

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: WELDON STUTZMAN

DATE: JANUARY 12, 2007

SUBJECT: CASE NO. UWI-W-06-05
UNITED WATER COMPANY'S APPLICATION FOR APPROVAL OF
ITS WATER CONSERVATION PLAN AND APPROVAL OF A
SURCHARGE

On December 1, 2006, United Water Idaho Inc. filed an Application requesting approval of an updated water conservation plan, along with implementation of a surcharge to pay for implementation of the plan. In the Company's last rate case, UWI-W-04-04, the Commission directed the Company to update its conservation plan and file it with the Commission on or before April 1, 2006. Prior to that deadline, United Water asked for an extension, and the Commission subsequently approved a new filing date of December 1, 2006. Rather than merely filing the plan for the Staff and Commission to review, the Company filed its Application requesting authority to implement its plan and charge customers a surcharge to pay for its implementation.


United Water's Application states that it evaluated 91 potential conservation measures, selecting 17 for further study and evaluation. This analysis produced a list of seven conservation measures the Company believes are cost effective. United Water currently spends approximately \$124,200 per year on conservation measures. If the seven additional programs become part of its conservation plan, those costs would increase to approximately \$244,000 per year. The Company proposes to implement the changes over the next three years.

United Water asks that its Application be processed by Modified Procedure. Staff recommends that United Water's Application for approval of its water conservation plan and request for surcharge be processed by Modified Procedure, but with a 30-day comment period

rather than the normal 21-day comment period. Staff believes a 30-day comment period will enable it to complete its analysis and file comments in a timely manner.

COMMISSION DECISION

Should the Application of United Water for approval of its water conservation plan and implementation of a water conservation surcharge be processed by Modified Procedure with a 30-day comment period?



Weldon B. Stutzman

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