

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF TROY HOFFMAN WATER) **CASE NO. TRH-W-10-01**
CORPORATION FOR AUTHORITY TO)
INCREASE ITS RATES AND CHARGES FOR) **NOTICE OF APPLICATION**
WATER SERVICE IN THE STATE OF)
IDAHO) **ORDER NO. 32012**

YOU ARE HEREBY NOTIFIED that on June 7, 2010, Troy Hoffman Water Corporation (Troy Hoffman; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting authority to increase its rates and charges for water service. Troy Hoffman provides water service to 146 residential customers and 1 commercial customer in the City of Coeur d'Alene, Kootenai County, Idaho.

Troy Hoffman proposes a revenue increase of \$34,262 (142%) for residential and commercial water customers effective July 1, 2010. The Company has not had a rate increase for 14 years. Reference Case No. TRH-W-95-01, Order Nos. 26545 and 28264. The Company states it is necessary to raise the rates due to increased operating expenses along with costs incurred from needed repairs and replacement of the main pump in 2009.

Troy Hoffman proposes the following increase in rates and charges:

	Current Rates	Proposed Rates
Residential	\$5.50 per month plus \$.60 per 1,000 gallons for all consumption in excess of 3,000 gallons per month	\$13.31 per month plus \$1.45 per 1,000 gallons for all consumption in excess of 3,000 gallons per month
Commercial	\$7.50 per month plus \$.60 per 1,000 gallons for all consumption in excess of 3,000 gallons per month	\$18.15 per month plus \$1.45 per 1,000 gallons for all consumption in excess of 3,000 gallons per month

Customers are billed for water service on a bi-monthly basis.

Additional charges (and changes) proposed by the Company are (1) changing the current \$10 fee for Turn On Terminated Service to a Reconnection Charge of \$20 during office hours (7-4 Monday thru Friday) and \$40 after office hours; (2) imposing a Late Payment Fee of \$10; and (3) a Returned Check Fee of \$20. Also proposed is a change in the Department of

Environmental Quality (DEQ) Public Drinking Water Fee from a one-time \$5.00 customer charge to a \$.42 per month assessment fee.

The Company requests that its Application be processed pursuant to Modified Procedure.

YOU ARE FURTHER NOTIFIED that the following party has been designated as the Company's representative in this matter:

Ron Stadley, President
Troy Hoffman Water Corporation
710 W. Dalton Avenue, Suite J
Coeur d'Alene, Idaho 83815
Telephone: (208) 664-9858
FAX: (208) 665-2003
E-mail: ron@allservron.com

All communications with reference to this Application should be served upon the above named representative of Troy Hoffman Water.

YOU ARE FURTHER NOTIFIED that Troy Hoffman Water's revenue requirement, and every component of it, both rate base and expense, are at issue. The Commission may grant, deny, or modify the revenue requirement requested and may find a revenue requirement different from that proposed by any party is just, fair and reasonable. IDAPA 31.01.01.124.01.

YOU ARE FURTHER NOTIFIED that the recurring and non-recurring rates and charges of all retail customers are at issue and every component of every existing and proposed rate and charge is at issue. The Commission may approve, reject or modify the rates and charges proposed and may find that rates and charges different from those proposed by any party are fair, just, and reasonable. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may approve, reject, or modify existing or proposed relationships between and among rates and charges within, between or among customer classes or rate groups and may approve, reject or modify existing or proposed relationships among and between customer classes or rate groups. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may abolish, reduce or create rate blocks or categories of rates and charges; abolish, create or reduce components of rates and charges; abolish, reduce or create customer classes or rate groups; and abolish, reduce,

or create absolute or relative differences among and between existing classes or rate groupings of customers. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the tariffs, practices, rules and regulations, service, instrumentalities, equipment, facilities, classifications, and customer relations of the utility are at issue, and the Commission may address any of them in its Order. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Company's Application and notice to customers have been filed with the Commission and are available for public inspection during regular working hours at the Commission offices, 472 West Washington Street, Boise, Idaho. The Application is also available on the Commission's web site at www.puc.idaho.gov under "File Room" and then "Water Cases."

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code, and specifically *Idaho Code* §§ 61-502, 61-622, and 61-623.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

COMMISSION FINDINGS

The Commission has reviewed and considered the filings of record in Case No. TRH-W-10-01. Troy Hoffman Water has submitted a proposed schedule of rates and charges for water service to become effective on and after July 1, 2010. We find the Application is of sufficient importance and complexity to require the Commission's investigation into the reasonableness of the proposed rates and charges. The Commission is unable to consider the proposed change in rates and charges before July 1, 2010, and therefore finds it reasonable to authorize a continuation of existing rates and to suspend the proposed change in rates and charges for a period of thirty (30) days plus five (5) months from the proposed July 1, 2010, effective date. This will provide time for Commission Staff to audit the Company's financial books, inspect the Company's physical plant and complete its investigative report.

It is the further finding of the Commission that public interest in this case and the interest of Troy Hoffman customers will be served by requiring the Company to provide individual written notice to customers of all workshops or hearings scheduled by the Commission in Case No. TRH-W-10-01.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over Troy Hoffman Water Corporation and its Application for approval of proposed rates and charges, and the issues involved in this case by virtue of Title 61, Idaho Code, and the Commission's Rules of Procedure, IDAPA 31.01.01.000 et seq.


The Commission has the authority under *Idaho Code* § 61-622 to suspend the rates and charges that are the subject of the Application for a period of thirty (30) days plus five (5) months, or less if the Commission acts sooner, from the proposed effective date of July 1, 2010.

It is necessary to suspend the rates proposed in the Application for a period of five (5) months, or less if the Commission acts sooner, from the effective date of July 1, 2010, to permit the Commission Staff to audit the Company's financial records and inspect the Company's physical plant, to provide sufficient time to calendar further procedure, to receive customer and Staff comments and to consider and determine the issues presented in this Application.

ORDER

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED that the proposed schedule of rates and charges for water service in Case No. TRH-W-10-01 is suspended for a period of thirty (30) days plus five (5) months from July 1, 2010, or until such earlier time as the Commission may issue an Order accepting, rejecting, or modifying the Application in this case.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 23rd
day of June 2010.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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