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**P.T.E. Water System Inc.**

2626 Wrenco Loop Road  
Sandpoint, Idaho 83864

IDAHO PUBLIC  
UTILITIES COMMISSION

Telephone 208-263-2720

April 16, 2003

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

In the matter of P.U.C. involvement in P.T.E Water System Inc.. Failure to stand by the final order dated August 8, 2002 ordered by P.U.C.. Page 18 under OEDER. P.U.C. LIED and decided to change the so called final order a few months after its start period.

Case No. P.T.E.-W-03-1  
P.U.C. ORDER TO SHOW CAUSE  
TO ALL QUESTIONS TALKED  
ABOUT AND LISTED IN THIS  
DOCUMENT.  
Notice of Hearing order No. 29212

In reference to your first sentence in your Show Cause you make the statement that the Idaho Public Utilites Commission with the power and jurisdiction to supervise and regulate every public utility within the State of Idaho. My Question is why haven't the P.U.C. done what there ordered to do? Why is there only about 30 public water utilities under P.U.C. control when there are probably hundreds in the state of Idaho? I was told by Bob Smith that P.U.C. has the right to control public water that services one unit or more. If P.U.C.'s control is good for one then it should be good for all. Why are the 30 or so public water systems now under the control of P.U.C. being discriminated against and being made to comply when all the other public water company do not have to comply? I have asked this question to the staff member Bob Smith and he told me that there is not enough personnel or money to take under control all of the public water utilities. If P.U.C. can't supervise all the Public Water Utilites then they should not supervise any. I was just at a meeting in March to get my water certification review and there were 3 different water company attending that sell water for profit, one having 400 units, none of these know anything about P.U.C. How come? I want the full disclosure of every bit of paper work that P.U.C. has on all the Public Utilities that are now under their control. I want the contact person's name and phone number. I also want a complete list of every public water utilitie in the state of Idaho. I suggust that P.U.C. contact D.E.Q., water testing agencies, water certification agencies, IWWOCB, INC. and the Idaho Tax Dept. to get the complete list of all the public water utilities in the state of Idaho. I want this information so I can possibly start a class action law suit against P.U.C.. I was told by staff member Michael Fuse and Lisa Norbstrom that when the Commissions final order came out in August 8, 2002 it would be a done deal and it could not be changed. I operated under this order for a few months until I was told by Michael Fuss that it looked like P.U.C. was going to change the order allowing part time landowners to only have to pay for 4 months of water per year. This is not what the final order dated August 8, 2002 indicated. The annual revenue to be received by P.T.E. Water was to be \$26,600.00.

This was to be collected by resident owners @ \$ 48.00 per month and all other owners @ 25.00 per month. These monthly amounts were based of a twelve month period to arrive at the \$ 26,600.00 per year amount. This is spelled out in great detail in the P.U.C.'s final order dated August 8, 2002. Attention to page 18 under the heading ORDER and also attachment 1 in the final orders from P.U.C. dated August 8, 2002. P.U.C. elected to break the agreement final order dated August 8, 2002 therefore P.T.E. is taking the stand that P.T.E. is not having to commit to any orders ordered by P.U.C. because P.U.C. cannot be trusted and they have lied. Even Michael Fuss admitted to me at the last phone coversation we had that yes indeed I had been lied to but there was nothing I or he could do. Because of the now even more reduction in revenue, because of P.U.C.'s new change, I had to take matters into by own hand and try to save this company and my investment. Because of what I did I have regained about 6 customers that had pulled out of the water system. Most of these customers were being told by P.U.C. that they had to pay \$48.00 per month for part time use. They are now paying \$25.00 per month. I have reclassified the landowners into 2-classes that I had before P.U.C. got involved with my company. Resident owners and Non-Resident owners. Resident owners pay \$48.00 per month and non-resident owners pay \$25.00. I told the landowners this, If you want to help pay for the operation, maintenance, upkeep and repairs of this water system then you are going to have to pay for water for twelve months a year. In this small water system you can't expect to only pay for water when you want it and not help pay for the yearly expences. If the landowners elect not to take service from this water system then they will be withdrawn from the system. At present I have 12 residents and 21 non residents on the system . If everyone pays this amounts it is \$1101.00 per month or \$13,212.00 per year. One thing that really bothers me is I was required by D.E.Q. to update the water system by putting in a chloranation system and a second well. P.T.E. Water System Inc. did not have the money to do this so I refinanced my home and loaned the money to P.T.E Water so that the system could be updated. This was done a short time before P.U.C. got involved with this water company. P.U.C. informed me that I could not get my money back that I had loaned to P.T.E. to make the required repairs. Why doe's P.U.C. have the right to do this? This has put a severe hard ship on me because I have to pay back the loan. My first meeting with P.U.C. was with Bob Smith in Sandpoint Idaho. Bob Smith told me that my company was worth nothing and he said I likely would never make a profit. He also said it would be next to impossible to sell the water company. His suggestion was for me to give it to the landowners or just walk away from it. I was also told this from Lisa Norbstrom and Michael Fuss. The Commission also stated that this company is a barely viable part-time business as stated on page 18 of the August 8, 2002 report. What right do you have to run down my business and try to make me give up my business that I have worked hard the last 17 years to improve. At this time no water has been shut off or disconnected to any landowners. Most of the landowner seem to accept the fact that if they want water to their property then they are going to have to help pay for the expenses monthly. P.U.C. turned over the information that P.T.E. is a public water system to the Idaho Tax agency. Idaho Tax accessed that the value of this company was \$130,000.00 . I was sent a tax bill for \$1254.00 based on the \$130,000. worth. Why is my company worth \$130,000.00 when all the staff members and commissioner say that the business is worthless. Why do state agency not confer with each other.

**Why didn't the State Tax agency get the company information from P.U.C. so that they could make an honest value. Why did the system fail?**

**This is just another screw up caused by P.U.C.. P.T.E. does'nt have the money to pay this tax at this time. Inclosed is a breakdown of the expenses that were sent to the Idaho Tax agency and the cover letter sent them. P.T.E. Water System Inc. does'nt own any of the property that the water system is located on. All of the property is owned by Robaer Cobott and Zaderea Raphael. The complete chloranation system and second well is now owned by Robaer Cobott and Zaderea Raphael since P.T.E. is not able or allowed to pay back the amount loaned to P.T.E. by Robaer Cobott and Zaderea Raphael.**

### **ORDER TO SHOW CAUSE**

- 1. I'm asking for damages for the downgrade of P.T.E. from a viable business to a non-viable business since P.U.C. Involvement in the amount of \$300,000.00.**
- 2. I'm asking for \$50,000.00 from the staff and commissioners making fun and telling me that my business is worth nothing.**
- 3. I want to be reimbursed in the amount to \$50,000.00 for all the time spent furnishing information to P.U.C. in their investigation of my company, two trips to Boise, hearing, and many meeting in Sandpoint and on the property. I excepted the finding of the Commission in their letter dated August 8, 2002 but when they elected to change their finding and lied to me then it ment that I did all of this information gathering to no avail.**
- 4. I want \$3000.00 per day for every day since the changes where make. I do not know when these new changed went into effect as I never received phone calls or correspondence. These changes are uncalled for and it just further convinces me that P.U.C.s' only purpose is to put this company out of business one way or the other.**
- 5. I want answers to all the question in this letter and I want all the paper work requested.**
- 6. I object to the Testimony of Michael Fuss. Michael Fuss is a staff member with P.U.C. and his comments are prejudice.**
- 7. I'm asking for \$500,000.00 in damages for being discriminated against. Being selected out of many public water system to comply to P.U.C.'s controls when there are many public water company that don't have to comply simply because P.U.C. does'nt have the personnel or money to do their job correctly.**

**I have a great amount of difficulty deciding if I should attend this so called hearing on April 28, 2003. This hearing is going to be conducted by the P.U.C. which cannot be trusted because of their lying. Why should I believe anything that the P.U.C. says? Its obvious that the P.U.C. has only one purpose in mind and that is to put this company out of business. It is not right that the landowners have to worry if the water system is going to continue or not. Quite a few of these landowners have children and they are not familys of high income. These familys cannot afford to put in their own wells. P.U.C. has told me that if this company goes out of business than the landowners will have to have their water hauled in or they will have to put in their own wells and that this problem is of no concern to them. With my plan I am trying to save the system and provide water to the landowners that want water. Its very simple, if you want water available to your property then you are going to have to pay for it.**

**I want an independent arbitrator to hear this case, one that is not prejudice one way or the other. There are a lots of issued here and I want the issues heard in great detail and not skimmed over like P.U.C does. Issues might not be importance to P.U.C but they are very importance to me. There are a few greedy landowner that like to cause trouble and they don't want to have to pay for water at all. P.U.C. listens to these landowner and agrees with them without investigating both sides. Since P.U.C. involvement in this company and since the final order was issued on August 8, 2002 this company, according to P.U.C., was to receive and annual revenue of \$26,600.00. Since August 8, 2002 till April 2003 the annual revenue has dropped to \$13,214.00. It wouldn't be this amount if it wasn't for the customers that came back after my letter was sent out in January 2003. Why is P.U.C. trying to put this company out of business? This company was doing just fine before P.U.C.'s involvement and when P.U.C. set the rates is when the many customers decided to put in their own wells. The customers did not like the rates and the fact that they were going to have to put up with P.U.C.. I have lost many customer since P.U.C involvement and I want to be compensated from P.U.C for my loss. P.U.C. made mistakes with this water company trying to supervise it and the loss is to the company not P.U.C.. P.U.C. should step up to the bat and be made to pay for their mistakes.**

**We live in this United States of America that has many freedoms one of which is freedom of speech and we live in a Democracy not in a socialist form of government. My question is why does P.U.C. have the right to control every aspect of my company?**

**THANK YOU**

  
**Robaer Cobott, President**

Company Number: 04100021

# WATER DISTRIBUTION INDUSTRY OPERATOR'S STATEMENT PONDEROSA TERRACE ESTATES WATER



*Under the penalties of perjury, I hereby certify that this statement has been prepared under my direction and supervision from the original books and records of said company and that the facts, statements and schedules in this statement are true, correct and complete to the best of my knowledge.*

Signature <i>Robaer Cobott</i>		Date (month, day, year) <i>3-17-2003</i>
Printed Name <i>ROBAER COBOTT</i>	Title <i>President</i>	Telephone Number <i>208-263-2720</i>

REVENUE & EXPENSE DETAIL		
Description	Acct. No.	Amount
<b>REVENUE</b>		
1 Total Operating Revenue	400	13,460.25
2 DEQ Fees Billed Separately to Customers		
3 Hookup or Connection Fees Collected		
4 Commission Approved Surcharges Collected		
<b>OPERATING EXPENSES</b>		
5 Labor - Operation & Maintenance	601.1-6	2376.00
6 Labor - Customer Accounts	601.7	
7 Labor - Administrative & General	601.8	
8 Salaries, Officers & Directors	603	3619.90
9 Employee Pensions & Benefits	604	
10 Purchased Water	610	
11 Purchased Power & Fuel for Power	615-16	1589.55
12 Chemicals (Includes Chemical Container Deposits)	618	120.00
13 Materials & Supplies - Operation & Maintenance (Includes Postage)	620.1-6	664.54
14 Materials & Supplies - A&G, Customer Care (Includes Postage)	620.7-8	
15 Contract Services - Professional (Accounting, Legal, & Management. Fees)	631-34	
16 Contract Services - Water Testing	635	390.00
17 Contract Services - Other	636	
18 Rentals - Property & Equipment	641-42	2505.00
19 Transportation Expense	650	569.00
20 Insurance	656-59	629.73
21 Advertising	660	
22 Rate Case Expense	666	
23 Regulatory Commission Expense	667	
24 Bad Debt Expense	670	
25 Miscellaneous <i>Property Tax on Property where water works is.</i>	675	383.36
26 Total Operating Expenses (Add Lines 5 thru 25)	401	12844.48
<b>OTHER TAXES OR FEES</b>		
List of Taxes or Fees	Current Year	Amount of Increase or Decrease from Preceding Year
27 Real & Personal Property Tax		
28 Idaho State Income Tax		
29 Payroll Tax		
30 State Corporation License Fees		
31 Idaho Public Utilities Fees		
32 Other Fees		

**P.T.E. Water System Inc.**

2626 Wrenco Loop Road  
Sandpoint, Idaho 83864

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Telephone 208-263-2720

March 16, 2003

**State Tax Commission  
800 Park Blvd.  
Plaza 1V  
Boise, Idaho 83722**

**Attention Pat Burch**

I filled out the tax forms that we had discussed on the phone. The information given was only the expenses paid by the company with the revenue the company had. There are additional expenses that were not paid because no money to pay them. These additional expenses were about \$4000.00 owed to myself for wage due to all the extra work caused by P.U.C involvement and also there was no moneys for profit or for a reserve for any problems in the water system. I would like to know how the State Tax Commission came up with the value of \$130,000.00 for this water system. If P.U.C. , a state agency , gave the State Tax Commission, a state agency, the information that Ponderosa Terrace Estates Water System Inc. was now a public water system then why wouldn't The State Tax Commission talk to P,U.C. and get the information on this company to use for figuring the Tax. Before any company becomes public there are many audits and a lot of research done by P.U.C. in their investigation of the water system. Who would know better the value of a company than P.U.C after all their research. I can't find any paper work showing I received paper work from the State Tax Commission prior to the Tax Packet sent out in December 2002. I knew nothing about this tax and was never informed by any agency of such a tax. You have assessed this company \$1254.19 which I can't pay and something should be done to correct this unjust tax. This company according to P.U.C. has no value and I have been told by staff members at P.U.C that I should find a way to get out of my involvement with this water company. Inclosed is a copy of the final report and decision dated August 8, 2002 from P.U.C. Please look at page 18. Also inclosed is the letter I delivered to the Bonner County Tax Commission asking for an extension and a tax reduction. Please do something to lower the impending tax. The 12 resident landowners on this system, most having children, are for the most part low income households and they would not be able to survive if the water system shut down. If you have any questions about the paper work please call me at 208-263-2720. I will be out of town starting March 19 for about a week.

**THANK YOU**



**Robaer Cobott, President**