

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF UNITED WATER IDAHO INC. FOR) **CASE NO. UWI-W-11-02**
AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR ELECTRIC SERVICE) **NOTICE OF APPLICATION**
IN IDAHO)
) **NOTICE OF**
) **INTERVENTION DEADLINE**
)
) **ORDER NO. 32333**

YOU ARE HEREBY NOTIFIED that on August 3, 2011, United Water Idaho Inc. filed an Application to increase its rates and charges for water service effective September 2, 2011. United Water provides water service to business and residential customers in Boise, and currently provides service to approximately 85,000 customers. United Water proposes to increase its rates an overall average of 19.89%, resulting in an annual revenue increase of \$7,616,015. The Company proposes to increase the bi-monthly customer charge from \$18.10 to \$23.20 for customers served by a 5/8-inch and 3/4-inch service line. Customers served by a 1-inch service line would see an increase in their customer charge from \$23.79 to \$29.70.

YOU ARE FURTHER NOTIFIED that United Water also proposes increases in its usage rates. Specifically, the volumetric charge for water used during the winter would increase from \$1.3521 to \$1.5710 per CCF. A CCF is 100 cubic feet of water and equals 748 gallons. The volumetric charge for water used during the summer would increase to \$1.5710 per CCF for consumption less than 3 CCF and increase to \$1.9639 for all water use greater than 3 CCF. The Company estimates that these rates would increase the water bill for an average residential customer by \$5.82 per month.

YOU ARE FURTHER NOTIFIED that United Water states it has invested more than \$20 million in its system since its last rate case. These capital improvements include a new well supply treatment facility at the Hilton well, a new 600,000-gallon water storage facility serving the Warm Springs Mesa area, installation of 1.7 miles of new 24-inch water main along Hill Road to improve pressure and fire protection, and replacing water mains, service lines and meters throughout the system. United Water is also investing \$5.5 million in a new customer

information system. In addition, the Company asserts that average water consumption per metered customer has declined significantly over the past several years resulting in lower annual revenues to the Company. This reduction in annual revenue makes up roughly 38% of the Company's overall rate request.

YOU ARE FURTHER NOTIFIED that the Company's proposed rate increases include a proposed return on equity of 10.50%, resulting in an expected overall rate of return of 8.43%. The Company asserts its current rate structure results in a rate of return of 5.64% based on a test year ending April 30, 2011.

YOU ARE FURTHER NOTIFIED that the Commission finds it appropriate to suspend the proposed effective date of September 2, 2011, for a period of thirty (30) days plus five (5) months, or until such time as the Commission may issue an Order accepting, rejecting or modifying the Application in this matter.

YOU ARE FURTHER NOTIFIED that United Water's intrastate revenue requirement, and every component of it, both rate base and expense, are at issue. The Commission may grant, deny, or modify the revenue requirement requested and may find a revenue requirement different from that proposed by any party to be just, fair, and reasonable.

YOU ARE FURTHER NOTIFIED that the rates and charges of all United Water retail customers, both recurring and non-recurring, including those of any special contract customers are at issue, and every component of every existing and proposed rate and charge is at issue. The Commission may approve, reject, or modify the rates and charges proposed and may find that rates and charges different from those proposed by any party are just, fair, and reasonable.

YOU ARE FURTHER NOTIFIED that the tariffs, practices, rules and regulations, services, instrumentalities, equipment, facilities, classifications, and customer relations of the utility are at issue, and the Commission may address any of these issues in its Order.

YOU ARE FURTHER NOTIFIED that the Company's Application, supporting workpapers, testimonies, and exhibits can be reviewed at the Commission's office in Boise, Idaho during regular business hours. The Application and supporting documents are also available for public inspection on the Commission's website at www.puc.idaho.gov by clicking on "File Room" and then "Water Cases" and scrolling down to the case number that appears on the first page of this Order.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-502, 61-503, 61-507, 61-520, 61-523, and 61-622. The Commission may enter any final Order consistent with its authority under Title 61.

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that **persons desiring to intervene** in this matter for the purpose of presenting evidence or cross-examining witnesses at hearing **must file a Petition to Intervene** with the Commission pursuant to this Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. Persons intending to participate at the hearing must file a Petition to Intervene **on or before September 1, 2011**. Persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or the parties.

YOU ARE FURTHER NOTIFIED that once the deadline for intervention has passed, the Commission Secretary will prepare and distribute a Notice of Parties. The Commission anticipates that the parties will subsequently convene an informal prehearing conference to determine the scheduling of discovery, testimony, technical hearings, and other matters. The Notice of Parties shall also assign exhibit numbers to each party in this proceeding.

YOU ARE FURTHER NOTIFIED that the following persons are designated as United Water's representatives in this matter:

Dean J. Miller	Kevin H. Doherty
McDevitt & Miller, LLP	Director of Rates
420 E. Bannock (83702)	United Water Management and
PO Box 2564	Services Company
Boise, ID 83701-2564	200 Old Hook Road
E-mail: joe@mcdevitt-miller.com	Harrington Park, NJ 07640-1799
heather@mcdevitt-miller.com	E-mail: kevin.doherty@unitedwater.com

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted according to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

YOU ARE FURTHER NOTIFIED that all hearings and prehearing conferences in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act (ADA). Persons needing the help of a sign language interpreter or other assistance in order to participate in or to understand testimony and argument at a public hearing

may ask the Commission to provide a sign language interpreter or other assistance at the hearing. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:


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PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0338 (Telephone)
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ORDER

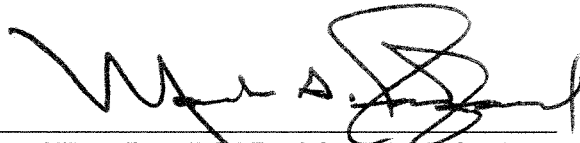
IT IS HEREBY ORDERED that the proposed rates in this case are suspended for a period of thirty (30) days plus five (5) months from the proposed effective date of September 2, 2011, or until such time as the Commission may issue an Order accepting, rejecting or modifying the Application in this matter.

IT IS FURTHER ORDERED that persons desiring to intervene in this matter shall file a Petition to Intervene no later than September 1, 2011.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 18th
day of August 2011.



PAUL KJELLANDER, PRESIDENT




MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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