BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF BITTERROOT WATER COMPANY, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY. | ))))) | CASE NO. GNR-W-95-2ORDER NO. 26268  |

Bitterroot Water Company (Bitterroot; Company) is a small new water company that provides water to homeowners in the Silver Meadows subdivision in Kootenai County, Idaho. On October 24, 1995, Bitterroot Water Company (Bitterroot; Company) filed an Application with the Commission for a Certificate of Public Convenience and Necessity.   On November 13, 1995, the Commission issued a Notice of Modified Procedure and Notice of Application seeking public comment on Bitterroot’s Application.  Commission Staff filed comments recommending approval of the Certificate.  No other comments were filed.  By this Order the Commission approves the Company’s Application.

BACKGROUND

Bitterroot is a small new water company that provides water to homeowners in the Silver Meadows subdivision in Kootenai County, Idaho.  Denali Vandals Inc., the developer of the Silver Meadows subdivision,  installed the water system and incorporated Bitterroot to take over the operation and maintenance of the water system.  The Silver Meadows subdivision is located approximately 15 miles north of Coeur d’Alene and 1.5 miles west of the Silverwood Theme Park located on US Highway 95.  Bitterroot presently serves seven customers and estimates a potential of 105 customers as the subdivision continues to expand.

On November 6-7, 1995, Staff examined the Silver Meadows subdivision and Bitterroot water system.  The water system has been completed and appears to be a well- engineered system.   The majority of the main lines are eight inch PVC pipe.  The primary water supply for the subdivision is an eight inch, 464' deep well, which is equipped with a three phase, 480 volt, 25 hp submersible turbine pump.  The well is capable of delivering 125 gallons per minute into the system.  A 100,000 gallon underground concrete storage reservoir is under construction immediately adjacent to the well house.  When completed in the spring of 1996, the reservoir will include three 5 hp booster pumps.  The well house currently contains six 250 gallon pressure tanks.

Bitterroot has a secondary source of water through interconnection with another water system located southeast of the Bitterroot system.  This second water system is served by a well drilled by the Rickle family, who is developing property adjacent to the Silver Meadows subdivision.  The well house contains a 2,000 gallon pressurized storage tank.  This second well supplies water to the Silver Meadows subdivision and to the Rickle’s adjacent property.

Bitterroot currently is not charging the existing seven customers for water.  Staff is reviewing rate design issues and will present a proposed rate structure to Bitterroot and will seek the Commission’s approval of rates in the future.  Bitterroot requested issuance of a certificate prior to rates being established so that prospective lot purchasers can obtain loan financing without further delay.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Idaho Code §§ 61-526-528 and Rules 111-113 of the Idaho Public Utilities Commis­sion Rules of Procedure, IDAPA 31.01.01, provides the guidelines for issuance of  a  Certificate of Public Convenience and Necessity.  Idaho Code § 61-526 specifies that there must be a public need for the service, that the territory for service by the utility must not already be served by another utility or that existing service is inadequate, and that the utility has the financial ability and good faith ability to construct and maintain the system.

 We find that the Bitterroot water system is an adequate system.  It is well engineered, there is a good source of water, and it has the ability to deliver water to the customers.  There is no other water utility presently serving the Silver Meadows subdivision.  Bitterroot has the good faith and financial ability to operate the Company.  And finally, there is a public need for water services in the Silver Meadows subdivision.  Therefore, we grant Bitterroot’s Application for a Certificate of Public Convenience and Necessity.

O R D E R

IT IS HEREBY ORDERED that Bitterroot’s Application for a Certificate of Public Convenience and Necessity is approved.

IT IS FURTHER ORDERED that the Commission will determine rates for Bitterroot at a later time in a subsequant order.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of  December 1995.

RALPH NELSON, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF BITTERROOT WATER COMPANY, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY. | )))))) | CASE NO. GNR-W-95-2  CERTIFICATE OF CONVENIENCE AND NECESSITY NO. 319 |

IT IS HEREBY CERTIFIED that the public convenience and necessity requires Bitterroot Water Company, its successors and assigns to hold, construct, or otherwise acquire, to maintain and to operate a water system and water supply to that certain territory in Kootenai County, Idaho described as Silver Meadows subdivision located in Township 53 North, Range 03 West, Sections 20 and 29,  Boise-Meridian, Kootenai County, Idaho, as recorded in the Kootenai County Recorder Office, Record No. 1375350.  This certificate is for such purpose to own, hold, construct or otherwise acquire and to maintain and operate within said territories water wells, reservoirs, tanks, towers, stand pipes, collectors, settling basins, galleries and other works and structures, and also to lay, take up, repair, renew, extend, alter, maintain and operate water mains, pipes, conduits, aqueducts, hydrants and other appliances, equipment and facilities in, upon, over, under, along, through and across all streets, avenues, alleys, streams, highways, roads and other public places in said territory as the same now exists or may hereafter be extended, laid out or established, and to exercise the rights and privileges granted, or to which may hereafter be granted Bitterroot Water Company, its successors or assigns, by any franchise conferred by the state of Idaho or any political subdivision thereof.

This Certificate is predicated upon and issued pursuant to the findings and conclusion of Order No. 26268  in Case No. GNR-W-95-2 to which reference is hereby made.

DATED at Boise, Idaho this                  day of  December  1995.

RALPH NELSON, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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