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Attorney for the Commission Staff

## **BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION OF</b>	)	
<b>MURRAY WATER WORKS FOR</b>	)	<b>CASE NO. MUR-W-14-01</b>
<b>CANCELLATION OF ITS CERTIFICATE OF</b>	)	
<b>PUBLIC CONVENIENCE AND NECESSITY.</b>	)	
	)	<b>COMMENTS OF THE</b>
	)	<b>COMMISSION STAFF</b>
	)	

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**COMES NOW** the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Neil Price, Deputy Attorney General, and in response to the Notice of Application and Notice of Modified Procedure in Order No. 33332 issued on June 30, 2015, submits the following comments.

### **BACKGROUND**

On December 1, 2014, the Commission received a letter from Murray Water Association, Inc. ("MWA"), signed by Mr. Kim Gittel, Incorporator for MWA, and Mr. Arlen Lish, owner of Murray Water Works ("Murray"), requesting the Commission's recognition of transfer of ownership from Murray to MWA and cancellation of Murray's Certificate of Public Convenience and Necessity ("CPCN") No. 404.

The letter informs the Commission that consumers residing in Murray, Idaho had formed a Water Users Association and purchased Murray's water system and real property owned by

Arlin and Nancy Lish. The new owner and operator of the water system, MWA, is a non-profit association with elected board members and a president. MWA has operated the water system since 2014. Each customer has one vote and elections are held annually.

Included in the Letter/Application: is a copy of MWA's filing as a non-profit with the State of Idaho; MWA's Articles of Incorporation and By-Laws; a warranty deed conveyance from Murray to MWA; and Murray's 2010 Rate Schedule/Tariff Sheets. Staff noted that Article III of MWA's by-laws states that all members of the association share collectively in ownership of the MWA water system and property and that each member shall have individual voting rights. Documents from MWA affirm it will use Murray's 2010 rate schedule as shown on the existing tariff sheet and rates will not increase as a result of the transfer.

### **STAFF ANALYSIS**

Staff was previously informed by Mr. Lish of his intention to sell and later, the pending sale of the Murray water system to an organization of local customers. Staff reviewed and examined each of the above mentioned documents attached to the Application. As part of its review, Staff compared Mr. Lish's signature on the deed conveyance attached to the Application to Mr. Lish's previous signatures on file with the Commission. Staff believes Mr. Lish's signature on the deed conveyance is authentic.

The MWA elected Board Members and a President and has operated the water system since 2014. The Articles of Incorporation authorize the MWA to charge members for service, make assessments and enforce collection by terminating service. MWA documents affirm it will use the rates and charges established by the Commission and that the transfer will not affect rates established by the Commission.

### **CONCLUSION AND RECOMMENDATIONS**

Staff believes MWA is the only provider of water in the area. MWA has demonstrated good faith by filing Articles of Incorporation, acquiring and operating the water system and electing board members and a President. Staff believes the Articles of Incorporation give MWA the financial ability to operate and maintain the water system. MWA avows that rates will not be increased because of the transfer. Staff believes MWA has satisfied all requirements and the transaction is in the public interest. Staff believes that, pursuant to *Idaho Code* § 61-104, MWA is a not for profit corporation and that MWA qualifies as an association not subject to the

Commission's jurisdiction. Accordingly, Staff recommends acknowledging the 2014 transfer and recommends the cancellation of Murray's CPCN No. 404.

Respectfully submitted this 21<sup>st</sup> day of July 2015.



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Neil Price  
Deputy Attorney General

Technical Staff: John Nobbs  
Chris Hecht  
Johanna Bell

i:/umisc/comments/murw14.Inpjncwh comments

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 21ST DAY OF JULY 2015,  
SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN  
CASE NO. MUR-W-14-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID,  
TO THE FOLLOWING:

MURRAY WATER ASSOC INC  
6276 PRICHARD CREEK RD  
PO BOX 434  
MURRAY ID 83874

  
\_\_\_\_\_  
SECRETARY

CERTIFICATE OF SERVICE