BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

| IN THE MATTER OF FALLS WATER CO., |) | CASE NO. FLS-W-19-02 |
|-----------------------------------|---|-----------------------|
| INC.'S APPLICATION TO AMEND |) | |
| CERTIFICATE OF PUBLIC CONVENIENCE |) | NOTICE OF APPLICATION |
| AND NECESSITY NO. 236 |) | |
| |) | NOTICE OF |
| |) | MODIFIED PROCEDURE |
| |) | |
| |) | ORDER NO. 34517 |

On December 2, 2019, Falls Water Co., Inc. ("Falls Water" or "Company") applied to the Commission to amend the Company's certificate of public convenience and necessity ("CPCN") to add 13 areas contiguous to its current certificated service area. The Company also seeks approval of a transaction with the City of Idaho Falls ("Idaho Falls").

The Commission now issues this Notice of Application and Notice of Modified Procedure setting comment and reply deadlines.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company seeks approval to amend its CPCN to add 13 areas contiguous to its certificated service area. The Company states it currently serves customers in Areas 1 through 8 and Area 13. Falls Water expects to serve Areas 9 through 11 in the future.

YOU ARE FURTHER NOTIFIED that Area 12 ("Honey Bee Acres") is a separate water system surrounded by Falls Water certificated territory. The Company states Honey Bee Acres' operator contacted Falls Water about connecting the Honey Bee Acres system to Falls Water's system. Falls Water seeks the Commission's approval to serve Honey Bee Acres.

YOU ARE FURTHER NOTIFIED that Falls Water seeks Commission approval to transfer Area 14, and to sell Area 14's water system assets, to the City of Idaho Falls ("Idaho Falls"). The Company states Idaho Falls annexed Area 14 and approached the Company about purchasing the 12-inch water main and 6-inch lateral in Area 14. The Company states the sale would not affect the service provided to the Company's remaining customers, and that Idaho Falls would provide water service for Area 14 if the transaction is approved by the Commission.

NOTICE OF APPLICATION NOTICE OF MODIFIED PROCEDURE ORDER NO. 34517 YOU ARE FURTHER NOTIFIED that Falls Water seeks the Commission's approval of a memorandum of understanding with Idaho Falls meant to assist with long-range planning for the water systems of Falls Water and Idaho Falls.

YOU ARE FURTHER NOTIFIED that the Application is available for public inspection during regular business hours at the Commission's office. These documents are also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Open Water Cases," and then click on the case number shown in the caption to this document.

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 specifically *Idaho Code* §§ 61-501, 61-502, 61-503, and 61-526.

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.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter, and that it will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Commission's Rules of Procedure, IDAPA 31.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application must file a written comment in support or opposition with the Commission by March 11, 2020. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Company at the addresses reflected below:

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For the Idaho Public Utilities Commission

Commission Secretary Idaho Public Utilities Commission PO Box 83720 Boise, ID 83720-0074

Street Address for Express Mail:

11331 W. Chinden Blvd. Building 8, Suite 201-A Boise, Idaho 83714

For Gem State Water:

Falls Water Co., Inc. Attn: Scott Bruce 2180 N. Deborah Dr. Idaho Falls, ID 83401

Email: Scott I @fallswater.com

Eric W. Nelsen Senior Regulatory Attorney NW Natural 220 NW 2nd Ave. Portland, OR 97209

Email: Eric.Nelsen@nwnatural.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Consumers" tab then click the "Case Comment or Question Form" and complete the comment form using the case number as it appears on the front of this document.

YOU ARE FURTHER NOTIFIED that the Company must file any reply comments by March 18, 2020.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

ORDER

IT IS HEREBY ORDERED that the Company's Application be processed by Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201-.204). Persons interested in submitting written comments must do so by March 11, 2020. The Company must file any reply comments by March 18, 2020.

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NOTICE OF APPLICATION NOTICE OF MODIFIED PROCEDURE ORDER NO. 34517 DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 27 th day of December, 2019.

PAUL KJELLANDER, PRESIDENT

KRISTINE RAPER, COMMISSIONER

ERIC ANDERSON, COMMISSIONER

ATTEST:

Diane M. Hanian Commission Secretary

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