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March 1, 2006

Gene Fadness  
IDAHO PUBLIC UTILITIES COMMISSION  
PO Box 83720  
Boise, ID 83720-0074

Via facsimile, (208) 334-3762

Re: Case No. FLS-W-05-01

Mr. Fadness:

I write this letter because I am concerned, as I know many Falls Waters customers are, about the proposed rate increase (Commission Case Number FLS-W-05-01). As a flat-rate residential customer of Falls Water, my family is facing a nearly 65% increase (based on averages provided by Falls Water) in annual rates. This is an astounding percentage, and yet even more astounding to me is that it is not even the highest. I was shocked to read that multi-family residential customers and commercial customers face even higher percentage increases. Additionally, rates for exceeding the monthly allotment will more than double, to \$0.85 per 1,000 gallons used. Combining these increases with the proposed cuts in gallons of water allowed per customer adds up to quite a drastic change. For seven months out of the year, my family will suddenly be allowed less than half of what we were previously allowed (8,000 gallons instead of 20,000), while still paying more for those 8,000 than we currently pay for 20,000.

My understanding from the most recent press release posted on the Commission's web site (dated 12/28/2005) is that the company has proposed these changes to increase revenues necessary to pay for replacement of aged infrastructure and the creation of three new employee positions necessary to cover the increased customer needs due to new customer growth. These changes that they speak of, I do not believe came suddenly upon Falls Water, and to impose sudden rate increases of this proportion to cover this seems to speak to a lack of foresight and planning on the part of Falls Water.

The audit will likely prove that increased revenues are needed to meet Falls Waters increasing costs, but I would submit that the increases should have been (and maybe they still can be) gradual ones. Perhaps a smaller percentage each year over the course of three or four years would be more appropriate. Additionally, a gradual separation of summer/winter rate schedules and accordingly a gradual adjustment of water allowance within those seasons would allow customers time to either adjust their lifestyles to work within new limits, or adjust their budgets to fit in the new rates.

I would also submit that the allowed water per season as outlined in the proposed schedule seems backwards. Those residential customers with whom I have spoken have agreed - we need more water available in the summer, and we use less in the winter. If part of the goal of Falls Water were to encourage conservation in the summer, I believe there are better ways of approaching this. Perhaps offering various plans or alternate levels of usage at different prices, giving discounts to those who are more conservative with their water, or rebates for customers who purchase water-saving appliances/equipment. Examples of encouraging customers to conserve can easily be found in the strategies of energy companies throughout the country, and these

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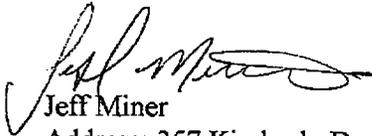
Re: FLS-W-05-01, page 2

Methods generally go a long way in gently persuading citizens to conserve. I believe creative methods such as these would apply well in the water industry.

I have mentioned briefly in this letter the discussions I have had with other Falls Waters customers. Attached you will find names and addresses for these customers with whom I have talked, who share my concerns as outlined in this letter.

Thank you for your time and consideration in reviewing these concerns. I have reviewed information throughout the Commission's web site, and appreciate the Commission's efforts in taking the concerns of Idaho citizens seriously, and in consistently applying fairness in its decisions. I am confident that a reasonable solution can and will be reached in this matter. Should you have any questions or need any further information from me, please don't hesitate to contact me at any time.

Sincerely,



Jeff Miner

Address: 357 Kimberly Dr, Idaho Falls, ID 83401

Phone: 208.552.9700

Email:

## FALLS WATER CUSTOMER NAME

## ADDRESS

Nathan & Kelly Barber	347 N. Kimberly Drive Idaho Falls, ID
Susan Walden	317 N. Kimberly Dr. Idaho Falls, ID
Fred Juma	249 Kimberly Dr. Idaho Falls ID 83401
Allen & Kristine Saxton	4445 Dixie St Idaho Falls ID 83401
Janae Orlovski	4440 Ea. Dixie St. ID Falls 83401
Jennifer Parsons	4444 Dixie St. Idaho Falls, ID 83401
Nick & Kacey Torman	281 Creighton Idaho Falls ID 83401
Kurt & Kandis Kiddier	250 Creighton way Idaho Falls, ID 83401
Reed & Amy Southwick	202 N. Creighton way Idaho Falls, ID 83401
Walt J Conyer	205 Creighton way Id Falls
Christina Beck	251 Creighton way IF, ID
Michael & Brygett Cress 316 Creighton	
Jesus Calderon	391 Creighton way

## FALLS WATER CUSTOMER NAME

## ADDRESS

Wendy Hyslop	2114 Creighton way 83401
Jana Owen	392 Creighton Dr. 83401
Les WILCOX	4365 E. LADINO DR.
Amy Whitford	4389 Ladino Dr. 83401
Stacy Darrington	360 Ladino Dr. 83401
Nicole Gordon	4397 Ladino Dr. 83401
Robert Miller	418 Creighton Way, I.F., ID 83401
TODD Heyrend	123 Nassau IF
SHANNON LADENZMA	4419 IDAHO, FALLS
Megan Hanson	4439 E Ladino Dr Idaho Falls ID 83401
John Osai	4441 E. Ladino Dr. IF, ID, 83401
Trent Cheney	4456 E. Ladino Dr. IF, ID 83401
Kelly + Rebecca Otley	229 N Creighton, I.F, ID 83401

