

DECISION MEMORANDUM

TO: COMMISSIONER KEMPTON
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: SCOTT WOODBURY
DEPUTY ATTORNEY GENERAL

DATE: JUNE 9, 2010

SUBJECT: CASE NO. TRH-W-10-01 (Troy Hoffman Water)
GENERAL RATE CASE

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.

COMMISSION DECISION

Troy Hoffman has requested a change in residential and commercial water rates and charges for a July 1, 2010 effective date. The Company's last increase in rates was in 1996. The Company requests that its Application be processed under Modified Procedure. Staff recommends that the Company's Application be noticed and that the proposed effective date be suspended. Following an investigation and audit of the Company books and records and physical plant, Staff will submit to the Commission a proposed schedule for public workshop and comments. Does the Commission agree with Staff's recommended procedure?



Scott Woodbury
Deputy Attorney General

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