

IDAHO PUBLIC UTILITIES COMMISSION

Case No. UWI-W-04-3

September 7, 2004

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Website: www.puc.state.id.us

United Water proposes sale to City of Nampa

Boise – The Idaho Public Utilities Commission is taking comments on a United Water proposal to remove a Nampa subdivision from its service territory and sell the subdivision's water system to the City of Nampa.

United Water is proposing to sell the domestic water system for the approximate 50-lot Carriage Hill subdivision to the City of Nampa for \$375,000. About 30 of the lots are developed and connected to the domestic water system.

The developers of Carriage Hill reached an agreement in 1998 with United Waterworks, parent company of United Water, under which United Waterworks would loan the developers up to \$350,000 to finance a source of supply system for Carriage Hill.

Carriage Hill made payments to United Waterworks from February 2000 through November 2001. According to United Water testimony, a softening economy slowed the sale of lots in the subdivision. As a result, the developers were not able to make the required payments. Further, the growth that did occur in the subdivision required the construction of a second well to meet state Department of Environmental Quality regulations. The developers did not have the funds to build a second well and further growth in the subdivision was jeopardized.

The City of Nampa later expressed an interest in buying the water system. It is the city's view that multiple water suppliers within or near its boundaries are not in the best interest of citizens.

United Water claims the sale is in the best interest of customers because Nampa has adequate water supply to serve the subdivision, the connection to Nampa's water system will provide the second well as required by DEQ and the rates charged by Nampa are lower than those charged by United Water.

None of the costs of the loan or plant construction were included in United Water base rates. The company proposes that \$36,000 of the proceeds from the sale go to United Water and the remainder to United Waterworks.

The commission will proceed under a modified procedure that allows the case to be handled through written public comments rather than by public hearing. Those wishing to submit comments must do so by no later than Sept. 27.

Comments are accepted via e-mail by accessing the commission's homepage at www.puc.state.id.us and clicking on "Comments & Questions." Fill in the case number (UWI-

W-04-3) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

Documents related to this case, are available on the commission's Web site. Click on "File Room" and then on "Water Cases" and scroll down to the case number.