

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF FALLS WATER CO.,) CASE NOS. FLS-W-19-02
INC.'S APPLICATION TO SELL CERTAIN) FLS-W-20-01
WATER SYSTEM ASSETS TO THE CITY OF)
IDAHO FALLS) NOTICE OF APPLICATION
)
) **NOTICE OF**
) **MODIFIED PROCEDURE**
)
) **ORDER NO. 34543**
)

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 sought approval of a transaction with the City of Idaho Falls (“Idaho Falls”).

On December 27, 2019, the Commission issued a Notice of Application and Notice of Modified Procedure setting comment and reply deadlines. Order No. 34517.

On February 4, 2020, Commission Staff recommended to the Commission that Case No. FLS-W-19-02 be bifurcated to allow the Company’s transaction with Idaho Falls to be considered as a separate case.

The Commission now opens Case No. FLS-W-20-01 and issues a Notice of Application and Notice of Modified Procedure setting comment and reply deadlines.

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YOU ARE HEREBY NOTIFIED that in Case No. FLS-W-19-02, Falls Water applied to the Commission to amend the Company’s CPCN. As part of its Application, the Company requested the Commission approve the sale of a 12-inch water main and 6-inch lateral to Idaho Falls, and requested that it be relieved of the duty to serve the one customer currently served by the assets to be sold.

YOU ARE FURTHER NOTIFIED that on January 24, 2020, Falls Water sent an email and a letter to Commission Staff. In these communications, the Company explained that Idaho Falls’ reason for purchasing the 12-inch main and associated assets is to allow Idaho Falls to provide service to a large commercial customer. The Company stated that Idaho Falls is under a

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contractual obligation to provide water service to the commercial customer beginning April 1, 2020. The current comment deadlines in Case No. FLS-W-19-02 will likely put the Commission's decision regarding the asset transfer near or after the date Idaho Falls will be contractually obligated to begin service to the commercial customer.

YOU ARE FURTHER NOTIFIED that Staff states it can provide an expedited and thorough review of the asset transfer and related issues and submit written comments considerably more quickly than it can review the remainder of the Company's Application in Case No. FLS-W-19-02. Therefore, Staff recommended the Commission bifurcate this case. The new case, FLS-W-20-01, will address the asset transfer to Idaho Falls and service to the sole customer served by the assets. *See FLS-W-19-02, Application at 4.*

YOU ARE FURTHER NOTIFIED that the Company asserts in its Application that the asset transfer benefits the Company and its customers because the assets are in an area where the Company is unlikely to expand its service. Also, the Company states Idaho Falls and Falls Water will sign a memorandum of understanding when the assets are sold to Idaho Falls. The memorandum of understanding will assist with the long-range planning for Falls Water and Idaho Falls' water systems, which should benefit the Company financially and logistically.

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 "Water" icon, select "Open 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

31.01.01.201 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 February 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:

**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: Scott1@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 email 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 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 February 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 Case No. FLS-W-19-02 be bifurcated. Case No. FLS-W-20-01 is opened and will address the asset transfer to Idaho Falls and service to the sole customer served by the assets.

IT IS FURTHER ORDERED that Company's Application be processed by Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201-.204). Persons interested in submitting written comments on the issues in Case No. FLS-W-20-01 must do so by February 11, 2020. The Company must file any reply comments by February 18, 2020.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this ^{5th} day of February 2020.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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