

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF)	
HILLVIEW DEVELOPMENT)	CASE NO. EAG-W-05-3
CORPORATION TO OBTAIN WATER)	UWI-W-05-3
SERVICE TO COVENANT HILL)	
SUBDIVISION, AN AREA WITHIN THE)	NOTICE OF PETITION
CERTIFICATE BOUNDARIES OF BOTH)	
EAGLE WATER COMPANY AND UNITED)	NOTICE OF PROPOSED ORDER
WATER IDAHO INC.)	
)	NOTICE OF
)	COMMENT DEADLINE

YOU ARE HEREBY NOTIFIED that on October 7, 2005, Hillview Development Corporation (Hillview) filed a Petition with the Idaho Public Utilities Commission (Commission) requesting water service to Covenant Hill subdivision, an area located at 1501 and 1601 West Floating Feather Road in Eagle, Idaho. The site is 48.54 acres and has recently been approved by the Eagle City Council for development of 41 single-family lots.

A portion of the proposed Covenant Hill subdivision is within the certificated service area of Eagle Water Company, and a portion is within the certificated service area of United Water Idaho Inc. Hillview is constructing a pressurized irrigation system for the subdivision and requires only potable water from a water company. Since the site is relative small and will comprise only 41 lots, it is Hillview's desire to have only one water company provide service to the site.

As represented in the filed Petition, Eagle Water Company informed Hillview that there was a water line that could service the Covenant Hill subdivision at the northeast corner of the site but until Eagle Water obtained several easements from property owners to the south for an additional water line extension, Eagle Water could not guarantee adequate service. A copy of a follow up letter to Eagle Water dated August 17, 2005 is submitted along with the Petition. It is Hillview's belief based on contact with Eagle Water representatives that there has been no effort put forth to acquire the necessary easements or assurance that Eagle Water can meet the required fire flows for the subdivision (i.e., a minimum of 2,000 gallons per minute measured at 20 psi for a duration of 2 hours for homes up to 6,200 square feet).

NOTICE OF PETITION
NOTICE OF PROPOSED ORDER
NOTICE OF COMMENT DEADLINE

Following discussions with Commission Staff and discovery that Covenant Hill straddled the certificate service area boundaries of both Eagle Water and United Water, Hillview inquired of United Water as to whether United Water was able to provide water service and the fire flows required. Hillview also contacted the State of Idaho Division of Environmental Quality to determine whether Eagle Water Company had any moratorium for new service.

As represented in the Petition, United Water has informed Hillview that United Water has a well to the northeast of the Covenant Hill subdivision site and an existing water main along the subdivision's entire north boundary. Based on a design the developer's construction manager provided to United Water, United Water estimates the total construction costs for the installation of the pipes, fittings, fire hydrants and services necessary to serve the new subdivision to be \$164,807. This figure is comprised of the contractor's cost of \$146,870 for materials and installation, plus United Water's inspection and overheads.

Also included with the Petition is a copy of a September 7, 2005 letter from the Department of Environmental Quality to Robert DeShazo of Eagle Water Company apprising Mr. DeShazo that unless additional information is provided by Eagle Water, DEQ will not be able to approve additional connections to the Eagle Water water system until an additional supply source or sources are provided that are large enough to meet minimum state peak hour demand requirements or maximum daily pumping demand plus equalization storage. Reference IDAPA 58.01.08.550.03.p.

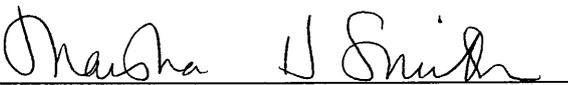
NOTICE OF PROPOSED ORDER

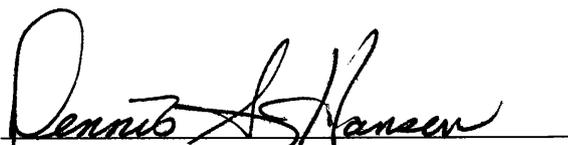
YOU ARE HEREBY NOTIFIED that Procedural Rule 312 allows the Commission to issue a Proposed Order in any proceeding. IDAPA 31.01.01.312. Pursuant to Rule 312, the Commission is issuing the attached Proposed Order for comment. The parties may file comments or exceptions to the Proposed Order within twenty-one (21) days of the service date of this Notice. In addition, the parties may file replies to the other parties' comments or exceptions no later than seven (7) days after service of the initial comments or exceptions.

YOU ARE FURTHER NOTIFIED that the Commission may adopt or revise a Proposed Order in response to the filed comments and issue a final Order accordingly. The Proposed Order is not an Order of the Commission unless it is later adopted by an Order.

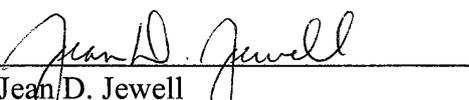
DATED at Boise, Idaho this 19th day of October 2005.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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A portion of the proposed Covenant Hill subdivision is within the certificated service area of Eagle Water Company, and a portion is within the certificated service area of United Water Idaho Inc. Hillview is constructing a pressurized irrigation system for the subdivision and requires only potable water from a water company. Because the site is relatively small and will comprise only 41 lots, it is Hillview's desire to have only one water company provide service to the site.

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required. Hillview also contacted the State of Idaho Division of Environmental Quality to determine whether there was any moratorium for new service from Eagle Water Company.

As represented in the Petition, United Water has informed Hillview that United Water has a well to the northeast of the Covenant Hill subdivision site and an existing water main along the subdivision's entire north boundary. Based on a design the developer's construction manager provided to United Water, United Water by letter dated October 5, 2005, estimates the total construction cost for the installation of the pipes, fittings, fire hydrants and services necessary to serve the new subdivision to be \$164,807. This figure is comprised of the contractor's cost of \$146,870 for materials and installation, plus United Water's inspection and overheads. Once United Water has approved design drawings, construction of the water facilities could start within a couple of weeks.

Also included with the Petition is a copy of a September 7, 2005 letter from the Department of Environmental Quality to Robert DeShazo of Eagle Water Company apprising Mr. DeShazo that unless additional information is provided by Eagle Water, DEQ will not be able to approve additional connections to the Eagle Water water system until an additional supply source or sources are provided that are large enough to meet minimum state peak hour demand requirements or maximum daily pumping demand plus equalization storage. Reference IDAPA 58.01.08.550.03.p.

COMMISSION FINDINGS

Based on the foregoing and the need for expeditious treatment of the request for service, the Commission finds that the public convenience and necessity requires us to approve the Petition of Hillview Development Corporation and authorize water service to Covenant Hill subdivision by United Water Idaho Inc. In so doing, we find Hillview's request for a single water provider to the subdivision to be reasonable. We also find United Water to be capable of providing adequate service in a timely manner and to have demonstrated a willingness to provide service.

CONCLUSIONS OF LAW

The Commission has jurisdiction over Eagle Water Company and United Water Idaho Inc., public water utilities, and the service issues raised in this case pursuant to Idaho Code, Title 61 and the Commission's Rules of Procedure. IDAPA 31.01.01.000 *et seq.*

ORDER

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED and United Water Idaho Inc. is hereby authorized and directed to provide potable water service to Covenant Hill subdivision.

IT IS FURTHER ORDERED that United Water Idaho Inc. and Eagle Water Company file amended Certificates of Public Convenience and Necessity reflecting service to Covenant Hill subdivision by United Water Idaho Inc. and removal of said area of service where overlap exists from the Certificate of Eagle Water Company. IDAPA 31.01.01.112; *Idaho Code* § 61-526.

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 .

PAUL KJELLANDER, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Jean D. Jewell
Commission Secretary

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PROPOSED ORDER