(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF UNITED WATER IDAHO INC., FOR AN ORDER APPROVING THE PURCHASE OF WATER SERVICE PROPERTIES OF M&M MOUNTAIN VIEW ACRES SUBDIVISION WATER COMPANY, INC., AND FOR AN ORDER APPROVING AMENDMENT OF CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY NO.  143 AS AMENDED. | )))))))))) | CASE NO. UWI-W-96-2NOTICE OF APPLICATIONNOTICE OF MODIFIED PROCEDURENOTICE OF COMMENT/ PROTEST DEADLINE |

YOU ARE HEREBY NOTIFIED that on April 29, 1996, United Water Idaho Inc.  (UWI, United Water) filed an Application with the Idaho Public Utilities Commission (Commission) for an Order approving the purchase by United Water of water service properties owned by M&M Mountain View Acres Subdivision Water Company, Inc.  (M&M).  UWI also requests a related amendment to its Certificate of Public Convenience and Necessity and authorized service area and approval of certain related rate and ratemaking matters.

United Water is a public utility providing water service to approximately 55,000 customers in Ada County, Idaho.  United Water is a regulated utility operating under Certificate of Public Convenience and Necessity No. 143 (as amended).  UWI is a subsidiary of United Water Works, Inc., a Delaware corporation.

M&M is an Idaho not-for-profit corporation that exists for the purpose of owning and operating a community water system within the M&M Mountain View Acres Subdivision in Canyon County, Idaho.  M&M provides water service for domestic and culinary purposes to approximately 30 residential customers.

United Water and M&M have negotiated and executed an Agreement for Purchase and Sale (Agreement) dated April 25, 1996, whereby M&M will sell and transfer to United Water real property and waterworks facilities used in furnishing water service to the residential customers of M&M Mountain View Acres Subdivision.

The consideration and purchase price to be paid by United Water for all the land, improvements, personal and intangible property used and useful in the furnishing of water service by M&M is $10 plus an agreement by United Water to install at UWI expense a new well within the subdivision.  United Water reports that installation of a new well is made necessary by the requirements of the Idaho Division of Environmental Quality.  United Water contends that M&M lacks the financial and technical capability to undertake the installation of a new well.  United Water estimates the cost of installing a new well to be approximately $30,000.  UWI intends to finance the cost of the well with internally generated funds.

United Water proposes to provide water service to M&M customers at a flat monthly tariffed rate of $20.  The M&M water delivery system is not metered.  The current monthly rate charged by M&M is $7.00.  UWI proposes that the new rates will go into effect when the new well is installed and operational.

Because of M&M’s small size, United Water contends that M&M has experienced, and in the absence of this sale, would continue to experience, difficulties in maintaining its system and in obtaining adequate financing for operations and maintenance.

United Water maintains that UWI possesses the technical, managerial and financial abilities to provide reliable and adequate service, and accordingly contends that the proposed transfer is in the public interest and is consistent with the public convenience and necessity.

United Water submits that the public interest requires expeditious review of this Application and that the public interest does not require a hearing to consider the issues presented.  United Water requests that the Application be processed under Modified Procedure pursuant to the Commission’s Rules of Procedure, Rules 201-204.

United Water requests an Order of the Commission:

1.  Approving the sale of M&M assets to United Water.

2.  Confirming the right of United Water to include in rate base in future rate proceedings the net full purchase price of the assets subject to this transaction.

3.  Confirming the right of United Water to provide water service in the area now served by M&M.

4.  Approving the proposed tariffed rates for water service.

5.  Approving the amendment of Certificate of Public Convenience and Necessity No. 143, as amended.

6.  Granting such other and further relief as the Commission deems appropriate.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. UWI-W-96-2.  The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented and that the issues raised by the Application may be processed under Modified Procedure, i.e., by written submission rather than by hearing.  Reference Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the Commission will not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used.  Reference IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that the deadline for filing written comments or protests with respect to the Application in Case No. UWI-W-96-2 and proposed use of Modified Procedure is Friday, June 7, 1996.  Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that if no written protests or comments are received within the deadline, the Commission will consider the matter on its merits and enter its Order without a formal hearing.  If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order on the basis of the written positions before it.  Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. UWI-W-96-2 should be mailed to the Commission and the Company at the addresses reflected below:

COMMISSION SECRETARYWAYNE BOOE

IDAHO PUBLIC UTILITIES COMMISSIONUNITED WATER IDAHO INC.

PO BOX 83720PO BOX 7488

BOISE, IDAHO  83720-0074BOISE, ID 83707

Street Address for Express Mail:DEAN J. MILLER

COUNSEL FOR UNITED WATER

472 W WASHINGTON ST370 N 9TH ST, STE 304

BOISE, IDAHO  83702-5983PO BOX 2564-83701

BOISE, ID 83701

All comments should contain the case caption and case number shown on the first page of this document.

YOU ARE FURTHER NOTIFIED that the Application in Case No. UWI-W-96-2 can be reviewed at the Commission’s office and at the offices of United Water Idaho Inc. (8248 W. Victory Road, Boise, Idaho) during regular business hours.

DATED at Boise, Idaho this day of May 1996.

Myrna J. Walters

Commission Secretary

vld/N:UWI-W-96-2.sw

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

May 15, 1996