

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

FROM: SCOTT WOODBURY

DATE: FEBRUARY 12, 2004

**RE: CASE NO. EAG-W-04-1 (Eagle Water)
CERTIFICATE AMENDMENT—IDAHO STATE VETERANS CEMETERY**

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).

Eagle Water represents that the developer of the Idaho State Veterans 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 expansion of service territory and related extension of service will not impact the Company's revenue requirements.

On January 26, 2004, the Commission issued Notice of Application and Modified Procedure in Case No. EAG-W-04-1. The comment deadline was February 13, 2004. The Commission Staff was the only party to file comments. Staff recommends that Eagle Water's Application to Amend Its Certificate to serve the Idaho State Veterans Cemetery be approved.

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. *See Attached Map.* 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. Staff believes 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, Order No. 28513). Staff does not believe that providing service to the Cemetery will diminish the Company's ability to provide adequate serve to its existing customers.

Commission Decision

Eagle Water has requested authorization to amend and revise its Certificate of Public Convenience and Necessity No. 278 (as amended) by enlarging and extending its service area boundary to include the Idaho State Veterans Cemetery. This matter was processed pursuant to Modified Procedure. Staff was the only party to file comments. Staff recommends that the Company's Application be approved. Does the Commission continue to find it reasonable to

process the Company's Application pursuant to Modified Procedure? Does the Commission find it reasonable and in the public interest to approve the Certificate amendment?

Scott Woodbury

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