

SCOTT WOODBURY
DEPUTY ATTORNEY GENERAL
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0320
BAR NO. 1895

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IDAHO PUBLIC
UTILITIES COMMISSION

Street Address for Express Mail:
472 W. WASHINGTON
BOISE, IDAHO 83702-5983

Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
EAGLE WATER COMPANY, INC. TO AMEND) CASE NO. EAG-W-04-1
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY NO. 278.)
)
) COMMENTS OF THE
) COMMISSION 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 issued on January 26, 2004 submits the following comments.

On January 7, 2004, Eagle Water Company, Inc. (Eagle Water; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting authorization to amend and revise its Certificate of Public Convenience and Necessity No. 278 (as amended) by enlarging and extending its certification service area boundaries to include the Idaho State Veterans Cemetery (Cemetery). Reference *Idaho Code* § 61-526; Commission Rules of Procedure, IDAPA 31.01.01.112. The Cemetery is located on old Horseshoe Bend Road just north of the Dry Creek Cemetery in Ada County and is adjacent to Bonita Hills Subdivision, which Eagle Water currently serves. A legal description of the property is attached to the Application (Application, Exhibit B).

BACKGROUND

Eagle Water represents that the developer of the Idaho State Veteran Cemetery has requested that Eagle Water provide water service. A copy of the developer's request is attached to the Company's Application (Application, Exhibit A). The water service will be used for fire protection, domestic water in the buildings, and for a proposed future water fountain. Service to the Cemetery will be provided through Eagle Water's eight-inch main line located on the east side of Old Highway 55/Horseshoe Bend Road. Extension of service to the Cemetery by Eagle Water will require excavation; installation of mains, fire hydrants, and service meter boxes; bedding; backfill; compaction; inspection; and testing. The estimated construction cost for this project is between \$44,500 and \$46,500 plus legal fees, all of which will be paid by the developer pursuant to Eagle Water's standard "Main Extension Contract."

The proposed expansion will add one customer to Eagle Water's customer base. The estimated monthly gross revenue from the Cemetery is \$30 to \$50. Eagle Water proposes to begin construction in March 2004 and complete construction in April 2004.

Eagle Water states that it has an adequate source of supply to provide service to the Cemetery in a safe and reliable manner. Eagle Water contends that the extension of its facilities to serve the Cemetery is consistent with the public convenience and necessity. Eagle Water states that the proposed expansion will have no effect on the Company's revenue requirements.

ANALYSIS

Staff reviewed the legal description of the area that Eagle Water is requesting to serve, and prepared a map showing its location in relation to the certificated areas of Eagle Water and United Water, Idaho. The map is included as Attachment 1. As shown by the map, the proposed expansion area is partially located within Eagle Water's existing certificated area. The remainder of the proposed expansion area is within an uncertificated area. None of the proposed expansion area is contiguous to United Water, Idaho's certificated area.

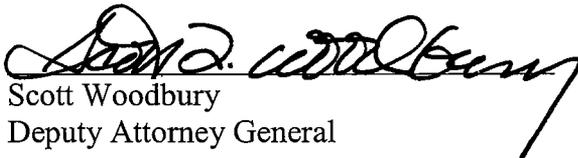
Eagle Water contends that it will not provide water for irrigation of the cemetery grounds, but instead only for fire protection, domestic water in the buildings, and for a proposed future water fountain. Consequently, Staff believes that the effect of adding the cemetery as a customer will be minimal in terms of demand and quantity of water. Staff believes that the past problems of the Company in providing sufficient pressure to the adjacent Bonita Hills and Eagle Springs

Estates subdivisions have been resolved (Reference Case No. EAG-W-00-1, ON 28513). Staff does not believe that providing service to the cemetery will diminish the Company's ability to provide adequate service to its existing customers.

RECOMMENDATION

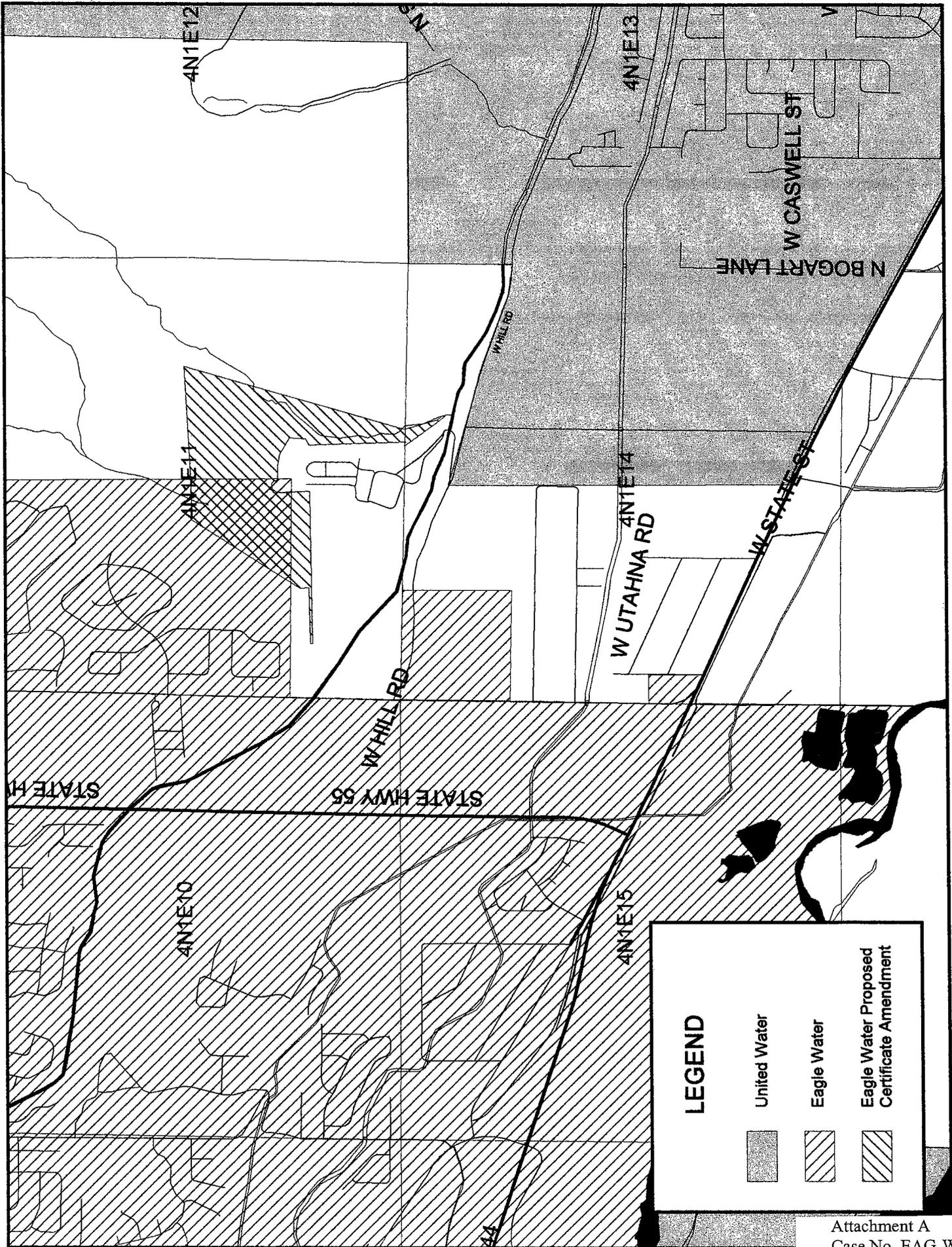
Staff recommends that Eagle Water's application to amend its certificate to serve the Idaho State Veteran's Cemetery be approved.

Respectively submitted this 11th day of February 2004.


Scott Woodbury
Deputy Attorney General

Technical Staff: Rick Sterling

i:umisc/comments/eagw04.1swrps



CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 11TH DAY OF JANUARY 2004, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. EAG-W-04-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

MOLLY O'LEARY
RICHARDSON & O'LEARY PLLC
PO BOX 1849
EAGLE ID 83616



SECRETARY