

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

FROM: SCOTT WOODBURY

DATE: JANUARY 19, 2005

**RE: CASE NO. BCS-W-04-1 (Bar Circle)
APPLICATION TO AMEND CERTIFICATE**

On December 6, 2004, Bar Circle "S" Water Co, Inc. (Bar Circle; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for authority to expand its certificated service territory in Kootenai County, Idaho to include a portion of the South Half of the Northeast Quarter of Section 22, Township 52 North, Range 4 West, Boise Meridian, Kootenai County, Idaho (65 acres) to provide domestic water to approximately 13 five-acre lots (Country Estates Subdivision). *Idaho Code* § 61-526; IDAPA 31.01.01.112.

As per engineer estimates, the installation of utility services to Country Estates will cost approximately \$73,860. The developer, Raymond Vaudreuil (Hope Realty), has agreed to pay all line extension costs. Included in the Application are copies of the request for service and a copy of the executed Water Main Extension Agreement. The Company indicates that it has adequate capacity to serve the proposed service area extension. No change in rates are proposed with this request.

On December 28, 2004, the Commission issued Notices of Application and Modified Procedure in Case No. BCS-W-04-1. The deadline for filing written comments was January 18, 2005. The Commission Staff was the only party to file comments. Staff recommends that the Commission approve the requested service area extension. Staff recommends further that all extension costs be recorded on Bar Circle's books as a contribution in aid of construction (CIAC).

As reflected in Staff comments, the proposed subdivision is directly adjacent to the current Bar Circle service area and requires only a line extension across Ramsey Road to tie into

the existing Bar Circle system. The Company and the developer Ray Vaudreuil have submitted a signed Line Extension Agreement wherein the developer agrees to pay for the construction of the line extension and provide the necessary easements to the Company.

Staff has reviewed the adjacent water utility information provided by the Company and confirms that there are no other water providers or utilities interested in providing service to the proposed Country Estates Subdivision.

COMMISSION DECISION

Bar Circle S Water Company, Inc. requests Commission authority to amend its Certificate of Public Convenience and Necessity No. 296 and expand its certificated service territory in Kootenai County to provide service to the proposed Country Estates Subdivision. The Company's filing comports with the Commission's Rules of Procedure and requirements of IDAPA 31.01.01.112. Staff has reviewed the Company's Application for expansion of its certificated area service and recommends approval. Staff also recommends that the Company be directed to book developer-contributed extension costs as a contribution in aid of construction (CIAC).

Does the Commission continue to find it reasonable to process the Company's Application pursuant to Modified Procedure, i.e., by written submission rather than by hearing? IDAPA 31.01.01.204. Does the Commission find it reasonable to grant the Company's Application and find that the public interest will be served by doing so?

Scott Woodbury

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