DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

MYRNA WALTERS

STEPHANIE MILLER

DAVE SCHUNKE

DON HOWELL

BOB SMITH

GEORGE FINK

TONYA CLARK

BEV BARKER

DAVID SCOTT

WORKING FILE

FROM:SCOTT WOODBURY

DATE:APRIL 17, 1998

RE:CASE NOS. FLS-W-98-1 (FALLS WATER COMPANY, INC.)

   SAR-W-98-1 (SARGENT WELL COMPANY)

PURCHASE/SALE AND PROPOSED TRANSFER OF CERTIFICATE

On April 3, 1998, Falls Water Company, Inc. (Falls Water) and Sargent Well Company (Sargent) filed a joint application with the Idaho Public Utilities Commission (Commission) requesting a transfer of Certificate No. 318 from Sargent to Falls Water.

The applicants represent that Falls Water has agreed to purchase and Sargent has agreed to sell the Sargent water system for the sum of $2,500.  The purchase price includes all rights, interest and real and personal property owned by Sargent for the production and distribution of potable water to the residents of the Sargent certificated area of service, an area in Bonneville County, Idaho, more particularly described as the Grayson Subdivision in the northeast one quarter, Section 10, Township 3 North, Range 38 East, Boise Meridian.  The purchase will be finalized within 30 days of the approval of this application.

Sargent is a small water system that serves approximately 13 customers.  The commodity charge for water service is a flat $25 per month.  The system consists of a single well, a 10-horsepower pump and distribution facilities.  Falls Water anticipates no change in the physical operation of the Sargent system in the near future and proposes that the current rates and tariffs of Sargent continue.

The applicants represent that the purchase of Sargent will bring to the Sargent customers the advantages of the back-up of a larger water purveyor.  Falls Water currently provides water service to approximately 1,600 residential/commercial customers in an area south of Sargent.  If the sale is approved, Sargent customers will be afforded around the clock engineering service and will benefit by having a system run by operators certified by the Idaho  Water and Waste Water Operators Certification Board.

The applicants request that this matter be processed pursuant to the Commission’s Rules of Modified Procedure, i.e., by written submission rather than by hearing.  Reference IDAPA 31.01.01.201-204.  By agreement, Falls Water on April 1, 1998, began to operate the Sargent water system.

COMMISSION DECISION

Staff agrees with the applicants and recommends that the matter be processed pursuant to Modified Procedure.

∙Does the Commission find that Modified Procedure is appropriate?  If not, what is the Commission’s preference?

Scott Woodbury

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