

IDAHO PUBLIC UTILITIES COMMISSION

Case No. UWI-W-04-3, Order No. 29625

November 10, 2004

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Commission approves water system sale to Nampa

Boise – The Idaho Public Utilities Commission has approved the sale of a Nampa subdivision water system from United Water to the City of Nampa.

The commission approved the \$375,000 sale price, but said a \$28,138 risk premium that was to be paid to United Water's parent company, United Waterworks, should instead be passed on to customers in the company's upcoming rate case.

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

Once the subdivision grew beyond 25 lots, the Idaho Department of Environmental Quality required a second source of supply. Carriage Hill developers informed United Water that they did not have the funds to construct a second well.

United Water proposed to sell the domestic water system to the City of Nampa for \$375,000. The city expressed interest because of its view that multiple water suppliers within or near its boundaries are not in the best interest of citizens.

The commission, in approving the sale, noted that Carriage Hill is a non-contiguous water system geographically remote from United Water's remaining service areas. Further, the commission said, the city of Nampa, "has the financial, technical, and managerial capacity to serve and provide potable drinking water to the customers of Carriage Hill, and at rates that are lower than United Water's."

Documents related to this case are available on the commission's Web site at www.puc.state.id.us. Click on "File Room," and then on "Water Cases" and scroll down to Case No. UWI-W-04-3.