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Comment on Case SCH-W-15-01 Schweitzer Basin Water Company

In 2005, Mel Bailey and Marsha Bell, the current applicants, sent a letter of comment on Case No. RES-W-04-01 to the Public Utilities Commission. Although they did not mention it, they were, and are, perfectly qualified to comment as they own and operate the adjacent Schweitzer Basin Water Company (SWBC), a system that is very similar in size, physical plant, water source, revenues, and customer base as the Resort Water Company (RWC).

Although they state initially that they favor the increase, not surprising as each company's rates are used to justify the other's, the rest of the letter argues against the RWC and its management. It now comes to pass that these same arguments apply to their application.

One of Bailey and Bell's comments is that "... operating expenses seem to be unusually high...". RWC's operating expense in 2005 was \$104,084, and had risen to \$126,099 in 2014. Schweitzer Basin Water Company has a 2014 operating expense of \$237,055. As the Bailey and Bell letter states, "The number of personnel should be efficient for the operation or the operation should be contracted out or sold. The rate payers at Schweitzer cannot be responsible nor expected to pay for a poorly managed and operated utility." Some of the interested parties are trying to develop the costs involved with the first option and first indications are that there are large savings available.

The letter complains about the passing of costs of the parent company's development to the ratepayers. In the SBWC's case, the concerns are "employee housing", equipment far in excess of what is needed, and some never observed to be connected with water operations.

Both of these companies practice obscure accounting and intermingling with the owner's other interests, and attempts to pass along costs incurred elsewhere

to the rate payers. In the Resort's case, it seems to be mainly snowmaking water, development expenses, and labor allocation. In SBWC's case, it is a Bed and Breakfast, real estate ownership and management, and personal life style.

I greatly appreciate the effort the Public Utilities Commission expends to control these natural monopolies, and the attention given to those of us at their mercy.

A handwritten signature in blue ink that reads "C. A. Lowe". The signature is written in a cursive style with a large initial "C" and a long, sweeping underline.