(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-97-6  NOTICE OF APPLICATION  NOTICE OF INTERVENTION DEADLINE  NOTICE OF PREHEARING CONFERENCE |

YOU ARE HEREBY NOTIFIED that on November 3, 1997, 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.  Supporting workpapers and documentation were filed by the Company on November 14, 1997.  The overall increase in annual revenue requested is $3,424,516, or an increase of 15.47% over current rates.

United Water serves approximately 57,350 residential, commercial and other classes of customers in the city of Boise and surrounding areas.  The Company’s sources of supply consist of the Marden Water Treatment Plant and 71 deep wells.  The combined capacity of all wells and the treatment plant is approximately 82 million gallons per day.

United Water states that it seeks additional revenues to recover increased operating expenses and costs associated with plant additions, and to produce a fair rate of return.  United Water requests a rate of return of 9.76% on the Company’s investment in property used and useful in rendering water service.  The Company’s present authorized return is 9.51%.  Reference Order No. 26671.  Case No. UWI-W-96-3.  The revenue realized by United Water under its rates as presently authorized, the Company states, produces a rate of return of 7.34%, based on a test year ending June 30, 1997, adjusted for known and measurable changes.  As a result of capital investments in utility plant, the Company reports that its rate base of $74,330,596, as allowed in its last general rate proceeding, Case No. UWI-W-96-3, has increased to $84,200,741.  The Company contends that the proposed changes in its rates and charges are just and reasonable and are necessary for the Company to continue to provide adequate and reliable service to its customers.

The Company’s Application in Case No. UWI-W-97-6 is accompanied by supporting testimony and exhibits including financial statements, cost of capital and revenue analysis, and supporting workpapers and documentation.

The Company has requested that its Application be heard and acted upon at the earliest possible date.  The adjusted proposed effective date as agreed to by the Company and the Commis­sion in Order No. 27229 is December 14, 1997.  The Company requests a Commission finding that its existing rates are unjust, unreasonable and insufficient to provide it with a fair rate of return, and that the revised rates and charges proposed are just and reasonable.

The Company proposes that its requested revenue be recovered through a uniform percentage increase to all customer classes.  The Company commits, however, that within 30 days after the Commission’s Order in this proceeding becomes final, it will file a separate cost of service and rate design proceeding.  Reference IDAPA 31.01.01.121.01(e).  United Water believes that addressing revenue requirement issues and cost of service (and rate design) issues in separate proceedings is the most efficient use of all parties’ resources.

YOU ARE FURTHER NOTIFIED that the Commission may determine United Water’s revenue level in an amount other than proposed by the Company and/or the spread or allocation or relative increase or decrease in any rate or charge may be other than that proposed by the Company.  In particular, the Commission may consolidate existing rate groups, create additional rate groups, consolidate multi-block rate structures, create multi-block rate structures, or otherwise change the relative or absolute relationships among customers of United Water.  The rates of all customers of United Water in the state of Idaho, including those governed by special contract, are at issue and subject to change in this proceeding.

YOU ARE FURTHER NOTIFIED that the Commission in Order No. 27229 has suspended the adjusted proposed effective date for a period of thirty (30) days plus five (5) months from December 14, 1997, or until such time as the Commission may issue an order accepting or rejecting or modifying the Application in this matter.

YOU ARE FURTHER NOTIFIED that the Application in Case No.  UWI-W-97-6 can be reviewed at the Commission’s office and at the general office of United Water Idaho Inc. (8248 West Victory Road, Boise, Idaho) during regular business hours.

YOU ARE FURTHER NOTIFIED that the Commission in Order No. 27229 has determined that the identified service and water quality issues raised in the filings and submitted investigative reports in Case No. UWI-W-96-6 (In the Matter of the Investigation of United Water Idaho Inc and its Ability to Provide Adequate Service and Water Quality) are also at issue in this Case No. UWI-W-97-6.  The identified water quality problem addressed in Case No. UWI-W-96-6 was the presence of iron and/or manganese in United Water’s ground water wells that exceed the secondary maximum contaminant levels (SMCLs) listed in the Safe Drinking Water Act (SDWA).  Although secondary contaminants are classified as non-health threatening, the presence of high levels of iron and manganese can result in aesthetic problems including foul odor, poor taste and discoloration.  On May 21, 1997, Commission Staff filed its final investigative report in Case No. UWI-W-96-6.  Staff’s report detailed the nature and extent of the Company’s water quality problem, the Company’s efforts to address the problem (technical and customer relations), and alternatives for mitigating or eliminating the problem (including estimated costs).  On August 26, 1997, United Water filed its response.

YOU ARE FURTHER NOTIFIED that any person desiring to intervene in Case No. UWI-W-97-6 for the purpose of becoming a party, i.e., to present evidence, to acquire the rights of cross-examination, to participate in settlement or negotiation conferences, and to make and argue motions 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-97-6 is Wednesday, December 10, 1997.

YOU ARE FURTHER NOTIFIED that 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 a prehearing conference in Case No. UWI-W-97-6 for the purposes of reviewing case status, identifying issues and establishing further procedure is scheduled for FRIDAY, DECEMBER 12, 1997, COMMENCING AT 10:00 A.M. IN THE COMMISSION HEARING ROOM, 472 WEST WASHINGTON STREET, BOISE, IDAHO (208) 334-0300.

YOU ARE FURTHER NOTIFIED that discovery is available in Case No. UWI-W-97-6 pursuant to the Commission’s Rules of Procedure, IDAPA 31.01.01.221-234.

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)

YOU ARE FURTHER NOTIFIED that all communications with reference to this Application should be served upon the following representatives of United Water:

DEAN J.  MILLERMARK A.  GENNARI

McDEVITT & MILLER, LLPUNITED WATER MANAGEMENT

537 WEST BANNOCK, STE 215& SERVICES, INC.

PO BOX 2564-83701200 OLD HOOK ROAD

BOISE, ID 83702HARRINGTON PARK, NJ 07640

DATED at Boise, Idaho this day of November 1997.

Myrna J. Walters

Commission Secretary

vld/N:uwi-w-97-6.sw

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

November 20, 1997