

EAG-W-09-01

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EAGLE WATER COMPANY SEEKS TEMPORARY SURCHARGE FEE

Eagle Water Company, which serves just over 3,000 customers in the Eagle, Idaho area, has filed an Application with the Idaho Public Utilities Commission seeking permission to assess its customers a temporary surcharge to cover expenses it has occurred and is proposing to incur to implement several mandatory system improvements.

Eagle Water has asked that the Commission approve its Application pursuant to the Commission's rules for Modified Procedure, and is requesting an immediate effective date upon the Commission's approval.

Eagle Water will need to borrow funds to cover its expenditures and repayment of this loan would be made through the assessment of a surcharge on all Eagle Water customers who consume more than 600 cubic feet of water per month. Commission approval of Eagle Water's Application would result in a temporary surcharge of approximately 48.075 percent only on Eagle Water Company customers' usage in excess of the first 600 cubic feet of consumption each month. The proposed surcharge would be in effect for seven years.

Even with this proposed temporary surcharge, Eagle Water's service rates would remain well below those of the City of Eagle and United Water of Idaho who provide water to customers in contiguous service areas. Eagle Water customers with

a three-quarter-inch service meter currently pay \$7.84 a month for the first 600 cubic feet of water consumed, plus 45 cents for every 100 cubic feet of water consumed in excess of the initial 600 cubic feet. With the proposed Surcharge, 700 cubic feet of water would cost Eagle Water customers \$8.51, total.¹ In contrast, City of Eagle water customers with three-quarter-inch service meters currently pay \$16.83 for 700 cubic feet of water, and United Water customers with a similar size service meter pay \$16.57 for the same amount of water in the winter months. United Water customers pay 30 cents more per 100 cubic feet of water in the summer months, after the first 99.9 cubic feet consumed each month.

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¹ \$7.84 for Basic Service up to 600 cubic feet of consumption + .45 for an additional 100 cubic feet of consumption + .22 Surcharge (.45 x .48.075 surcharge rate).