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IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for United Water Idaho Inc.

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF UNITED WATER IDAHO INC., TO) **CASE NO. UWI-W-06-04**
AMEND AND REVISE CERTIFICATE OF)
CONVENIENCE AND NECESSITY NO 143)

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

DIRECT TESTIMONY OF SCOTT RHEAD

May 4, 2007

1 Q. Please state your name and business address.

2 A. Scott Rhead, 8248 W. Victory Road, Boise, Idaho.

3 Q. Please describe your employment with United Water.

4 A. I am employed by United Water in the capacity of Director of Engineering. I
5 have been employed by United Water for 15 years. I am responsible for the
6 design and construction of United Water's integrated water system. I am a
7 licensed Professional Engineer in the state of Idaho.

8 Q. What is the purpose of your testimony?

9 A. I will describe the facilities that will be required to serve the Trailhead
10 development and United Water's ability to serve the development from existing
11 source of supply resources.

12 Q. Please describe additional facilities that will be required to serve the development.

13 A. Exhibit No. 1, filed with Mr. Wyatt's testimony, is a map depicting the location of
14 the Trailhead development and United Water's existing facilities. As depicted on
15 the map, the development would be served by extending a 12 inch main line from
16 United Water's existing facilities on Floating Feather Road along Eagle Road and
17 Willow Creek Road to the development. This extension would be approximately
18 2.25 miles in length.

19 Q. What would be the cost of this extension?

20 A. Although detailed engineering plans have not been developed, for planning
21 purposes, United Water estimates the cost of 12 inch main line construction to be
22 approximately \$50 per foot, or an expected total cost of \$600,000.

1 Q. Under United Water's Rules and Regulations, who would pay for this 12 inch
2 main extension?

3 A. Under United Water's rules and regulations this type of extension is part of
4 United Water's distribution system and is considered as contributed facilities. The
5 Developer is required to pay all costs associated with this main extension without
6 refund from United Water.

7 Q. Do you anticipate any issues relating to right of way access for construction along
8 Eagle Road and Willow Road?

9 A. No, Ada County Highway District allows water main construction within the right
10 of way subject to permit conditions.

11 Q. Can you estimate the amount of time necessary for this construction?

12 A. I estimate the 12" main project could be completed in three months.

13 Q. Please discuss United Water's source of supply resources that are currently
14 available to serve the Trailhead development.

15 A. United Water's system is fully integrated. In order to maintain reliability and
16 redundancy, different sources can and will be used depending on demand and
17 time of year. For example in the winter the Marden Plant provides the majority of
18 the source of supply for the East main service level, West main and Floating
19 Feather service level. Floating Feather well and Redwood Creek well are also
20 used as demand increases in the summer. Some of the more predominant ground
21 water rights for the West main and Floating Feather service levels are: Swift,
22 Veterans, Willow Lane, Floating Feather, and Redwood Creek.

1 Q. Does United Water have a comprehensive approach for planning to meet future
2 demands?

3 A. Yes. United Water prepares a Water System Master Plan ("Plan") which is
4 updated approximately every five years. The most current version is for the
5 period 2005—2010. The Plan projects likely demand over a multi-year period
6 and identifies source of supply resources necessary to meet the demand. The
7 numbers of customers to be added by the Trailhead development over time are
8 within the planning parameters of the Plan.

9 Q. Based on the foregoing discussion, in your professional opinion, does United
10 Water have adequate source of supply resources to serve the Trailhead
11 development.

12 A. Yes. In my professional opinion United Water has adequate source of supply
13 resources to serve the Trailhead development. As the numbers of customers
14 within the Trailhead development grows over time, that growth is within the
15 growth levels projected by the Plan.

16 Q. Do you anticipate that additional facilities will be required for service to the
17 Trailhead development?

18 A. Depending on the eventual design of the development, a Booster Station and
19 Storage Reservoir for fire protection and operational peaking will be required to
20 meet the Idaho Department of Environmental Quality standards. The Booster will
21 require redundant pumps and standby power. The Storage Reservoir will be in
22 the range of 250,000-300,000 gallons.

23 Q. Please describe the cost responsibility for booster and storage facilities.

1 A. Under United Water's Rules and Regulations these can be considered Special
2 Facilities and the developer will be required to execute a Special Facilities
3 Agreement ("SFA"). The standard terms of the Commission-approved SFA
4 require the developer to advance the cost of construction and related costs. The
5 developer becomes eligible for refunds as customers are connected and are
6 providing new revenue to support the investment. In this way, United Water's
7 other customers are insulated from speculative risk.

8 Q. Please summarize your testimony.

9 A. The Trailhead development can be connected to United Water's integrated system
10 by construction of the 12 inch mainline discussed above. United Water has
11 adequate existing source of supply resources to serve the development. Any
12 required additional Special Facilities will be constructed pursuant to United
13 Water's existing rules relating to Special Facilities.

14 Q. Does that conclude your testimony?

15 A. Yes it does.

16

CERTIFICATE OF SERVICE

I hereby certify that on the 4th day of May, 2007, I caused to be served by the method(s) indicated below, a true and correct copy of the foregoing document, upon:

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