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IDAHO PUBLIC
UTILITIES COMMISSION

November 18, 2005

Ms. Jean Jewell
Commission Secretary
Idaho Public Utilities Commission
P O Box 83720
Boise ID 83720-0074

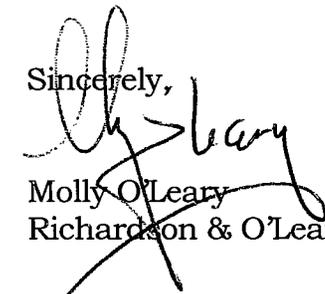
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RE: Case No. EAG-W-05-03
UWI-W-05-03

Dear Ms. Jewell:

I am enclosing an original and seven (7) copies of the REBUTTAL COMMENTS OF EAGLE WATER COMPANY, INC'S. in response to the Idaho Public Utilities Commission's Proposed Order in the above case.

Sincerely,


Molly O'Leary
Richardson & O'Leary, PLLC

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Attorneys for Eagle Water Company, Inc.

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTTER OF THE PETITION OF)
HILLVIEW DEVELOPMENT)
CORPORATION TO OBTAIN WATER)
SERVICE TO COVENANT HILL)
SUBDIVISION, AN AREA WITHIN THE)
CERTIFICATE BOUNDARIES OF BOTH)
EAGLE WATER COMPANY, INC. AND)
UNITED WATER IDAHO, INC.)**

CASE NO. **EAG-W-05-03**
UWI-W-05-03

REBUTTAL COMMENTS OF EAGLE
WATER COMPANY, INC.

COMES NOW, EAGLE WATER COMPANY ("Eagle Water"), and files the following Rebuttal Comments in response to the Idaho Public Utilities Commission's Proposed Order granting service of Covenant Hill Subdivision to United Water of Idaho, Inc.

COMMENTS

In response to Mr. Merkle's Comments, forwarded to the Commission on November 14th, Eagle Water has the following rebuttals:

1. The obtaining of easements to loop Eagle Water's Well No. 6 into its existing 12-inch mainline along Floating Feather Road is a red herring in terms of Eagle Water's current ability to provide sufficient potable water and fire flow protection to the proposed subdivision. Eagle Water maintains that it has sufficient water supply and

pressure to serve Covenant Hills even without the 12-inch mainline loop. However, Eagle Water believes that construction of a 12-inch mainline loop up to and through Covenant Hills is critical for augmenting and improving water pressure throughout its system.

2. The Calhoun Property (site of the proposed subdivision) has been in Eagle Water's service area for more than 20 years – long before United Water came to town. Routing a 12-inch mainline through the Calhoun Property has been in Eagle Water's master plan long for a long time and numerous decisions regarding the placement of system plant have been made based on that plan.

Downing Downs Subdivision is not a viable, cost-effective route for constructing Eagle Water's 12-inch mainline loop. Although the reason for this would seem to be obvious even to a lay person, it apparently is not obvious to Mr. Merkle despite his extensive experience in the construction trade. It is far more expensive to dig up existing pavement and remove existing mature landscaping and otherwise work around obstacles found in an established subdivision than it is to route said line through undeveloped ground. Although Mr. Merkle may not have to pay for the consequences of using such a costly route, Eagle Water's rate payers would.

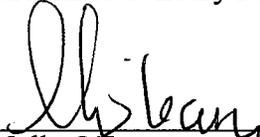
3. Covenant Hill Subdivision does not "straddle" the boundary between United Water and Eagle Water's certificated areas. Thirty-six of the proposed 40 homes for Covenant Hill subdivision are in Eagle Water's certificated area.

4. Eagle Water has been working with DEQ to clarify its current ability to serve the Covenant Hill subdivision. Based on discussion with DEQ on Thursday, November 17th and Friday November 18th, Eagle Water believes that an immediate lifting of DEQ's September 7th moratorium on new service connections, as it pertains to this subdivision, is imminent. Once that moratorium is lifted, Hillview Development may commence construction according to its stated schedule.

Consequently, Eagle Water requests that the Commission delay a decision in this matter until November 21, 2005.

DATED this 18th day of November, 2005.

Richardson & O'Leary P.L.L.C.

By  _____
Molly O'Leary
Attorneys for Eagle Water
Company, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 18th day of November, 2005, the REBUTTAL COMMENTS OF EAGLE WATER COMPANY, INC. was sent to the following parties as shown:

Jean Jewell
Commission Secretary
Idaho Public Utilities Commission
472 West Washington
Boise, Idaho 83702

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Hillview Development Corporation
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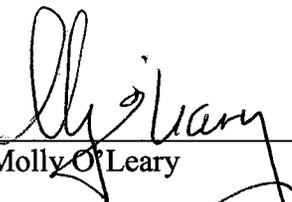
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Signed 
Molly O'Leary