

DECISION MEMORANDUM

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

FROM: LISA NORDSTROM

DATE: JUNE 4, 2004

RE: IN THE MATTER OF THE APPLICATION OF EAGLE WATER COMPANY, INC., TO AMEND ITS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY NO. 278. CASE NO. EAG-W-04-02.

On May 21, 2004, Eagle Water Company, Inc. (Eagle Water; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting authorization to amend its Certificate of Public Convenience and Necessity No. 278 by extending the boundary of the area in which it is authorized to provide service. This proposed expansion is located in Ada County just east of Old Highway 55/Horseshoe Bend Road and immediately south of the Farmers Union Canal. The proposed area to be served contains five parcels and is contiguous to Eagle Water's main system.

According to the Company's Application, Jan G. Troutner, Dorthy McKay and the Dry Creek Cemetery Maintenance District have requested water service to their respective properties as evidenced by Exhibits A-C. Service to these properties would be provided through Eagle Water's eight-inch main line located on the east side of Old Highway 55/Horseshoe Bend Road. Extension of service to these parcels by Eagle Water will require excavation; installation of mains, fire hydrants and service meter boxes; bedding; backfill; compaction; inspection; and testing. The estimated construction cost for this project is between \$15,000 and \$20,000 plus legal fees, all of which will be paid by the developer pursuant to Eagle Water's standard "Main Extension Contract" as provided for in its tariff on file with the Commission. In addition to construction costs, Eagle Water will incur legal fees in connection with this Application that have yet to be determined.

Eagle Water proposes to begin construction in June 2004 and complete construction in August 2004. The proposed expansion will add three to five customers to Eagle Water's customer base. The Company estimates that the monthly gross revenue per such customer is \$20 to \$30. According to the Application, there will be no affect on Eagle Water's revenue requirement.

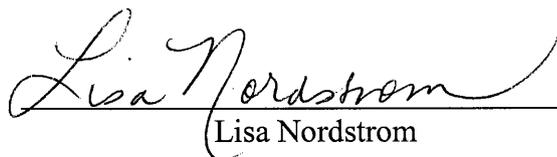
Eagle Water states that it has an adequate source of supply to provide service to these properties in a safe and reliable manner, as evidenced by a letter from James M. Rees, P.E., MTC, Inc. The Company also submits that the extension of its facilities to service the Idaho State Veterans Cemetery is consistent with the public convenience and necessity. Finally, Eagle Water requests that its Application be processed pursuant to Modified Procedure, i.e., by written submission rather than by hearing. IDAPA 31.01.01.201-204.

STAFF RECOMMENDATION

Staff recommends the Commission process Eagle Water's Application by Modified Procedure and establish a 21-day comment period.

COMMISSION DECISION

Does the Commission agree with the recommendations of Eagle Water and Staff that the Application in Case No. EAG-W-04-2 by processed pursuant to Modified Procedure?



Lisa Nordstrom

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