

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

CUSTOMERS OF THE AVONDALE SERVICE TERRITORY OF HAYDEN PINES WATER V. HAYDEN PINES)	CASE NO. HPN-W-91-1
_____)	
JACK LASANCE ET AL V. HAYDEN PINES)	CASE NO. HPN-W-94-1
_____)	
IN THE MATTER OF THE INVESTIGATION INTO THE FINANCIAL, OPERATIONAL AND MANAGERIAL ACTIVITIES OF HAYDEN PINES WATER COMPANY)	CASE NO. HPN-W-97-1
_____)	
IN THE MATTER OF THE PETITION OF HAYDEN PINES WATER COMPANY AND ITS PROPOSAL TO SURRENDER ITS CERTIFI- CATE OF PUBLIC CONVENIENCE AND NECESSITY NO. 281.)	CASE NO. HPN-W-97-2
_____)	ORDER NO. 28265
)	CANCELLATION OF CERTIFI- CATE NO. 281

As a matter of administrative housekeeping, the Commission is apprised by Commission Staff that water service to the certificated area previously served by Hayden Pines Water Company (Hayden Pines; Company) in Kootenai County, Idaho is now being provided by the North Kootenai Water District, an Idaho municipal corporation. Reference Certificate of Public Convenience and Necessity No. 281. By this Order the Commission cancels Hayden Pines Certificate No. 281 and terminates Hayden Pines' obligation to provide water service to the related certificated area.

On April 11, 1997, the Idaho Public Utilities Commission (Commission) initiated Case No. HPN-W-97-1, an investigation into the financial, operational and managerial activities of Hayden Pines Water Company. On June 13, 1997, Hayden Pines filed a Petition with the Commission in Case No. HPN-W-97-2 requesting a Commission Order canceling the Company's Certificate of Public Convenience and Necessity No. 281. In support of its Petition, Hayden Pines represented that it had sold its utility assets to Allied Water, Inc., a non-profit

ORDER NO. 28265
CANCELLATION OF CERTIFICATE
NO. 281

corporation and that it no longer provided any public utility service in Idaho subject to the Commission's regulation. Reference *Idaho Code* § 61-129 Public Utility. It was the Company's further contention that Allied was a non-profit corporation exempt from Commission regulation pursuant to *Idaho Code* § 61-104 (Corporation).

Based on information received, Staff reported that it had reason to question the following representations of Hayden Pines: (1) that Hayden Pines had sold its utility assets to Allied Water and; (2) that Allied Water was exempt from PUC regulation. The Commission in Order No. 27026 determined that further investigation was necessary to determine whether certificate cancellation was warranted. In the interim, the Commission apprised the Company that its Certificate of Public Convenience and Necessity No. 281 remained in effect until the Commission ordered otherwise. Proceedings in Case No. HPN-W-97-2 were stayed pending investigation and/or further motion by the parties.

The Commission's records reflect that there are four pending Hayden Pines cases before the Commission:

HPN-W-91-1	Customers of the Avondale service territory of Hayden Pines Water v. Hayden Pines (an ongoing review of water quality)
HPN-W-94-1	Jack LaSance et al v. Hayden Pines (complaint re: Hillside Water System—feasibility of telemetering)
HPN-W-97-1	In the matter of the investigation into the financial, operational and managerial activities of Hayden Pines Water Company
HPN-W-97-2	In the matter of the petition of Hayden Pines Water Company and its proposal to surrender its Certificate of Public Convenience and Necessity No. 281

Commission Staff reports that its investigation into this matter is now concluded. The concerns of Staff regarding Allied Water and the nature of continuing service have, Staff represents, been made moot by the purchase of the water system by the North Kootenai Water District, an Idaho municipal corporation and an entity exempt from Commission jurisdiction. Reference *Idaho Code* § 61-104—Corporation; Agreement between Allied Water, Inc., Hayden

ORDER NO. 28265
CANCELLATION OF CERTIFICATE
NO. 281

Pines Water, Inc., Charles A. Ford and the North Kootenai Water District dated November 25, 1998. As represented, it is Staff's understanding and belief that the lingering performance issues have been resolved and that the service area of the North Kootenai Water District was expanded to include all areas formerly served by Hayden Pines Water Company.

COMMISSION FINDINGS

The Commission has reviewed its records and filings in Case Nos. HPN-W-91-1, HPN-W-94-1, HPN-W-97-1 and HPN-W-97-2. We have also considered the representations of Staff regarding sale of the water system, and reviewed the related November 25, 1998 Agreement whereby the North Kootenai Water District purchased the Hayden Pines certificated water system (Reference Certificate No. 281). We find that under Idaho Public Utilities Laws—*Idaho Code* Title 61, we no longer have jurisdiction over the service provider and the affected service territory. Reference *Idaho Code* 61-104. We accordingly find it reasonable and appropriate to cancel the Certificate of Public Convenience and Necessity No. 281 (as amended), previously issued by this Commission to the Hayden Pines Water Company, Kootenai County, Idaho, to terminate Hayden Pines' obligation to provide water service to the related service territory and to close all pending Hayden Pines cases.

CONCLUSION OF LAW

The Idaho Public Utilities Commission has the jurisdiction to determine its continued authority and jurisdiction in this matter pursuant to the authority granted the Commission under Title 61 of the *Idaho Code* and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

ORDER

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED that the Hayden Pines Water Company Certificate of Public Convenience and Necessity No. 281 (as amended) is cancelled and the obligation of Hayden Pines to provide water service to the related certificated area is terminated.

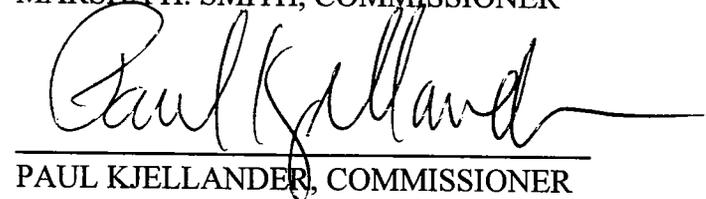
IT IS FURTHER ORDERED and the Commission by this Order does hereby close the pending dockets in Hayden Pines Case Nos. HPN-W-91-1, HPN-W-94-1, HPN-W-97-1 and HPN-W-97-2.

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 19th day of January 2000.


DENNIS S. HANSEN, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


PAUL KJELLANDER, COMMISSIONER

ATTEST:


Myrna J. Walters
Commission Secretary

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ORDER NO. 28265
CANCELLATION OF CERTIFICATE
NO. 281