

DECISION MEMORANDUM

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

FROM: BRANDON KARPEN
DEPUTY ATTORNEY GENERAL

DATE: MARCH 3, 2017

SUBJECT: APPLICATION OF FALLS WATER COMPANY, INC. FOR
AUTHORIZATION TO BUILD A NEW WATER SOURCE, AND ACCESS
TO THE SPECIAL PLANT RESERVE ACCOUNT; CASE NO. FLS-W-17-
01

On February 10, 2017, Falls Water Company, Inc. filed an Application requesting that the Commission authorize the Company to construct an additional well, well house, pumping equipment, and controls, and accept those expenses as rate base in a future rate case. The Company further requests access to a “special plant reserve fund” created by Commission Order in 2012.

BACKGROUND

The Company’s current rates took effect on October 16, 2012. As part of that rate case, the Commission criticized a Company decision to install costly automated meter reading equipment without consulting with Staff beforehand, noting that the Company’s troubling decision would have been disallowed “if the Company were a larger utility.” Order No. 32663 at 11. As a result, the Commission required that the Company establish a special plan reserve fund to finance infrastructure projects as approved by the Commission. The Commission further stated that it “*strongly encourages the Company to consult with Commission Staff before it begins any such projects.*” *Id.* (emphasis in original).

THE APPLICATION

The Company now seeks permission to construct a new well and associated plant. It states that it needs the new well to comply with Idaho Department of Environmental Quality water pressure requirements. The Company estimates a total project cost of \$647,215. Application at 2.

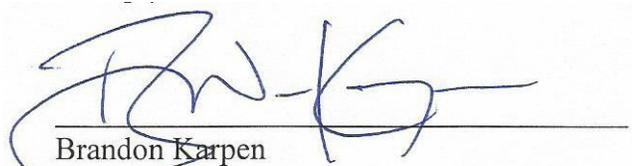
The Company requests that this Application be processed by Modified Procedure, but does not request any kind of effective date.

STAFF RECOMMENDATION

Staff concurs in the Company’s proposal to process this case by Modified Procedure. However, before suggesting a comment deadline, Staff must review the Application, evaluate anticipated discovery requirements, and consult with the Company. Staff anticipates this will be completed within a week. Accordingly, Staff recommends that the Commission issue a Notice of Application and direct Staff to present the Commission with a proposed comment schedule after conferring with the applicant.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application and direct the parties to confer and develop a comment schedule?



Brandon Karpen
Deputy Attorney General

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