

**IDAHO PUBLIC UTILITIES COMMISSION**

**Case No. RES-W-04-1, Order No. 29690**

**January 20, 2005**

**Contact: Gene Fadness (208) 334-0339**

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

**Commission staff to conduct workshop on Resort Water case**

Boise – The Idaho Public Utilities Commission suspended for another 30 days a request by a Bonner County resort water company to increase its water rates for condominium units from \$33 per month to \$61.96 per month. The commission also scheduled a public workshop on Feb. 8, at 2 p.m. at Schweitzer Mountain Resort near Sandpoint.

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 six commercial customers representing about 91 ERUs. Harbor Mountain proposes to increase the flat monthly fee for each ERU to \$61.96.

Harbor Mountain sought a Sept. 13, 2004, 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. On Sept. 1, the commission suspended 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. Today's order suspends the application an additional 30 days to March 15 to allow time for the Feb. 8 workshop, a Feb. 17 public comment deadline and a deadline of March 3 for the company to file reply comments.

The public workshop begins at 2 p.m., Pacific Standard Time, in the Selkirk Conference Room of the resort at 10,000 Schweitzer Mountain Road, Sandpoint.

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. Harbor Properties, Inc. and Mission Group purchased Schweitzer Mountain Resort in 1999, including its domestic water system, as part of 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 would support.

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