

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER SMITH  
COMMISSIONER HANSEN  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL

**FROM:** CECELIA A. GASSNER

**DATE:** JUNE 5, 2006

**SUBJECT:** UNITED WATER'S APPLICATION TO AMEND CERTIFICATE – CASE NO. UWI-W-05-4

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. As described in more detail below, on May 2, 2006, the Company filed an amendment to its Application and a Stipulation between the Company and the City of Meridian. On May 17, 2006, the Commission issued Order No. 30045 to proceed with the matter by Modified Procedure and requested comments. No comments were received other than those filed by the Commission Staff.

### 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 is attached to the Company’s Application as Exhibit A. The seven parcels originally included in the Application 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); and
- 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.

The Company stated that none of the areas they are proposing to serve are within the authorized territory of any other public utility water corporation under the jurisdiction of the Commission. 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.

#### **ADDITIONAL FILINGS**

On December 1, 2005, the City of Meridian filed a Protest and Request for Hearing. Thereafter followed certain discussions between the Company and Meridian regarding the Application. 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 were negotiating as to the other parcels. On December 12, 2005, the Commission issued Order No. 29945, approving the Company's Application as to the Hidden Springs/Cartwright Ranch parcel and the Lexington Meadows Subdivision parcel.

The Company and the City of Meridian continued discussions regarding the other parcels of land set forth in the Application. On May 2, 2006, the Company filed a Stipulation, pursuant to RP 274, between the Company and the City of Meridian to resolve in whose service territory each of the above parcels will reside. The Company also filed an Amended Application and a request for Modified Procedure. On May 4, 2006, the Company filed a Motion to Approve the Stipulation, and on May 11, 2006, the Company filed a letter to clarify the Stipulation.

Through the Amended Application, the Company is also seeking the expansion of its Certificate of Public Convenience and Necessity No. 143 to add the parcel of land in an area denominated as "Lake Hazel/Columbia" as described in Exhibit D attached to the Stipulation.

#### **SETTLEMENT BETWEEN COMPANY AND CITY OF MERIDIAN**

United Water and the City of Meridian have entered into a Stipulation agreement, settling unresolved issues regarding the areas to be served by United Water that are in or near the City of Meridian's area of impact. United Water filed the Stipulation and a Motion to Approve the Stipulation. In the Stipulation, 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 service territory. The parties also agreed that with respect to the area denominated as Eagle and McMillan, the boundary of this area should be redrawn so that it does not overlap with the boundary of Meridian's area of city impact. The revised description of the Eagle and McMillan expansion is set forth in Exhibit B attached to the Stipulation. Further pursuant to the Stipulation, United Water has agreed to the City of Meridian providing service to the area denominated as LDS Church at Eagle Road, thus its request for expansion into this area is withdrawn.

Finally, United Water requests that a portion of the area previously added to its service territory in Order No. 29785, known as the Black Rock 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. The parties agreed in the Stipulation that an area denominated as "Lake Hazel/Columbia" which represents the remaining portion of the Black Rock addition shall be included in United Water's Certificate No. 143. This area is described in Exhibit D as attached to the Stipulation.

## STAFF 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 DECISION

Does the Commission desire to approve United Water's amended Application to Amend and Revise Certificate of Convenience and Necessity No. 143?

Does the Commission desire to approve the Stipulation agreement entered into between United Water and the City of Meridian resolving the issues of which entity will provide water service to certain parcels?

  
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Cecelia A. Gassner

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