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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF THE BARBER WATER CORPORATION FOR AUTHORITY TO EXTEND TEMPORARY WATER SERVICE TO IDAHO SHAKESPEARE FESTIVAL. | ))))))) | CASE NO. BAR-W-98-1COMMENTS OF THECOMMISSION STAFF |

COMES  NOW  the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Scott Woodbury, Deputy Attorney General, and in response to the Notice of Application, Notice of Modified Procedure and Notice of Comment/Protest Deadline in Case

No. BAR-W-98-1 issued on July 1, 1998, submits the following comments.

INTRODUCTION

On June 9, 1998, the Barber Water Corporation (BWC), serving water to residents of Barberton and Golden Dawn Estates subdivisions, filed a letter request with the Idaho Public Utilities Commission (Commission) seeking authority to extend water service to the Idaho Shakespeare Festival (Shakespeare) facility.  The Shakespeare facility is a non-contiguous site located across State Highway 21 approximately 1/4 of a mile east of the current BWC service area.

GENERAL OVERVIEW OF APPLICATION

As reflected in a Company letter to its customers, Shakespeare has initially requested intermittent use of approximately 10 service units (75 gallons per minute) during short periods of time.  BWC personnel estimate that the maximum water usage demand by Shakespeare will be 13,000 gallons over a three-hour period.  Pumping capacity of the BWC wells is reported to be approximately 550,000 gallons per day, given two wells with pumping capacities of 180 gallons per minute and 200 gallons per minute.  The BWC water system includes a 200,000 gallon reservoir.  BWC estimates existing customers use 65,000 gallons per day in the winter months and 130,000 gallons per day during the summer months.  Given the capacity of the wells, BWC contends the extension of service to the Shakespeare site will not affect system water pressure or fire protection service to existing BWC customers.

BWC proposes to provide Shakespeare with water service on a temporary basis until United Water Idaho Inc. (UWI) extends service to this area.  The Company also maintains that no capital outlay has been required to extend service to the Shakespeare facility; the costs for construction of the service line extension were paid by Shakespeare.

IDAHO SHAKESPEARE FESTIVAL INFORMATION

As reflected in information provided to Commission Staff by Shakespeare, Shakespeare’s consultant, Quadrant Consulting, Inc., has performed an engineering evaluation of the projected water usage of the Shakespeare facility and the BWC water system.  The conclusion of the consulting firm is that the Shakespeare facility will eventually require the equivalent of 16 dwelling units when fully developed.  This determination was made based on guidelines of the State of Washington (Sizing Guidelines for Public Water Supplies, September 1983) and Boise City Public Works.  Based on the analysis, the Shakespeare facility is expected to require approximately 12,800 gallons per day and a conservative peak usage of 123 gallons per minute.  At completion, the Shakespeare facility is presented as having a minimal impact on the BWC system, leaving a minimum margin of safety of 1.4 (in relation to flow capacity of the system).  This analysis was performed by Quadrant’s Stephen H. Sweet, Professional Engineer.

Shakespeare states that the irrigation services and fire protection will be provided by other water suppliers, documentation of which has been provided to Staff.  Shakespeare does request the use of BWC water for irrigation of landscaping areas in the interim until a connection

to the surface water supply (Basin 63 Water Supply Bank) is made.  Fire protection services have been installed and are connected with the Idaho Department of Parks and Recreation fire pond system.

Shakespeare has confirmed that all the costs for extending the service line were paid for by it or were from donated services and waived fees.  Also, it is noted that Shakespeare has not entered into any agreement or schedule with UWI to provide service to its facility.

CUSTOMER COMMENTS

Three written comments and two telephone call comments were received from the customers of BWC regarding extension of the service to Shakespeare.  Additionally, the Idaho Department of Water Resources (IDWR) submitted documentation regarding water rights for the BWC wells.

Comments received from Mr. Ronald Welch, Mr. and Mrs Bill Leaper, and Ms. Helen Kay Kreizenbeck (Idaho Consumer Affairs, Inc.) are collectively summarized as follows.

∙They oppose BWC extending service to the Idaho Shakespeare Festival site.

∙They contend that the water rights for the BWC wells do not allow for diversion of water to the Idaho Shakespeare Festival site.

∙Existing service has been inadequate in the past, e.g., loss of service pressure, sand in system, etc., due to management practices.  Customers however do not want rates increased to improve service.

∙Customers fear an increase in rates will be required as a result of extending the service to Shakespeare due to system upgrades and/or shortened system life.

∙They contend that the service to Shakespeare could be provided indefinitely versus temporary as BWC maintains.

∙They complain that BWC initiated extending service to Shakespeare before filing an Application with the Commission.

∙Customers request a hearing be held regarding this Application or the Application be denied since the water rights issue has not been absolved.

Since the Company’s letter of request was filed, two customers called the Commission with concerns of possible decrease in water pressure if the Company is allowed to serve the Shakespeare Festival.

The Idaho Department of Water Resources has sent a letter to BWC stating that they need to address the water rights for the existing wells.  Specifically, BWC must explain the extension of service to Shakespeare within twenty one days (by July 28, 1998).  In conversations with Gary Spackman, IDWR, he indicated that BWC has submitted an application to amend the water rights to include both the Shakespeare facility and approximately thirty lots in the Barberton subdivision.  IDWR has the power to issue a cease and desist order for uses outside the existing water rights, or allow use until the water rights are amended (estimated 6-month period).

STAFF COMMENTS

The Staff has reviewed the Application and information provided by BWC and Shakespeare.  Staff agrees with BWC and Shakespeare’s consultant that the existing system appears to have the capacity to serve Shakespeare and still provide adequate service to existing customers.  However, Staff is concerned that future expansion plans for the Shakespeare facilities (e.g., restrooms, landscaping, etc.) and adjacent areas (e.g., proposed interpretative center) may impact existing customers in the future.  Consequently, Staff  has identified several issues that need to be addressed in allowing BWC to provide service to the Shakespeare facilities.

BWC had indicated that there is no formal service agreement with Shakespeare.  BWC had indicated that it planned on applying its Rate Schedule No. 2, Interruptible Irrigation Service, to the Shakespeare service extension.  Staff believes this rate schedule is inappropriate since the tariff is strictly for irrigation service.  Instead, Staff recommends a new commercial tariff be prepared for the service to Shakespeare.

Since there is a lack of historical, technical and cost information for both the BWC system and Shakespeare facility, Staff recommends that temporary fees for service to Shakespeare be set.  Two methodologies were considered in determining a temporary tariff rate.  The first option was determined by using the potential usage of 13,000 gallons per day by Shakespeare, which is 10% of the estimated maximum BWC system consumption of 130,000 gallons per day.  Applying the 10% factor to the current number of customers (241) yields an assumption that Shakespeare has the potential to consume as much water as 24 existing  customers.  At an average monthly rate of $9.90, Shakespeare’s service fee would be set at $238 per month.

The second option is to set fees based on the equivalent number of dwelling units, given the data provided by Shakespeare’s consultant.  In this case, the consultant has set the potential equivalent usage at 16 dwelling units.  Using the existing BWC tariff rates of $8.90 (winter) and $10.90 (summer) per dwelling unit, the proposed temporary fees for service to Shakespeare are $174.40 per month (May - October) and $142.40 (November - April).

Staff recommends that the commercial tariff rates for service to Shakespeare be set at $174.40 per month (May - October) and $142.40 (November - April).  This rate appears to be more reasonable given the lack of extensive irrigation uses and the seasonal operation of the Shakespeare facility.  Staff will re-evaluate actual system operations and costs as needed in the future.

Staff notes that manual operation of the BWC wells is reported to have resulted in pressure loss incidents in the past and believes such operation will likely continue to cause occasional service problems to existing customers (regardless of the service to Shakespeare).  Furthermore, Staff feels this problem may be exacerbated during periods Shakespeare is operating.  Staff thereby proposes that BWC install an automatic control system (e.g., telemetering) on the pumps and storage tank to help ensure system pressure is maintained.  Staff proposes that this control system be installed within 60 days of the issuance of the Commission’s Order on this Application.  This action is expected to improve system operation and upgrade the level of service to all existing customers.  Staff reaffirms that BWC is not responsible for service problems in customer-owned lines and equipment.

Staff notes that none of the existing customers are metered and there is a minimal amount of historical water usage data for the system.  Consequently, Staff proposes that BWC perform and maintain documentation of monthly meter readings for each of  the two system wells.  Staff also notes that the service line extension was paid for entirely by Shakespeare and consequently no adjustment to the existing tariff rates are required as a result of this action.

Staff recommendations are all premised on the assumption that BWC will be able to modify the existing water rights to allow service to the Shakespeare facility.

RECOMMENDATIONS

Staff recommends BWC be allowed to provide service to Shakespeare under the following conditions.

∙BWC will obtain the necessary water rights.

∙BWC will perform and document monthly meter readings of Shakespeare water usage.  In addition, BWC is to perform and document monthly meter readings of each water pump.

∙BWC will perform and document system and customer pressure readings during peak usage hours, at the request of a customer(s).

∙BWC will provide water for domestic consumption and the current theater area irrigation system only.  Fire protection and general irrigation systems at Shakespeare will not utilize water from the BWC system.  Further, Shakespeare will be responsible for retaining and distributing water used for general irrigation and fire protection services.

∙Staff recommends that a separate commercial tariff be developed for BWC.  The proposed tariff rates for service to Shakespeare should be set at $174.40 per month

(May - October) and $142.40 (November - April).

In addition to the above recommendations, Staff recommends that BWC be required to install a telemetering or equivalent control system on the pump and storage tank to help ensure system pressure is maintained to existing customers.  Staff proposes that this control system be installed within 60 days of issuance of the Commission’s Order on this Application.

Respectfully submitted this                    day of July 1998.

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Scott Woodbury

Deputy Attorney General

Technical Staff:George Fink

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