

Notification Requirements for the Pending Sale or Transfer of a Small Water Company and the underlying CPCN

To transfer the underlying Certificate of Public Convenience and Necessity the following should be included:

A letter apprising the Commission of the sale of the water system and requesting transfer of Certificate of Convenience and Necessity No. (000) to the buyer.

Note: In considering a sale of a Commission regulated water utility, the Owner (Seller) should first review the Commission Order granting the Certificate of Public Convenience and Necessity to determine if the proposed sale of the water system requires Commission approval. Reference *Idaho Code* 61-529.

Indicate the buyer's name and the name under which the water system will be operated if different. The letter should briefly reference the remaining enclosed support material identified below.

Content of the letter should include the following: A statement that the buyer is familiar with the Commission's regulatory authority, Utility Customer Relations Rules (IDAPA 31.21.01), Customer Information Rules (IDAPA 31.21.02) and is prepared to abide by them.

Note: these rules are available on the Commission's Website: www.puc.idaho.gov.)

The letter should also include a statement that the buyer has the business experience, financial ability and water system expertise to operate and maintain the system. The letter should indicate that the buyer or designated employee is familiar with the water system testing requirements of the Idaho Department of Environmental Quality and has completed or will complete the requirements for water system operator certification as required by IDAPA 58.01.08 Rule 554. Indicate that a copy of the warranty deed (or other transfer document) transferring title to the water system will be provided upon execution (closing) of the transaction (or enclosed if applicable).

The letter should include an acknowledgement that the buyer is aware that the valuation of the system by this Commission will be the basis established by the Commission at the time the present rates were established adjusted for additional depreciation and improvements. (It is the responsibility of the applicants to justify any additions to the valuation.)

A statement that the buyer understands that accounting for the water system must be in accordance with the Commission's Uniform System of Accounts and must be maintained on a stand-alone basis separate and apart from any other business activities of the buyer.

Note: both seller and buyer should sign the letter.