

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF

FROM: DONOVAN E. WALKER

DATE: NOVEMBER 7, 2005

SUBJECT: THE APPLICATION OF KOOTENAI HEIGHTS WATER FOR A
CERTIFICATE OF PUBLIC CONVENIENC AND NECESSITY – CASE
NO. KHW-W-05-01

On August 22, 2005, Kootenai Heights Water System, Inc. (Kootenai Heights, Company) filed an Application for a Certificate of Public Convenience and Necessity (Certificate) with the Idaho Public Utilities Commission (Commission). On September 30, 2005, the Commission issued a Notice of Application and Modified Procedure establishing a deadline for written comments of November 10, 2005. On November 1, 2005, the parties executed a Stipulation urging the Commission to suspend the written comment deadline.

BACKGROUND

Kootenai Heights applied for a Certificate to operate a water system in the city of Kootenai, Idaho. Application at 2. The Company states that the system is currently in service with 6 residential customers and will ultimately serve 11 residential customers. *Id.* The requested service area for the water system consists of Lots 7-18 of Kootenai Heights, with the well located on Lot 10. Application at 1. The Company states that the cost to construct the system was \$83,500.00 including the value of Lot 10. Application at 2. The Application states that proposed rates and charges, rules, and forms are all contained within the Water Service Agreement submitted with the Application. *Id.* The average monthly consumption for the entire system is 31,000 gallons, and the Company states that billing will start on October 1, 2005. *Id.*

STIPULATION

After consulting with Commission Staff, the Company wishes to pursue alternative organizational structures that may effect whether the Commission has regulatory jurisdiction over it. Given the number of current and potential future customers of the system, as well as the proposed service territory, investment, etc... Staff recommends that the comment deadline, currently set at November 10, 2005, be suspended to allow the Company and Staff additional time for discussion prior to filing comments.

The Parties have signed a Stipulation (attached) jointly asking the Commission to suspend the November 10, 2005, comment deadline in this matter so that they may have additional time to explore alternative organizational structures for the Company. Additionally, the parties agreed to report the status of this matter to the Commission in 60 days.

COMMISSION DECISION

Does the Commission wish to accept the Stipulation of the parties, and suspend the comment deadline for this matter? If so, does the Commission also wish the parties to report the status of this matter in 60 days?



Donovan E. Walker

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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IN THE MATTER OF THE APPLICATION)
OF KOOTENAI HEIGHTS WATER) CASE NO. KHW-W-05-01
SYSTEM, INC. FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY) JOINT STIPULATION RE:
) SUSPENSION OF COMMENT
) DEADLINE

On August 22, 2005, Kootenai Heights Water System, Inc. (Kootenai Heights, Company) filed an Application for a Certificate of Public Convenience and Necessity (Certificate) with the Idaho Public Utilities Commission (Commission). On September 30, 2005, the Commission issued a Notice of Application and Modified Procedure establishing a deadline for written comments of November 10, 2005. With this Stipulation the parties urge the Commission to suspend the written comment deadline on the Company's Application.

BACKGROUND

Kootenai Heights applied for a Certificate to operate a water system in the city of Kootenai, Idaho. Application at 2. The Company states that the system is currently in service with 6 residential customers and will ultimately serve 11 residential customers. *Id.* The requested service area for the water system consists of Lots 7-18 of Kootenai Heights, with the well located on Lot 10. Application at 1. The Company states that the cost to construct the system was \$83,500.00 including the value of Lot 10. Application at 2. The Application states that proposed rates and charges, rules, and forms are all contained within the Water Service Agreement submitted with the Application. *Id.* The average monthly consumption for the entire system is 31,000 gallons, and the Company states that billing will start on October 1, 2005. *Id.*

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STIPULATION

The Parties, by their signatures below, hereby jointly ask the Commission to suspend the November 10, 2005, comment deadline in this matter so that they may have additional time to explore alternative organizational structures for the Company. The parties agree to report the status of this matter to the Commission in 60 days.

DATED this 31ST day of October 2005.



DONOVAN E. WALKER
Deputy Attorney General
Idaho Public Utilities Commission

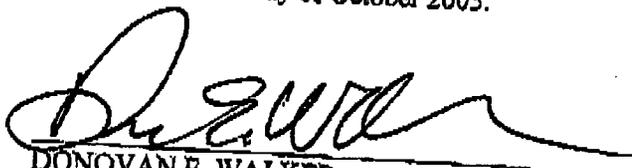
see attached signature

GARY A. FINNEY
Attorney for Kootenai Heights Water

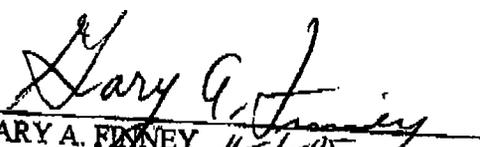
STIPULATION

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DATED this 31ST day of October 2005.



DONOVAN E. WALKER
Deputy Attorney General
Idaho Public Utilities Commission



GARY A. FINNEY 11-1-05
Attorney for Kootenai Heights Water