

ORIGINAL

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*Attorneys for the City of Nampa*

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IDAHO PUBLIC  
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION  
OF UNITED WATER IDAHO INC., FOR AN  
AMENDMENT TO ITS CERTIFICATE OF  
PUBLIC CONVENIENCE AND NECESSITY  
NO. 142 AND FOR AN ACCOUNTING ORDER.

**Case No. UWI-W-04-03**

**REPLY COMMENTS OF  
THE CITY OF NAMPA**

COMES NOW the City of Nampa, ("Nampa" or the "City") Idaho, through its counsel, and replies to the Comments of the Commission Staff as follows:

The City concurs with Staff's engineering analysis. The transfer of the Carriage Hill well and distribution system to Nampa will be beneficial because it will enable the connection of a second source of supply to the subdivision, will result in lower rates for Carriage Hill customers, and will permit orderly expansion of the City's municipal boundaries and water system.

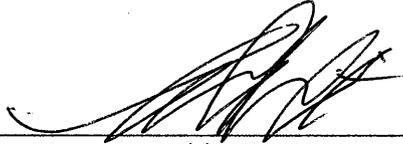
It is important to the City that when the Carriage Hill system is transferred to the City that all debts associated with the system are extinguished. For this reason, in the Purchase and Sale Agreement Nampa agreed that sales proceeds, sufficient in amount to extinguish the debt be paid to United Waterworks. Thus, while the City does not have a direct interest in the regulatory issues presented by Staff's Comments, the City is concerned about the practical consequence of Staff's recommendations. If the transaction does not close as contemplated by the Purchase and Sale Agreement there could be a number of undesirable consequences: Further development of the Carriage Hills sub-division could be halted, at least until the second source of

supply requirement could be resolved. As the City continues expanding its municipal water system, the Carriage Hill area could become an island served by one utility, but surrounded by another. Currently, the City, the developers, United Water Idaho and United Waterworks have a harmonious relationship based on the Purchase and Sale Agreement and the Loan Repayment Agreement. If the transaction does not close as proposed, the relationships between these parties could become adverse, to the probable detriment of all concerned.

Accordingly, Nampa respectfully requests that the transaction be approved as proposed by United Water's Application.

Respectfully submitted this 26 day of October, 2004

**WHITE PETERSON**



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Terrence R. White  
*Attorneys for the City of Nampa*

CERTIFICATE OF SERVICE

I hereby certify that on the 26<sup>th</sup> day of October, 2004, I caused to be served, by the method(s) indicated, the original and seven (7) copies of the foregoing document upon:

Jean Jewell  
Idaho Public Utilities Commission  
472 West Washington Street  
P.O. Box 83720—83720-0074  
Boise, Idaho 83702  
Fax: 334-0324

Hand Delivery  
 U.S. Mail, Postage Prepaid  
 Overnight Courier  
 Telecopy

and one (1) copy upon:

Dean J. Miller  
McDevitt & Miller LLP  
420 West Bannock Street  
P.O. Box 2564—83702  
Boise, Idaho 83702  
Fax: 336.6912

Hand Delivery  
 U.S. Mail, Postage Prepaid  
 Overnight Courier  
 Telecopy

Dated this 26<sup>th</sup> day of October, 2004.

*Stephan G. H. [Signature]*