(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 AUTHORITY TO REVISE AND INCREASE RATES CHARGED FOR WATER SERVICE | )  )  )  )  )  )  )  )  )  )  )  )  )  )  ) | CASE NO. UWI-W-96-3  NOTICE OF APPLICATION  NOTICE OF SUPPLEMENTAL APPLICATION  NOTICE OF INTERVENTION DEADLINE  NOTICE OF SCHEDULING  NOTICE OF HEARING |

YOU ARE HEREBY NOTIFIED that on June 19, 1996, United Water Idaho Inc. (United Water; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for authority to increase its rates and charges for water service.  The overall increase in annual revenue requested is $1,116,352, or an increase of 5.3% over current rates.

United Water serves approximately 55,000 residential, commercial and other classes of customers in the City of Boise and surrounding areas.  The Company sources of supply consist of the Marden Water Treatment Plant and 62 deep wells.  The combined 1995 capacity of all wells and the Treatment Plant is approximately 78 million gallons per day.

United Water states that it seeks additional revenues to recover increased operating expenses and costs associated with plant additions.  The Company characterizes its Application as a “make whole” rate filing.  The Company requests recognition of certain adjustments based on known and measurable changes occurring since its last rate filing.  The Company has based its request on the revenue requirement approved by the Commission in Order No. 25460 dated July 14, 1994 in Case No. BOI-W-93-3, which employed a calendar 1993 test year.  The Company proposes limited adjustments to certain rate base and operations accounts.  E.g., increases in operating and maintenance expenses — payroll and associated taxes, post-retirement medical benefits, operating costs such as the amortization of the Company’s contribution to the Treasure Valley Hydrologic Project (ground water study) and leases pertaining to vehicles and communication equipment, as well as ad valorem taxes, depreciation and amortization of plant and a growth adjustment; the Company also proposes to make adjustments for decrease in purchased power and chemical costs, pension expense and payroll overheads charged to construction.  The Company proposes a total make whole rate base of $74,591,966, which represents an increase in Company investment of $7,373,961 over the rate base of $67,218,005 granted per Order No. 25640.  The Company proposes use of the previously approved capital structure, cost of capital and weather normalization methodologies.  The Company contends that a substantially higher revenue requirement could be supported based on proforma adjustments to a test year ended March 31, 1996.  The Company contends its Application, requesting recognition of limited adjustments, is in the public interest because it will expeditiously provide the Company with necessary rate relief while at the same time avoid substantial regulatory expenses associated with a fully litigated proceeding.

The Company requests that its Application be heard and acted upon at the earliest possible date.  The Company requests a Commission finding that its existing rates are insufficient to provide it with a fair rate of return and that the revised rates and charges proposed are just and reasonable.

YOU ARE FURTHER NOTIFIED that on July 9, 1996, the Company filed a Supplemental Application pursuant to Commission direction (reference Order No. 26494 Erratum Notice dated June 25, 1996) requesting that the schedule of hook-up fees established in the Commission’s Erratum Notice be approved on a permanent basis.  The calculation of new hook-up fees was required by the decision of the Idaho Supreme Court in Building Contractors Association of Southwestern Idaho, Inc. v. Idaho Public Utilities Commission, 1996 Opinion No. 23.

YOU ARE FURTHER NOTIFIED that the Application and Supplemental Application  in Case No. UWI-W-96-3 can be reviewed at the Commission’s office and at the offices of United Water Idaho Inc. (8248 West Victory Road, Boise, Idaho) during regular business hours.

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in Case No.UWI-W-96-3 for the purpose of participating in the case, presenting evidence or cross-examining witnesses must file a Petition to Intervene with the Commission pursuant to Rules 72 and 73 of the Commission’s Rules of Procedure, IDAPA 31.01.01.072-073. The deadline for filing a Petition to Intervene in Case No. UWI-W-96-3 is Friday, August 2, 1996.  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 to other parties.

YOU ARE FURTHER NOTIFIED that the Commission, Company and Commission Staff have agreed to the following scheduling for prefile of testimony in Case No. UWI-W-96-3:

September 9, 1996Prefile of Direct Testimony by Staff/Intervenors

September 23, 1996Prefile of UWI Rebuttal Testimony

Because of the expedited scheduling in this case, prefile dates are also in-hand dates for service on other parties.

YOU ARE FURTHER NOTIFIED that the prepared testimony and exhibits of the parties must conform to the requirements of Rules 230, 231, 266 and 267 of the Commission’s Rules of Procedure, IDAPA 31.01.01.230-231; 266-267.  In addition to paper copies of prepared testimony, testimony in this case must be submitted in computer-readable ASCII format.  IDAPA 31.01.01.231.05.

YOU ARE FURTHER NOTIFIED that discovery is available in Case No. UWI-W-96-3 pursuant to the Commission’s Rules of Procedure, IDAPA 31.01.01.221-234.

YOU ARE FURTHER NOTIFIED that a public hearing in Case No. UWI-W-96-3 is scheduled to begin WEDNESDAY, OCTOBER 2, 1996, COMMENCING AT 9:30 A.M. IN THE COMMISSION HEARING ROOM, 472 WEST WASHINGTON STREET, BOISE, IDAHO (208) 334-0300, AND WILL CONTINUE IF NECESSARY ON OCTOBER 3, 1996.

YOU ARE FURTHER NOTIFIED that the Commission will conduct a hearing for the purpose of hearing public comment also on  WEDNESDAY, OCTOBER 2, 1996, COMMENCING AT 7:00 P.M. AT THE SAME LOCATION AS THE PUBLIC 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 that 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.

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.  Persons needing the help of a sign language interpreter or other assistance of the kind that the Commission is obligated to provide under the Americans with Disabilities Act in order to participate in or to understand the 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:

IDAHO PUBLIC UTILITIES COMMISSION

PO BOX 83720

BOISE, IDAHO  83720-0074

(208) 334-0338  (TELEPHONE)

(208) 334-3151  (TEXT TELEPHONE)

(208) 334-3762  (FAX)

DATED at Boise, Idaho this                  day of  July 1996.

Myrna J. Walters

Commission Secretary

bls/N-uwiw963.sw

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

July 19, 1996