(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 PUBLIC CONVENIENCE AND NECESSITY NO. 143. | )))))) | CASE NO. UWI-W-99-1ORDER NO.  27976 |

On January 15, 1999, United Water Idaho Inc. (United Water; Company) filed an Application in Case No. UWI-W-99-1 with the Idaho Public Utilities Commission (Commission) requesting authorization to amend and revise its Certificate of Public Convenience and Necessity No. 143 (as amended) by enlarging and extending its certification service area boundaries to include the Canyon County residential subdivisions of Coventry Place and Carriage Hill, areas non-contiguous to its present system and certificated territory.  Reference Application Exhibit D legal description; Idaho Code 61-526; Commission Rules of Procedure, IDAPA 31.01.01.112.

United Water contends that the areas requested are not within the authorized service 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 further contends that there are no known public utilities, persons or corporations with whom the expansion is likely to compete.

United Water represents that the developers of Coventry Place and Carriage Hill subdivisions have requested that United Water provide water service.  A copy of the developers’ requests are attached to the Company’s Application.  Reference Application Exhibits B and C.  Construction of facilities, the Company represents, will be pursuant to the Company’s Rules and Regulations Governing Non-Contiguous Expansion (Rule 78-84) and pursuant to Rules 74-77 of the Company’s Rules relating to Water Main Extensions (Special Facilities).

United Water contends that the requested expansion of its Certificate and service territory is consistent with the public convenience and necessity.

Commission Notices of Application and Modified Procedure in Case No. UWI-W-99-1 issued on February 8, 1999.  The deadline for filing written comments was March 3, 1999.  Commission Staff was the only party to file comments.  Staff recommends approval with modification.

Staff notes that the submitted non-contiguous water system agreements do not require the developer to install disinfection (e.g., chlorination) equipment on the potable water systems.  Recognizing that the Company has a general practice of chlorinating its water supply, and noting that the intent of the non-contiguous expansion tariff is to require the developer to advance all required water supply facilities, Staff recommends that the Commission require that the cost of any disinfection equipment, should it be the Company’s intention to install same in the near future, be advanced by the developers.

In reviewing the Company’s Application and proposed areas of certificate expansion, Staff noted that the submitted legal descriptions included areas outside the boundaries of each subdivision.  Specifically noted by Staff, the legal description of Carriage Hill includes Verde Hills, an existing subdivision that is surrounded by Carriage Hill and which has a homeowner association-owned water system.  Parenthetically, it is noted by the Commission that because of the nature of ownership and control the Commission has no statutory authority to regulate homeowner association systems.  Reference Idaho Code § 61-104.  United Water personnel represent that the homeowner association has contacted the Company regarding future interconnection with the Carriage Hill water system.  Upon inquiry, Commission Staff is informed that it was the Company’s intent to only request certification for the areas within the platted subdivision boundaries.  The Company states that it will submit revised legal descriptions.  The Company has stated that it will address serving the Verde Hills area in a separate application, if and when service is formally requested.

Staff recommends that the Commission require the Company to file revised legal descriptions for the proposed area of certificate expansion including only the boundaries of the planned Coventry and Carriage Hill Subdivisions.  Staff also recommends that the Company submit a new Application to extend its certificated area to serve adjacent subdivisions, both existing and proposed, if and when service is formally requested.

The Commission is apprised that Staff’s proposed modifications and recommendations are acceptable to the Company and developers and that the Company has indicated that it will comply with any order requiring same.

Commission Findings

The Commission has reviewed the Company’s Application and proposed Certificate amendment.  We have also reviewed and considered Staff’s analysis and recommendations in this matter and the Company’s response.  The Commission continues to find that the issues presented in Case No. UWI-W-99-1 are suitable for processing under Modified Procedure, i.e., by written submission rather than by hearing.  Reference IDAPA 31.01.01. 204.

The Commission has considered the relevant statutory authority (Idaho Code § 61-526) and Commission Rules (IDAPA 31.01.01.112) regarding amendments to Certificate 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 further find, as qualified herein below, that the Company’s filing and the related submitted agreements comport with the Company’s rules and regulations governing water main extensions (Rules 74-77 Special Facilities) and noncontiguous expansion (Rules 78-84).

The Commission finds the submitted non-continguous water system agreements with Coventry Place and Carriage Hill and the Company’s related Application are acceptable with the following amendment and clarifications:

1.An amendment of the legal description for the proposed area of expansion so that it is restricted to the boundaries of the respective subdivisions.

2.A clarification that the developers are to pay for and advance costs for any system related water treatment or chlorination equipment.

3.A clarification that service to adjacent subdivisions (existing or proposed) must be pursuant to a separate application for certificate.

The Commission understands that the proposed amendment and clarifications recommended by Staff, as set forth above, are acceptable to the Company and the developers.

We find that there are no known public utilities, persons or corporations with whom the proposed Certificate expansion is likely to compete.  We find that the present and future public interest will be served by issuance of an amended Certificate of Public Convenience and Necessity to United Water for the requested area.  We find it reasonable, as qualified above, to authorize extension of service to Coventry Place and Carriage Hill Subdivisions under the submitted agreements.

CONCLUSIONS OF LAW

The Commission has jurisdiction over United Water Idaho Inc., a water utility, and its Application in Case No. UWI-W-99-1 pursuant to the authority and power granted under Title 61 of the Idaho Code 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 as more particularly described and qualified 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 those particular areas described as Coventry Place and Carriage Hill Subdivisions in Canyon County, Idaho, and as reflected and  more particularly described in UWI-W-99-1 Application, Exhibit D—Legal Descriptions—Coventry Place and Carriage Hill Subdivisions.  United Water Idaho Inc. is directed to prepare and file an amended (and corrected) Certificate for Commission approval.

As further and more particularly described and qualified above, IT IS FURTHER ORDERED and the Commission does hereby approve the providing of water service and construction of related facilities to the Carriage Hill and Coventry Place Subdivisions in accordance with the submitted agreements which, with appropriate amendment and clarification, we find comply with the Company’s noncontiguous expansion tariffs (Rules 78-84).

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 March 1999.

                                                                                                                                       DENNIS S. HANSEN, PRESIDENT

                                                                                            MARSHA H. SMITH, COMMISSIONER

PAUL KJELLANDER, 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

March 29, 1999