

Idaho Public Utilities Commission

Case No. TRH-W-13-01, Order No. 32958

January 3, 2014

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Commission OKs average 7.6% increase for Troy Hoffman Water customers

The Idaho Public Utilities Commission granted an average 7.6 percent increase for the approximate 146 customers of the Troy Hoffman Water Company in Coeur d'Alene.

The increase, which became effective Jan. 1, increases a winter residential bill to about \$13.75, up from \$11.80 for a customer who uses the system's average of 5,000 gallons per month. During the summer, when the average residential use is 38,000 gallons per month, the average bill increases to \$50.71, up from \$48.10.

Customers will pay a base fee of \$13.75 per month for the first 5,000 gallons of use and a commodity charge of \$1.12 for every 1,000 gallons above 5,000 gallons. The company proposed a monthly fee of \$17.76 and a commodity rate of \$1.47 for every 1,000 gallons above 5,000 gallons. The former rate was \$11.80 per month and \$1.10 for every 1,000 gallons above 5,000 gallons.

Troy Hoffman Water claimed its operating expenses continued to exceed income, due primarily to the fact there were no rate increase requests from 1996 through 2011. In 2011, the company increased its monthly base rate from \$5.50 to \$11.80.

The commission approved an annual revenue requirement for the company of \$43,541, which is an increase of 14.88 percent over the previous revenue requirement. The commission approved an overall rate of return of 8.47 percent and a return on equity of up to 12 percent.

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