

Development and the City. The City was completely unaware of the Confidentiality Agreement and the fact that United Water and Capital Development had been secretly planning for provision of service by United Water.” Page 3 of 5.

3. On May 24, 2007, prior to commencement of the hearing scheduled for that date, I met with Mr. Yorgason and his counsel at the office of United Water’s attorney. I was informed there, that Capital Development and the City had reached an agreement to vacate the scheduled hearing for approximately 90 days. As I understood it, the purpose of the continuance was to allow the City time to obtain a water right permit to serve the Lanewood development.

4. At that time, I was shown a copy of the Annexation and Cooperation Agreement between Capital and the City.

5. After appearing at the hearing that date, at which the hearing was vacated, I asked Capital for a copy of the Agreement, for my files. Capital agreed to provide a copy, but requested that it be kept confidential. Capital’s reasons desiring confidential treatment are set forth in the Supplemental Testimony of J. Ramon Yorgason filed herein on September 17. I therefore was instructed by my attorney to enter into a Confidentiality Agreement. The Confidentiality Agreement is attached to United Water’s Initial Reply to the City’s Motion to Vacate. After execution of the Confidentiality Agreement I received a copy of the Annexation Agreement, which I placed in my files.

6. From that time until approximately the middle of July, I did not devote any attention to the Lanewood matter and did not have any communication with Mr. Yorgason or other representatives of Capital Development.

7. As the date of August 1 approached, the date on which the City was supposed to file a status report, I instructed our attorney to monitor the situation to determine whether the report was filed.

8. After the City failed to file the required report on August 1, I had one conversation with Mr. Yorgason to determine whether Capital Development desired United Water to pursue its application for expansion of the Company's Certificate of Public Convenience and Necessity. Upon learning that the City had not obtained a water right permit from the Department of Water Resources and upon learning that Capital Development desired United Water to pursue the Application, I instructed our attorney to take steps toward establishing a new hearing date.

9. The allegation contained in the City's Motion to Vacate that United Water and Capital Development had been secretly planning to provide service is false.

10. I am over the age of 21 years and make this Affidavit of my own knowledge.

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:

Jean Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
P.O. Box 83720
Boise, ID 83720-0074
jjewell@puc.state.id.us

Hand Delivered
U.S. Mail
Fax
Fed. Express
Email

Bruce Smith
Moore, smith, buxton & turcke
950 W. Bannock, Suite 520
Boise, ID 83702-5716

Hand Delivered
U.S. Mail
Fax
Fed. Express
Email

Robert B. Burns
Moffatt Thomas
101 S. Capital Blvd. 10th Floor
P.O. Box 829
Boise, ID 83701-0829

Hand Delivered
U.S. Mail
Fax
Fed. Express
Email

BY: Heather Anne Legal Host
McDevitt & Miller LLP