

L A W O F F I C E S
BATT & FISHER

A LIMITED LIABILITY PARTNERSHIP

RECEIVED
2005 May 24 AM 10:57
IDAHO PUBLIC
UTILITIES COMMISSION

John R. Hammond Jr.

e-mail: jrh@battfisher.com

May 24, 2005

TGW-W-05-02

Jean Jewell
Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074

Re: *Tariff Schedules Nos. 2 & 3 – New Service Connections and Reconnection Fees.*

Dear Ms. Jewell:

Attached is Terra Grande Water's proposed, new Tariff Schedules Nos. 2 & 3 for new service connections and reconnection fees. Schedule No. 2 is submitted because: 1) the Company does not currently have a schedule detailing charges for new connections; 2) the Commission Staff has recently informally, decided that without such a Schedule the Company must install new connections at its own costs pending a rate case; and 3) the Company wishes to retain control of the method of installation for new water service connections. Terra Grande is requesting that Schedule No. 2 be effective on the date of the filing of this Tariff Advice. This because as a small water company with a small customer base Terra Grande cannot afford to absorb the immediate financial hit it will take if it must perform these services without a means to recover its costs. Such hits could threaten the financial viability of the utility.

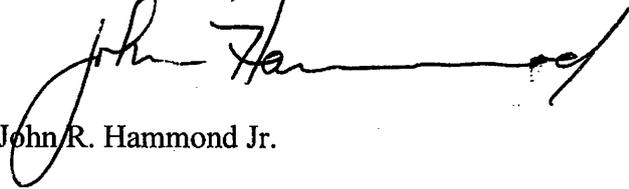
Schedule No. 3 for reconnection fees is submitted because the Company does not currently have a schedule detailing charges for reconnection fees. The Company's proposed \$65.00 reconnection fee during office hours (8:00 a.m. to 5 p.m., Mon.- Fri.) is based upon the time it would take Dave Chester, a licensed plumber, to complete the a reconnection. This cost includes the time to travel from his workplace to the location for reconnection and the time to perform the physical task of effectuating the reconnection. A higher reconnection fee for those reconnections requested by customers who require service reestablished outside of office hours is also contained in Schedule No. 3. As a newly regulated utility Terra Grande requests that the Commission make this Schedule effective immediately due to the fact that it has no means to recover its costs for reconnections which may occur during the next thirty 30 days.

Notice of these proposed new charges will be provided to all Terra Grande customers at the time of the next billing for service which will occur on or around June 1, 2005. The proposed Notice is attached to this transmittal letter for the Commission's and Staff's review.

If you have any questions regarding this matter please feel free to contact me at (208)-331-1000 or by email at jrh@battfisher.com. Thank you for your assistance in this matter.

Sincerely,

BATT & FISHER, LLP

A handwritten signature in black ink, appearing to read "John R. Hammond Jr.", written in a cursive style.

John R. Hammond Jr.

JRH/klb

IMPORTANT NOTICE FOR TERRA GRANDE WATER SYSTEM CUSTOMERS CONCERNING PROPOSED NEW CHARGES FOR NEW CONNECTIONS TO THE SYSTEM AND RECONNECTION FEES

On May 20, 2005 Terra Grande filed two Tariff Advices with the Idaho Public Utilities Commission ("IPUC") requesting that the Company be allowed to establish charges for new connections to the water system and reconnection fees (including opening the stop valve for a new customer) for customers who voluntarily or involuntarily are disconnected from the system. Terra Grande is seeking approval of these Tariff Advices because: 1) the Company does not currently have a schedule detailing charges for new connections or reconnections; 2) the Commission Staff has recently informally, told Terra Grande that without such a Schedule the Company must install new connections at its own costs pending a rate case; and 3) the Company wishes to retain control of the method of installation for new water service connections and reconnections.

These proposed new charges for these non-recurring services will not in general affect the rates which you currently pay for monthly water service taken from Terra Grande as set out in the Company's Tariff Schedule No.1.

This proposal to establish charges for new service connections and reconnections to the system is subject to review and a decision by the IPUC. Copies of the filing are available at the Company's offices and the office of the IPUC. Please call the Company at 322-2509 if you wish to view this Notice at the Company's office.

Name of Utility

TERRA GRANDE WATER

(Approval Stamp)

SCHEDULE NO. 2

New Service Connections:

Terra Grande Water is responsible for the completion of new service connections within its certificated area. No such connection shall occur other than by the direction and authorization of Terra Grande Water.

Cost for New Customer Service Connections:

Upon request from a customer or owner renting property for residential use ("customer"), for a new service connection to Terra Grande's system said customer is responsible for paying Terra Grande Water for the actual cost of completing a connection for water service to Terra Grande's system. These costs include but are not limited to all costs for engineering, installation and materials for a new connection, which includes but is not limited to a line connection to the main, meter base, vault and stop valve.

Issued May 20,

2005

Effective

2005

Issued by Terra Grande Water

By John Hammond

Title Attorney for Terra Grande

Name of Utility

TERRA GRANDE WATER

(Approval Stamp)

SCHEDULE NO. 3

Reconnection Fees (including opening stop valve for a new service connection):

\$65.00 during office hours of 8:00 a.m. to 5:00 p.m., Mon. – Fri.

\$100.00 after office hours.

Issued May 20,

2005

Effective

2005

Issued by Terra Grande Water

By John Hammond

Title Attorney for Terra Grande