

McDevitt & Miller LLP

Lawyers

420 W. Bannock Street

P.O. Box 2564-83701

Boise, Idaho 83702

February 10, 2006

(208) 343-7500
(208) 336-6912 (Fax)

Chas. F. McDevitt
Dean J. (Joe) Miller

Via Hand Delivery

Jean Jewell, Secretary
Idaho Public Utilities Commission
472 W. Washington St.
Boise, Idaho 83720

Re: United Water Idaho Inc., General Rate Case Application
Case No. UWI-W-06-02

Dear Ms. Jewell:

Enclosed please find the original and seven (7) copies of United Water Idaho's Application to Increase Rates and Charges, effective March 13, 2006. Also enclosed are nine (9) copies of the testimony and exhibits of Gregory P. Wyatt, Frank Gradilone III, Jeremiah J. Healy and Scott Rhead, with one copy of each designated as "Reporter's Copy". A computer disc containing the testimony and exhibits is also enclosed.

Also enclosed are the original and three copies of the tariff schedules that the Company proposes become effective on March 13, 2006. A copy of the proposed tariff schedules in legislative format is also enclosed.

Three (3) copies of the Company's workpapers are also enclosed.

Also enclosed are copies of the Company's press release and customer notice which will be mailed to customers.

Also enclosed is the Company's Motion for Waiver of Rule 121(e).

Kindly return a file stamped copy of this letter and Application.

Very Truly Yours,

McDevitt & Miller LLP



Dean J. Miller

DJM/lc
Enclosures

Dean J. Miller (ISB #1968)
McDEVITT & MILLER LLP
420 West Bannock Street
P.O. Box 2564-83701
Boise, ID 83702
Tel: 208.343.7500
Fax: 208.336.6912
joe@mcdevitt-miller.com

RECEIVED
FEB 10 PM 2:18
IDAHO PUBLIC UTILITIES COMMISSION

Attorneys for Applicant

ORIGINAL

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION
OF UNITED WATER IDAHO INC. FOR
AUTHORITY TO INCREASE ITS RATES
AND CHARGES FOR WATER SERVICE IN
THE STATE OF IDAHO

Case No. UWI-W-06-02

APPLICATION

COMES NOW United Water Idaho Inc., (“United Water,” “Applicant” or “Company”) and hereby makes application to the Idaho Public Utilities Commission (“Commission”) for an Order approving revisions to Applicant’s schedules of rates and charges for water service in the State of Idaho to become effective with service provided on or after March 13, 2006 and in support thereof respectfully shows as follows:

I.

Applicant is a public utility water corporation within the meaning of the Idaho Public Utility Law, is duly organized and existing under the laws of the State of Idaho and is engaged in conducting a general water business in and about Boise City, Ada County, Idaho, having its principal office and place of business at 8248 West Victory Road, Boise, Idaho. A certified copy of Applicant’s Articles of Incorporation, together with all amendments to date, is on file with the Commission. Applicant’s current Certificate is Amended Certificate No. 143.

II.

United Water has been providing water service to the public in Boise City and surrounding areas for more than 100 years. Currently, United Water provides service to approximately 79,000 customers within Ada and Canyon Counties, Idaho.

III.

The operations of United Water have been reviewed in several rate proceedings before the Commission, most recently in Case No. UWI-W-04-04.

IV.

Attached hereto as Attachment 1 are copies of Applicant's Schedule Number 1, General Metered Service, Schedule Number 1B, Flat Rate Service, Schedule Number 2, Public Hydrants and Street Sprinkling, Schedule Number 3, Private Fire Sprinkling and Service, Schedule Number 4, Private Fire Hydrant Service, containing the rates under which water service is currently rendered and charged to Applicant's customers.

V.

Attached hereto as Attachment 2 are copies of Applicant's new proposed Schedules Numbers 1, 1B, 2, 3 and 4 setting forth charges to be made to Applicant's customers on and after March 13, 2006.

As shown by Attachment 2, Applicant proposes to increase rates by a uniform percentage increase of 17.97%. No other changes to Applicant's Schedules of Rates and Rules and Regulations are proposed in this Application.

Applicant alleges that the proposed changes in rates and charges set forth on Attachment 2 are just and reasonable and that the rate of return expected to be provided to the Applicant there under will be 8.427%, which is a fair rate of return on Applicant's investment in property used and useful in rendering water service.

VI.

The revenue realized by Applicant under its presently authorized rates produces a rate of return of 5.929%, based on a test year ending April 30, 2006. Applicant seeks additional revenues to recover increased operating expenses and costs associated with plant additions, and to produce a fair rate of return, thereby enabling it to continue to provide adequate and reliable service to its customers.

VII.

Applicant is filing concurrently herewith direct testimony of Gregory P. Wyatt, Frank Gradilone III, Jeremiah J. Healy, and Scott Rhead, and Exhibits 1 through 10 including financial statements, and revenue analysis, along with supporting workpapers, to justify and support the proposed increase.

VIII.

Because Applicant is proposing that increased revenues be recovered through a uniform percentage increase and because the Company's cost of service was recently reviewed in Case No. UWI-W-04-04, Applicant is not submitting a cost of service study with this Application. Similarly, because the Company's cost of capital was recently reviewed and resolved by settlement in Case No. UWI-W-04-04, Applicant is proposing that the Company's cost of equity established in that case be used in this Application. Cost of debt would be the actual cost, as determined by the same methodology in the UWI-W-04-04 case. Applicant therefore respectfully requests that the Commission enter its Order waiving the requirement of RP 121(e) which otherwise requires the filing of cost of service and cost of capital studies.

IX.

Notice to Applicant's customers is being accomplished by news media releases simultaneously with the filing of this Application and by an individual notice mailed to each of

Applicant's customers. In addition, a copy of the Application and Applicant's present and proposed rate schedules are available for public inspection at its office at 8248 West Victory Road, Boise, Idaho at any time during office hours.

X.

Applicant stands ready for an immediate hearing on this Application and requests that a hearing be held as soon as possible.

XI.

Communications in reference to this Application should be addressed to:

Dean J. Miller
MCDEVITT & MILLER LLP
420 West Bannock Street
P.O. Box 2564-83701
Boise, ID 83702
Fax: 208.336.6912
joe@mcdevitt-miller.com

and

Walton Hill
UNITED WATER
200 Old Hook Road
Harrington Park, NJ 07640-1738
Fax: 201.750.5728
Walton.Hill@UnitedWater.com

XII.

The Company requests expedited treatment of the Application because the primary purpose of this Application is to update the Company's rate making calculations to conform to the requirements of Order No. 29838, although the Company is not waiving its objections to that Order set forth in Case No. SUP-W-05-1. Specifically, rate base is calculated using a 13 month average method with a six month actual and six month projected test year as directed by Order No. 29838. Additionally, only limited adjustments to revenue and expense are proposed.

Additionally, since the entry of Order No. 29838 the Company has been unable to earn its allowed return on investment.

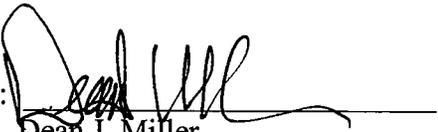
Accordingly, the Company respectfully requests that this Application be processed on an expedited basis, to the extent that can be accomplished consistent with the Commission's audit and public participation responsibilities.

WHEREFORE, Applicant respectfully requests of the Commission:

1. That the Commission enter its Order determining that neither a cost of service study nor a cost of capital study is required.
2. That this Application be heard and acted upon at the earliest possible date;
3. That the Commission find that the Applicant's existing rates are unjust, unreasonable and insufficient to provide Applicant with a fair rate of return and that the revised rates and charges proposed in Attachment 2 of this Application are just and reasonable and that Applicant be permitted to charge said rates to its customers, effective March 13, 2006.
4. That the Commission grant such other and further relief as the Commission may determine proper in the circumstances.

DATED this 10th day of February, 2006.

UNITED WATER IDAHO INC.

By: 
Dean J. Miller
Attorney for Applicant

SCHEDULE NO. 1
GENERAL METERED SERVICE

Availability:

To all metered customers not served under a separate schedule.

Customer Charges:

<u>Meter Size</u>	<u>Bi-Monthly Per Meter Charge</u>
5/8"	\$ 14.60
3/4"	14.60
1"	19.20
1-1/4" and 1-1/2"	31.10
2" or multiple meters of equivalent capacity	44.90
3" or multiple meters of equivalent capacity	82.50
4" or multiple meters of equivalent capacity	131.30
6" or multiple meters of equivalent capacity	252.70
8" or multiple meters of equivalent capacity	381.20
10" or multiple meters of equivalent capacity	532.90

Volume Charge:

	<u>Winter Rates</u>	<u>Summer Rates</u>
For all water used less than 3CCF (100 cubic Feet) (CCF)(1 CCF=748 gallons):	\$1.0912	\$1.0912
For all water used greater than 3CCF	\$1.0912	\$1.3641

Conditions of Contract:

The customer shall pay the total of the customer charge plus the volume charge. The volume charge is based on all metered water for the billing period. Consumption is expressed in hundred cubic foot units or thousand gallon units as determined by the meter installed by the Company. The customer charge will be prorated whenever the customer has not been a customer for the entire billing period.

Summer Period:

The summer rate will apply to water consumed between May 1 and September 30. Meter readings straddling these dates will be prorated.

UNITED
Issued Per IPUC Order No. 29871
Effective – September 28, 2005

Issued by UNITED WATER IDAHO INC.
Gregory P. Wyatt, Vice President
8248 West Victory Road, Boise, Idaho

SCHEDULE NO. 1B
FLAT RATE SERVICE

Availability:

To non-metered residential customers pursuant to Residential or Multi-Family Housing Non-Contiguous Water Systems Agreement Paragraph 11(a) addressing flat rate systems.

Customer Charges:

Based on United Water Idaho residential consumption for the year ending June 1998 of 208.75 ccf, the average residential bill, assuming a ¾" meter and 65%/35% summer/winter split, is \$350.43. Billed bi-monthly, equals \$58.40.

Bi-monthly Charge: \$58.40

Conditions of Contract:

The bi-monthly charge will be prorated whenever the customer has not been a customer for the entire billing period. The Company or the customer may convert to metered service pursuant to Subparagraphs (b) or (c) of Paragraph 11 as follows:

- (b) If Company should determine that a flat rate customer is using water in excess of the average residential customer, the Company will provide a meter setting and meter. Customer will then pay Company's metered tariff rates as approved by the IPUC, which rates may be amended from time to time.

- (c) If a customer prefers to pay Company's approved metered tariff rates, the customer shall pay the installation and material costs associated with the installation of a meter setting.

UNITED
Issued Per IPUC Order No. 29871
Effective – September 28, 2005

Issued by UNITED WATER IDAHO INC.
Gregory P. Wyatt, Vice President
8248 West Victory Road, Boise, Idaho

SCHEDULE NO. 3
PRIVATE FIRE SPRINKLER AND SERVICE

Availability:

To all customers who have sprinkler systems and/or inside hose connections for fire fighting purposes.

Rate:

For service through a separate line for fire fighting purposes.

For 3" service or smaller, per month	\$ 12.78
For 4" service per month	19.37
For 6" service per month	48.12
For 8" service per month	79.06
For 10" service per month	123.30
For 12" service per month	184.69

Miscellaneous:

Provided that if the installation of a private fire service shall require an extension of the existing mains of the company, the cost of such extension shall be borne by the customer.

All private fire services shall be equipped with sealed gate valves or thermal automatic openings.

Meters may be placed on fire services by the utility at any time; however, metered rates will not apply unless improper use of water is disclosed, and if such be the case, usage will be billed to the consumer under Rate Schedule No. 1.

UNITED
Issued Per IPUC Order No. 29871
Effective – September 28, 2005

Issued by UNITED WATER IDAHO INC.
Gregory P. Wyatt, Vice President
8248 West Victory Road, Boise, Idaho

SCHEDULE NO. 4
PRIVATE FIRE HYDRANT SERVICE

Availability:

To all customers having private fire hydrant installations.

Rate:

For fire hydrants installed and maintained by the customer at customer's expense:

Each fire hydrant, per month	\$7.74
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Miscellaneous:

Service pipe from the fitting on the company water main to the fire hydrant is to be installed and maintained by the customer.

UNITED
Issued Per IPUC Order No. 29871
Effective – September 28, 2005

Issued by UNITED WATER IDAHO INC.
Gregory P. Wyatt, Vice President
8248 West Victory Road, Boise, Idaho

UNITED WATER IDAHO INC.

SCHEDULE NO. 1
GENERAL METERED SERVICE

Availability:

To all metered customers not served under a separate schedule.

Customer Charges:

<u>Meter Size</u>	<u>Bi-Monthly Per Meter Charge</u>
5/8"	\$ 17.22
3/4"	17.22
1"	22.65
1-1/4" and 1-1/2"	36.69
2" or multiple meters of equivalent capacity	52.97
3" or multiple meters of equivalent capacity	97.32
4" or multiple meters of equivalent capacity	154.89
6" or multiple meters of equivalent capacity	298.10
8" or multiple meters of equivalent capacity	449.68
10" or multiple meters of equivalent capacity	628.64

Volume Charge:

	<u>Winter Rates</u>	<u>Summer Rates</u>
For all water used less than 3CCF (100 cubic Feet) (CCF)(1 CCF=748 gallons):	\$1.2872	\$1.2872
For all water used greater than 3CCF	\$1.2873	\$1.6090

Conditions of Contract:

The customer shall pay the total of the customer charge plus the volume charge. The volume charge is based on all metered water for the billing period. Consumption is expressed in hundred cubic foot units or thousand gallon units as determined by the meter installed by the Company. The customer charge will be prorated whenever the customer has not been a customer for the entire billing period.

Summer Period:

The summer rate will apply to water consumed between May 1 and September 30. Meter readings straddling these dates will be prorated.

UNITED
Issued Per IPUC Order No.
Effective –

Issued by UNITED WATER IDAHO INC.
Gregory P. Wyatt, Vice President
8248 West Victory Road, Boise, Idaho

UNITED WATER IDAHO INC.

SCHEDULE NO. 1B
FLAT RATE SERVICE

Availability:

To non-metered residential customers pursuant to Residential or Multi-Family Housing Non-Contiguous Water Systems Agreement Paragraph 11(a) addressing flat rate systems.

Customer Charges:

Based on United Water Idaho residential consumption for the year ending October 2005 of 186ccf, the average residential bill, assuming a 3/4" meter and 55% / 45% summer/winter split, is \$ 374.76. Billed bi-monthly, equals \$ 62.46.

Bi-monthly Charge: \$ 62.46

Conditions of Contract:

The bi-monthly charge will be prorated whenever the customer has not been a customer for the entire billing period. The Company or the customer may convert to metered service pursuant to Subparagraphs (b) or (c) of Paragraph 11 as follows:

- (d) If Company should determine that a flat rate customer is using water in excess of the average residential customer, the Company will provide a meter setting and meter. Customer will then pay Company's metered tariff rates as approved by the IPUC, which rates may be amended from time to time.
- (e) If a customer prefers to pay Company's approved metered tariff rates, the customer shall pay the installation and material costs associated with the installation of a meter setting.

UNITED
Issued Per IPUC Order No.
Effective –

Issued by UNITED WATER IDAHO INC.
Gregory P. Wyatt, Vice President
8248 West Victory Road, Boise, Idaho

UNITED WATER IDAHO INC.

SCHEDULE NO. 3
PRIVATE FIRE SPRINKLER AND SERVICE

Availability:

To all customers who have sprinkler systems and/or inside hose connections for fire fighting purposes.

Rate:

For service through a separate line for fire fighting purposes.

For 3" service or smaller, per month	\$ 15.07
For 4" service per month	22.85
For 6" service per month	56.76
For 8" service per month	93.26
For 10" service per month	145.45
For 12" service per month	217.87

Miscellaneous:

Provided that if the installation of a private fire service shall require an extension of the existing mains of the company, the cost of such extension shall be borne by the customer.

All private fire services shall be equipped with sealed gate valves or thermal automatic openings.

Meters may be placed on fire services by the utility at any time; however, metered rates will not apply unless improper use of water is disclosed, and if such be the case, usage will be billed to the consumer under Rate Schedule No. 1.

UNITED
Issued Per IPUC Order No.
Effective –

Issued by UNITED WATER IDAHO INC.
Gregory P. Wyatt, Vice President
8248 West Victory Road, Boise, Idaho

Sheet No. 16
Replacing all Previous Sheets

UNITED WATER IDAHO INC.

**SCHEDULE NO. 4
PRIVATE FIRE HYDRANT SERVICE**

Availability:

To all customers having private fire hydrant installations.

Rate:

For fire hydrants installed and maintained by the customer at customer's expense:

Each fire hydrant, per month	\$ 9.13
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Miscellaneous:

Service pipe from the fitting on the company water main to the fire hydrant is to be installed and maintained by the customer.

UNITED
Issued Per IPUC Order No.
Effective –

Issued by UNITED WATER IDAHO INC.
Gregory P. Wyatt, Vice President
8248 West Victory Road, Boise, Idaho

ATTACHMENT 2

UNITED WATER IDAHO INC.

**SCHEDULE NO. 1
GENERAL METERED SERVICE**

Availability:

To all metered customers not served under a separate schedule.

Customer Charges:

<u>Meter Size</u>	<u>Bi-Monthly Per Meter Charge</u>
5/8"	\$ 44.60 <u>17.22</u>
3/4"	44.60 <u>17.22</u>
1"	49.20 <u>22.65</u>
1-1/4" and 1-1/2"	31.10 <u>36.69</u>
2" or multiple meters of equivalent capacity	44.90 <u>52.97</u>
3" or multiple meters of equivalent capacity	82.50 <u>97.32</u>
4" or multiple meters of equivalent capacity	131.30 <u>154.89</u>
6" or multiple meters of equivalent capacity	252.70 <u>298.10</u>
8" or multiple meters of equivalent capacity	381.20 <u>449.68</u>
10" or multiple meters of equivalent capacity	532.90 <u>628.64</u>

Volume Charge:

	<u>Winter Rates</u>	<u>Summer Rates</u>
For all water used less than 3CCF (100 cubic Feet) (CCF)(1 CCF=748 gallons):	<u>1.2872</u>	<u>1.2872</u>
For all water used greater than 3CCF	\$1.0912	\$1.0912
	1.2873	1.6090

Conditions of Contract:

The customer shall pay the total of the customer charge plus the volume charge. The volume charge is based on all metered water for the billing period. Consumption is expressed in hundred cubic foot units or thousand gallon units as determined by the meter installed by the Company. The customer charge will be prorated whenever the customer has not been a customer for the entire billing period.

Summer Period:

The summer rate will apply to water consumed between May 1 and September 30. Meter readings straddling these dates will be prorated.

UNITED WATER IDAHO INC.

SCHEDULE NO. 1B
FLAT RATE SERVICE

Availability:

To non-metered residential customers pursuant to Residential or Multi-Family Housing Non-Contiguous Water Systems Agreement Paragraph 11(a) addressing flat rate systems.

Customer Charges:

Based on United Water Idaho residential consumption for the year ending ~~June 1998~~ October 2005 of ~~208.75~~ 186 ccf, the average residential bill, assuming a ¾" meter and ~~65%/35%~~ 55% / 45% summer/winter split, is ~~\$350.43~~ 374.76. Billed bi-monthly, equals ~~\$58.40~~ 62.46.

Bi-monthly Charge: ~~\$58.40~~ 62.46

Conditions of Contract:

The bi-monthly charge will be prorated whenever the customer has not been a customer for the entire billing period. The Company or the customer may convert to metered service pursuant to Subparagraphs (b) or (c) of Paragraph 11 as follows:

- (b) If Company should determine that a flat rate customer is using water in excess of the average residential customer, the Company will provide a meter setting and meter. Customer will then pay Company's metered tariff rates as approved by the IPUC, which rates may be amended from time to time.
- (c) If a customer prefers to pay Company's approved metered tariff rates, the customer shall pay the installation and material costs associated with the installation of a meter setting.

Sheet No. 3
Replacing all Previous Sheets

UNITED WATER IDAHO INC.

SCHEDULE NO. 2
PUBLIC HYDRANTS AND STREET SPRINKLING

Availability:

To the City of Boise and Ada County Highway District.

Rates:

<u>Street Sprinkling Service</u>	228.45
Flat Charge	\$193.66 /Month

Miscellaneous:

Bills will be rendered monthly, bi-monthly, or at other intervals upon mutual agreement of the Company and the customer.

Hydrants and service pipes from the fitting on the Company main to the hydrants are to be installed and maintained by and at the expense of the City of Boise or Ada County Highway District.

UNITED
Issued Per IPUC Order No. ~~29874~~
Effective — ~~September 28, 2005~~

Issued by UNITED WATER IDAHO INC.
Gregory P. Wyatt, Vice President
8248 West Victory Road, Boise, Idaho

UNITED WATER IDAHO INC.

SCHEDULE NO. 3
PRIVATE FIRE SPRINKLER AND SERVICE

Availability:

To all customers who have sprinkler systems and/or inside hose connections for fire fighting purposes.

Rate:

For service through a separate line for fire fighting purposes.

For 3" service or smaller, per month	\$ 42.78 <u>15.07</u>
For 4" service per month	49.37 <u>22.85</u>
For 6" service per month	48.42 <u>56.76</u>
For 8" service per month	79.06 <u>93.26</u>
For 10" service per month	123.30 <u>145.45</u>
For 12" service per month	184.69 <u>217.87</u>

Miscellaneous:

Provided that if the installation of a private fire service shall require an extension of the existing mains of the company, the cost of such extension shall be borne by the customer.

All private fire services shall be equipped with sealed gate valves or thermal automatic openings.

Meters may be placed on fire services by the utility at any time; however, metered rates will not apply unless improper use of water is disclosed, and if such be the case, usage will be billed to the consumer under Rate Schedule No. 1.

Sheet No. 5
Replacing all Previous Sheets

UNITED WATER IDAHO INC. _____

SCHEDULE NO. 4
PRIVATE FIRE HYDRANT SERVICE

Availability:

To all customers having private fire hydrant installations.

Rate:

For fire hydrants installed and maintained by the customer at customer's expense:

	Each fire hydrant, per month	\$7.74 <u>9.13</u>
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Miscellaneous:

Service pipe from the fitting on the company water main to the fire hydrant is to be installed and maintained by the customer.

United Water Idaho
8248 West Victory
Boise, ID 83709
Tel: 208.362.7328
Fax: 208.362.7069



2006 FEB 10 PM 2:18

IDAHO PUBLIC
UTILITIES COMMISSION

News

For Immediate Release

Contact: Mark Snider
208.362.7328
mark.snider@unitedwater.com

UNITED WATER IDAHO FILES RATE CASE

Company seeks increase to recover investments in facilities and rising costs

BOISE, ID, February 10, 2006 -- United Water Idaho today filed an application with the Idaho Public Utilities Commission (IPUC) requesting a revenue increase of \$5,921,691, which represents an overall rate increase of 17.91%. The filing requests the increase be allocated equally across each class of customers. If approved, the average residential bill would increase \$4.89 a month from \$327.19 to \$385.90 a year.

The company last filed a rate case in November 2004, and in August 2005 the Commission granted a much smaller increase than the company had requested. United Water filed a request for reconsideration and in September the IPUC denied most of the request, but did grant a minor increase, bringing the total rate award to 8.08%.

“We are seeking recovery on investments the company made in the system to improve service to our customers,” said Greg Wyatt, vice president and general manager of United Water. “The recovery of these improvements was excluded in last year’s rate case. Additionally, we’ll be seeking recovery of new investments in infrastructure we’ve made during the past year and recovery of the increase in operations and maintenance costs since the last case was filed.”

Examples of United Water Idaho’s investments include more than \$2 million in wellhead treatment at two locations in its system, approximately \$1.5 million in water storage facilities to provide fire protection and sustainable pressure to customers, most notably in the South County area. The company has also replaced about \$4.8 million worth of aging infrastructure, including about seven miles of water mains, 700 water services and 12,000 meters.

Wyatt added that the largest area of increased operating expense in the case is the cost to fund the company’s pension plan, followed by rising depreciation expenses related to capital investments.

United Water Idaho is the state’s largest municipal water system, serving approximately 79,000 customers, or a population of about 225,000, in Boise and the surrounding areas. Customers interested in learning more about the company can visit www.unitedwateridaho.com.

RECEIVED
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Notice of Application to Increase Rates

This is to notify you that on February 10, 2006 United Water Idaho filed an Application with the Idaho Public Utilities Commission (IPUC) asking for authority to increase the company's rates and charges.

In the Application United Water is proposing a revenue increase of \$5,921,691, which represents an overall increase in rates of 17.91%, to be applied equally to all classes of customers. The requested increase would raise rates for a typical residential customer by about \$4.90 a month, bringing the average annual residential bill from \$327 to \$386.

The proposed increase is necessary so that United Water will have an opportunity to earn a return on its investments in water facilities which are providing service to customers. United Water has invested more than \$14 million in source, treatment and distribution facilities that have not yet been allowed for recovery in the Company's rates. An increase in revenue is necessary to support these investments and to maintain a sound financial position. Additionally, on going costs of operations have increased since United Water's last general rate case.

The proposed increase in rates is subject to review and a decision by the IPUC, which may accept, modify or reject in whole or in part the proposed increase. A complete copy of the proposal is available at the company's office at 8248 W. Victory Road, Boise, Idaho and at the Commission's office at 472 W. Washington, Boise, Idaho. It is also available on-line at the IPUC website: <http://www.puc.state.id.us/FILEROOM/water/water.htm>.

You can also file a comment on the Application via the IPUC website at: <http://www.puc.state.id.us/scripts/polyform.dll/ipuc>.

Or mail comments to:

Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074

or United Water Idaho Inc.
P.O. Box 190420
Boise, Idaho 83719-0420

Sincerely,

United Water Idaho