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

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| IN THE MATTER OF THE INVESTIGATION OF HAPPY VALLEY WATER SYSTEM (POST FALLS, IDAHO).  (FORMERLY 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-96-3  ORDER NO.  27142 |

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.

After reviewing and considering Staff’s investigation and audit report in this matter (filed with the Commission August 7, 1997) together with additional filings of record, the Commission in Order No. 27097 found the following recommendations of Staff to be otherwise fair, just and reasonable:

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.

On August 11, 1997, the Commission issued a Notice of Proposed Order and Modified Procedure in Case No. GNR-W-96-3.  Reference Order No. 27097.  In its Order, the Commission proposed to adopt the foregoing recommendations.  The deadline for filing written comments was August 29, 1997.  All customers were mailed a copy of the Commission’s Notice.  The Commission Staff was the only party to file timely comments.  Staff adopts by reference its previously filed audit report and recommends that the proposed Order be issued as final Order without change.

COMMISSION FINDINGS

The Commission has reviewed and considered the filings of record in Case No. GNR-W-96-3, the changes of ownership in the water system, its prior Notices and Orders (including Proposed Order No. 27097), and the recently filed audit report and comments of the Commission Staff.

Based on the established record, we find it prudent and necessary to assert formal regulatory jurisdiction over the Happy Valley Water System and to issue Certificate of Public Convenience and Necessity No. 328 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 three miles West of U S 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.  We further find that the present and/or future public convenience and necessity requires issuance of said Certificate.

We further find the remainder of Staff’s recommendations which we adopted in our Proposed Order No. 27097 (reference Items 2-10 above) to be fair, just and reasonable and supported by the record.  We find their implementation to be in the public interest and adopt same as the basis of this Order.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction and authority over Mr. John Smick dba Happy Valley Water System, a water utility, and the issues raised in Case No. GNR-W-96-3, pursuant to Title 61 of the Idaho Code and the Commission’s Rules of Procedure, IDAPA 31.01.01.000 et seq.

O R D E R

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED and the Commission does hereby issue Certificate of Public Convenience and Necessity No. 328 to Mr. John Smick dba Happy Valley Water System, Post Falls, Idaho.

IT IS FURTHER ORDERED and the Commission does hereby establish rates and charges as set out above.  The Company is required to file tariff sheets consistent with this Order.

IT IS FURTHER ORDERED and the Company is required to adopt and implement 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.

IT IS FURTHER ORDERED and the Company is required to inform its customers of the Commission approved rates and policies.

IT IS FURTHER ORDERED and the Company is required to make written Petition or Application to the Commission prior to any proposed change in ownership of the system.

THIS IS A FINAL ORDER.  Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order.  Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration.  See Idaho Code § 61-626.

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

                                                                                                                                      DENNIS S. HANSEN, PRESIDENT

                                                                                           RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

vld/O:GNR-W-96-3.sw4

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

September 22, 1997