

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF ALGOMA WATER) CASE NO. AWS-W-07-01
COMPANY'S APPLICATION FOR)
APPROVAL TO SELL THE WATER) NOTICE OF
COMPANY AND FOR AN ORDER) AMENDED APPLICATION
AUTHORIZING INCREASES IN THE)
COMPANY'S RATES AND CHARGES FOR) NOTICE OF PUBLIC WORKSHOP
WATER SERVICE.)
) NOTICE OF
) MODIFIED PROCEDURE
)
) NOTICE OF PUBLIC HEARING
)
) ORDER NO. 30526
)

In July 2007, Algoma Water Company filed an Application seeking Commission approval to sell the Company (and transfer its Certificate of Public Convenience and Necessity No. 396) to Mr. Robert J. Carrier. In addition to the sale of the Company, Algoma requested a significant increase in its monthly flat rates for water service.

On August 13, 2007, the Commission issued a Notice of Application and deadline for intervention. Order No. 30405. No persons petitioned to intervene. The Commission then issued a Notice of Parties on September 4, 2007. Thereafter, the Company and Staff engaged in protracted discovery. On March 27, 2008, the Company requested that its initially proposed rate be increased. Based upon this request, the Commission issues this Amended Notice and has determined to process this Application by Modified Procedure as set out below.

NOTICE OF AMENDED APPLICATION

A. The Proposed Sale

YOU ARE HEREBY NOTIFIED that in the present Application, Mr. Greenwood proposes to sell Algoma Water (and apparently the three non-regulated sewer systems) to Mr. Carrier for approximately \$161,000. Attachment D, Addendum No. 2. As part of the Application, Mr. Carrier has submitted a financial statement. The Application indicates that Mr.

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Carrier has a background in real estate and “income producing business management.” Application at 1. Mr. Carrier has been investing in Bonner County since 2004 and also owns real estate in Nevada. The Application states that Mr. Carrier possesses the financial ability to assume responsibility for the Algoma Water System. *Id.*

YOU ARE FURTHER NOTIFIED that in addition to the financial statement, the parties have also included an abbreviated business plan that explains how Mr. Carrier intends to incorporate the water company into his other businesses in Idaho. Briefly, Mr. Carrier intends to retain Bob Hansen of Water Systems Management, Inc., to continue the overall management of the Company and continue the services of Terry Deal (Deal Pump & Electric) for operational maintenance and emergency purposes. Finally, the business plan indicates that Mr. Carrier intends to continue to employ Joan Brittain as the bookkeeper/accountant. Ms. Brittain has been Algoma’s bookkeeper for the last four years.

B. The Changes to the Proposed Rate Increase

YOU ARE FURTHER NOTIFIED that Algoma has recently requested a greater increase in its monthly flat rates for service than was originally sought. The Company now proposes to increase its existing monthly flat rates for service as set out below:

Commercial Rate: from \$28.15 to \$54.00 per month

Residential Rate: from \$17.59 to \$36.00 per month

The Company’s March 27 request stated that it has been many years since there has been a rate increase. The Company anticipated making major repairs to its system during the summer of 2008. It further stated that the Company is operating “in the red with negative net income” and requests an expedited review.

YOU ARE FURTHER NOTIFIED that the Application and the Amended Application, supporting workpapers, and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and workpapers are also available on the Commission’s Website at www.puc.idaho.gov under “File Room” and then “Water Cases.”

YOU ARE FURTHER NOTIFIED that Algoma’s intrastate revenue requirement, and every component of it, both rate base and expense, are at issue. The Commission may grant,

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deny, or modify the revenue requirement requested and may find a revenue requirement different from that proposed by any party is just, fair and reasonable.

YOU ARE FURTHER NOTIFIED that the rates and charges for all Algoma retail customers, both recurring and non-recurring, including those of any special-contract customers, are at issue, and every component of every existing and proposed rate and charge is at issue. The Commission may approve, reject or modify the rates and charges proposed and may find that rates and charges different from those proposed by any party are just, fair and reasonable.

YOU ARE FURTHER NOTIFIED that the Commission may approve, reject or modify existing or proposed relationships between and among rates and charges within, between or among customer classes or rate groupings. The Commission may approve, reject or modify existing or proposed relationships among and between customer classes or rate groupings.

YOU ARE FURTHER NOTIFIED that the Commission may abolish, reduce or create rate blocks or categories of rates and charges; abolish, create or reduce components of rates and charges; abolish, reduce or create customer classes or rate groupings; and abolish, reduce or create absolute or relative differences among and between existing customer classes or rate groupings of customers.

YOU ARE FURTHER NOTIFIED that the tariffs, practices, rules, services, instrumentalities, equipment, facilities, classifications and customer relations procedures of Algoma are at issue, and the Commission may address any of them in its final Order.

YOU ARE FURTHER NOTIFIED that the Company has asked for expedited review of its Amended Application and the larger monthly rates. Rather than require Algoma to issue another notice to its customers of the larger rate request, we find it reasonable to forward a copy of this Notice to each customer. IDAPA 31.21.02.102.

NOTICE OF PUBLIC WORKSHOP

YOU ARE HEREBY NOTIFIED that the Commission Staff will hold a public workshop for customers of Algoma. The purpose of the public workshop is to provide customers with an overview of the Company's Application and dispense information. At the workshop, customers will have an opportunity to ask questions of the Staff regarding the Company's Application. Representatives of the Company may also be available. The Staff will hold its

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public workshop on **TUESDAY, APRIL 22, 2008, AT 7:00 P.M., AT SANDPOINT HIGH SCHOOL LIBRARY, 410 SOUTH DIVISION STREET, SANDPOINT, IDAHO 83864.**

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal technical hearing in this matter and will proceed under Modified Procedure pursuant to the Commission's Rules of Procedure 201 through 204, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure (with written comments) and a public hearing have proven to be an effective means for obtaining public input and participation in cases of this nature.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on the Application or the subsequent request to increase the initial rates may file a written comment in support or opposition with the Commission **no later than April 25, 2008**. The comment must contain a statement of reasons supporting the comment. Persons desiring a technical hearing must specifically request it in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Applicant at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Paul Greenwood
Algoma Water Company
PO Box 751
Sandpoint, ID 83864

Street Address for Express Mail:
472 W. Washington Street
Boise, ID 83702-5918

Bob Hansen
67 Wild Hope Trail
Sandpoint, ID 83864
E-mail: wsmibob@aol.com

Robert Carrier
3842 Higley Street
Las Vegas, NV 89103

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments and Questions"

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icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to Algoma Water Company at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

NOTICE OF PUBLIC HEARING

YOU ARE FURTHER NOTIFIED that the Commission will convene a public hearing in this matter. The purpose of the public hearing is to take testimony from members of the public and customers of Algoma Water Company. The public hearing will convene on **TUESDAY, APRIL 29, 2008, AT 7:00 P.M., AT SANDPOINT HIGH SCHOOL LIBRARY, 410 SOUTH DIVISION STREET, SANDPOINT, IDAHO 83864.**

YOU ARE FURTHER NOTIFIED that all workshops and hearings in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act (ADA). Persons needing the help of a sign language interpreter or other assistance in order to participate in or to understand testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0338 (Telephone)
(208) 334-3762 (FAX)
E-Mail: secretary@puc.idaho.gov

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically

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Idaho Code §§ 61-124, 61-125, 61-129, 61-526, and 61-622. The Commission may enter any final Order consistent with its authority under Title 61.

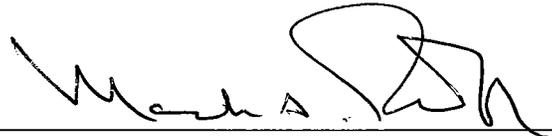
YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000, *et seq.*

ORDER

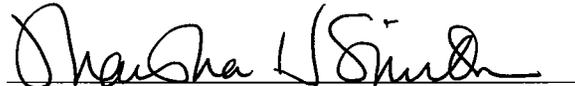
IT IS HEREBY ORDERED that this case be processed under Modified Procedure with a public hearing. Interested persons may file written comments no later than 21 days from date of this Order, or may testify at the public hearing set out above. Parties shall present their evidence by written comments.

IT IS FURTHER ORDERED that the Commission Secretary serve this Notice upon the customers of Algoma Water Company.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 11th day of April 2008.



MACK A. REDFORD, PRESIDENT



MARSHA H. SMITH, COMMISSIONER



JIM D. KEMPTON, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

O:AWS-W-07-01_dh2

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