(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 AMEND AND REVISE CERTIFICATE OF CONVENIENCE AND NECESSITY NO. 143. | ))))) | CASE NO. UWI-W-97-1ORDER NO.  26923 |

On March 21, 1997, United Water Idaho Inc. (United Water; UWI; Company) filed an  Application in Case No UWI-W-97-1 with the Idaho Public Utilities Commission (Commission) requesting authorization to amend and revise its Certificate of Convenience and Necessity No.143 (as amended) by enlarging and extending its certificate service area boundaries to include the Ada County residential subdivision of Duncan’s Landing and the surrounding area in close proximity thereto, a total area of approximately 320 acres that is contiguous to its present system and certificated territory.  Ref. Application-Exhibit C legal description; Idaho Code 61-526; Commission Rules of Procedure IDAPA 31.01.01.112.

United Water contends that the area requested is not within the authorized territories of any other public utility water corporation under the jurisdiction of the Commission and will not interfere with the operation of any water utility corporation under the Commission’s jurisdiction.  The Company contends that there are no known public utilities, persons or corporations with whom the expansion is likely to compete.

United Water represents that it has entered into a year to year water supply agreement with the city of Garden City, whereby the Company has obtained an adequate source of supply to provide potable domestic water service to the area of expansion.  (Maximum daily consumption .50 mgd; maximum monthly consumption 15 mgd @ $.35 per 1,000 gallon delivered) Ref. Application Exhibit B.

As represented, facilities within the Duncan’s Landing Subdivision will be financed and acquired in accordance with Company Rules and Regulations Governing the Rendering of Water Service and Water Main Extensions.  Customers within the area of expansion will take service at the rates and upon the terms the conditions contained in United Water’s rates schedules and Rules and Regulations Governing the Rendering of Water Service as the same exists or may hereafter be amended and approved by the Commission.

United Water contends that the requested extension is consistent with the public convenience and necessity.  United Water contends that the proposed expansion will not burden the Company’s existing body of rate payers.

A Notice of Application and Modified Procedure in Case No. UWI-W-97-1 was issued on April 2, 1997.  The deadline for filing comments/protests was Wednesday, April 23, 1997.  Comments were filed by Commission Staff and Max A. Boesiger, Inc., general contractor and developer.  The comments of the parties can be summarized as follows:

Max A. Boesiger supports the Application of United Water and represents that the plat for the Duncan’s Landing subdivision has been filed and approved for 80 single family dwellings.

Staff in its comments makes the following observations:

While the proposed area of expansion is adjacent to the Company’s existing service area and is not currently served by any other public water utility, it is only one-quarter mile from the existing service area of Eagle Water Company.  The Duncan’s Landing residential subdivision, located on approximately 20 acres adjacent to State Street, is over one-half mile from Eagle Water’s nearest facilities and approximately one-half mile from the nearest existing distribution facilities of United Water.

United Water has not indicated when the interconnection with Garden City system will occur, how much it will cost, or who will pay for the facilities.

In order to provide long time service using its own facilities, United Water will need to construct a lengthy line extension from its nearest existing facilities east of Bogart Lane or wait until residential development naturally occurs to provide the interconnecting facilities.  . . .No information was provided regarding the number of customers projected to be served in the requested area, when interconnection with the Company’s system might occur or how much the interconnection might cost.

While Staff indicates that it does not oppose the Company’s Application to expand its certificate and serve Duncan’s Landing, it represents that it has concerns regarding the reliability of the service arrangement with Garden City (Garden City can cancel Water Supply Agreement with one year’s notice), and future recovery of potentially costly line extensions.  This uncertainty, Staff contends, makes the Duncan’s Landing service arrangement somewhat speculative with potential risks which should not be borne by ratepayers.  Staff believes United Water should eliminate the risk or agree that it will be borne by the Company’s shareholders.

Commission Findings

The Commission has reviewed and considered the filings of record in Case No. UWI-W-97-1, including the Application and exhibits, and the related comments of Commission Staff and Max A. Boesiger.  We have also reviewed and considered the relevant statutory authority (Idaho Code 61-526) and Commission rules (IDAPA 31.01.01.112) regarding amendments to Certificates of Public Convenience and Necessity for existing utilities.  We find that the Company’s filing satisfies the underlying statutory and procedural requirements for certificate applications.  We find that the present and future public interest will be served by issuance of a Certificate of Public Convenience and Necessity to United Water for the requested area.  We find the submitted Water Purchase Agreement with Garden City to be an economical and reasonable means of providing present and interim service to the Duncan’s Landing Subdivision.  We note that the Company in its Application has not provided the Commission with revenue projections or the estimated present and future costs of interconnection with Garden City facilities and ultimately with United Water’s own facilities.  We rely on the Company’s representation that its existing customers will not be burdened by the proposed expansion.

OR D E R

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED that the Certificate of Public Convenience and Necessity No. 143 of United Water Idaho Inc. be amended to reflect the addition of the particular area described and reflected in Attachment 1 to this Order.  United Water Idaho Inc. is directed to prepare and file an amended Certificate for Commission approval.

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 May 1997.

                                                                                                                                       DENNIS S. HANSEN, PRESIDENT

                                                                                            RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

vld/O:UWI-W-97-1.sw

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

May 21, 1997