

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: SCOTT WOODBURY

DATE: JUNE 12, 2007

SUBJECT: CASE NO. UWI-W-07-03 (United Water)
AMENDED CERTIFICATE – BRITANIA HEIGHTS

On April 23, 2007, United Water Idaho Inc. (United Water; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting authority to amend and revise its Certificate of Public Convenience and Necessity No. 143, as amended, to include an area located on McDermott Road in Canyon County, Idaho identified as Britania Heights. Reference *Idaho Code* § 61-526; IDAPA 31.01.01.112. The Application of the Company includes a legal description and map of Britania Heights.

Britania Heights is located in the vicinity of United Water's existing Belmont Heights service area, an area non-contiguous to the Company's larger integrated system. Reference Case No. UWI-W-01-03, Order No. 28885. Britania Heights will be developed in two phases. Phase 1 is designed for approximately 34 residential lots and Phase 2 is designed for approximately 105 residential lots. The water supply for Britania Heights will come from two wells located in Belmont Heights. Both domestic water and fire protection will be provided from these wells. Lawn watering in Britania Heights will be provided by an alternate irrigation source, not from United Water.

The developer of Britania Heights, Patriot Capital Partners LLC, has requested that United Water extend domestic water service facilities to the area. As represented in the Company's Application, the proposed development of Britania Heights is not within the authorized service territory of any other water utility under the jurisdiction of the Commission nor, it states, will it interfere with the operations of any such utility. United Water further

contends that the City of Nampa, Idaho, a municipal water provider with facilities in the vicinity of Britannia Heights, has consented to service by United Water. United Water submits that the extension into this area is consistent with the public convenience and necessity.

Water service facilities will be extended to Britannia Heights pursuant to United Water's Rules and Regulations governing extensions. The area will be served by extending a 12-inch off-site water main approximately 3,425 feet from the Belmont Heights subdivision (1,580 feet Powerline Road, 1,845 feet McDermott Road). No other off-site facilities will need to be installed to provide service other than the associated 12-inch isolation valves. The developer will contribute all off-site and on-site facilities. No special facilities are required.

On May 9, 2007, the Commission issued Notices of Application and Modified Procedure in Case No. UWI-W-07-03. The deadline for filing written comments was June 8, 2007. Comments were filed by Commission Staff and the City of Nampa.

The requested expansion area lies within the City of Nampa's Area of Impact. However, the nearest Nampa municipal water facilities are located along Happy Valley Road, approximately 1-½ miles west of the proposed Britannia subdivision. The City does not currently provide water service in this area and consents to United Water providing water service to Britannia Heights.

Commission Staff recommends that the United Water Application for Certificate amendment be approved and that the Commission authorize United Water to construct of facilities and extend service to Britannia Heights. Staff in its comments notes that under the Company's Rules and Regulations Governing Non-Contiguous Expansion Britannia Heights, as a latecomer, may be required to reimburse the developer of Belmont Heights for some source of supply costs if the amount of the original advance by Belmont Heights has not yet been fully recovered. Reference United Water/Thueson Construction and Development (developer of Belmont Heights) August 1, 2001 Residential or Multiple Family Housing Water System Agreement.

COMMISSION DECISION

United Water has filed an Application in Case No. UWI-W-07-03 requesting authority to amend and revise its certificated area of service to include an area in Canyon County identified as Britannia Heights. The requested expansion area lies within the City of Nampa's

United Water. Commission Staff recommends that the Company's Application be approved. Does the Commission find it reasonable to approve United Water's Application to expand its service area to include Britannia Heights?

Scott Woodbury

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