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sent 2/15/05

✓ To A.V.

✓ To Commis  
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IDAHO PUBLIC  
UTILITIES COMMISSION

February 11, 2005

Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

Re: Case No. RES-W-04-01

Dear Sir or Madam,

I attended the workshop held by your staff at Schweitzer on February 8, 2005 and want to thank you for the professional job that your staff did in explaining how the commission works and how they arrived at the numbers that they did. I feel that they have done an excellent job in balancing the needs of rate payers with those of the utility.

There are three issues that I would like to make sure that are addressed:

- 1) The concept of line extensions: It does seem reasonable that when a developer requires a line extension to service a new area, that developer should be required to provide that infrastructure needed and then donate the same to the utility and that new infrastructure should never be included in the rate basis. This will require the new developments to provide the infrastructure they have need of without saddling the current rate payers with an increase in rates for services they do not require.
- 2) Hook up fees: Hook up fees should be retained for areas that already have the services to their property. This will continue the practice of have new users in developed areas help pay for the infrastructure that they will be using and lowering basis that rates are based on.
- 3) Cost Basis: Your staff has tried to make sure that the basis that is proposed was reasonable. The only question I have is if Harbor contributed any hook up fees to their water company when they built the White Pine Lodge. It could be that the adjusted basis that the staff used did account for hook up fees, but it is something that I feel needs to be looked into.

I want to thank you again for this opportunity to comment and only wish that the legislation was in place for you to also regulate sewer systems.

Sincerely,



Donald F. Hutton