

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION</b>	)	
<b>OF UNITED WATER IDAHO INC.</b>	)	<b>CASE NO. UWI-W-06-1</b>
<b>REGARDING A TARIFF ADVICE</b>	)	
	)	<b>NOTICE OF TARIFF ADVICE</b>
	)	
	)	<b>NOTICE OF MODIFIED</b>
	)	<b>PROCEDURE</b>
	)	
	)	<b>ORDER NO. 29961</b>

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On January 5, 2006, United Water Idaho Inc. ("United Water" or "Company") filed a tariff advice with the Idaho Public Utilities Commission ("Commission") notifying the Commission of a change to Rule 75 of Company's tariff, related to the calculation of refunds provided to developers for the costs of water main extensions.

**THE TARIFF ADVICE**

YOU ARE HEREBY NOTIFIED that the tariff advice proposes changes to Rule 75 of United Water's tariff as set forth in the document attached as Exhibit A. The Company states that this tariff advice is meant to clarify and update the formula used to calculate developer refunds with respect to special facilities.

**NOTICE OF MODIFIED PROCEDURE**

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this tariff advice may file a written comment in support or opposition with the Commission within ten (10) days from the date of this Notice. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this tariff advice shall be mailed to the Commission and the Company at the addresses reflected below:

NOTICE OF TARIFF ADVICE  
NOTICE OF MODIFIED PROCEDURE  
ORDER NO. 29961

Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

Dean J. Miller  
McDevitt & Miller  
420 W. Bannock Street  
Boise, ID 83702

Street Address for Express Mail:

472 W. Washington Street  
Boise, ID 83702-5983

These comments should contain the case caption and case numbers shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the tariff advice together with supporting workpapers, testimonies and exhibits, have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The tariff advice and testimonies are also available on the Commission's Website at [www.puc.idaho.gov](http://www.puc.idaho.gov) under the "File Room" icon.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically, *Idaho Code* §§ 61-307, 61-622 and 61-623. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this case for the purpose of presenting evidence or cross-examining witnesses must file a Petition to Intervene with the Commission pursuant to Rule 72 and 73 of the Commission's Rules of Procedure,

IDAPA 31.01.01.000 *et seq.* Persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or to other parties.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code.

**ORDER**

IT IS HEREBY ORDERED that the tariff advice of United Water Idaho Inc. be processed by Modified Procedure, IDAPA 31.01.01.201-.204. Persons interested in submitting written comments in this matter must do so no later than 10 days from the service date of this Order.

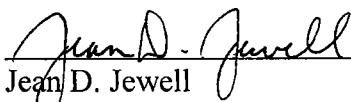
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 26<sup>th</sup> day of January, 2006.

  
PAUL KJELLANDER, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

O:UWI-W-06-01\_cg

NOTICE OF TARIFF ADVICE  
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## RULES AND REGULATIONS GOVERNING WATER MAIN EXTENSIONS

75. Should an Applicant propose a Residential, Commercial, Industrial, or Municipal Development requiring a special facility or special facilities, the Applicant shall advance the cost of such facility or facilities. Normally, the advance shall be a cash advance. In this instance, the Company shall provide the material and labor for the installation of the facilities.

However, the Applicant may, with the Company's approval, provide the material and/or contract labor for the installation of the special facility or facilities. In the instance where an Applicant provides the material and/or contract labor, the Applicant shall deposit with the Company an amount equal to the estimated cost of applicable overheads for the entire project plus the estimated direct labor costs for such items as engineering design, estimating, and inspection.

An amount equal to the estimated cost of the necessary facilities shall be deposited with the Company prior to construction. The Company shall adjust the deposit based upon the determination of the actual cost of facilities installed. Any difference between the estimated and actual cost of the facilities installed shall be shown as a revision of the amount deposited and shall be payable within thirty (30) days of submission.

The cost of the special facilities advanced, or a portion thereof, shall be refunded based upon customer connections and in accordance with the following equation:  $X = [(R-E-D-T)/Y] - (S+M)$ , where:

X = Refund per Customer

R = Annual Revenue per Customer (actual revenue received from each customer served from the special facility)

E = Annual Operating and Maintenance Expense per customer (including Ad Valorem Tax)

D = Annual Depreciation Expense per Customer (Depreciation rate(s) for type(s) of facility installed x investment in that type of facility installed)

Y = Authorized Rate of Return

T = Income Taxes on Net Income per Customer

S = Imbedded investment in Source and Storage plant, less accumulated depreciation and customer advances and contributions against the plant. (Value of plant allocable to support consumption per customer level that produces the annual revenue per customer)

M = Meter cost Installed

Should the Company agree that the cost of any portion of the special facilities (source, storage, or pumping) not be advanced by the Applicant, the per customer refund shall be reduced by the per customer cost of that facility not advanced. The advance and refund agreement for each development shall be evaluated on a case by case basis and submitted to the Idaho Public Utilities Commission for review.