



IDAHO PUBLIC UTILITIES COMMISSION

Case No. PTE-W-03-1, Order No. 29276

For Immediate Release / July 2, 2003

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Commission, Ponderosa reach settlement

BOISE – The Idaho Public Utilities Commission has accepted a proposed settlement negotiated by commission staff and Robaer Cobott, owner of the Ponderosa Terrace Estates Water System south of Sandpoint.

Commission staff agreed to the owner's request that part-time residents pay a minimum monthly rate even during those months when the property owners are not connected to the system. Under the settlement, year-round residents will pay \$48 a month and part-time residents will pay \$25 per month. Many of the property owners in the 90-lot water system do not reside year-round in Ponderosa Terrace Estates. Only about 20 residences are full-time customers.

Mr. Cobott maintained that earlier rates set by the commission were not producing enough revenue for the company to remain solvent and refused to comply with a number of commission orders. As part of the settlement, Mr. Cobott agreed to abide by the commission's customer relations and water utility rules. The commission did not find it in the public interest to seek sanctions against the company. "Staff and the company have endeavored to create a workable solution to alleviate the dire circumstances confronting Ponderosa and its customers," the commission said.

Year-round payments for part-time residents, while not a traditional rate structure, are justified, the commission said because "customers benefit from the system's existence, even if absent customers do not take advantage of this service." The water system infrastructure is in place for benefit of all the properties and adds to the current and re-sale value of the properties, the commission said.

"Given that the usage of Ponderosa's customers is similar to the speculative and seasonal usage associated with 'resort systems,' we believe that year-round payment is the only way to provide the company with the steady cash flow it needs to keep the system operating smoothly under the present circumstances," the commission said.

"It is not an exaggeration to say that Ponderosa faces more obstacles than do most of the private water utilities we regulate," the commission said. The commission agreed with Mr. Cobott that raising rates even further could cause more customers to drill their own wells and disconnect with the system.

The commission also authorized the company to charge a \$2,500 hook-up fee for new customers as well as delinquent

customers who have been disconnected and wish to re-connect to the system. If delinquent customers want to avoid the re-connection fee, they have the option to pay the sum of their late bills in lieu of the fee.

“While we do not wish to cause undue worry, we strongly encourage customers to keep Ponderosa financially solvent by timely paying their bills,” the commission said.

A full text of the commission’s order, along with other documents related to this case, are available on the commission’s Web site at www.puc.state.id.us. Click on “File Room” and then on “Recent Orders and Notices,” and scroll down to Order No. 29276.

Interested parties may petition the commission for reconsideration by no later than July 22. Petitions for reconsideration must set forth specifically why the petitioner contends that the order is unreasonable, unlawful, erroneous or not in conformity with the law. Petitions should include a statement of the nature and quantity of evidence the petitioner will offer if reconsideration is granted.

Petitions can be delivered to the commission at 472 W. Washington St. in Boise, mailed to P.O. Box 83720, Boise, ID, 83720-0074, or faxed to 208-334-3762.

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