

BAR CIRCLE S WATER CO

PO BOX 1870

HAYDEN ID 83835

208 665 9200

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2009 JUN 19 AM 10:36

**IDAHO PUBLIC
UTILITIES COMMISSION**

BCS-W-09-02

June 19, 2009

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074

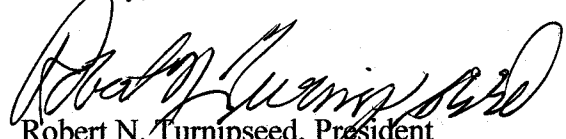
Re : CASE NO. BCS-W-09-02
IN THE MATTER OF THE APPLICATION OF BAR CIRCLE "S"
WATER COMPANY FOR AN ORDER AUTHORIZING INCREASES
IN THE COMPANY'S RATES AND CHARGES FOR WATER
SERVICE IN THE STATE OF IDAHO

Dear Ms. Jewell:

Enclosed for filing are an original and seven (7) copies of an Application and exhibits requesting an increase in rates and charges for water service. Applicant is requesting the Commission to process this application under its rules of modified procedure without hearing.

An electronic version of the application, exhibits and work papers in Excel and Microsoft Word format is being transmitted as e-mail attachments.

Sincerely,


Robert N. Turnipseed, President
Bar Circle "S" Water Co.

Robert N. Turnipseed, President
Bar Circle "S" Water Company Inc.
P.O. Box 1870
Hayden, Idaho 83835
Tel. (208) 665-9200
Fax (208) 665-9300
e-mail avondalecon@verizon.net
Representative for Bar Circle "S" Water Co.

RECEIVED
2009 JUN 19 AM 10:36
IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
BAR CIRCLE "S" WATER COMPANY)
FOR AN ORDER AUTHORIZING INCREASES IN) CASE NO. BCS-W-09-02
THE COMPANY'S RATES AND CHARGES FOR)
WATER SERVICE IN THE STATE OF IDAHO) APPLICATION**

COMES NOW Bar Circle "S" Water Company Inc., ("Bar Circle "S",
"Applicant" or "Company") and hereby makes application to the Idaho Public
Utilities Commission (Commission) for an Order approving revisions to
Applicant's schedules of rates and charges for water service in the State of Idaho
to become effective with service provided on and after August 1, 2009. Applicant
is requesting the Commission's authorization to increase the water rates it
charges its customers by approximately 119%. In addition, Applicant is
requesting changes in certain non-recurring charges.

Applicant requests that the Commission process this case under its rules
of modified procedure, without hearing.

GENERAL

Applicant is a public utility water corporation within the meaning of the
Idaho Public Utility Law, is duly organized and existing under the laws of the

State of Idaho and is engaged in conducting a general water service business on the Rathdrum Prairie approximately fifteen (15) miles northwest of Coeur d'Alene, Kootenai County, Idaho, having its principal office and place of business at 2953 N. Government Way, Coeur d'Alene, Idaho. A copy of Applicant's Articles of Incorporation together with all amendments to date is on file with the Commission. Applicant's current Certificate of Convenience and Necessity is Certificate No. 296. Currently the Company provides water service to approximately 160 residential and commercial customers.

Applicant's current non-recurring rates and basic rates and charges for commercial and residential customers were established by Commission Order No. 22943 dated January 23, 1990. On August 16, 2005, the Commission authorized by Order No. 29844 implementation of a new tariff for commercial fire protection service.

SUMMARY OF APPLICATION

Applicant is requesting an increase in its water rate schedules to increase revenues by 119.45%. More than nineteen (19) years have elapsed since the Company's current base rates were established. Escalating those rates to produce the rates proposed in this application produces an annual growth rate of only 4.2%.

The Company is proposing to increase its Metered Water Rates from \$15.00 for the first 7,500 gallons to \$32.92 and the rate for additional consumption from \$0.95 per thousand gallons to \$2.08 per thousand gallons. The Company proposes to increase its Commercial Fire Protection Rates from \$9.50 per month for fire hydrants to \$20.85 and the monthly rate for building sprinkler connections from \$48.13 to \$105.62.

The Company is also proposing changes to its Non-Recurring charges. These charges are intended to cover the Company's costs only and do not contribute to the Company's earnings. Applicant proposes to increase its new

customer first time connection fee from a total of \$750.00 to a basic meter installation fee of \$480.00 plus additional costs of \$2,500.00 if a service line is not in place from the Company's water mains to the customers property line. This charge pays the cost of excavation, tapping the water main, installing the service line to the property line and installing a meter box and base. Additionally, if the Company must use boring equipment to install a service line under a road where excavation is not possible, the Company proposes to charge the actual cost of materials and labor to complete the installation. Applicant further proposes to increase its existing customer reconnection charge from \$10.00 to \$20.00 during normal business hours and an additional \$20.00 for service calls outside of normal business hours. Applicant also requests a new returned check charge of \$20.00 for reprocessing customer checks that have been returned by the bank for any reason.

GENERAL RATE CASE

Enclosed with this Application are Exhibit Numbers 1 through 8 in support of Applicants request to increase its basic rates and charges for water service. Applicant is proposing the use of its fiscal year ended November 30, 2008 as the test year in this case.

Rate Base

Exhibit No.1 presents Applicant's calculation of "Rate Base" for use in this case. Column (A) of this exhibit is taken directly from Applicant's financial records for the test year. Columns (B) through (F) are adjustment to the test year for corrections and adjustments for known changes. Column (G) presents the detail of Applicants "Rate Base of \$287,219.00 shown on line 6.

Column (B) of Exhibit No. 1 corrects the Company's records for a pump that was replaced during the test year and recorded as expense. The Pump replacement cost nearly \$32,000.00. Insurance paid the majority of the replacement cost. The \$5,000.00 shown here on line 1 is Applicant's insurance

deductable amount. This adjustment properly moves the Company's cost from expense accounts to the plant in service account where it is included in rate base. The adjustment on Exhibit No. 2, Column (C) corrects the Company's income statement for this item. The difference between the amounts on the two exhibits is due to expenses recorded in the prior year. On line 3 of Exhibit No. 1 the effect on accumulated depreciation is recognized.

Columns (C), (D) and (E) of Exhibit No. 1 are proforma adjustments for new equipment that will be installed on the Company's system during the summer of 2009. These items were discussed in Applicant's Case No. BCS-W-09-01 requesting authorization to borrow funds. The 6" flow meter in Column (C) and abandonment of the 6" well shown in Column (D) are expenditures over which the Company has no control. These costs are required to be in compliance with directives of the Idaho Department of Environmental Quality and the Idaho Department of Water Resources. The adjustment in Column (E) adds \$44,985.00 to the Company's plant in service accounts for electronic meter reading equipment to be added in 2009. Applicant does not currently read meters for six months of the year when meters are not accessible due to snow accumulation. In May of each year the Company must calculate each customer's bill for the previous six (6) months to determine whether or not the customer used more than the monthly allowance included in the minimum bills for the period. When overage is determined to have occurred, the customer is billed the full amount of the overage for the previous six months. Often this process leads to the discovery of significant leaks on the water system either on the company's side of the meter or the customer's side. This equipment will improve accuracy and efficiency of meter reading, enable meter reading during winter months, enable the Company to identify leaks and complete repairs in a timely manner during winter months and more accurately bill customers for their actual use in winter months. Exhibit No. 5 is a cost/benefit calculation in support of this very useful plant addition. These plant improvements are non-revenue producing additions to Applicant's plant in service accounts.

The meter reading equipment cost / benefit calculations shown on Exhibit No. 5 demonstrate that customers will initially realize a reduction in rates albeit rather small. The customer benefits will continue for a period of five (5) years as shown in Columns (N) and (O). Assuming customer rates are adjusted annually, in years six (6) through Eleven (11) customers will see an increase in rates. In the twelfth (12th) through twentieth (20th) years customers would return to a position of benefit. Over the lifetime of the equipment, customers would realize a net accumulated benefit as shown in year 20 in Column (M). This cost / benefit utilizes the estimated savings of \$3,838.00 the IPUC Staff (Staff) developed in discussion with the Company and included in its comments in case BCS-W-09-01. The calculations further assume annual customer growth of three percent (3%) and inflation at the rate of three percent (3%) as reflected in Columns (B), (C) and (D). The customer growth rate is conservative. The Commission approved by Order No. 30731 (Case No. BCS-W-08-01) an expansion of Applicants service area to serve a new 47 lot subdivision. The assumed 3% growth rate would require ten (10) years to reach the customer level approved by that order.

In May of 2009 the Company's primary well was struck by lightning. The strike destroyed the Company's 60 HP pump and required the Company to appeal to customers to curtail unnecessary water consumption. Customers cooperated and service was maintained albeit at a minimum level until a new pump could be acquired and installed in the well. If this outage had occurred during the summer months the Company would not have been able to maintain adequate service even with the cooperation of customers. A claim has been filed with the Company's insurance company for the cost of the replacement and repairs. The adjustment in Column (F) of Exhibit No. 1 represents the Company's insurance deductible amount and assumes the claim will be honored by the insurance company. If the insurance company denies the claim, an adjustment to Bar Circle "S" Water Company's application in this case will be required.

Applicant's total adjusted "Rate Base" proposed in this case is \$287,219 as shown on Exhibit No.1, line 6, Column (G).

Results of Operations

Enclosed Exhibit No. 2 presents Applicant's proforma income statement. Column (A) of this exhibit is taken directly from the Company's financial records. Columns (B) through (G) are adjustments to the actual test year data. Column (B) is simply a reclassification of expenses that were recorded to incorrect accounts. These adjustments simply reclassify the expenses to the correct accounts and have no effect on Applicant's revenue requirement in this case. Column (C) is the adjustment discussed previously to correct the cost of replacing the main well pump during the test year. The adjustment in Column (D) normalizes Applicant's water testing expenses. The required water testing schedule varies by frequency of each test. This adjustment simply spreads the testing costs out over the frequency period for each required test. The adjustments in Column (E) recognize an increase in the Company's labor costs. Applicant does not have any direct employees. All labor is provided by an affiliated company Avondale Construction. Bar Circle "S" pays Avondale Construction for services provided. The charges include direct labor costs as well as employer provided taxes and benefits including unemployment insurance, FICA taxes, workman's compensation insurance, health insurance, vacation pay, sick pay, etc. In addition, Bar Circle "S" owns no utility vehicles. The labor charges paid to Avondale include all vehicle related operating expenses including fuel, depreciation, insurance, taxes, repairs and maintenance. Avondale provides these services for a flat monthly fee regardless of the number of hours required to operate, maintain and manage the water system. Charges from Avondale for Water Master Services have remained fixed for six (6) years and for bookkeeping, billing and general office management for eight (8) years. These costs translate to a cost per customer for operation, maintenance and management of the water system of \$9.37 per month and \$5.31 per month for bookkeeping, billing and general office management. Applicant has contacted

three independent companies that provide water master management and maintenance services in the region. All three have indicated that the charges for minimal daily service for a system comparable to Bar Circle "S" Water Company would be \$1,400.00 to \$1,500.00 per month. Any required work beyond routine maintenance would be charged an extra hourly rate. Similarly, Applicant has contacted an independent billing service company for a quote to bill and maintain customer records. The monthly cost would be \$320.00 or \$2.00 per customer. This service would not include any general bookkeeping, bill payments, bank reconciliation, phone answering service, dispatching, dealing with regulatory agencies or any other general office management service.

Column (F) of Exhibit No. 2 is included as a contingency adjustment for which Applicant has no concrete information. The Company has been informed by the Kootenai Electric Cooperative (Kootenai) that the Bonneville Power Administration is proposing an increase of approximately eight percent (8%) in the rates it charges Kootenai. Kootenai has not determined if a rate increase will be necessary for service provided to its customers. If Kootenai decides that an increase is necessary, Applicant will ask the Commission to recognize the increase in this case.

Column (G) of Exhibit No. 2 recognizes the additional depreciation expenses related to the 2009 additions to plant discussed above regarding Exhibit No. 1.

Applicant's proforma net loss for the test year is \$39,099.00 as shown on Exhibit No. 2 in Column (H) on line 27.

Required Rate of Return

Lines 1 through 4 of Exhibit No. 3, Column (A) shows Bar Circle "S" Water Company's Weighted Cost of Capital as recorded for the test year. In Column (B) is a correction for prior year expenses that should have been capitalized. This correction is related to the well pump that failed and was replaced early in

the test year. Some of the pump costs were recorded to expense in the prior year. This adjustment corrects retained earnings resulting from the erroneous entries in prior year expense accounts. Column (C) is the corrected capital structure. Column (D) calculates the weight (ratio) of each capital component to the total. The cost of each component is shown in Column (E) and the weighted cost is presented in Column (F).

On lines 5 through 8 of this exhibit, the capital structure is adjusted to recognize the new loan the Company was authorized by Order No. 30832 in Case No. BCS-W-09-01. The total weighted cost of capital (Return on Rate Base) is shown in Column (F) on line 8 as 10.59%.

Revenue Requirement

Exhibit No.4 develops the total Revenue requirement utilizing the data presented in Exhibit Nos. 1 through 3. Line 1 Column (B) is the \$287,219 rate base shown on Exhibit No. 1. The rate base is multiplied by the 10.59% rate of return from Exhibit No. 3 to produce the net income required of \$30,407 shown on line 3. The net loss from test year operations shown on line 4 of \$39,099 comes from Exhibit No. 2. Combining the line No. 3 income requirement with the net loss produces the net income deficiency of \$69,506 shown on line No. 5.

Revenues must be increased first to overcome the net loss of \$39,099. These revenues would not result in any income tax obligations. They would, however, result in additional revenues subject to Idaho Public Utilities Commission (PUC) regulatory fee assessments. Lines 6 through 8 show that revenues need to be increased by \$39,164 to overcome the loss and pay the additional assessment.

Once the revenues are increased to overcome the loss, the net operating income requirement of \$30,407 must be grossed up to account for additional PUC fees and taxes. Development of the 128.09% gross-up factor shown on line 10 is developed below on lines 17 through 25. Applying the gross-up factor to

the net income requirement results in an increase in revenue of \$38,948 as shown on line 11.

Combining the revenue requirement deficiency of \$39,099 required to overcome the loss with the revenue requirement of \$38,948 to produce the net income required results in a total revenue deficiency of \$78,112 as shown on line 12. Added to this amount is \$2,223 to recover the Company's estimated rate case expenses in this case over a three (3) year period. The total revenue deficiency is therefore \$80,335 as shown on line 14.

As shown on line 15, the Company collected \$67,255 in revenues during the test year. Line 16 indicates that the required revenue increase of \$80,335 is an increase of 119.45% in revenues collected under current rates.

Rate Proposal

Applicant is proposing an across the board increase of 119.45% to all rates and charges contained in its current water rate schedules. Exhibit No. 6 is a three (3) page exhibit that presents Bar Circle "S" current rate schedules in legislative format showing the changes proposed. Exhibit No. 7 is a four (4) page exhibit containing the Company's proposed rate schedules for the Commission's approval. Pages 1 and 2 of Exhibit No. 7 are the proposed basic water rates. Page 3 is a revised schedule of non-recurring charges and page 4 is a new tariff sheet for first time new customer service connection charges. The changes to the non-recurring charges schedule and the new schedule for first time new customer connections are discussed below and are intended to clean-up and simplify the Company's tariffs.

Non-Recurring Charges

Applicant in this case is proposing to change its schedule of non-recurring charges to update and clarify the language, change current charges and add a new returned check charge. The Company is also removing the charges for new customer connection charges from its existing non-recurring charges schedule

and proposing a new separate schedule (discussed below) for these charges. All of the items on the new non-recurring charges schedule are intended to recover costs the Company incurs that are not related to the normal operation of the water system. The purpose of these charges is to recover costs from those customers who are directly responsible for costs incurred by the Company so they are not passed on to all customers through basic water rates.

The non-recurring charges include a reconnection charge for customers who have been either voluntarily or involuntarily disconnected from the water system. The previously approved rate of \$10.00 for reconnection during normal business hours was established in 1990, nineteen (19) years ago. Applicant is proposing to raise this charge to \$20.00, a rate equal to the PUC's recently approved rate for Capitol Water Corporation (See Order No.30762, Case No. CAP-W-08-02). During non-business hours, the Company's current approved charge (also established in 1990) is \$15.00. Applicant is proposing to substitute an additional \$20.00 charge for customer requested service calls outside of normal business hours. This change too is consistent with the Commission' Order No. 30762. The language on the new tariff sheet is identical to the language approved for Capitol Water Corporation.

Applicant has never requested nor been authorized to charge customers a fee for reprocessing a check that has not been honored by the bank and returned to the Company. The Company is requested authorization to begin charging a \$15.00 reprocessing fee to the customer's account when this occurs. This item is also consistent with the Commission Order No. 30762 in the Capitol Water case.

New Customer Connection Charge

Bar Circle "S" Water Company currently has approval to charge new customers connecting to the water system for the first time a fee of \$750.00 composed of a \$500.00 meter installation fee and \$250.00 hook-up fee. These charges are currently on the Company's non-recurring charges tariff schedule.

Applicant proposes to change the fees to more accurately recover the Company's real cost of making a first time connection to the water system and move the charges to a new schedule specifically for this purpose. The new schedule makes the Company's tariffs simpler to understand. Applicant is proposing to model its proposed tariff schedule after the currently Commission approved rate schedule for the Diamond Bar Estates Water Company. Diamond Bar Estates Water Company is located on the Rathdrum Prairie within a few miles of Applicant in Kootenai County. That Company utilizes the same suppliers of materials, equipment and labor as Bar Circle "S" Water Company. The costs of making a new customer connection for the first time are the same. The Diamond Bar Estates tariff was approved by Commission Order No.30455 (Case No. DIA-W-07-01) in 2007. Applicant's proposed new tariff schedule is identical to the approved Diamond Bar Estates Water Company tariff except the meter rates have been updated to reflect current costs.

NOTICES

Customers are being notified of this application through a direct mailing to each customer and a news release being sent to the Coeur d'Alene Press and the Spokesman Review newspapers coincident with the filing of this case. Copies of the news release and customer notice are enclosed as exhibit No. 8.

CONTACT INFORMATION

Questions regarding this application should be addressed to:

Robert Turnipseed
Bar Circle "S" Water Co.
P.O.Box 1870
Hayden, Idaho 83835
Ph: (208) 665-9200
Fax (208) 665-9300
e-mail XXX@verizon.net
(replace XXX with avondalecon)

Robert E. Smith
2209 N. Bryson Rd.
Boise, Idaho 83713
Ph. (208) 761-9501
Fax (208) 322-2944
e-mail XXX@yahoo.com
(replace XXX with utilitygroup)

Bar Circle "S" Water Company
Calculation of Rate Base

	(A) Per Company Books	(B) Correct For New Pump	(C) Proforma Install 6" Flow Meter	(D) Proforma Abandon 6" Well	(E) Proforma Electronic Meters	(F) Proforma New 60 HP Pump	(G) Adjusted Total
1 Plant in Service	\$337,592	\$5,000	\$9,935		\$44,985	\$10,000	\$407,512
2 Abandonment Costs				\$4,500			4,500
3 Accumulated Depreciation	135,217	333					135,550
4 Net Plant in Service	\$202,375	\$4,667	\$9,935	\$4,500	\$44,985	\$10,000	\$276,462
5 Working Capital							10,756
6 Total Rate Base							\$287,219

Bar Circle "S" Water Company
Income Statement

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Per Company Books	Correct for locate expense	Correct to Remove Pump From Exp	Normalize Water Testing Expense	Increased Labor Costs	Kootenai Electric Rate Increase	Correct Depreciation Expense	Proforma
REVENUE								
1 Metered Residential Revenue	65,122							65,122
2 Fire Protection	1,383							1,383
3 Hook-up Fees	750							750
4 Gross Revenue	67,255	-	-	-	-	-	-	67,255
OPERATING EXPENSES								
5 Operating Labor	10,585	(420)	(1,505.31)					8,660
6 Meter Reading	2,224							2,224
7 Water Master Labor	7,200				10,800			18,000
8 Pumping Power Expense	15,033							15,033
9 Heating Exp (Wells & Res)	41							41
10 Pump & Reservoir Alarm Exp	528							528
11 Water Testing Expense	344			1,221				1,565
12 Locate Expenses	132	420						552
13 Materials & Supplies - O&M	4,588							4,588
14 Admin Labor - Bookkeeping	8,850				2,100			10,950
15 Admin Materials & Supplies	1,407							1,407
16 Rent Expense	2,400							2,400
17 Professional Fees	13,128							13,128
18 Regulatory Fees	886							886
19 Professional Dues	300							300
20 Professional Education	75							75
21 Insurance Expense	2,903							2,903
22 Property Taxes	882							882
23 State Income Taxes	632							632
24 Federal Income Tax	1,297							1,297
25 Depreciation Expense	12,989						7,316	20,305
26 Total Operating Expenses	86,423	-	(1,505)	1,221	12,900	-	7,316	106,354
27 Net Operating Income	(19,168)	-	1,505	(1,221)	(12,900)	-	(7,316)	(39,099)
OTHER INCOME & EXPENSE								
28 Interest Income	782							782
29 Contributions	100							100
30 Net Other Income & Expense	682	-	-	-	-	-	-	682
31 Net Income	(18,486)	-	1,505	(1,221)	(12,900)	-	(7,316)	(38,418)

Tariff No.

Page

IDAHO PUBLIC UTILITIES COMMISSION
APPROVED EFFECTIVEI.P.U.C. No.
Cancelling

JAN 23 '90

FEB 1 - '90

Per. O.N. 22943

Theresa L. Stalter SECRETARY

Name of Utility

BAR CIRCLE "S" RANCH WATER COMPANY

(Approval Stamp)

Delete

METERED WATER RATES

MONTHLY -

0-7,500 gallons	\$32.92	\$15.00	
Over 7,500 or more Gallons	\$2.08	.95 per additional thousand	gallons

NOTE:

Bills for water service will be rendered monthly and are payable within fifteen (15) days of the billing date.

~~The Company shall follow the "Rules and Regulations of the Idaho Public Utilities Commission Governing Customer Relations of Natural Gas, Electric and Water Public Utilities under the Jurisdiction of the Idaho Public Utilities Commission" and the Commission's "Uniform Main Extension Rule for Water Utilities."~~

Delete

Issued _____ 19 ____ Effective _____ 19 ____

Issued By BAR CIRCLE "S" RANCH WATER COMPANY

Delete

Name Robert L. Thompson Title President

IDAHO PUBLIC UTILITIES COMMISSION
APPROVED EFFECTIVE

Tariff No.

Page

I.P.U.C. No.

AUG 31 '05

SEP 1 - '05

Canceling

Name of Utility

Jean M. Jewell SECRETARY

Bar Circle "S" ~~Ranch~~ Water Co.

(Approval Stamp)

Delete

Commercial Fire Protection Service

Applicable to all commercial customers for private fire protection upon the customer's premises.

For Each Fire Hydrant

\$20.85 ~~\$9.50~~ per month

For each separate building sprinkler connection \$104.62 ~~48.13~~ per month

Billing for each service will be charged in advance at the beginning of each month.

Issued August 25, 2005 Effective September 1, 2005

Issued by Bar Circle "S" ~~Ranch~~ Water Company

Delete

By *Robert L. Thompson* Title President

Tariff No.

Page

IDAHO PUBLIC UTILITIES COMMISSION
APPROVED EFFECTIVEI.P.U.C. No.
Cancelling

JAN 23 '90

FEB 1 - '90

Per. O.W. 22943

Theresa L. Stalter SECRETARY

Name of Utility

BAR CIRCLE "S" RANCH WATER COMPANY

(Approval Stamp)

Delete

NONRECURRING CHARGES~~A charge of \$500 for installation of the water meter~~~~A charge of \$250 for water hook-up fee~~~~A fee of \$10 reconnection fee will be charged during business hours.~~~~A fee of \$15 reconnection fee will be charged after normal business hours and weekends.~~

Delete and see new schedule for language and fees for new customer first time connections.

Delete and see below for new language & fees.

NON-RECURRING CHARGES

Applicable: To all customer bills

Reconnection Charges: A reconnection charge will be assessed to any customer who has been voluntarily or involuntarily disconnected in compliance with the Idaho Public Utilities Commission's Uniform Customer Relations Rules (UCRR). Charges do not apply to customers who have been involuntarily disconnected for the convenience of the Company.

Reconnection Charge

\$20.00

The following "Customer Requested Service Calls" charges also apply.

Customer Requested Service Calls: During Normal Business Hours

\$0.00

Other Than Normal Business Hours

\$20.00

Service call charges will be waived if the service call resulted in repair to Company's equipment through no fault of the customer.

New

Normal Business Hours are 8:00 AM to 5:00 PM Monday through Friday excluding Legal Holidays recognized by Idaho State Government Offices

Returned Check Charge: In the event a customer's check is returned by the Company's bank for any reason, the Company will charge the customer's account a reprocessing fee of \$15.00

~~The Company shall follow the "Rules and Regulations of the Idaho Public Utilities Commission Governing Customer Relations of Natural Gas, Electric and Water Public Utilities Under the Jurisdiction of the Idaho Public Utilities Commission" and the Commission's "Uniform Main Extension Rule for Water Utilities" on file in the business office of Bar Circle "S" Ranch Water Company~~

DELETE

Issued _____ 19 ____ Effective _____ 19 ____

Issued By BAR CIRCLE "S" RANCH WATER COMPANY

Delete

Name

Title President

Tariff No.	Page	(Approval Stamp)
I.P.U.C. No.		
Canceling		
Name of Utility Bar Circle "S" Water Company		

METERED WATER RATES

Monthly

0 - 7,500 gallons	\$32.92	
Over 7,500 gallons	\$2.08	per additional thousand gallons

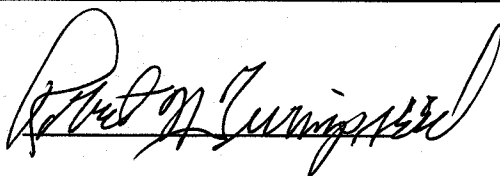
NOTE:

Bills for water service will be rendered monthly and are payable within fifteen (15) days of the billing date.

Per Commission Order No. _____

Issued June 19, 2009	Effective	August 1, 2009
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By



Title

President

Tariff No.

Page

I.P.U.C. No.

Canceling

Name of Utility

Bar Circle "S" Water Company

(Approval Stamp)

COMMERCIAL FIRE PROTECTION SERVICE

Applicable to all commercial customers for private fire protection upon the customers premises.

For each fire hydrant	\$20.85	Per Month
For each separate building sprinkler connection	\$105.62	Per Month

Billing for each service will be charged in advance at the beginning of each month.

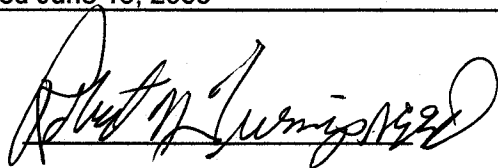
Per Commission Order No. _____

Issued June 19, 2009

Effective

August 1, 2009

By



Title

President

BCS-W-09-02

Exhibit No. 7

Page 2 of 4

Tariff No.	Page	
I.P.U.C. No.		
Canceling		
Name of Utility Bar Circle "S" Water Company		(Approval Stamp)

NON RECURRING CHARGES

Applicable: To all customers bills.

Reconnection Charges: A reconnection charge will be assessed to any customer who has been voluntarily or involuntarily disconnected in compliance with the Idaho Public Utilities Commission's Uniform Customer Relations Rules (UCRR). Charges do not apply to customers who have been involuntarily disconnected for the convenience of the Company.

Reconnection Charge \$20.00

The following "Customer Requested Service Calls" charges also apply.

Customer Requested Service Calls:

During Normal Business Hours \$0.00

Other Than Normal Business Hours \$20.00

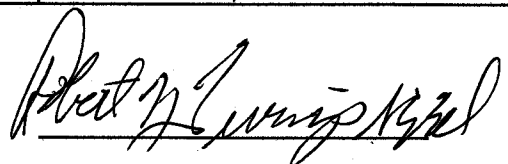
Service call charges will be waived if the service call resulted in repair to Company's equipment through no fault of the customer.

Normal Business Hours are 8:00 AM to 5:00 PM Monday through Friday excluding Legal Holidays recognized by Idaho State Government Offices.

Returned Check Charge: In the event a customers check is returned by the Company's bank for any reason, the Company will charge the customers account a reprocessing fee of \$15.00

Per Commission Order No. _____

Issued	Issued June 19, 2009	Effective	August 1, 2009
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By  Title President

Tariff No.	Page	
I.P.U.C. No.		
Canceling		
Name of Utility		(Approval Stamp)
Bar Circle "S" Water Company		

NEW CUSTOMER CONNECTION CHARGES

For a first time connection to the Bar Circle "S" Water Company system when an existing service line and meter base are already in place on the property the charge is \$480.00.

If there is no service line tap to the Company's water mains or meter box in place on the property the charge is \$2,500.00.

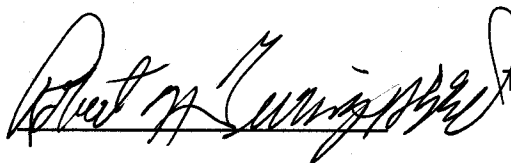
When the installation of a new service line requires the Company to bore a line under a road, all additional costs will be charged to the customer on a time and materials basis. The new customer may, at their option, hire a Bar Circle "S" Company approved independent contractor to perform the road bore and connection. The Company will require such contractor to show proof of bonding, licensing and insurance and have at least five (5) years of experience at hot tapping water lines. Bar Circle "S" Water Company's Water Master will inspect and approve all the work being performed to insure compliance with the Company's installation requirements.

Per Commission Order No. _____

Issued June 19, 2009

Effective August 1, 2009

By

 Title

President