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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

<p>IN THE MATTER 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 AND UNITED) WATER IDAHO INC.)</p> <hr/>	<p>CASE NO. EAG-W-05-3 UWI-W-05-3</p> <p>COMMENTS OF THE COMMISSION STAFF</p>
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COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Scott Woodbury, Deputy Attorney General, and in response to the Notice of Petition, Notice of Proposed Order and Notice of Comment Deadline issued on October 19, 2005, submits the following comments.

BACKGROUND

On October 7, 2005, Hillview Development Corporation (Hillview) filed a Petition with the Idaho Public Utilities Commission (Commission) requesting water service to Covenant Hill subdivision, an area located at 1501 and 1601 West Floating Feather Road in Eagle, Idaho. The site is 48.54 acres and has recently been approved by the Eagle City Council for development of 41 single-family lots.

A portion of the proposed Covenant Hill subdivision is within the certificated service area of Eagle Water Company (Eagle Water), and a portion is within the certificated service area of United Water Idaho Inc. (United Water). Attachment A is a map showing the location of the Covenant Hill subdivision in relation to the certificated area boundaries of the two companies. Hillview requests that United Water provide water service to the subdivision.

On October 19, 2005, the Commission issued a proposed order that included the following findings:

Based on the foregoing and the need for expeditious treatment of the request for service, the Commission finds that the public convenience and necessity requires us to approve the Petition of Hillview Development Corporation and authorize water service to Covenant Hill subdivision by United Water, Idaho Inc. In doing so, we find Hillview's request for a single water provider to the subdivision to be reasonable. We also find United Water to be capable of providing adequate service in a timely manner and to have demonstrated a willingness to provide service. Proposed Order at 2.

STAFF ANALYSIS

Hillview is constructing a pressurized irrigation system for the subdivision and requires only potable water from a water company. Because the site is relatively small and will comprise only 41 lots, it is Hillview's desire to have only one water company provide service to the site. Only five of the 41 lots lie within the current certificated area boundaries of United Water. Staff believes that it would not be practical to split the subdivision so that five lots are served by United Water while the remainder are served by Eagle Water. Staff agrees with Hillview that only one water company should provide water service to the entire subdivision.

It is Staff's understanding that Hillview first approached Eagle Water requesting service. As represented in the filed Petition, Eagle Water Company informed Hillview that there was a water line at the northeast corner of the site that could provide service to the Covenant Hill subdivision. However, Eagle Water to guarantee adequate service believed that it would be necessary to loop its primary main line from both the north and south sides of the subdivision. Eagle Water's nearest, and one of its most productive wells, is located south of the Covenant Hill subdivision. In addition, it is good engineering practice to loop main lines. Extending a main line from the south, however, would require that Eagle Water obtain several easements from adjacent property owners.

It is Hillview's belief based on contact with Eagle Water representatives that there has been no effort put forth to acquire the necessary easements, nor has Eagle Water provided any assurance that it can meet the required fire flows for the subdivision (i.e., a minimum of 2,000 gallons per minute measured at 20 psi for a duration of 2 hours for homes up to 6,200 square feet).

Staff has discussed Hillview's request for service with Eagle Water. Eagle Water admits that it has made no effort to acquire the necessary easements. Eagle Water further admits that unless additional information is provided to the Idaho Department of Environmental Quality demonstrating its ability to provide adequate service, it is currently prohibited from connecting any new customers to its water system until an additional supply source or sources are provided that are large enough to meet minimum state peak hour demand requirements or maximum daily pumping demand plus equalization storage. Reference IDAPA 58.01.08.550.03. A copy of a September 7, 2005 letter from the Department of Environmental Quality to Robert DeShazo of Eagle Water discussing the moratorium on new connections was included with Hillview's Petition.

Staff does not believe that Eagle Water will be able to take actions soon enough to cause the moratorium to be lifted without causing unreasonable delays in Hillview's development plans. Because the Covenant Hill subdivision straddles the certificate service area boundaries of both Eagle Water and United Water, Staff advised Hillview to inquire of United Water as to whether United Water was able to provide water service and the fire flows required.

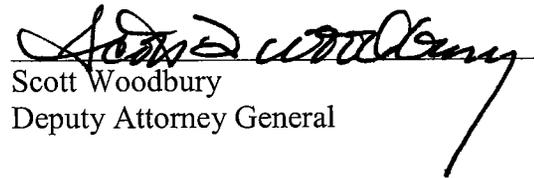
As represented in the Petition, United Water has informed Hillview that United Water has a well to the northeast of the Covenant Hill subdivision site and an existing water main along the subdivision's entire north boundary. Based on a design the developer's construction manager provided to United Water, United Water by letter dated October 5, 2005, estimates the total construction cost for the installation of the pipes, fittings, fire hydrants and services necessary to serve the new subdivision to be \$164,807. This figure is comprised of the contractor's cost of \$146,870 for materials and installation, plus United Water's inspection and overheads. Once United Water has approved design drawings, construction of the water facilities could start within a couple of weeks.

RECOMMENDATIONS

Because United Water has facilities immediately adjacent to the Covenant Hill subdivision and because Eagle Water is currently unable to connect new customers, Staff recommends that

United Water be authorized to provide water service to the Covenant Hill subdivision. Staff believes that the Commission's October 19, 2005 Proposed Order is reasonable and should stand as written. Staff further recommends that United Water be directed to submit to the Commission maps showing the revised certificated area boundary that incorporates the Covenant Hill subdivision.

Respectfully submitted this 9th day of November 2005.


Scott Woodbury
Deputy Attorney General

Technical Staff: Rick Sterling
Dave Schunke

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 9TH DAY OF NOVEMBER 2005, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NOS. EAG-W-05-03 / UWI-W-05-03, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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