

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT)	CASE NO. UWI-W-15-02
APPLICATION OF UNITED WATER IDAHO)	
INC. AND THE CITY OF BOISE, IDAHO)	NOTICE OF APPLICATION
FOR APPROVAL OF AN AGREEMENT FOR)	
REPLACEMENT AND OPERATION OF)	NOTICE OF
FIRE HYDRANTS AND RELATED RATE)	MODIFIED PROCEDURE
MAKING TREATMENT)	
)	ORDER NO. 33300

On April 10, 2015, United Water Idaho, Inc. (“United Water”) and the City of Boise, Idaho (“Boise” or the “City”) filed a joint Application seeking Commission approval of an agreement between the parties to transfer responsibility for operation, maintenance, and replacement of fire hydrants within Boise’s municipal boundaries from Boise to United Water. United Water also seeks approval of related non-standard ratemaking treatment to recover the increased costs associated with the transfer. The parties further request that their joint Application be processed under Modified Procedure, Rules 202-204 (IDAPA 31.01.01.202-.204).

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the parties represent that Boise currently owns and maintains more than 6,700 fire hydrants in Boise’s city limits. In July 2014, the parties entered into the agreement to transfer ownership and operation of the hydrants to United Water. The agreement calls for Boise to provide an annual report to United Water of hydrants ending their 40-year life cycle, and that need replacing. United Water will then replace and maintain the new hydrants. The parties estimate that approximately 168 hydrants will be replaced each year over the next 40 years.

YOU ARE FURTHER NOTIFIED that the parties claim that the agreement is “generally to provide operations consistent with other communities in the state; to create equity among taxpayers and ratepayers; to make available capital funding for fire protection infrastructure and other essential services; to conform with the intent of the franchise agreement; and to vest ownership of the hydrants with the entity that owns the infrastructure connected to the hydrants with the experience and expertise to maintain them.” Application at ¶ 9.

YOU ARE FURTHER NOTIFIED that United Water further requests assurance from the Commission that the costs associated with the transfer will be fully included in rate base (not using the traditional 13-month average), and recovered in any subsequent general rate proceedings over the life of the agreement. United Water estimates that “the annual revenue requirement associated with the initial capital investment [will be] approximately \$765,000.” Application at ¶ 7. According to United Water, this initial cost will increase annual rates by approximately \$1.45 per customer. *Id.* at ¶ 12.

YOU ARE FURTHER NOTIFIED that each party has reserved the right to declare the agreement “null and void” should the Commission not approve of the agreement, including the specific accounting treatment requested by United Water. Agreement at § 2.

YOU ARE FURTHER NOTIFIED that the joint Application, prefiled testimonies and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are 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.

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 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 any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission by **July 23, 2015**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this case shall be mailed to the Commission and the Applicants at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Dean J. Miller
McDevitt & Miller, LLP
Attorney for United Water Idaho Inc.
420 W Bannock St
PO Box 2564-83701
Boise, ID 83702
E-Mail: joe@mcdevitt-miller.com

Douglas K. Strickling
Boise City Attorney's Office
150 N Capitol Blvd
PO Box 500-83701
Boise, ID 83702
E-mail: dstrickling@cityofboise.org

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 "Case Comment or Question Form" under the "Consumers" tab, and complete the form using the case number as it appears on the front of this document. These comments must also be sent to the Company at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the City and United Water may file reply comments, if necessary, **no later than August 13, 2015**.

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.


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 and 61-503. 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.*

ORDER

IT IS HEREBY ORDERED that the joint Application be processed under Modified Procedure, IDAPA 31.01.01.201-.204. Persons interested in submitting written comments in this matter must do so no later than July 23, 2015. The applicants may file reply comments (if necessary) no later than August 13, 2015.

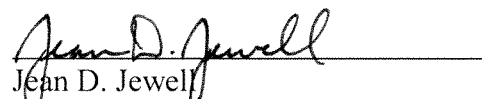
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 12th day of May 2015.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


KRISTINE RAPER, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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