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IDAHO PUBLIC
UTILITIES COMMISSION

RES-W-04-01

Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074

Sirs:

I am writing to in response to a letter from a Mr Elsea director of Mountain Utility Co of Schweitzer Mountain Resort out of Sandpoint, Idaho. In it he informs the water customers of a proposed rate increase in their monthly water billings that is almost double the current rate. My condominium is only used 3 to 4 months of the year and for the remainder of the year consumes little or no water. This makes the current rates quite expensive without any further increase. I appreciate the financial situation the local utility company is in, but it is not of my making and this particular way of increasing revenues seems seems both inequitable and punitive. I would much rather pay a rate based on metered consumption rather than a flat monthly rate as is presently the case. Without water the condominium is untenable and the local utility owns the only supply. In short they have a monopoly on a necessity of life and it was just such situations that led to the concept of utility commissions as a way to protect the public from monopoly based "price gouging". No one wants to pay less than a fair price for their utilities but major capital investments should be funded by bond sales or some other appropriate means, not by a huge increase in retail prices.

Thank you for your time and consideration. Please advise.



Frank Kimball
8814 No Sandy Cove Rd
Hayden, Id 83835
Phone: 208-772-4171.

MOUNTAIN UTILITY COMPANY

WATER - WASTEWATER - CABLE TV - ROADS

165 Village Lane, Suite A, Sandpoint, Idaho 83864

Phone: 208-255-3046 Fax: 208-255-4576

Dear Resort Water Customer:

I am writing to inform you that Resort Water Company has filed an application with the Idaho Public Utilities Commission to receive a certificate of public convenience and necessity. As you know privately owned water companies are regulated by the IPUC.

As part of the Application we are also asking the Commission to set new rates for water surface. Currently, the rate for each residential equivalent unit is ~~\$33.00 per month~~. We are requesting that the rate be increased to \$61.96 per month. This represents an 88% increase over current rates.

We understand that this is a substantial increase. It is necessary for several reasons however. Under current rates, Resort Water is operating at a loss and the current rates have not produced any profit during the last five years. The owners of Resort Water have invested over \$500,000 in the system and have not received any return on their investment. Further, in order to provide safe and reliable service, Resort water will have to make a substantial investment in a new fire-flow reservoir this year.

Our proposal is subject to review by the IPUC. A complete copy of the proposal is available at our office and at the commission's office at 472 West Washington, Boise ID.

<http://www.puc.state.id.us/FILEROOM/water/water.htm>

You can also file a comment on our Application via the IPUC website at:

<http://www.puc.state.id.us/scripts/polyform.dll/ipuc>

Or mail comments to:

Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074

Also, please feel free to contact me directly with any questions you may have.

Sincerely,



Tim Elsea, P.E.

Director

telsea@schweitzer.com