August 7, 1997

Mr. Nolan Gneiting

Morningview Water Co.

462 12th Street

Idaho Falls, Idaho  83404

Dear Nolan:

As we have discussed several times, you need to supplement your request for a rate increase by requesting specific rates for water service.  The request should be identified as a supplemental application and mailed to the attention of Myrna Walters, Commission Secretary.   Your request should be supported by financial data showing revenues you would collect under present rates, the revenue you would collect under your proposed rates, the annual operating expenses you have realized, the annual operating expenses you realistically anticipate and the net income you would realize.  The worksheet you showed me for your estimated 1997 expenditures would be a good place to start.

The Staff of the Commission cannot move your case forward toward resolution without some written detailed information from you regarding your perceived financial requirements. Your initial letter dated May 7, 1997, addresses your needs only in generalities.  We need something more than that upon which to make our own recommendations to the Commission. Failing to receive same, there is a good chance your application will be dismissed as being incomplete.

Being mailed coincident with this letter is a legal document identified as a production request.  Our legal procedure for requesting information from a regulated utility is intended to build a formal record of information requested and set deadlines for responses.  This procedure is necessary to control both the slippage of time and misunderstandings regarding information requested and responses to those requests.  Please respond to the requests in a timely manner.

If you have any questions please phone me at (208) 334-0336.  I will however, be out of the office until August 25.  In my absence you can contact Ms. Terri Carlock at (208) 334-0356.

Sincerely,

Robert E. Smith

Senior Auditor

RES:gdk:u:wpfiles/morning/97-1/august.ltr