(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE INVESTIGATION OF COYOTE COEUR D’ALENE CORP. DBA HAPPY VALLEY WATER SYSTEM (POST FALLS, IDAHO).(FORMERLY IN THE MATTER OF THE INVESTIGATION OF THE EARL REAMY WATER SYSTEM (POST FALLS, IDAHO).) | )))))))))))) | CASE NO. GNR-W-96-3NOTICE OF PROPOSED ORDERNOTICE OF MODIFIED PROCEDURENOTICE OF COMMENT/ PROTEST DEADLINEORDER NO.  27097 |

On October 15, 1996, the Idaho Public Utilities Commission (Commission) issued Order No. 26643 in Case No. GNR-W-96-3 directing Mr. Earl Reamy to file an Application for a Certificate of Public Convenience and Necessity within 30 days.  On October 16, 1996, the Commission was apprised by facsimile transmission that Mr. Reamy had apparently sold his water system to Coyote Coeur d’Alene Corporation in September 1996.  On October 28, 1996, the Commission received a letter from L.W. (Zeke) Davis, President of Coyote Coeur d’Alene Corporation (Coyote CdA Corp.) dba Happy Valley Water System expressing the Company’s intention to comply with the laws of Idaho, and requesting an extension to prepare and deliver the documents requested by the Commission.  An extension of time was granted in Order No. 26684 and further investigation and dialogue between Commission Staff and the Company ensued.  A Staff audit and investigative report dated April 18, 1997, was submitted to Coyote CdA Corp. for its review and comment.

On April 30, 1997, the Commission was apprised by letter dated April 25, 1997, that the Happy Valley Water System had been purchased by Mr. John Smick—Cougar Ranch, PO Box 97, Spangle, Washington 99031.

The Happy Valley Water System (Company) is a small water system serving approximately 25 customers.  The system has one well, a submersible pump (275 feet below ground level) rated 25 horsepower and is capable of providing 150 gallons per minute (gpm).  The main distribution line is a four inch plastic pipe, with four taps of two inch plastic pipe.

YOU ARE HEREBY NOTIFIED that based on Commission Staff’s investigation and audit report in this matter (filed with Commission August 7, 1997), Staff makes the following recommendations, which the Commission after considering and reviewing same, together with additional filings of record in Case No. GNR-W-96-3, finds to be otherwise fair, just and reasonable, and which following the procedural opportunity for public comment/protest the Commission proposes to adopt in subsequent order:

1.Issue a Certificate of Public Convenience and Necessity to Mr. John Smick dba Happy Valley Water System, a public water utility, for the following described existing service territory: an approximate 1/2 square mile area located approximately 3 miles West of US Highway 95 in Kootenai County, Idaho, on the North side of Hayden Avenue between Huetter Road and Meyers Road, said area including all of the South 1/2 of Section 17, Township 51 North, Range 1 West, Boise-Meridian.  Reference Idaho Code §§ 61-526, 61-528; IDAPA 31.01.01.111.

2.Establish tariff rates for service at $27 per month plus 70¢/1,000 gallons of consumption in excess of 20,000 gallons per month.  These rates are lower than those the Company is currently charging, $32.50 per month plus 50¢/1,000 gallons of consumption in excess of 20,000 per month.

3.Require written petition or application prior to any proposed change in ownership of the system.

4.Require adoption in compliance with the Commission’s Consumer Relations Rules; the Commission’s Utility Customer Information Rules; and an accounting system consistent with the information required by the Commission’s Annual Report for Small Water Companies.

5.Authorize the Company to impose a 1% per month late fee for accounts more than 30 days past due.

6.Authorize a reconnection fee of $20 for previous disconnected customers (voluntary or involuntary).

7.Authorize the Company to require a deposit from an involuntarily discon­nected customer equal to 1/6th of the customer’s estimated annual bill at current rates.  Instruct Coyote CdA Corp. to pay interest on any deposits at the rate provided in the Commission’s Utility Consumer Relations Rule No. 106.02 (currently 6% per annum).

8.Authorize the Company to collect a $500 connection fee for a first time connection to the water system.

9.Require the Company to file tariff sheets consistent with the Commission’s Order.

10.Require the Company to inform its customers of the Commission approved rates and policies.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. GNR-W-96-3.  The Commission has preliminarily determined that the public interest in this matter and the Commission’s proposed Order may not require a hearing to consider the issues presented and that the issues raised in Case No. GNR-W-96-3 may be processed under Modified Procedure, i.e., by written submission rather than by hearing.  Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the Commission will not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure  and stating why Modified Procedure should not be used.  Reference IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that the deadline for filing written comments or protests with respect to the Commission’s proposed Order and use of Modified Procedure in Case No. GNR-W-96-3 is Friday, August 29, 1997.  Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that if no protests or comments are received within the deadline, the Commission may consider the matter and enter its Order without a hearing.  If protests or comments are filed within the deadline, the Commission will consider them and may set the matter for hearing or may decide the matter and issue its Order on the basis of the written positions before it.  Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments in Case No. GNR-W-96-3 must be mailed to the Public Utilities Commission and John Smick dba Happy Valley Water System at the addresses following below:

COMMISSION SECRETARYJOHN SMICK

IDAHO PUBLIC UTILITIES COMMISSIONCOUGAR RANCH

PO BOX 83720PO BOX 97

BOISE, IDAHO  83720-0074SPANGLE, WASHINGTON 99031

Street Address for Express Mail:Telephone: 509-235-1747.

472 W WASHINGTON ST

BOISE, IDAHO  83702-5983

All comments filed should contain the case caption and case number shown on the first page of this document.

O R D E R

In consideration of the foregoing, IT IS HEREBY ORDERED and the Commission hereby provides Notice of intent to issue its proposed Order in Case No. GNR-W-96-3 as more particularly described above, and adopts the foregoing scheduling and procedure.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of August 1997.

                                                                                                                                       DENNIS S. HANSEN, PRESIDENT

                                                                                            RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

vld/O:GNR-W-96-3.sw3

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

August 11, 1997