

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF UNITED WATER IDAHO INC. TO) CASE NO. UWI-W-05-4
AMEND AND REVISE ITS CERTIFICATE)
OF PUBLIC CONVENIENCE AND)
NECESSITY NO. 143) ORDER NO. 29941
)

On October 21, 2005, United Water Idaho Inc. (“United Water” or “Company”) filed an Application seeking to amend and revise its Certificate of Public Convenience and Necessity in order to expand its service territory. The Commission issued a Notice of Modified Procedure seeking comments regarding the Company’s Application as well as the use of Modified Procedure. Comments were filed by Commission Staff, the City of Meridian, and the City of Nampa. United Water and Meridian filed reply comments. In this Order the Commission grants the Company’s Application as to two of the parcels of land requested under the Application.

THE APPLICATION

According to the Application, United Water seeks to expand the provision of its water services to seven discrete parcels of land. A map depicting United Water’s current certificated boundary and United Water’s proposed certificated boundary was attached to the Company’s Application and is further attached to this Order as Exhibit A. The seven parcels are located at:

- (1) Cloverdale Road, between Franklin Road and Ustick Road, Ada County (as described in further detail in Exhibit C to the Application);
- (2) Eagle Road and McMillan Road, Ada County (as described in further detail in Exhibit E to the Application);
- (3) Hidden Springs/Cartwright Ranch, Ada County (as described in further detail in Exhibit H to the Application);
- (4) The LDS Church at Eagle Road and Lake Hazel Road, Ada County (as described in further detail in Exhibit K to the Application);
- (5) The LDS Church at Linder Road and Columbia Road, Ada County (as described in further detail in Exhibit L to the Application), adjacent to United Water’s existing non-contiguous Danskin service area;

- (6) The Lexington Meadows subdivision at McDermott Road and Overland Road, Canyon County (as described in further detail in Exhibit N to the Application);
- (7) The Iron Horse subdivision at West Columbia Road and South Black Cat Road, Ada County (as described in further detail in Exhibit R to the Application), which subdivision extends the boundaries of United Water's non-contiguous Danskin service area.

United Water states that the areas it is proposing to serve are not within the authorized territory of any other public utility water corporation under the jurisdiction of the Commission and are covered by United Water's rules and regulations. The Application states that there are no known public utilities, persons, or corporations with whom the expansion is likely to compete, and the requested expansion would not interfere with the operation of any other water utility. United Water proposes to provide service pursuant to its Tariff No. 1, General Metered Service, and in all respects will provide service pursuant to its Rules and Regulations as approved by the Commission.

COMMENTS

A comment and a protest were submitted, along with Staff Comments. On December 1, 2005, the City of Nampa submitted a comment stating its position that private water systems not be allowed in Nampa's impact area as such systems may create problems when such systems are annexed.

On December 1, 2005, the City of Meridian filed a protest against the Application stating that such changes in the Company's certificated boundary would result in interference with the water distribution and delivery system currently under construction by Meridian and that public convenience and necessity do not require the construction of a duplicate distribution and delivery system by the Company. Meridian requested that a hearing be held in this matter. In its filing, Meridian did not specify which parcels of land it protested.

Staff filed comments on this matter on December 6, 2005, outlining its analysis of the Application and potential effect of the requested expansion. The Hidden Springs/Cartwright Ranch expansion would take in the Cartwright Ranch property, which is adjacent to United Water's existing service territory encompassing the Hidden Springs planned community (as described in further detail in Exhibit H to the Application). The developers of Hidden Springs anticipate building between 1,350 and 1,450 new homes on the Cartwright Ranch property, and

have submitted a request to United Water for extension of water service into the area. Water service facilities will be extended into the area pursuant to United Water's Rules and Regulations governing extensions. These line extension rules require a contribution by the developer of the full cost of the on-site and off-site facilities necessary to provide service. The rules also include provisions to charge the developer for special facilities (such as booster pumps and storage reservoirs) should they be necessary. Because of the developer contribution provisions under the Company's line extension rules, Staff believes that all other existing ratepayers are not harmed. Thus, Staff recommended approval of expansion of the Company's certificate to serve this area.

The Lexington Meadows subdivision expansion is west of McDermott Road and south of Overland Road in Canyon County, Idaho (as described in further detail in Exhibit N to the Application). It is adjacent to United Water's existing non-contiguous Belmont Heights service area. The proposed expansion would encompass only the boundaries of the Lexington Meadows subdivision, which consists of 26 building sites. Water service facilities will be extended into the area pursuant to United Water's standard Water Main Extension Agreement.

The Lexington Meadows expansion area lies within the City of Nampa Area of Impact as shown on Attachment D to comments prepared by Staff. However, the nearest Nampa municipal water facilities are located along Happy Valley Road, approximately 1½ miles west of the proposed Lexington Meadows subdivision. The City of Nampa appears unlikely to extend water service to this area for several years in the future; therefore, Staff recommended that United Water be permitted to extend service to this area.

Staff recommended that United Water be granted approval to expand its certificated area to include these two areas. Staff further recommended that the Commission direct the Company to prepare and file an Amended Certificate No. 143 to include those expansion areas approved by the Commission.

ADDITIONAL PLEADINGS

On December 7, 2005, the Company filed a Motion to Approve Uncontested Expansions, requesting the Commission's approval of the Application as to five of the parcels set forth therein. On December 14, 2005, Meridian filed a Response to Motion to Approve, stating that only the Hidden Springs/Cartwright Ranch and the Lexington Meadows subdivision areas are not contested and that it believes that the Application should be approved as to these two areas. The response further stated that the parties are negotiating as to the other parcels.

COMMISSION FINDINGS

The Idaho Public Utilities Commission has jurisdiction over United Water Idaho Inc., its Application to amend and revise its Certificate of Public Convenience and Necessity, and the issues involved in this case by virtue of Title 61, Idaho Code, specifically *Idaho Code* §§ 61-129, 61-124, 61-125, 61-526, and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

Idaho Code § 61-526 addresses the expansion of a water utility's certificated area. It states, in pertinent part, as follows:

No . . . water corporation shall henceforth begin the construction of . . . a line, plant, or system or of any extension of such . . . line, plant, or system, without having first obtained from the commission a certificate that the present or future public convenience and necessity require or will require such construction: provided, that this section shall not be construed to require such corporation to secure such certificate for an extension within any city or county, within which it shall have theretofore lawfully commenced operation, or for an extension into territory whether within or without a city or county, contiguous to its . . . line, plant, or system, and not theretofore served by a public utility of like character, or for an extension within or to territory already served by it necessary in the ordinary course of its business: and provided further, that if any public utility in constructing or extending its line, plant, or system, shall interfere or be about to interfere with the operation of the line, plant or system of any other public utility already constructed, or if public convenience and necessity does not require or will require such construction or extension, the commission on complaint of the public utility claiming to be injuriously affected, or on the commission's own motion, may, after hearing, make such order and prescribe such terms and conditions for the locating or type of the line, plant or system affected as to it may seem just and reasonable . . .

We find that expansion of United Water's service territory as to the Hidden Springs/Cartwright Ranch parcel and the Lexington Meadows Subdivision parcel will not interfere or be about to interfere with the operation of the line, plant or system of any other public utility already constructed, and that the present public convenience and necessity requires such expansion.

ORDER

IT IS HEREBY ORDERED that United Water's Application to amend and revise its Certificate of Public Convenience and Necessity as to the parcels of land located at Hidden Springs/Cartwright Ranch and the Lexington Meadows subdivision is granted. The expanded certificated boundary shall include these two areas, depicted on the map attached as Exhibit B to


this Order. The Company is directed to prepare and file an Amended Certificate No. 143 to include those expansion areas.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

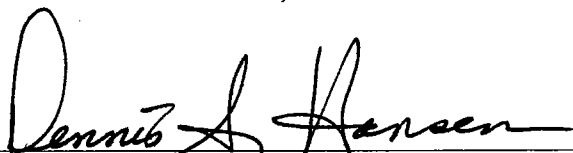
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 30th day of December 2005.



PAUL KJELLANDER, PRESIDENT

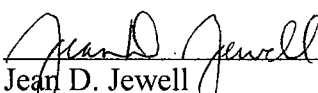


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER



ATTEST:



Jean D. Jewell
Commission Secretary

O:UWI-W-05-04_cg2

UWID PROJECTED EXPANSIONS

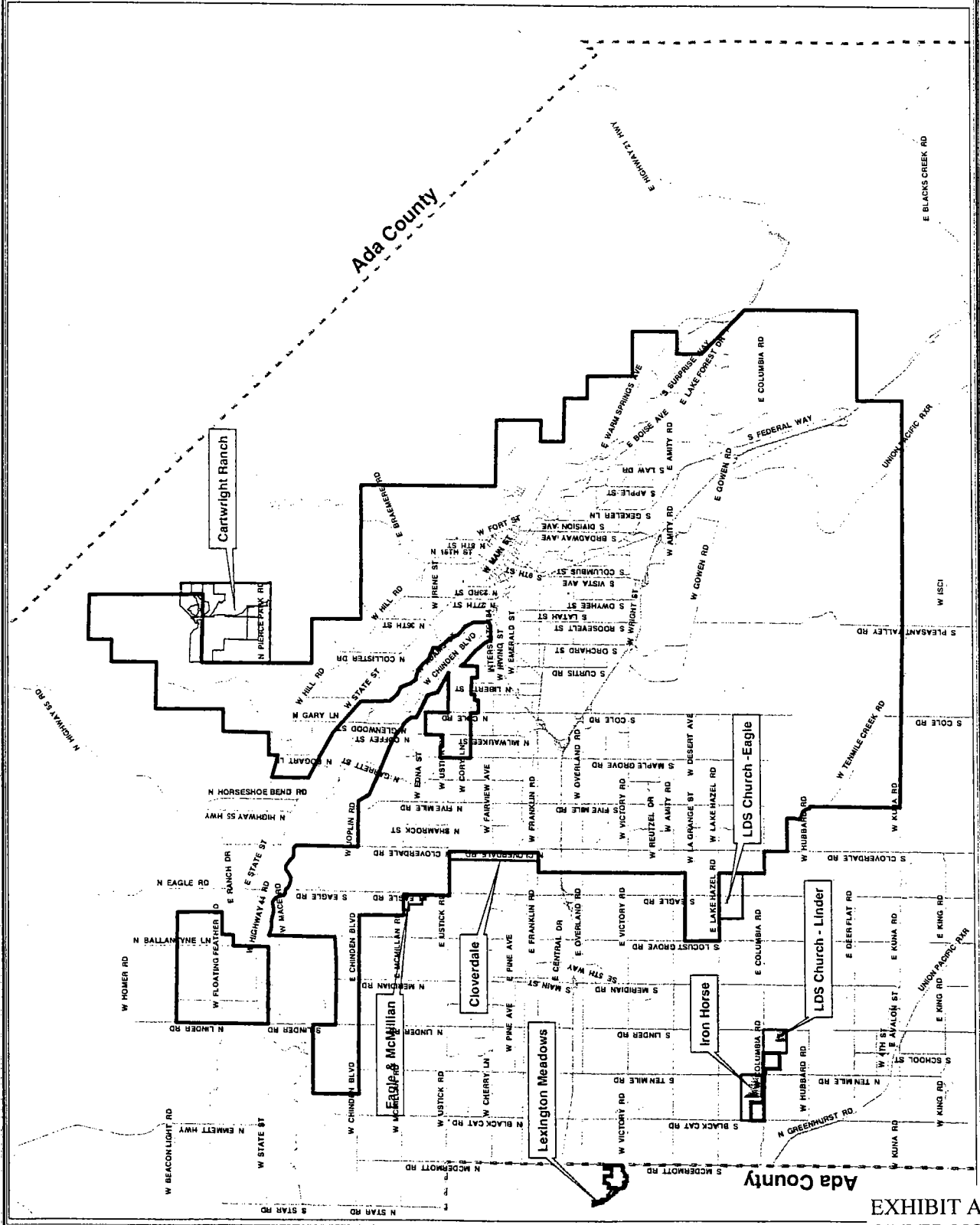
-  UWID Certified Area
-  Proposed Certified Area



NO SCALE



Revised Date: 10-17-05



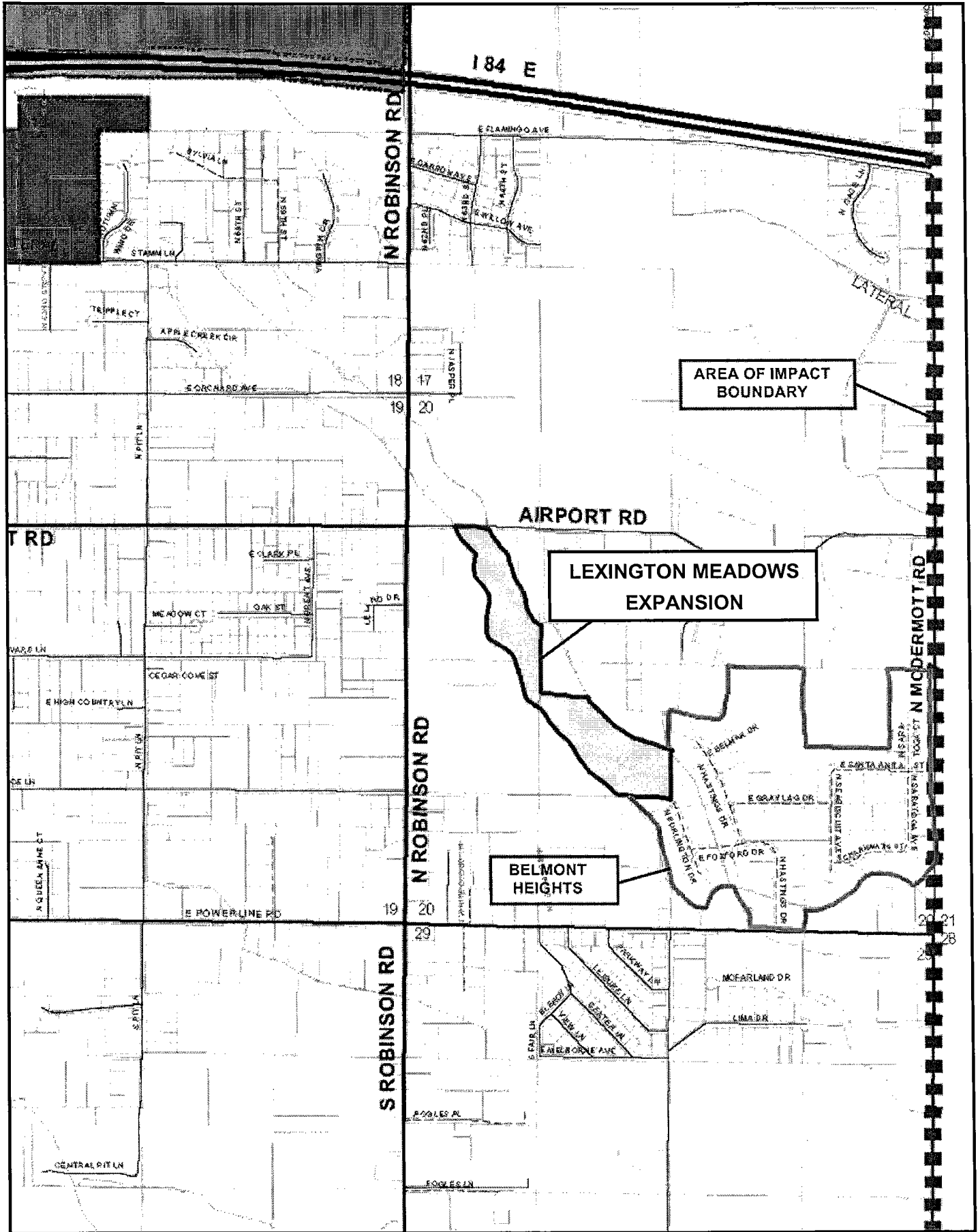


EXHIBIT B
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