

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF UNITED WATER IDAHO INC. AND THE)	CASE NO. UWI-W-11-01
CITY OF EAGLE FOR APPROVAL OF AN)	
INTERCONNECTION AGREEMENT)	ORDER NO. 32201

On January 28, 2011, United Water Idaho Inc. and the City of Eagle, Idaho filed an Application requesting Commission approval of an Agreement between the parties that controls interconnection of facilities and the potential exchange of water. The two water systems currently are connected through a pressure regulating valve and vault owned by the City that allows water to flow only from United Water to City facilities. The existing interconnection is governed by an Agreement between the parties executed in 1997. The new agreement provides for facilities modifications to enable water to flow both ways between the two systems. The Agreement provides that each party will own the facilities on its side of the interconnection. The parties estimate that United Water's share of the cost to upgrade the system will be \$14,496 and the City of Eagle's share will be \$5,499.

The interconnection of facilities will be controlled by a pressure regulating valve, thus a pressure drop will initiate the flow of water from one system to the other. The Agreement provides that the party receiving water will notify the supplying party within four hours as to the nature and expected duration of the emergency, and the anticipated volumes of water required. When United Water sells supply to the City under the Agreement, the Company will receive payment at the full tariff volumetric rate and not at a discount. Likewise, when the City sells supply to United Water, it will receive payment at Eagle's then existing published volumetric rate.

On February 8, 2011, the Commission issued a Notice of Application and Notice of Modified Procedure that established a period for the filing of written comments. The Commission Staff filed comments on March 1, 2011; no other written comments were filed.

Staff analyzed a number of issues related to the Agreement between the City of Eagle and United Water. In particular, Staff sought assurance that customers of United Water will not be affected with fluctuations of flow and pressure in the event water is provided to the City, that existing customers will not subsidize City customers under the Agreement, and that the quality

of water provided by the City under the Agreement will not degrade the quality of water provided by United Water to its customers. Staff reviewed evidence on these and other issues and recommended the Commission approve the Agreement providing for the interconnection of United Water and the City of Eagle facilities.

The Commission finds the proposed Agreement for interconnecting United Water and City of Eagle water facilities to be fair and reasonable. The Commission approved the existing interconnection between United Water and City of Eagle facilities in Case No. UWI-W-97-4. The new Agreement and new interconnection facilities will provide a source of supply to either party during a period of pressure loss. Situations that could produce a sufficient amount of pressure loss include fire suppression, significant pipe break, unexpected pump shutdown and scheduled maintenance of large facilities. In such an event, United Water will provide up to 1,500 gallons per minute and a maximum supply of 1.44 million gallons per day to the City. The City will provide a maximum instantaneous flow of 825 gallons per minute and a maximum daily supply of 1.1 million gallons per day. United Water verified that its current supply system would be able to handle the target flows and volumes under normal operating conditions.

United Water will pay approximately \$14,496 of the total expected cost of \$19,995 to modify the facilities necessary to complete the interconnection. If United Water provides water to the City under the Agreement, the City will pay the full tariff amount in effect for United Water's supply.

Regarding water quality, the Agreement provides that "each party shall use its best efforts to ensure that the supplies furnished hereunder shall be potable and in compliance with all applicable federal and State of Idaho laws and regulations in effect at the time the supplies are delivered to the other party." Although the Agreement does not require United Water to actively monitor the quality of water delivered to it by the City, the quality of water provided by both the City and United Water are similar in quality and comply with applicable standards. Staff Comments, pp. 9-10.

Based on the record in this case, the Commission finds the Agreement between United Water and the City of Eagle to be reasonable and prudent and the Commission approves it. The Agreement helps maintain United Water's supply to customers in the event of emergencies, and allows United Water to reasonably provide water to the City, without degrading its own supply or water quality.

ORDER

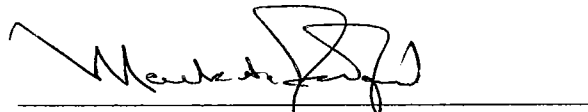
IT IS HEREBY ORDERED that the Application of United Water Idaho and the City of Eagle for approval of their Emergency Interconnection Agreement, dated December 22, 2010, is approved.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 9th day of March 2011.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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