

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
RESORT WATER CO., INC. FOR THE) CASE NO. RES-W-04-1
ISSUANCE OF A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY, FOR)
APPROVAL OF RATES AND CHARGES FOR) NOTICE OF APPLICATION
WATER SERVICE AND FOR APPROVAL OF)
RULES AND REGULATIONS GOVERNING) ORDER NO. 29575
THE RENDERING OF WATER SERVICE.)**

On August 13, 2004, Resort Water Co., Inc. (Resort Water; Company) filed an Application requesting that the Commission issue it a Certificate of Public Convenience and Necessity. *Idaho Code* § 61-526; IDAPA 31.01.01.111. The Company also requested that the Commission approve an increase in existing rates and charges for water service and approve the Company's rules and regulations governing the rendering of water service.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that according to the Application Resort Water provides domestic water service to customers in Bonner County, Idaho, primarily located within the Schweitzer Mountain Resort Planned Unit Development. Resort Water currently serves 287 residential units, or equivalent residential units (ERU), which include 11 condominium associations billed as a single customer, as well as 6 commercial customers representing approximately 91 ERU's. Resort Water's current monthly rate is a flat rate of \$33.00 per ERU.

YOU ARE FURTHER NOTIFIED that according to Resort Water's Application the Company requests to increase the monthly flat rate from \$33.00 per ERU to \$61.96 per ERU. *See Exhibit D* of the Application. The Application states that the Company seeks the additional revenues to recover increased expenses and costs associated with plant additions, and to produce a fair rate of return.

YOU ARE FURTHER NOTIFIED that the Company's Application in Case No. RES-W-04-1, may be viewed online at www.puc.state.id.us by clicking on "File Room" and "Water Cases," or it can be viewed during regular business hours at the offices of the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

DISCUSSION

Resort Water is operating as a water corporation that provides domestic water service to customers in Bonner County, Idaho, and is a public utility as defined by Idaho Law. *Idaho Code* §§ 61-124, 61-125, 61-129.

Resort Water has submitted a proposed schedule of rates and charges for water service to become effective on and after September 13, 2004. We find the Application is of sufficient importance and complexity to require the Commission's investigation into the reasonableness of the proposed rates and charges. The Commission is unable to consider the proposed rate increase before September 13, 2004, and therefore finds it reasonable to suspend the rate increase for a period of five (5) months. This will provide time for the Staff to audit the Company's financial books and inspect the Company's physical plant.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over Resort Water Co., Inc., its Application for a Certificate of Public Convenience and Necessity, its Application for an increase in rates and charges, and the issues involved in this case by virtue of Title 61, Idaho Code and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

The Commission has the authority under *Idaho Code* § 61-622 to suspend the rates and charges that are the subject of the Application for a period of thirty (30) days plus five (5) months, or less if the Commission acts sooner, from the proposed effective date of September 13, 2004.

It is necessary to suspend the rates proposed in the Application for a period of five (5) months, or less if the Commission acts sooner, from the effective date of September 13, 2004, to permit the Commission Staff to audit the Commission's financial records and inspect the Company's physical plant, to provide sufficient time to calendar further procedure, to receive customer and Staff comments and to consider and determine the issues presented in this Application.

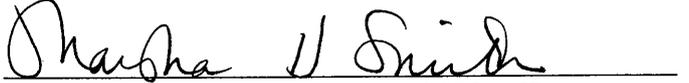
ORDER

IT IS HERBY ORDERED that the proposed schedule of rates and charges for water service in Case No. RES-W-04-1 should be, and hereby is, suspended for a period of five (5) months from September 13, 2004, or until such earlier time as the Commission may issue an Order accepting, rejecting, or modifying the Application in this case. No change in the existing rates and charges is permitted without prior Commission approval.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 31st day of August 2004.



PAUL KJELLANDER, PRESIDENT



MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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