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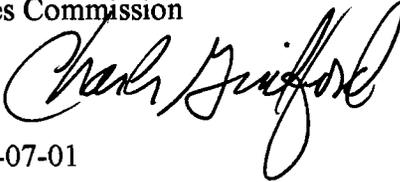
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IDAHO PUBLIC
UTILITIES COMMISSION

2211 North 14th St.
Boise, Idaho 83702
May 1, 2007

To: Idaho Public Utilities Commission

From: Charles Guilford



Subject: Case # UWI-W-07-01

I'm writing as a private citizen to voice my opposition to the pending application of United Water Corporation for a Special Facilities Agreement (SFA) to expand its area of service into the Dry Creek drainage area, specifically to serve the Avimor planned community and perhaps some other developments that are being contemplated for the general vicinity. As has been pointed out by the City of Eagle, the proposal is ambiguous in its key provisions, especially with regard to the precise area of impact.

Having reviewed the relevant materials posted on your Web site, I am convinced that while this proposal might benefit United Water and Avimor, it is not in the best interests of the community as a whole, especially current UWC customers.

While the specific occasion for the request is the provision of water to Avimor Phase I, estimated cost \$1.7 million, the proposal asks for UWC's area of service to be expanded considerably beyond the limited Phase I area, resulting in an increase of the infrastructure cost to \$6.3 million. While the entire up-front cost would initially be borne by Suncor/Avimor, they would be reimbursed by UWC, for all but this \$1.7 million. In other words, Suncor/Avimor would end up getting a \$6.3 million water system to cover *all phases* of its development at a cost of \$1.7 million, with the \$4.6 million difference being paid by UWC ratepayers.

Along with the infrastructure expenses for this larger area, of course, comes the need for more water. As the March 17 IPUC *Staff Comments* indicate, the amount of water required to supply this area could exceed the levels generated by UWC's Columbia River Plant, which are 6 times those estimated in this current Application, and as IPUC Staff points out:

"When revenue generated from new customers fails to cover the cost of new supply sources required to serve them, the general body of ratepayers pays the additional costs."

I am one of those ratepayers, and I strongly object to having my rates raised in order to fund this project.

A further consideration is that the additional phases of the Avimor project have not even been approved for development, and so for IPUC to approve this application would

amount to a prejudgment that these later phases will indeed be approved, and it would also allow Avimor to argue during their approval process that water is not a concern, that it has all been taken care of in advance.

Let's take it one phase at a time. Avimor and other developers should be required to pay all water expenses for projects that have already been approved, and new projects should not go forward, especially in such high desert areas, unless they can demonstrate that adequate infrastructure and water supplies are available without additional costs to current ratepayers.

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Ada County Commission