master duties, including water testing, billing and collections with Water Systems Management, operated by Bob Hansen of Sandpoint.

Commission staff determined an annual revenue requirement of \$8,067. To meet that revenue requirement, the commission authorized a minimum monthly flat rate for residential customers of \$29.25. That's 40% less than the company's current monthly rate of \$48 per month. The company originally proposed that customers pay a monthly minimum charge plus a volume allowance based on monthly consumption.

The commission denied that proposal stating that without individual meters, the company did not have was to accurately measure monthly consumption.

The company proposed a hook-up fee for new customers of \$9,430, up from the current \$7,000. The commission approved a hook-up fee of \$150. Acme said the higher hook-up fee is needed to recover an approximate \$1.5 million investment in new utility construction. The commission said collecting hook-up fees from new customers to pay off the loans used to build the water system is in violation of commission rules. The commission also denied a company request to assess a monthly standby or availability charge to customers who have paid a connection fee but are not yet connected to the system.

Finally, the commission directed the company to repair any system sanitary deficiencies identified by the state Department of Environmental Quality and Panhandle Health Department.