

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) ORDER NO. 30070
NECESSITY NO. 143)

On October 21, 2005, United Water Idaho Inc. ("United Water") filed an Application seeking to amend and revise its Certificate of Public Convenience and Necessity in order to expand its service territory. On November 8, 2005, the Commission issued Order No. 29908 to proceed with the matter by Modified Procedure and requested comments.

On December 1, 2005, the City of Meridian filed a Protest and Request for Hearing. Thereafter followed certain discussions between the Company and the City of Meridian regarding the Application. On December 30, 2005, the Commission issued Order No. 29941 approving the addition of two of the seven parcels set forth in the Application to United Water's Certificate of Public Convenience and Necessity. The Company and the City of Meridian continued discussions following the issuance of Order No. 29941 regarding the other parcels of land set forth in the Application. On May 2, 2006, the Company filed a Stipulation, pursuant to Rule of Procedure (RP) 274, between the Company and the City of Meridian to resolve in whose service territory each of the five remaining parcels will reside. The Company also filed an Amended Application and a request for Modified Procedure. On May 11, 2006, the Company filed a Motion to Approve the Stipulation, as well as a letter to clarify the Stipulation.

On May 17, the Commission issued Order No. 30045 to proceed with the remaining parcels in the matter, as well as the Stipulation, by Modified Procedure, and requested comments. No comments were received other than those filed by Commission Staff.

THE AMENDED APPLICATION

According to the Amended Application, United Water seeks to expand the provision of its water services to certain discrete parcels of land. As already noted, the Commission approved amending and revising Certificate No. 143 to include two of the parcels set forth in the Application. 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 other parcels of land 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) The LDS Church at Eagle Road and Lake Hazel Road, Ada County (as described in further detail in Exhibit K to the Application);
- (4) 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; and
- (5) 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 is also seeking the expansion of its Certificate of Public Convenience and Necessity No. 143 to include the parcel of land in an area denominated as "Lake Hazel/Columbia" as described in Exhibit D attached to the Stipulation (described in more detail below) and attached to this Order as Exhibit B.

United Water stated that the areas it is proposing to serve are not within the authorized territory of any other water utility corporation under the jurisdiction of the Commission and are covered by United Water's rules and regulations. The Amended Application states that there are no known public entities, 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.

SETTLEMENT AGREEMENT WITH CITY OF MERIDIAN

United Water and the City of Meridian entered into a Stipulation agreement, settling unresolved issues regarding the areas to be served by United Water. United Water filed the Stipulation agreement and a Motion to Approve the Stipulation.

In the Stipulation agreement, the parties agreed that the areas denominated in the Application as Iron Horse, LDS Church at Linder, and the Cloverdale Road parcel may be included in United Water's service territory. In addition, the parties agreed that with respect to

the area denominated as Eagle & McMillan, the boundary of this area shall be re-drawn so that it does not overlap with the boundary of Meridian's area of city impact. The revised description of the Eagle & McMillan expansion is set forth in Exhibit B attached to the Stipulation and is attached to this Order as Exhibit C. Also, pursuant to the Stipulation agreement, United Water's request for expansion into the area denominated as LDS Church at Eagle Road is withdrawn.

Further, in the Stipulation agreement, United Water requests that a portion of the area previously added to its service territory in Order No. 29785, known as the Blackrock area, be deleted from Certificate No. 143 such that the western boundary of United Water's certificated area is upon a North-South line as depicted on Revised Exhibit A, attached to the Stipulation. The area is further described in Exhibit C to the Stipulation and is attached to this Order as Exhibit D. Lastly, the parties agreed that an area denominated as "Lake Hazel/Columbia" may be added to United Water's Certificate No. 143. This area is described in Exhibit D as attached to the Stipulation agreement, and is attached to this Order as Exhibit B.

COMMENTS

Staff filed comments on this matter on December 6, 2005 and on May 31, 2006, addressing the parcels. In its comments of December 6, 2005, Staff identified several areas it believed were contested between United Water and the City of Meridian. Staff recommended approval of the uncontested areas and further recommended that United Water be directed to negotiate with the City of Meridian to resolve contested areas. The filed Stipulation represents the fruits of those negotiations. It appears to Staff that all contested areas previously identified have been satisfactorily resolved.

Staff believes that the Stipulation represents a reasonable compromise between United Water and the City of Meridian; therefore, Staff recommends that the Stipulation be approved. The Stipulation resolves all of the contested areas identified by Staff in its earlier comments in this case and resolves any concerns Staff had held regarding the requested areas. Staff further recommends that United Water be directed to prepare and file an Amended Certificate No. 143 to reflect the terms of the Stipulation.

COMMISSION FINDINGS

The 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 Cloverdale Road parcel, the Iron Horse parcel, the LDS Church at Linder Road parcel, the Eagle Road and McMillan Road parcel (as amended), and the Lake Hazel/Columbia Road 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.

In addition, we find the Stipulation agreement entered into between United Water and the City of Meridian is reasonable and a fair resolution of the issues between the parties with regards to the provision of water service to certain parcels of land. Thus, we approve the subject Stipulation agreement.

ORDER

IT IS HERBY ORDERED that United Water's amended Application to amend and revise its Certificate of Public Convenience and Necessity No. 143 is granted.

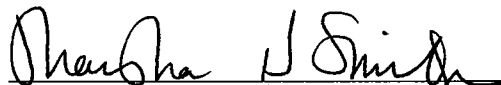
IT IS FURTHER ORDERED that the Stipulation agreement between United Water and the City of Meridian is approved. The expanded certificated boundary shall include the parcels denominated as Cloverdale Road, the LDS Church at Linder, the Iron Horse subdivision, Eagle Road and McMillan Road (as amended), and Lake Hazel/Columbia. In addition, the certificated boundary shall be amended to delete the Blackrock area such that the western boundary of United Water's certificated area is upon a North-South line. United Water is directed to prepare and file an Amended Certificate No. 143 to include the expansion areas noted herein and to delete the Blackrock area.

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.*

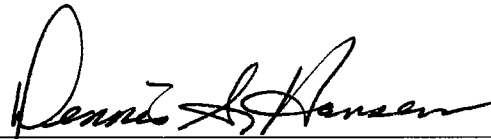
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 8th day of June 2006.



PAUL KJELLANDER, PRESIDENT

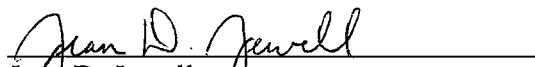


MARSHA H. SMITH, COMMISSIONER



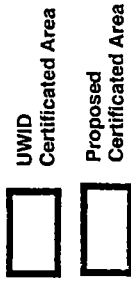
DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

O:UWI-W-05-04_cg4

UWID PROJECTED EXPANSIONS



NO SCALE

Revised Date: 10-17-05

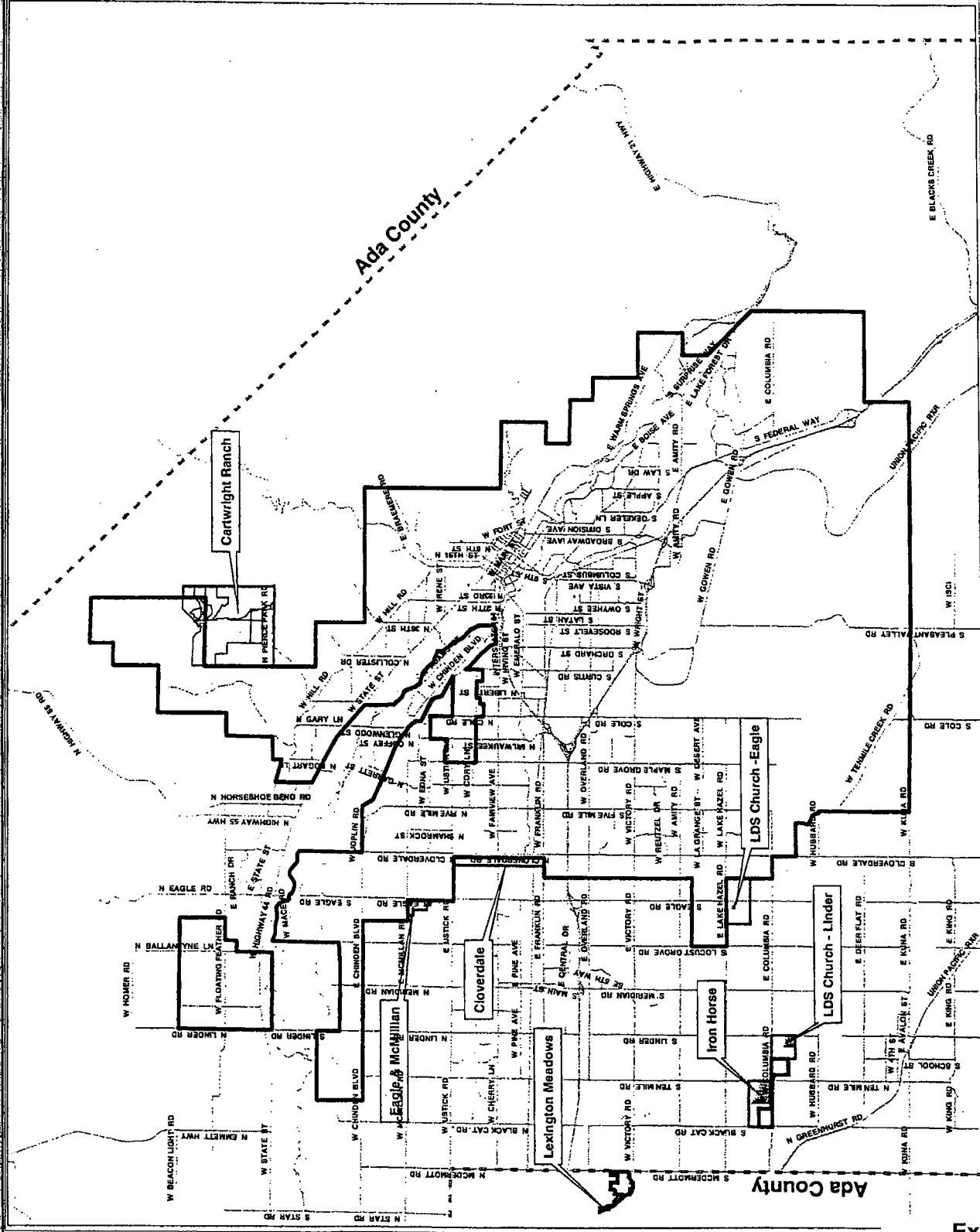


EXHIBIT D

Description for Lake Hazel/Columbia

A parcel of land being all of the East 1/2 of Section 4, Township 2 North, Range 1 East, Boise Meridian; Ada County, Idaho.

EXHIBIT B

Description for Eagle Road and McMillan.

Parcels of land being:

all of the Northeast 1/4 of the Northeast 1/4;

all of the Northeast 1/4 of the Northwest 1/4 of the Northeast 1/4;

all of the East 1/2 of the Southeast 1/4 of the Northeast 1/4;

all of the Northeast 1/4 of the Northeast 1/4 of the Southeast 1/4;

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and all of the East 1/2 of the Northwest 1/4 of the Northeast 1/4 of the Southeast 1/4;

all in Section 32, Township 4 North, Range 1 East, Boise Meridian; Ada County, Idaho.

EXHIBIT C

Description for Black Rock Adjustment Area.

A parcel of land being all of the East 1/2 of Section 33; Township 3 North, Range 1 East, Boise Meridian; Ada County, Idaho.