(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 IMPLE­MENT PHASE TWO OF RATES FOR THE NORTH STATE AREA. | )  )  )  )  )  )  )  )  )  )  ) | CASE NO. UWI-W-97-5  NOTICE OF APPLICATION  NOTICE OF MODIFIED           PROCEDURE  NOTICE OF COMMENT/ PROTEST DEADLINE  ORDER NO.  27105 |

YOU ARE HEREBY NOTIFIED that on August 12, 1997, United Water Idaho Inc.  (United Water; UWI; Company) filed an Application with the Idaho Public Utilities Commission (Commission; IPUC) requesting authority to implement Phase 2 of rates for the North State Area.  The North State Area is the general description of those customers lying within the geographic area generally bounded by Gary Lane on the West, Pierce Park on the East and State Street to the South formerly served by the City of Garden City.  This area includes Summer Hill Subdivision, Hillsboro Subdivision and those developments fronting Pierce Park on the East that were formerly served by Garden City.  The North State Area was acquired by United Water on August 12, 1996, when the Commission approved a July 20, 1995, Exchange Agreement between United Water and the City of Garden City, Idaho.  Reference Order No. 26562 and related amendment to UWI Certificate No. 143.  In its Order the Commission approved United Water’s proposal for a phase in of rates for customers in the North State Area whereby rates for customers in that area would be increased in increments to full United Water rates.  More specifically, the Commission approved the following phases:

Phase 1—Existing Garden City rates until completion of intertie with UWI distribution system.

Phase 2—85% of UWI rates, as they existed on August 12, 1996, for twelve (12) months.

Phase 3—92% of UWI rates, as they existed on August 12, 1996, for twelve (12) months.

Phase 4—transition to full UWI rates.

Order No. 26562, p. 5.

United Water is presently providing service at the rates specified in Phase 1, the existing Garden City rates.  United Water contends that it has completed the intertie between the North State Area and UWI’s domestic water distribution system and that the North State Area is now fully integrated with UWI’s system.  Accordingly, United Water states that it is entitled to implement Phase 2 of the phase-in sequence approved by the Commission.

Additionally, United Water contends that it has implemented other measures to ensure that water pressure and quality are adequate within the North State Area.  These measures include:

1.The North State Area has been included in UWI’s annual system flushing program thereby enhancing water quality within the area;

2.The North State Area has been integrated into UWI’s SCADA system  thereby enabling remote monitoring of the system in the area;

3.Water pressure in the North State Area has been stabilized by virtue of connection to UWI’s Hidden Hollow Reservoir;

4.UWI has established a customer liaison team consisting of Company personnel, customer representatives and IPUC representatives.  The customer liaison team has held regular meetings, and these will continue;

5.Construction of the Garden City booster station has been completed thereby enhancing water supply and pressure at peak demand periods;

6.UWI has provided technical assistance to Garden City to help improve water quality.

Accompanying the Company’s Application is the proposed schedule of Phase 2 rates.  Residential customers with 5/8 to 3/4 inch service lines will experience an increase in customer charges to $10.20 bi-monthly per meter and an increase in volume charge for all water used for 100 cubic feet (ccf) of $0.6877 for winter rates and $0.8594 for summer rates.  Summer rate applies to water consumed between May 1 and September 30.  United Water requests approval of the Phase 2 rates for the North State Area for a period of 12 months, and further requests that it thereafter be permitted to file tariffs to implement Phase 3 and Phase 4 by tariff advice pursuant to IPUC Rules of Procedure 134.01.  The Company requests an effective date for Phase 2 rates for the North State Area of September 5, 1997.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. UWI-W-97-5.  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 Company’s filing may be processed under Modified Procedure, i.e., by written submission rather than by hearing.  Reference Commission 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 and the use of Modified Procedure in Case No. UWI-W-97-5 is Friday, August 29, 1997.  Persons desiring a hearing must specifically request a hearing in their written protests or comments.

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

YOU ARE FURTHER NOTIFIED that written comments concerning this Application must be mailed to the Public Utilities Commission and United Water Idaho Inc.  At the addresses following below:

COMMISSION SECRETARYDEAN J.  MILLER

IDAHO PUBLIC UTILITIES COMMISSION877 MAIN, STE.  610

PO BOX 83720PO BOX 2564

BOISE, IDAHO  83720-0074BOISE, ID 83701

Street Address for Express Mail:Attorney for UWI

472 W WASHINGTON ST

BOISE, IDAHO  83702-5983

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

O R D E R

IT IS HEREBY ORDERED and the Commission does hereby adopt the foregoing procedure and scheduling in Case No. UWI-W-97-5.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of August 1997.

                                                                                                                                      DENNIS S. HANSEN, PRESIDENT

                                                                                           RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

vld/O:UWI-W-97-5.sw

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

August 15, 1997