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

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| IN THE MATTER OF THE INVESTIGATION OF UNITED WATER IDAHO INC.  AND ITS ABILITY TO PROVIDE ADEQUATE SERVICE AND WATER QUALITY. | )))))))) | CASE NO. UWI-W-96-6NOTICE OF INVESTIGATIONNOTICE OF PROCEDUREORDER NO.  26673 |

YOU ARE HEREBY NOTIFIED that the Idaho Public Utilities Commission has received complaints by customers of United Water Idaho Inc.  (Company; United Water) that water provided by the Company is of unacceptable quality.  Customers testifying in United Water rate Case No. UWI-W-96-3 complain that the water is rust colored, stains appliances, and smells and tastes bad.  Some customers are afraid to drink the water.

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 water 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.  Testimony in the Company’s rate case reflects that the Company is experiencing problems in a number of its wells with high levels of iron and manganese.  This causes a discoloration of the water.  The problem, distressing to affected customers, is more prevalent in summer periods of high water use when customers pay a 25% higher seasonal price for water.  The Commission has been advised by the Idaho Division of Environmental Quality (DEQ) that iron and manganese in water are regarded as an aesthetic problem, which under federal EPA guidelines poses no health threat.

The Commission is its Order No. 26673 in Case No. UWI-W-96-3 stated:

Based on the public testimony in this hearing, the complaint records of the Commission’s Consumer Staff, and the Company’s own records regarding water quality complaints, the Commission finds it reasonable to initiate a separate docket to investigate United Water and its ability to provide adequate service and water quality.  While the iron and manganese problem is not threatening to health, it certainly is a cause for concern and dissatisfaction for customers.  They should have the assurance that the Company has investigated and implemented all reasonable means of reducing or eliminating the problem.  The proceeding we initiate with this Order will be conducted to provide that assurance to customers.

The Commission has reviewed and considered the testimony of the Company’s customers in Case No. UWI-W-96-3, the complaint records of the Commission’s Consumer Staff, and the Company’s own records furnished to Staff regarding water quality complaints.  The Commission finds that United Water Idaho Inc. is experiencing problems with high levels of iron and manganese in water produced by some of its wells.  The Commission therefore finds it reasonable to initiate a formal docket for investigation of United Water’s ability to provide adequate service and water quality.

YOU ARE FURTHER NOTIFIED that the Commission finds it reasonable to establish a seventy-five (75) day preliminary period for discovery, pursuant to the Commission’s Rules of Procedure, IDAPA 31.01.01.221 et seq.  Interested parties desiring to participate in the discovery process must first petition for intervenor status pursuant to Rules 72 and 73 of the Commission’s Rules of Procedure.  At the conclusion of said period we will expect Commission Staff to file within thirty (30) days a report with the Commission detailing the nature and extent of the Company’s water quality (iron and manganese) problem, the Company’s efforts at addressing the problem (technical and customer relations), and alternatives for mitigating or eliminating the problem (including estimated costs).  Following receipt and consideration of the report the Commission will issue an additional notice establishing further procedure and scheduling, which will include a forum for public participation.

CONCLUSIONS OF LAW

The Commission has jurisdiction to initiate an investigation regarding the ability of United Water Idaho Inc., a water utility, to provide adequate water service and water quality pursuant to the provisions of Idaho Code, Title 61, Idaho Code § 61-302 (Maintenance of Adequate Service), § 61-515 (Safety Regulations), Idaho Code § 61-406 (Compliance with Commission’s Orders), Idaho Code § 61-501 (Investment of Authority), Idaho Code § 61-520 (Service of Water Corporations-Determination of Standards) and the Commission’s Rules of Procedure, IDAPA 31.01.01.000 et seq.

O R D E R

In consideration of the foregoing and for reasons more particularly described above, IT IS HEREBY ORDERED AND THE COMMISSION BY THIS ORDER hereby initiates a docket  in Case No. UWI-W-96-6 to investigate United Water Idaho Inc.’s ability to provide adequate service and water quality and adopts the foregoing scheduling and procedure.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of November 1996.

                                                                                                                                       RALPH NELSON, PRESIDENT

                                                                                            MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

November 7, 1996