

BIT-W

ANNUAL REPORT

OF
BITTERROOT WATER COMPANY

NAME
**PO Box 2306
Hayden Lake, ID 83835**

ADDRESS

IDAHO PUBLIC
UTILITIES COMMISSION

2019 JUL - 8 AM 9:30

RECEIVED

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED 2018

**ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 2018**

COMPANY INFORMATION

1 Give full name of utility Bitterroot Water Company

2 Date of Organization 6/16/1995

3 Organized under the laws of the state of Idaho

4 Address of Principal Office (number & street) 24461 Old Highway 95 N, Athol, ID 83801 (Not mailing address)

5 P.O. Box (if applicable) PO Box 2306

6 City Hayden Lake

7 State Idaho

8 Zip Code 83835

9 Organization (proprietor, partnership, corp.) Corporation

10 Towns, Counties served Kootenai County

11 Are there any affiliated companies? No
If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.

12 Contact Information	Name	Phone No.
President (Owner)	Ken Rickel	208-683-8105
Vice President	Ken Rickel	208-683-8105
Secretary	Cathy Rickel	208-683-8105
General Manager	Ken Rickel	208-683-8105
Complaints or Billing	Cathy Rickel	208-683-8105
Engineering	Inland Northwest Consultants	208-773-8370
Emergency Service	Ken Rickel	208-683-8105
Accounting	Susan Jacobson	303-941-4005

13 Were any water systems acquired during the year or any additions/deletions made to the service area during the year? No
If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.

14 Where are the Company's books and records kept?

Street Address 24461 Old Highway 95 N

City Athol

State Idaho

Zip 83801

NAME: Bitterroot Water Company

COMPANY INFORMATION (Cont.)
For the Year Ended 2018

15 Is the system operated or maintained under a service contract? No

16 If yes: With whom is the contract? _____
When does the contract expire? _____
What services and rates are included? _____

17 Is water purchased for resale through the system? No

18 If yes: Name of Organization _____
Name of owner or operator _____
Mailing Address _____
City _____
State _____
Zip _____

	Gallons/CCF	\$Amount
Water Purchased	-	\$ -

19 Has any system(s) been disapproved by the Idaho Department of Environmental Quality? No
If yes, attach full explanation

20 Has the Idaho Department of Environmental Quality recommended any improvements? No
If yes, attach full explanation

21 Number of Complaints received during year concerning:
Quality of Service 0
High Bills 0
Disconnection 0

22 Number of Customers involuntarily disconnected 0

23 Date customers last received a copy of the Summary of Rules required by IDAPA 31.21.01.701? May-2018 (All new customers receive a copy in their packet)
Attach a copy of the Summary

24 Did significant additions or retirements from the Plant Accounts occur during the year? No
If yes, attach full explanation and an updated system map

NAME: Bitterroot Water Company

REVENUE & EXPENSE DETAIL

For the Year Ended 2018

ACCT #	DESCRIPTION		
<u>400 REVENUES</u>			
1	460	Unmetered Water Revenue	
2	461.1	Metered Sales - Residential	<u>\$ 64,228</u>
3	461.2	Metered Sales - Commercial, Industrial	<u>\$ 300</u>
4	462	Fire Protection Revenue	
5	464	Other Water Sales Revenue	<u>\$ 32</u>
6	465	Irrigation Sales Revenue	
7	466	Sales for Resale	
8	400	Total Revenue (Add Lines 1 - 7) (also enter result on Page 4, line 1)	<u>\$ 64,560</u>
9	* DEQ Fees Billed separately to customers		Booked to Acct # _____
10	** Hookup or Connection Fees Collected	<u>\$ -</u>	Booked to Acct # <u>460</u>
11	***Commission Approved Surcharges Collected		Booked to Acct # <u>460</u>
<u>401 OPERATING EXPENSES</u>			
12	601.1-6	Labor - Operation & Maintenance	<u>\$ 400</u>
13	601.7	Labor - Customer Accounts	<u>\$ 1,325</u>
14	601.8	Labor - Administrative & General	<u>\$ -</u>
15	603	Salaries, Officers & Directors	
16	604	Employee Pensions & Benefits	
17	610	Purchased Water	<u>\$ -</u>
18	615-16	Purchased Power & Fuel for Power	<u>\$ 11,925</u>
19	618	Chemicals	<u>\$ -</u>
20	620.1-6	Materials & Supplies - Operation & Maint.	<u>\$ 4,510</u>
21	620.7-8	Materials & Supplies - Administrative & General	<u>\$ 1,784</u>
22	631-34	Contract Services - Professional	<u>\$ 2,930</u>
23	635	Contract Services - Water Testing	<u>\$ 400</u>
24	636	Contract Services - Other	<u>\$ 200</u>
25	641-42	Rentals - Property & Equipment	
26	650	Transportation Expense	<u>\$ 1,089</u>
27	656-59	Insurance	<u>\$ 2,722</u>
28	660	Advertising	
29	666	Rate Case Expense (Amortization)	
30	667	Regulatory Comm. Exp. (Other except taxes)	
31	670	Bad Debt Expense	
32	675	Miscellaneous	<u>\$ 3,761</u>
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)		\$ 31,046

Name: Bitterroot Water Company

INCOME STATEMENT

For Year Ended 2018

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		\$ <u>64,560</u>
2	Operating Expenses (From Page 3, line 33)	\$ <u>31,046</u>	
3	403 Depreciation Expense	\$ <u>18,671</u>	
4	406 Amortization, Utility Plant Aquisition Adj.		
5	407 Amortization Exp. - Other		
6	408.10 Regulatory Fees (PUC)	\$ <u>112</u>	
7	408.11 Property Taxes	\$ <u>701</u>	
8	408.12 Payroll Taxes	\$ <u>-</u>	
9A	408.13 Other Taxes (list) DEQ Fees		
9B			
9C			
9D			
10	409.10 Federal Income Taxes		
11	409.11 State Income Taxes	\$ <u>20</u>	
12	410.10 Provision for Deferred Income Tax - Federal		
13	410.11 Provision for Deferred Income Tax - State		
14	411 Provision for Deferred Utility Income Tax Credits		
15	412 Investment Tax Credits - Utility		
16	Total Expenses from operations before interest (add lines 2-15)	\$ <u>50,549</u>	
17	413 Income From Utility Plant Leased to Others		
18	414 Gains (Losses) From Disposition of Utility Plant		
19	Net Operating Income (Add lines 1, 17 & 18 less line 16)		\$ <u>14,011</u>
20	415 Revenues, Merchandizing Jobbing and Contract Work		
21	416 Expenses, Merchandizing, Jobbing & Contracts		
22	419 Interest & Dividend Income	\$ <u>-</u>	
23	420 Allowance for Funds used During Construction		
24	421 Miscellaneous Non-Utility Income		
25	426 Miscellaneous Non-Utility Expense	\$ <u>1,001</u>	
26	408.20 Other Taxes, Non-Utility Operations		
27	409-20 Income Taxes, Non-Utility Operations		
28	Net Non-Utility Income (Add lines 20,22,23 & 24 less lines 21,25,26, & 27)		\$ <u>(1,001)</u>
29	Gross Income (add lines 19 & 28)		\$ <u>13,010</u>
30	427.3 Interest Exp. on Long-Term Debt		
31	427.5 Other Interest Charges		
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)		\$ <u>13,010</u>

Name: Bitterroot Water Company

ACCOUNT 101 PLANT IN SERVICE DETAIL
For Year Ended 2018

SUB ACCT #	DESCRIPTION	Balance Beginning of Year	Added During Year	Removed During Year	Balance End of Year
1 301	Organization		\$ 2,098		\$ 2,098
2 302	Franchises and Consents				\$ -
3 303	Land & Land Rights		\$ 5,094		\$ 5,094
4 304	Structures and Improvements	\$ 8,413	\$ 11,579		\$ 19,992
5 305	Collecting & Impounding Reservoirs				\$ -
6 306	Lake, River & Other Intakes				\$ -
7 307	Wells		\$ 54,380		\$ 54,380
8 308	Infiltration Galleries & Tunnels				\$ -
9 309	Supply Mains				\$ -
10 310	Power Generation Equipment	\$ 21,384		\$ 896	\$ 20,487
11 311	Power Pumping Equipment	\$ 54,210	\$ 11,413	\$ 17,222	\$ 48,401
12 320	Purification Systems	\$ -			\$ -
13 330	Distribution Reservoirs & Standpipes	\$ -			\$ -
14 331	Trans. & Distrib. Mains & Accessories	\$ -	\$ 115,012		\$ 115,012
15 333	Services	\$ -			\$ -
16 334	Meters and Meter Installations	\$ 116	\$ 19,578	\$ 660	\$ 19,035
17 335	Hydrants	\$ -	\$ 275		\$ 275
18 336	Backflow Prevention Devices	\$ -			\$ -
19 339	Other Plant & Misc. Equipment	\$ -			\$ -
20 340	Office Furniture and Equipment	\$ 715	\$ 4,997	\$ 715	\$ 4,997
21 341	Transportation Equipment				\$ -
22 342	Stores Equipment				\$ -
23 343	Tools, Shop and Garage Equipment				\$ -
24 344	Laboratory Equipment				\$ -
25 345	Power Operated Equipment				\$ -
26 346	Communications Equipment				\$ -
27 347	Miscellaneous Equipment				\$ -
28 348	Other Tangible Property				\$ -
29	TOTAL PLANT IN SERVICE	\$ 84,838	\$ 224,426	\$ 19,494	\$ 289,771

(Add lines 1 - 28)

Enter beginning & end of year totals on Pg 7, Line 1

Name: Bitterroot Water Company

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended 2018

SUB ACCT #	DESCRIPTION	Depreciation Rate %	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 304	Structures and Improvements		\$ 7,431	\$ 18,388	\$ 10,957
2 305	Collecting & Impounding Reservoirs			\$ -	\$ -
3 306	Lake, River & Other Intakes			\$ -	\$ -
4 307'	Wells			\$ 54,380	\$ 54,380
5 308	Infiltration Galleries & Tunnels			\$ -	\$ -
6 309	Supply Mains			\$ -	\$ -
7 310	Power Generation Equipment	32.78%	\$ 13,771	\$ 20,487	\$ 6,716
8 311	Power Pumping Equipment	19.47%	\$ 25,301	\$ 34,726	\$ 9,425
9 320	Purification Systems			\$ -	\$ -
10 330	Distribution Reservoirs & Standpipes			\$ -	\$ -
11 331	Trans. & Distrib. Mains & Accessories			\$ 109,209	\$ 109,209
12 333	Services			\$ -	\$ -
13 334	Meters and Meter Installations	96.32%	\$ 116	\$ 18,450	\$ 18,333
14 335	Hydrants			\$ 188	\$ 188
15 336	Backflow Prevention Devices			\$ -	\$ -
16 339	Other Plant & Misc. Equipment			\$ -	\$ -
17 340	Office Furniture and Equipment	85.67%	\$ 715	\$ 4,996	\$ 4,281
18 341	Transportation Equipment			\$ -	\$ -
19 342	Stores Equipment			\$ -	\$ -
20 343	Tools, Shop and Garage Equipment			\$ -	\$ -
21 344	Laboratory Equipment			\$ -	\$ -
22 345	Power Operated Equipment			\$ -	\$ -
23 346	Communications Equipment			\$ -	\$ -
24 347	Miscellaneous Equipment			\$ -	\$ -
25 348	Other Tangible Property			\$ -	\$ -
26	TOTALS (Add Lines 1 - 25)		\$ 47,334	\$ 260,823	\$ 213,489

Enter beginning & end of year totals on Pg 7, Line 7

BALANCE SHEETFor Year Ended 2018

ASSETS		Balance	Balance	Increase
ACCT #	DESCRIPTION	Beginning of Year	End of Year	or (Decrease)
1	101 Utility Plant in Service (From Pg 5, Line 29)	\$ 84,838	\$ 289,771	\$ 204,932
2	102 Utility Plant Leased to Others			\$ -
3	103 Plant Held for Future Use			\$ -
4	105 Construction Work in Progress			\$ -
5	114 Utility Plant Aquisition Adjustment			\$ -
6	Subtotal (Add Lines 1 - 5)	\$ 84,838	\$ 289,771	\$ 204,932
7	108.1 Accumulated Depreciation (From Pg 6, Line 26)	\$ 47,334	\$ 260,823	\$ 213,489
8	108.2 Accum. Depr. - Utility Plant Lease to Others			\$ -
9	108.3 Accum. Depr. - Property Held for Future Use			\$ -
10	110.1 Accum. Amort. - Utility Plant in Service		\$ 2,098	\$ 2,098
11	110.2 Accum. Amort. - Utility Plant Lease to Others			\$ -
12	115 Accumulated Amortization - Aquisition Adj.			\$ -
13	Net Utility Plant (Line 6 less lines 7 - 12)	\$ 37,504	\$ 26,849	\$ (10,655)
14	123 Investment in Subsidiaries			\$ -
15	125 Other Investments			\$ -
16	Total Investments (Add lines 14 & 15)			\$ -
17	131 Cash	\$ 24,693	\$ 85,272	\$ 60,579
18	135 Short Term Investments			\$ -
19	141 Accts/Notes Receivable - Customers	\$ 2,353	\$ (331)	\$ (2,684)
20	142 Other Receivables			\$ -
21	145 Receivables from Associated Companies			\$ -
22	151 Materials & Supplies Inventory			\$ -
23	162 Prepaid Expenses			\$ -
24	173 Unbilled (Accrued) Utility Revenue			\$ -
25	143 Provision for Uncollectable Accounts			\$ -
26	Total Current (Add lines 17 -24 less line 25)	\$ 27,046	\$ 84,941	\$ 57,895
27	181 Unamortized Debt Discount & Expense			\$ -
28	183 Preliminary Survey & Investigation Charges			\$ -
29	184 Deferred Rate Case Expenses	\$ -	\$ -	\$ -
30	186 Other Deferred Charges		\$ 2,019	\$ 2,019
31	Total Assets (Add lines 13, 16 & 26 - 30)	\$ 64,550	\$ 113,809	\$ 49,259

Name: Bitterroot Water Company

BALANCE SHEET

For Year Ended 2018

<u>LIABILITIES & CAPITAL</u>			Balance	Balance	Increase
ACCT #	DESCRIPTION		Beginning	End of	or
			of Year	Year	(Decrease)
1	201-3 Common Stock				\$ -
2	204-6 Preferred Stock				\$ -
3	207-13 Miscellaneous Capital Accounts				\$ -
4	214 Appropriated Retained Earnings		\$ (167,794)	\$ (51,708)	\$ 116,086
5	215 Unappropriated Retained Earnings		\$ 1,800	\$ 1,800	\$ -
6	216 Reacquired Capital Stock				\$ -
7	218 Proprietary Capital				\$ -
8	Total Equity Capital (Add Lines 1-5+7 less line 6)		\$ (165,994)	\$ (49,908)	\$ 116,086
9	221-2 Bonds				\$ -
10	223 Advances from Associated Companies				\$ -
11	224 Other Long - Term Debt				\$ -
12	231 Accounts Payable		\$ 16,428	\$ 12,438	\$ (3,990)
13	232 Notes Payable		\$ 7,200	\$ 126,087	\$ 118,887
14	233 Accounts Payable - Associated Companies				\$ -
15	235 Customer Deposits (Refundable)				\$ -
16	236.11 Accrued Other Taxes Payable		\$ -	\$ -	\$ -
17	236.12 Accrued Income Taxes Payable				\$ -
18	236.2 Accrued Taxes - Non-Utility				\$ -
19	237-40 Accrued Debt, Interest & Dividends Payable				\$ -
20	241 Misc. Current & Accrued Liabilities		\$ 181,827	\$ -	\$ (181,827)
21	251 Unamortized Debt Premium				\$ -
22	252 Advances for Construction				\$ -
23	253 Other Deferred Liabilities				\$ -
24	255.1 Accumulated Investment Tax Credits - Utility				\$ -
25	255.2 Accum. Investment Tax Credits - Non-Utility				\$ -
26	261-5 Operating Reserves		\$ 25,089	\$ 25,192	\$ 103
27	271 Contributions in Aid of Construction		\$ -	\$ -	\$ -
28	272 Accum. Amort. of Contrib. in Aid of Const. **				\$ -
29	281-3 Accumulated Deferred Income Taxes				\$ -
30	Total Liabilities (Add lines 9 - 29)		\$ 230,544	\$ 163,718	\$ (66,826)
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)		\$ 64,550	\$ 113,809	\$ 49,259

**** Only if Commission Approved**

Name: Bitterroot Water Company

STATEMENT OF RETAINED EARNINGS
For Year Ended 2018

1	Retained Earnings Balance @ Beginning of Year	\$ (167,794)
2	Amount Added from Current Year Income (From Pg 4, Line 32)	\$ 13,010
3	Other Credits to Account	\$ 110,326
4	Dividends Paid or Appropriated	\$ -
5	Other Distributions of Retained Earnings	\$ (7,250)
6	Retained Earnings Balance @ End of Year	<u>\$ (51,708)</u>

CAPITAL STOCK DETAIL

7	Description (Class, Par Value etc.)	No. Shares Authorized	No. Shares Outstanding	Dividends Paid
	Common, \$1 Par Value	50,000	50,000	0

DETAIL OF LONG-TERM DEBT

8	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued

Name: Bitterroot Water Company

SYSTEM ENGINEERING DATA

For Year Ended 2018

1 Provide an updated system map if significant changes have been made to the system during the year.

2 Water Supply:

Pump Designation or location	Rated Capacity (gpm)	Type of Treatment: (None, Chlorine Fluoride Filter etc.)	Annual Production (000's Gal.)	Water Supply Source (Well, Spring, Surface Wtr)
Corner of Brunner & Clagstone Road	120	Chlorine	34,174	Well

3 System Storage:

Storage Designation or Location	Total Capacity 000's Gal.	Usable Capacity 000's Gal.	Type of Reservoir (Elevated, Pressurized, Boosted)	Construction (Wood, Steel Concrete)
Corner of Brunner & Clagstone Road	100	90	Boosted	Concrete

(Duplicate form and attach if necessary. Asterisk facilities added this year.)

Name: Bitterroot Water Company

SYSTEM ENGINEERING DATA
(continued)
For Year Ended 2018

4 Pump information for ALL system pumps, including wells and boosters.

Designation or Location & Type of Pump**	Horse Power	Rated Capacity (gpm)	Discharge Pressure (psi)	Energy Used This Year
1) Well-Submersible	20	120	20	118,299 KW
2) Booster Pump #1	15			
3) Booster Pump #2	30			
4) 6 Pressure Tanks			45	

**** Submit pump curves unless previously provided or unavailable. Asterisk facilities added this year. Attach additional sheets if inadequate space is available on this page.**

- 5 If Wells are metered:
- What was the total amount pumped this year? 34,174,203
 - What was the total amount pumped during peak month? 8,145,900
 - What was the total amount pumped on the peak day? N/A
- 6 If customers are metered, what was the total amount sold in peak month? 7,307,140
- 7 Was your system designed to supply fire flows? Yes
If Yes: What is current system rating? Residential
- 8 How many times were meters read this year? 6
 During which months? April, May, June, July,
August, September
- 9 How many additional customers could be served with no system improvements except a service line and meter? 90
 How many of those potential additions are vacant lots? 90
- 10 Are backbone plant additions anticipated during the coming year? NO
If Yes, attach an explanation of projects and anticipated costs!
- 11 In what year do you anticipate that the system capacity (supply, storage or distribution) will have to be expanded? Unknown

Name: Bitterroot Water Company

SYSTEM ENGINEERING DATA
(continued)
For Year Ended 2018

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year
	8"	32,000	0	0	32,000
	6"	3,500	0	0	3,500

CUSTOMER STATISTICS

	<u>Number of Customers</u>		<u>Thousands of Gallons Sold</u>	
	This Year	Last Year	This Year	Last Year
2 Metered:				
2A Residential	159	116	31,731	22,350
2B Commercial	0	1	-	5,376
2C Industrial	0	0	-	-
	0	0	-	-
3 Flat Rate:	0	0	-	-
3A Residential	0	0	-	-
3B Commercial	0	0	-	-
3C Industrial	0	0	-	-
	0	0	-	-
4 Private Fire Protection	0	0	-	-
	0	0	-	-
5 Public Fire Protection	0	0	-	-
	0	0	-	-
6 Street Sprinkling	0	0	-	-
	0	0	-	-
7 Municipal, Other	0	0	-	-
	0	0	-	-
8 Other Water Utilities	1	1	934	4,943
TOTALS (Add lines 2 through 8)	160	118	32,665	32,669

CERTIFICATE

State of Idaho)
County of Kootenai) ss

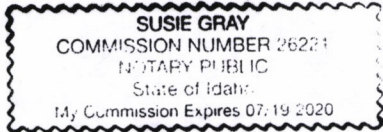
WE, the undersigned, Kenneth W. Rickel and Catherine L. Rickel, of the BITTERROOT WATER COMPANY utility, on our oath do severally say that the foregoing report has been prepared under our direction, from the original books, papers and records of said utility; that we have carefully examined same, and declare the same to be a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter and thing therein set forth, to the best of our knowledge, information and belief.

Kenneth W. Rickel
(Chief Officer)
Catherine L. Rickel
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 3 day of July, 2019

Susie Gray
NOTARY PUBLIC



My Commission Expires 07/19/2020

gdk/excel/jnelson/anulrpts/wtrannualrpt

Bitterroot Water Company Inc.
PO Box 2306
Hayden Lake, ID 83835
Phone: (208) 683-8105 or (208) 660-2560

SUMMARY OF RULES AND REGULATIONS OF THE IDAHO PUBLIC UTILITIES COMMISSION (IPUC) GOVERNING CUSTOMER RELATIONS OF NATURAL GAS, ELECTRIC AND WATER PUBLIC UTILITIES

These rules cover the rights and responsibilities of the customer and the utility.

A utility may terminate service to a customer without his/her permission after adequate notice for the following reasons:

1. Failure to pay an undisputed past due bill, or when payment is made with a dishonored check or electronic payment.
2. Failure to make security deposit where it is required.
3. Failure to abide by terms of a payment arrangement.
4. Customer or applicant misrepresented their identity for the purpose of obtaining utility service.
5. Customer or applicant denied or prevented the utility's access to the meter.
6. Willful waste of service through improper equipment or otherwise.
7. Customer or applicant is a minor not competent to contract as defined by Idaho Code.
8. Customer or applicant owes money on an existing account or from a previous account for service provided within the past four years.

A utility may deny or terminate service without prior notice to the customer or applicant and without his/her permission for one or more of the following reasons:

1. A situation exists that is immediately dangerous to life, physical safety, or property.
2. The utility is ordered to terminate service by any court, the Commission or other duly authorized public authority.
3. The service is obtained, diverted, or used without the authorization or knowledge of the utility.
4. The utility has made a diligent attempt to notify the customer of termination, but has been unable to make contact.

NOTIFICATION

1. A billing may be considered past due twenty (20) days after the billing date. A written notice of termination must be mailed at least seven (7) days before the proposed termination date. (Initial Notice)
2. At least twenty-four (24) hours before the service is terminated, another attempt shall be made to contact the customer in person or by telephone. (Final Notice)
3. If service is not terminated within twenty-one (21) calendar days after the proposed termination date, another initial and final notice are required.
4. No additional notice is required if, upon receipt of a termination notice, the customer makes a payment arrangement and fails to keep it, or when payment is made with a dishonored check or electronic payment.

WHEN TERMINATION IS NOT ALLOWED

1. The unpaid bill totals less than fifty dollars (\$50) or two (2) months service, whichever is less.
2. The unpaid bill is for service to another customer.
3. The unpaid bill results from the purchase of non-utility goods or services.
4. Terminations are not allowed on Friday, Saturday, Sunday, legal holidays recognized by the State of Idaho, the day preceding legal holidays, or at any time when the company is not open for business.

MEDICAL EMERGENCY

If the customer or a member of the customer's family is seriously ill or has a medical emergency, the utility will postpone termination of service for thirty (30) days if a written certificate signed by a licensed physician or public health official is received.

Bitterroot Water Company Inc.

SUMMARY OF RULES AND REGULATIONS OF THE IDAHO PUBLIC UTILITIES COMMISSION (IPUC) GOVERNING CUSTOMER RELATIONS OF NATURAL GAS, ELECTRIC AND WATER PUBLIC UTILITIES

(Continued)

PAYMENT ARRANGEMENTS

The Company may assist you by making payment arrangements not requiring immediate payment in full. Please contact us prior to the Final Date to arrange such a payment plan.

DEPOSIT

The IPUC rules allow utilities to ask for deposits or payment guarantees under specific conditions. At this time, the Company does not require deposits or payment guarantees.

COMPLAINT PROCEDURE

An informal or formal complaint concerning the termination of service, policies and practices, or any other matter may be filed directly with the utility. If the customer is dissatisfied with the proposed resolution of the complaint, they may contact the Consumer Assistance staff at:

Idaho Public Utilities Commission

PO Box 83720

Boise, ID 83720-0074

800-432-0369 (toll free) or 208-334-0369 <http://www.puc.idaho.gov>

Termination of service is prohibited while a complaint is pending with the Commission or with a court in the State of Idaho.

The Commission's Utility Customer Relation Rules are available on the IPUC's website.

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT)	CASE NO. RIC-W-17-01
APPLICATION OF RICKEL WATER)	
COMPANY AND BITTERROOT WATER)	ORDER NO. 34027
SYSTEM, INC. TO COMBINE INTO A)	
SINGLE COMPANY)	

On July 28, 2017, Rickel Water Company (“Rickel”) and Bitterroot Water System, Inc. (“Bitterroot”) submitted a one-page letter Application to the Commission to consolidate the two Companies into one. The Companies stated that they are interconnected and share common ownership. The Companies further stated that if the request were approved by the Commission, they would continue to operate under the current rate structure and rules.

The Commission issued Notice of the Application and set an intervention deadline of September 5, 2017. No intervenors appeared. Staff reviewed the Companies’ Application, spoke with the Companies’ owner, and requested additional information. Staff filed the only comments and recommended that the request to consolidate the two water utilities be conditionally approved.

BACKGROUND

Bitterroot is an owner-operated water utility providing water service under Certificate of Public Convenience and Necessity (CPCN) No. 319. It serves approximately 120 customers in Kootenai County, Idaho. Rickel is a contiguous water utility providing water service under CPCN No. 324. It serves approximately 38 customers.

STAFF COMMENTS

Staff recommended that the two Companies be allowed to consolidate into a new company—Bitterroot Water System, Inc.—and to operate under the Bitterroot CPCN.¹ However, Staff also expressed that the new entity should maintain separate rates and accounting of the Rickel and Bitterroot Water System customer groups until the new entity obtains new rates through a general rate case.

Staff reviewed the Companies’ approved tariffs, and noted that it would be impossible to operate the two entities under the same tariff without raising rates on one customer group or the other. Staff commented that “applying Rickel rates to Bitterroot customer usage would increase

¹ The Application stated a request to consolidate under the name Rickel Water, but in subsequent conversations with the applicants, the request was revised to use the name Bitterroot Water System, Inc.

the average Bitterroot bill by approximately 9%.” Staff Comments at 2. The tariffs also contain differences in recurring and non-recurring charges, and rules and regulations. *Id.* Staff argued that a consolidation under a unified rate schedule would be possible only after a general rate case was filed. *Id.* In discussions with Staff, the Companies agreed to retain the existing separate rate schedules. *Id.* Staff recommended that the consolidated Company work with Staff to update its tariffs using the most current version of the Small Water Company Model Tariff. *Id.*

Staff evaluated the applicants’ claim that the two systems are interconnected. *Id.* at 3. Staff reported that the Companies did not sufficiently respond to Staff information requests. *Id.* However, the Companies stated that an eight-inch diameter pipe connects the two systems. *Id.* Staff highlighted a serious concern that the systems may not meet fire-flow requirements, a concern the local fire department echoed when questioned by Staff. *Id.* Staff stated that any rate case would require further evaluation of this issue. *Id.*

Finally, Staff recommended that the new consolidated company write to inform customers that it formed through the merger of Rickel Water Company and Bitterroot Water System, Inc., and that it had obtained the Commission’s approval to operate those Companies’ systems as a consolidated entity. *Id.*

FINDINGS AND CONCLUSIONS

The Idaho Public Utilities Commission has jurisdiction over Rickel Water and Bitterroot Water System, Inc., their joint Application, and the issues involved in this case by virtue of Title 61, and the Commission’s Rules of Procedure, IDAPA 31.01.01.000 *et seq.* After thoroughly analyzing the proposal and Staff’s comments recommending conditional approval, we approve the Application.

We find that the Companies’ Application is reasonable and in the public interest. *See Browning v. Wood*, 99 Idaho 174, 579 P.2d 120 (1978) (noting that the Commission must consider the public interest in addressing Applications such as this). We further find the following conditions appropriate:

1. The combined Company must use the currently approved rates for Bitterroot and Rickel until it files and obtains new rates through a general rate case;
2. The combined Company must work with Staff to update its tariffs; and
3. The combined Company must notify all customers in writing that the Bitterroot and Rickel systems have consolidated into a single Company.

Accordingly, the Commission approves the Companies' Application to combine into a single entity, Bitterroot Water System, Inc. under CPCN No. 319.

ORDER

IT IS HEREBY ORDERED that the Companies' Application, and the merger of Rickel Water Company and Bitterroot Water System, Inc. into a single public utility called Bitterroot Water System Inc., is approved. The combined Company shall serve Rickel's and Bitterroot's former customers under Bitterroot Water System CPCN No. 319. CPCN No. 319 is amended to include the service area of Rickel Water Company CPCN No. 324.

IT IS FURTHER ORDERED that CPCN No. 324, issued to Rickel Water Company, is cancelled.

IT IS FURTHER ORDERED that the combined Company shall continue to bill and collect under Bitterroot Water's and Rickel Water's existing approved rates until the combined Company files and obtains new Commission-approved rates, through a general rate case.

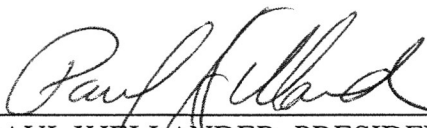
IT IS FURTHER ORDERED that the combined Company work with Staff to update its tariffs.

IT IS FURTHER ORDERED that the combined Company send notice to its customers of the consolidation of Bitterroot and Rickel by **no later than June 5, 2018**.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this
day of April 2018.

9th



PAUL KJELLANDER, PRESIDENT

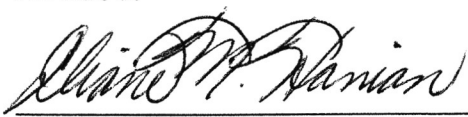


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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