

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF UNITED WATER IDAHO)
INC.'S AND BRIAN SUBDIVISION WATER) CASE NO. UWI-W-14-01
USERS ASSOCIATION'S APPLICATION TO)
ALLOW UNITED WATER TO TAKE OVER) NOTICE OF APPLICATION
BRIAN WATER'S DOMESTIC WATER)
SYSTEM.) NOTICE OF
) MODIFIED PROCEDURE
)
)
) ORDER NO. 33154**

On September 29, 2014, United Water Idaho Inc. ("United Water") and Brian Subdivision Water Users Association ("Brian Water") applied to the Commission for an Order authorizing United Water to connect to, and take over the operation of, Brian Water's domestic water system. The applicants ask the Commission to process the case by Modified Procedure.

With this Order, the Commission notifies interested persons about the Application and invites them to comment on it until November 28, 2014.

THE APPLICATION

In their Application, United Water and Brian Water explain that the Idaho Department of Environmental Quality has required Brian Water to eliminate contaminants from Brian Water's domestic water system, and that the most feasible way for Brian Water to do this is to connect its system to United Water. The applicants have entered into an agreement to facilitate this transaction and have attached a copy of the agreement to the Application.

The applicants estimate it would cost \$1,340,209 for United Water to connect to Brian Water's system. This amount would include \$1,215,184 in pipeline costs and \$125,026 in service and meter costs. The applicants propose that Brian Water's customers pay for 10% of the trued-up pipeline costs and 100% of the trued-up costs for services and meters, and that United Water's customers pay 90% of the trued-up pipeline costs.

The applicants estimate that the construction costs allocated to Brian Water's customers will increase United Water's first year per customer revenue requirement by about \$165,609. The applicants propose that Brian Water customers cover this amount by paying

United Water an extra \$124.86 on their water bill every two months for ten years or, at the customer's option, by making a one-time payment. The applicants propose that the Commission approve this surcharge to Brian Water customers under the "contract standard" so the surcharge will not change in a general rate case unless the surcharge was determined to adversely affect the public interest.

With respect to the costs allocated to United Water's customers, the applicants propose that United Water would: (1) defer recovery of those costs and continue to accrue allowance for funds used during construction until included in rates; and (2) include those costs in the base rates it seeks in its next general rate case (including a return on the investment amount as calculated at the end of the year and not as a thirteen-month average).

The applicants state that upon the Commission's approval of the application, United Water will file a conforming tariff specifying the terms of service for customers living in the Brian Subdivision.

The applicants state that Brian Water has notified its members about the proposals and this Application.

The applicants ultimately request that the Commission:

- approve a change to United Water's CPCN to add Brian Subdivision;
- confirm that United Water shall serve Brian Subdivision after the closing date of the parties' agreement;
- approve the applicants' surcharge and rate proposals; and
- confirm that United Water's contemplated investments are prudent for ratemaking purposes, and approve the applicants' cost-recovery and rate-making proposals.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application is also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Water Cases," and then click on the case number as shown on the front of this document.

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. The Commission may enter any final order consistent with its authority under Title 61.

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

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure (that is, persons will present their views through written comments) pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that the Commission has not scheduled public informational workshops in this matter. However, if customers request that Staff conduct a workshop, or if numerous public comments are received, one or more workshops may be scheduled. Members of the public will be notified if any workshops are to occur.

YOU ARE FURTHER NOTIFIED that persons desiring to state a position on this Application **must file a written comment in support or opposition with the Commission by November 28, 2014. The applicants must file their reply comments, if any, by December 12, 2014.** A comment must contain a statement of reasons supporting the comment. In addition, persons desiring a hearing must specifically request a hearing in their written comments and explain why they believe that Modified Procedure should not be used to process this case. Written comments concerning this Application shall be mailed to the Commission and the applicants at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074

Gregory P. Wyatt
United Water Idaho Inc.
P.O. Box 190420
Boise, Idaho 83719-0420

Street Address for Express Mail: Richard Juengling, President
Brian Subdivision Water Users Association
472 W. Washington Street 5855 E. Wood Place
Boise, ID 83702-5918 Boise, Idaho 83716

Dean J. Miller, Esq.
McDevitt & Miller LLP
P.O. Box 2564
Boise, Idaho 83701


These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Utility Case Comment or Question Form" under the "Consumers" tab, and complete the comment form using the case number as it appears on the front of this document.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.


ORDER

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Interested persons wishing to file comments or protests in this matter must do so by November 28, 2014. The applicants must file their reply comments, if any, by December 12, 2014.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 17th
day of October 2014.



PAUL KJELLANDER, PRESIDENT

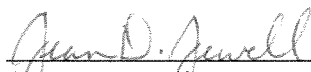


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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