

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL
WORKING FILE

FROM: KEITH HESSING

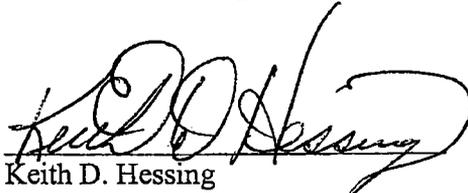
DATE: AUGUST 13, 2003

RE: UNITED WATER FRANCHISE FEES PAID TO BOISE CITY

On August 6, 2003, United Water Idaho filed a Tariff Advice with the Commission requesting an increase in rates within the City of Boise. The increase would allow United Water to recover the cost of an increase in franchise fees that United Water is required to pay the city beginning October 1, 2003. The franchise fee was increased from 3 % to 4 % by Boise City Resolution No. 17692 that is attached to this Decision Memorandum with the Company's filing.

COMMISSION DECISION

The Staff recommends that Schedule 8, Sheet 10B, be approved with an effective date of October 1, 2003 as proposed by the Company. Does the Commission agree?


Keith D. Hessing

udmemos/unitedwaterboiseicity

01448

McDevitt & Miller LLP

Lawyers

RECEIVED
FILED

(208) 343-7500
(208) 336-6912 (Fax)

420 W. Bannock Street
P.O. Box 2564-83701
Boise, Idaho 83702

2003 AUG -6 AM 8:39

IDAHO PUBLIC
UTILITIES COMMISSION

Chas. F. McDevitt
Dean J. (Joe) Miller

August 4, 2003

Ms. Jean Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702s

Re: **United Water Idaho Inc.**
Schedule 8, Sheet 10B

Dear Ms. Jewell:

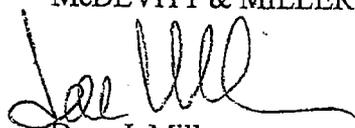
Transmitted herewith is a proposed revision to United Water Idaho's Schedule 8, Sheet 10B.

The revision increases the franchise fee assessed by the City of Boise from 3% to 4%. Attached also is a copy of Boise City Resolution # 17692, by which the city increased the Franchise Fee.

The Ordinance takes effect on October 1, 2003; accordingly, an effective date for this tariff change of October 1, 2003 is requested.

Very truly yours,

McDEVITT & MILLER LLP


Dean J. Miller

DJM/sg

Enclosures

C: Greg Wyatt
Mark Gennari

UNITED WATER IDAHO INC.

SCHEDULE NO. 8
MUNICIPAL FRANCHISE FEES

Purpose:

The purpose of this schedule is to set forth the charges such as license, franchise, business occupation, operating, excise, use of street taxes or other charges that are imposed on the Company by municipal corporations and billed separately by the Company to its Customers within the corporate limits of a municipality.

Applicability:

This schedule is applicable to the gross operating revenues received by the Company from the sale of water and water services within the corporate limits of the city.

Rate:

The rates and charges for the sale of water and water services provided under the Company's schedules will be proportionately increased by the following charge within the municipality on and after the effective date of the applicable municipal ordinance. The charges will be shown as a separate item on the customer's billing.

<u>Municipality</u>	<u>Ordinance No.</u>	<u>Effective Date</u>	<u>Charge</u>
City of Boise	5623	October 1, 2003	4.0%
City of Eagle	414	May 15, 2003	1.0%

Issued:

Effective:

Issued by: UNITED WATER IDAHO INC.

By:

Gregory P. Wyatt, President

RESOLUTION 17692

BY THE COUNCIL:

BISTERFELDT, FORNEY, JORDAN, MAPP,
MASON AND SHEALY

A RESOLUTION INCREASING THE FRANCHISE RATE CHARGED TO UNITED WATER IDAHO FROM 3% TO 4% OF THE GROSS OPERATING REVENUES OF UNITED WATER RECEIVED FROM THE SALE OF WATER AND WATER SERVICES WITHIN THE BOISE CITY CORPORATE LIMITS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on April 11, 1995, pursuant to Ordinance No. 5623, the Boise City Council approved a non-exclusive Franchise Agreement with United Water Idaho to construct, extend, improve, maintain and operate a water utility system in the City of Boise; and

WHEREAS, the Franchise Agreement is for a period of 21 years ending November 1, 2015; and

WHEREAS, Section 7 of the Franchise Agreement required United Water Idaho to pay the City of Boise each month an amount equal to 3% gross operating revenue received during the preceding month from the sale of water and water services within the corporate limits of Boise City; and

WHEREAS, Section 7 of the Franchise Agreement also provided that the 3% franchise rate may be changed to 4% during the term of the Agreement upon passage of a resolution by the Boise City Council; and

WHEREAS, the Boise City Council has determined that an increase in the franchise rate is necessary to provide revenue for water-related and other critical programs managed by the City.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF BOISE CITY, IDAHO:

Section 1. That pursuant to Section 7 of the April 11, 1995 Franchise Agreement entered into between the City of Boise City and United Water Idaho the monthly franchise rate paid by United Water Idaho to Boise City is hereby increased from 3% to 4% of the gross operating revenue received during the preceding month from the sale of water and water services within the corporate limits of Boise City.

Section 2. That this Resolution shall be in full force and effect on October 1, 2003.

ADOPTED by the Council of the City of Boise City, Idaho, this 22ND day of July, 2003.

APPROVED by the Mayor of the City of Boise City, this 22ND day of
July, 2003.

ATTEST:

APPROVED:

Kenneth P. Hooy
CITY CLERK

James L. Byrnes
MAYOR

