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St. Maries School District #41

Phone: 208-245-2579
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622 College Avenue, P.O. Box 384, St. Maries, ID 83861

February 24, 2004

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IDAHO PUBLIC
UTILITIES COMMISSION

Idaho Public Utilities Commission
Attn: Jean Jewell
472 West Washington Street
P.O. Box 83720
Boise, ID 83720

RE: Case AVU, E, 04, 1

Dear Ms. Jewell,

We are writing in reference to Case AVU, E, 04, 1 in which AVISTA Utilities is requesting an eleven percent (11%) increase.

The utility companies that service our area are AVISTA Utilities and Clearwater Power. These companies bill the District under Schedule 21 billing. Under this billing we are charged a "usage fee" and a "demand charge." The "demand charge" is based upon the highest kilowatt usage at any one time during the day.

In our opinion the "demand charge" is actually a penalty, and a double charge by utility companies for our usage. AVISTA invoice shows we pay approximately seven cents per kilowatt. For usage on the "demand charge" invoice we are paying approximately \$3.00 per Kilowatt. Each utility company has their own formula for calculating the "demand charge" so each invoice is different.

It is very hard to explain the "demand charge" and we won't get into detail. The bottom line is all Idaho school districts pay this penalty to the utility companies each month. In our District, out of \$123,000 paid in 2003 to the utility companies, \$40,000 was for the "demand charge." Each school district we have contacted is in the same situation. The Coeur d'Alene School District paid approximately \$400,000 in "demand charges" in 2003.

The majority of large companies have the same billing schedule. The more machines or equipment they operate at once, the more they pay in "demand charges", the same as with schools. The difference between independent companies and school districts is the companies are producing a product to sell for profit. The school districts are supported by tax dollars and have no way of recovering losses.

A large portion of tax dollars that should be going towards educating our children is going to utilities companies in extra fees.

"Committed to Quality Education"

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We feel the utility companies should come up with a more equitable way of billing for utility services in Idaho school districts. We should not be classified in the same category as a profit making corporation.

We hope you take this letter into consideration when negotiating with utilities companies. If a more reasonable formula for billing the Idaho school districts can be reached, all children and citizens in Idaho will benefit.

Sincerely, 

Rodney Wolfe, Maintenance Supervisor
St. Maries Joint School District No. 41
St. Maries, ID 83861