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IDAHO PUBLIC
UTILITIES COMMISSION

33588 North Kelso Drive
Spirit Lake, Idaho 83869

July 12, 2013

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

RE: CASE NO. SPL-W-13-01 REQUESTS FOR COMMENTS

In view of further research and discovery, I wish to amend my previous comments as follows:

REGULARITY OF READINGS

One point overlooked at the presentation, is the **regularity** with which Water Meter Readings are taken. It is common knowledge to Residents, that Meter Reading is difficult under normal summer conditions, but virtually impossible during winter conditions.

The following information is taken from the Policy Information supplied by the Company to its Users. "Meters are read on the last day of each quarter except on Dec. 31, when an estimate is made."

MONTHLY BILLING

With due respect to whatever consideration the Commission may decide regarding the proposed Rate Increase to \$24.75. I offer a proposal, under the authority of IPUC Rules Governing Customer Relations, for their mutual consideration and approval:

“The authorization and imposition of a One Time prepayment requirement equivalent to Three months service for existing and future clients”

At contracts termination, an appropriate refund or final billing would adjust any existing balance. If acceptable to the Company, this accommodation would serve to stabilize the Company’s income stream and enable it to continue with its existing Policy of reading meters and Billing on a Quarterly Basis as outlined in its Policy Statement.

This procedure is consistent with policies set forth by many Municipal Service Companies. I previously recommended to the Commission one possibility would be for the Company to set up a Monthly Billing formula based on Statistical Inference. This proposition requires a Unit Data Base for water usage actually exists. Present billings are January, April, July and October with a 30-day grace period for payment.

A policy change, would serve as an intermediate stage to such time in the future when the Company at its option may remotely monitor the reading of Meters. At that future date the frequency of meter reading and billing may be as simple as the clicking of a computer key directly relating consumption and prearranged billing to the Client’s account.

I believe the Commissioners will appreciate, if this condition cannot be resolved in dealing with a relatively small sample size, Monthly Water Billings are more likely to become a major and contentious future issue for all concerned. There are several options out of this dilemma, mainly based on existing On Line Banking, or Advanced Payment for examples. Otherwise, twelve checks per year by U.S. Postal Service.

**CONDITIONALLY FAVOR MONTHLY INCREASE SUBJECT TO INCREASED
MONTHLY ALLOTMENT**

In my Straw Polling of, **Twenty** Resident Owners, I do not find a great deal of resistance to the Company's request for a Rate Increase, I believe this is a result of the improved service the Company has rendered over the past five years. I did find a General demand for an increase in the Monthly water allotment tied to any increase in the Monthly Charge. It was evident that my previous recommendation for an increase from **1200 CF to 1500 CF** was **viewed by some** as inadequate in view of the requested **106%** proposed increase in the Monthly Charge to **\$24.75**.

The Monthly Allotment, established in the 1970's by the Company to provide 1203 CF (9000 G), is an antiquated accounting provision. It was based on the Company's inability to provide the oversight necessary to currently monitor the system. It is a carryover to the present Owner, serving as a fiscal crutch to accommodate the system. Whether it is 1000 CF or 1500 CF really has little significance tied to the Quarterly reading of the Meters. At some future date, the system will of necessity be upgraded to accommodate and respond to supply and demand. The Company will certainly modify Billing requirements at that time. Residents of this Community have already experienced these changes in their accounts with respect to the Kootenai Electric Company.

This antiquated policy is part of the contractual agreement between the parties set forth in the Policy Statement. In my opinion and subject to a substantial increase in the Monthly Assessment, conventional usage could merit an increase to an allotment 1500 CF, (11,222 G) without detrimental effect to either party.

PROPOSED MONTHLY INCREASE IN WATER ALLOTMENT

The Proposed Monthly Increase In Water Allotment is withdrawn. The Allotment is mainly a matter of convenience to the Supplier and User.

CONDITIONS OF APPROVAL

The Enforced Plat of Spirit Lake East, in Kootenai County and Public Treeport Plat, in Bonner County were included in the Municipal District approved by the Idaho Department of Water Resources, 95-9865 in 2009. IDWR has no knowledge of any exclusivity although it was included in the language of a previous allotment. In that respect, my previous comments are historical and are withdrawn. They describe the acquisition of Right of Way Easements, recorded December 15, 1997 on Lots 300, 301, 313 and a Beneficial Interest in Lot 271 for access, by Treeport Residents to the Private Roads in SLEPLAT. These ROWS contain existing waterlines servicing the Treeport Plat.

It is not difficult doing the math, from the language of the Grant, that, R.A. Hanson Company Inc., Developer of the Enforced Plat and Owner of the Water, Road and Utility Rights; possessed the **capability**, as original Owner and Developer, to provide a Monthly Allocation of slightly over **2500** CF of Water at a cost of \$12.00 per month. This is without provision for irrigation as contained in the language of the above Grant.

REVISION OF PREVIOUS REQUEST TO INCLUDE 1800 CF ALLOCATION AT NO ADDITIONAL COST PROVIDED THE REQUESTED MONTHLY INCREASE IS APPROVED.

In my opinion the Monthly Allotment is more of an accounting convenience than a necessity to the Company and Residents. Subject to the Company's Review and Approval, a revision to the Policy to provide an allotment of 1500 CF would be an accommodation to both the User and the Supplier.

LOT 111

This concludes my participation in the solicitation of Commentsj awaiting the Commissioners' review and decision.

My comments are based on Materials:

Provided by the previous owner and my continued residence, since occupancy in June 1993.

General Rules and Regulations for Small Water Utilities dated Mar 6 - '84 effective April 1 '84. Issued by the Spirit Lake East Water Company
Frank B. Carr VP

Provided by: Eric J. Davis, SWR Agent, Idaho Department of Water Resources.,
Water Rights 95-9865, 95-9949,96-8830.

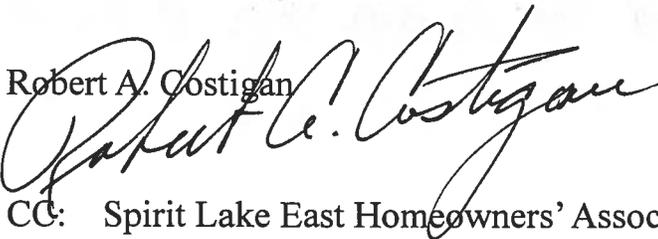
Provided by Attendance: SLEHOAINC Quarterly MTG November 8, 2005

Provided by Residents: Response to Mailings, Telecon, No Internet, Conversation

Provided by: Idaho Public Utilities Commission

Respectfully submitted,

Robert A. Costigan



CC: Spirit Lake East Homeowners' Association Incorporated
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Spirit Lake, Idaho 83869

Spirit Lake East Water Company
P.O. Box 3388
Coeur d'Alene, Idaho 83816