April 9, 1999

Mr. Nolan Gneiting

Morning View Water Company, Inc.

462 12th Street

Idaho Falls, ID 83404-5368

RE: Morning View Water Company

Dear Mr. Gneiting:

Since our phone conversation, April 2, 1999, I have been unable to reach you by telephone.  Consequently, I wanted to respond to your inquiry in writing because I will be out of the office next week.

In our telephone conversation, you generally inquired about how Morning View Water Company might begin the process of seeking a rate increase.  You also asked whether I could suggest someone to assist you in preparing a request for a general rate increase.  In our conversation, you indicated that the water company was currently operating at a deficiency.

After discussing your concerns with our Accounting Supervisor, Terri Carlock, she suggested that you initiate your request for a general rate increase by simply calculating the annual revenue increase necessary to eliminate the operating deficiency and to provide the company with some degree of profit.  Once you have calculated that annualized amount, simply calculate the uniform rate increase necessary to recover this amount.  Then send this information to Terri Carlock, Accounting Supervisor, Idaho Public Utilities Commission, PO Box 83720, Boise, ID 83720-0074.  This will begin the process.  To expedite the processing of your request, you should also complete and return the enclosed annual report for 1998.  This report will assist you and the Commission Staff in evaluating your rate increase request.  Although your annual report is due April 15, you may seek an extension to the due date if necessary by writing the Commission Secretary.

Turning to your other question for assistance, I have been unsuccessful in identifying someone to assist you in preparing an application.  I am hopeful that availing yourself of the process laid out above will meet your needs.

I will be out of the office when you receive this letter.  If you have questions, please contact Terri Carlock at (208) 334-0356.

Sincerely yours,

Donald L.  Howell, II

Deputy Attorney General

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Enclosure

cc:Terri Carlock