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IDAHO PUBLIC
UTILITIES COMMISSION

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September 19, 2007

Via Hand Delivery

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

Re: Case No. UWI-W-07-04²

Dear Ms. Jewell:

Enclosed for filing, please find the original and seven (7) copies of United Water Idaho's Further Reply to the City's Motion to Vacate. Also enclosed are seven (7) copies of an Affidavit of Gregory P. Wyatt.

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

Very Truly Yours,

McDevitt & Miller LLP



Dean J. Miller

DJM/hh
Enclosures

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) **CASE NO. UWI-W-07-02**
OF UNITED WATER IDAHO INC., TO)
AMEND AND REVISE CERTIFICATE OF) **FURTHER REPLY TO CITY'S**
CONVENIENCE AND NECESSITY NO 143) **MOTION TO VACATE**
_____)

COMES NOW United Water Idaho Inc., ("United Water") and makes this Further Reply to the City of Eagle's Motion to Vacate Hearing dated September 13, 2007.

Background

As the Commission recalls, this matter was originally scheduled for hearing on May 24, 2007. On the date of hearing, the City and Capital Development requested an approximate 90 day extension of the hearing date. As recited by counsel for Capital Development, the purpose of the extension was to allow time to determine if the City could obtain from the Department of Water Resources, a water right permit to serve the Lanewood Development.

At the May 24th hearing, counsel for the City committed to provide a report by August 1, 2007, as to whether the matter likely could be settled. That report was not provided and on August 30th the Commission issued its Second Notice of Hearing setting the matter for hearing on September 24th, with a supplemental testimony pre-file date of September 17th.

On September 13th, the City filed its Motion to Vacate, requesting that the hearing and pre-file dates be vacated. On September 14th, United Water filed an Initial Reply to the Motion and requested the opportunity to file a more complete reply by September 19th.

The Hearing Should not Be Vacated

As of this date, all of the parties have submitted their supplemental pre-filed testimony, and in consequence the case is ready for evidentiary hearing.

Of particular importance for this Reply is the Supplemental Testimony of Scott Rhead. That testimony provides an up-date on the status of the City's water right permit Application at IDWR and shows, with out the possibility of dispute, that a final, non-appealable order granting a permit has not been issued.

The Supplemental Testimony of J. Ramon Yorgason has also been filed. That testimony demonstrates that Capital Development has not, in any material way, breached the Annexation Agreement between the City and Capital Development.

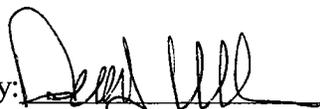
Filed with this Reply is the Affidavit of Gregory P. Wyatt. Mr. Wyatt's Affidavit establishes there was not any form of improper collusion between United Water and Capital Development to act in derogation of any contractual rights of the City.

Conclusion

Because all parties have filed Supplemental Testimony and the case is therefore ready for hearing, and because the City's Motion is without merit, the Motion should be denied.

Dated this 14 day of September, 2007.

UNITED WATER IDAHO INC.

By: 

Dean J. Miller

Attorneys for United Water Idaho, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on the 17th day of September, 2007, I caused to be served, via the method(s) indicated below, true and correct copies of the foregoing document, upon:

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McDevitt & Miller LLP