

**IDAHO PUBLIC UTILITIES COMMISSION**

**Case No. RES-W-04-1, Order No. 29575**

**September 7, 2004**

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**Website: [www.puc.state.id.us](http://www.puc.state.id.us)**

**Commission suspends Resort Water application**

Boise – The Idaho Public Utilities Commission is suspending a request by a Bonner County water company to increase its water rates.

Resort Water Company provides domestic water service to 11 condominium associations and six commercial customers within Schweitzer Mountain Resort, which is owned by Harbor Mountain Utility Company.

Customers are billed based on Harbor Mountain's calculation of equivalent residential units, or ERUs. A flat fee of \$33 per month is charged for each ERU. According to Harbor Mountain, there are 287 residential ERUs and 91 commercial ERUs. Harbor Mountain proposes to increase the flat monthly fee for each ERU to \$61.96.

Harbor Mountain sought a Sept. 13 effective date for the increased rate. The commission said the application's "importance and complexity" requires an investigation into the reasonableness of the proposed rates. The commission is suspending the proposed increase for up to five months to allow time for commission staff to audit the company's books and inspect its physical plant.

Harbor Mountain claims the increase is warranted to recover increased expenses associated with plant additions and to produce a fair rate of return. The company is seeking an 11 percent return on equity. The company asserts it is currently operating at a loss. In 1999, Schweitzer Mountain Resort, including the domestic water system, was purchased by Harbor Properties, Inc. and Mission Group in a federal bankruptcy proceeding.

In its application, the company describes some unique circumstances for the operation of the water system given its stand-alone, mountain location and harsh winter climate. Its dwelling units are occupied only in the winter months and the resort nature of its small units mean that they house many more individuals than a normal residence.

Documents related to the cases can be accessed on the commission's Web site at [www.puc.state.id.us](http://www.puc.state.id.us). Click on "File Room," then on "Water Cases," and scroll down to Case No. RES-W-04-1.