(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 ISSUE ADDITIONAL SHARES OF COM­MON STOCK. | ))))))) | CASE NO. UWI-W-96-7ORDER NO.  26729 |

On November 14, 1996, United Water Idaho Inc. (United Water), filed an Application  requesting authority to issue 10,235 shares of common stock at par value of fifty dollars ($50.00).  The Application recites that proceeds of the issuance will be used for the construction of improved facilities and additional sources of water supply and that the purchase of the shares by United Water Works (UWW) will enable UWW to obtain at least 80 percent (80%) of the voting control of United Water thereby resulting in reduced filing, compliance, and administrative costs associated with federal income tax filings.  The Commission, having fully considered the Application and the attached exhibits makes the following findings of facts and conclusions of law.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

United Water is incorporated under the laws of the state of Idaho with its principal office in Boise, Idaho.  United Water is a public utility subject to the Commission’s regulatory authority pursuant to Idaho Code, Title 61.  United Water seeks authority to issue 10,235 shares of common stock, par value fifty dollars ($50.00).

The Commission does not have before it for determination and therefore does not determine the effect of the issuance of the instruments of security on the rates to be charged by United Water for water service to consumers in the state of Idaho.

The Commission has jurisdiction over this matter pursuant to Idaho Code §§ 61-901 et seq. and the Application reasonably conforms to Rules 141 through 150 of the Commissin’s Rules of Procedure, IDAPA 31.01.01.140-150. The method of issuance is proper.

The general purposes to which the proceeds will be put are lawful purposes under the Public Utility Law of the state of Idaho and are compatible with the public interest.  However, this general approval of the general purposes to which the proceeds will be put is neither a finding of fact nor a conclusion of law that any particular construction program of the Company which may be benefitted by the approval of this Application has been considered or approved by this Order, and this Order shall not be construed to that effect.

The issuance of an Order authorizing the proposed financing does not constitute agency determination/approval of the type of financing or the related costs for ratemaking purposes, which determination the Commission expressly reserves until the appropriate proceeding.

All fees have been paid by United Water in accordance with Idaho Code § 61-905.

O R D E R

IT IS THEREFORE ORDERED that the Application of United Water to issue additional shares of common stock in the manner and for the purposes set forth in its Application is hereby approved.

IT IS FURTHER ORDERED that United Water shall file, as soon as available after the completion of the issuance such documents as are necessary to advise the Commission that the transaction has been completed.

IT IS FURTHER ORDERED that nothing in this Order and no provision of Chapter 9, Title 61, Idaho Code, or any act or deed done or performed in connection therewith shall be construed to obligate the state of Idaho to pay or guaranteee in any manner whatsoever any security authorized, issued, assumed or guaranteed under the provisions of said Chapter 9, Title 61, Idaho Code.

IT IS FURTHER ORDERED that this authorization is without prejudice to the regulatory authority of this commission with respect to rates, service, accounts, evaluation, estimates or determination of costs, or any other matter which may come before this commission pursuant to its jurisdiction and authority as provided by law.

IT IS FURTHER ORDERED that the issuance of this Order does not constitute acceptance of United Water’s exhibits or other material accompanying this Application for any purpose other than the issuance of this Order.

THIS IS A FINAL ORDER.  Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order.  Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration.  See Idaho Code § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of December 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

December 17, 1996