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IDAHO PUBLIC  
UTILITIES COMMISSION

Attorney for Terra Grande Water

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE  
APPLICATION OF TERRA GRANDE  
WATER FOR APPROVAL OF TARIFF  
SCHEDULE NUMBERS 2 AND 3 FOR  
NEW SERVICE CONNECTIONS AND  
RECONNECTION FEES

**Case No. TGW-W-05-02**

**TERRA GRANDE RECONNECTION  
COST INFORMATION**

COMES NOW, Terra Grande Water (the "Company" or "Terra Grande") and makes this filing to provide the Commission with additional information concerning the Company's request for approval of Tariff No. 3 which contains Terra Grande's proposed reconnection fees.

Attached to this filing is the Affidavit of Barbara Child. Ms. Child states that from August 1, 2005 until present she has had seven (7) disconnections and seven (7) subsequent reconnections to the Company's system. The most recent disconnection occurred on July 6, 2005 due to a customer failing to pay on a delinquent balance. As stated by Ms. Child and supported by invoices attached as Exhibit A, each reconnection costs the Company \$65.00, the charge by a licensed plumber that provides this service. In addition, generally the plumber also charges Terra Grande for the disconnections which it performs.

In this matter Terra Grande is only seeking to recover its reasonable and legitimate costs for performing reconnections to the system. The Company is not seeking approval of a similar

TERRA GRANDE RECONNECTION COST INFORMATION, P. 1

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charge for disconnections as it understands that the Commission does not generally authorize such charges. *See* Commission Order No. 28906. Although customers are not charged a disconnection fee the Company believes that the threat of disconnection from the water system is a collection tool that protects it from providing future service without receiving just payment from its customers. In most cases following disconnection a reconnection to the system along with payment of any delinquent account will occur. Further, in performing both the disconnection and reconnection the Company incurs costs. Based upon the Company's cost information, each disconnection and reconnection to the system costs the Company approximately \$130.00. At this level of cost disconnection as a collection tool has limited utility. For example, using disconnection as a collection tool to collect a \$75.00 utility bill arrearage would cost the company \$130.00. Accordingly, without recovery of the actual costs the Company incurs for performing reconnections it is severely limited in using the threat of disconnection as a collection tool. Disconnection must be a viable collection tool for Terra Grande because each month it has a large water bill from United Water Company it must pay so that it can provide water service to its customers. Without effective collection tools the Company could be unable to generate sufficient revenues from its customers that are enough to pay the United Water bill. Should this occur, the Company's financial health will severely deteriorate and threaten the operation of the system.

Should the Commission set the reconnection fee to low the Company will suffer detrimental financial impacts. For example if the reconnection fee were set at \$20.00 the Company would lose \$45.00 for each reconnection performed. Currently the Company has had six reconnections to its system with a cost to Terra Grande of \$390.00 (\$65.00 per each reconnection). Adding to that the bills which the Company receives from a plumber for each

disconnection and Terra Grande's cost is \$780.00. If the Company is authorized to only charge a \$20.00 fee it would lose \$660.00. For a small water company the inability to recover these costs is detrimental to its financial integrity and hampers its ability to operate and maintain the system.

Based on the foregoing Terra Grande requests that the Commission approve its Tariff Schedule No. 3 as filed.

WHEREFORE, Terra Grande respectfully requests of the Commission:

That its proposed Tariff Schedule No. 3 be approved as submitted.

DATED this 1~~5~~ of July, 2005.

BATT & FISHER, LLP

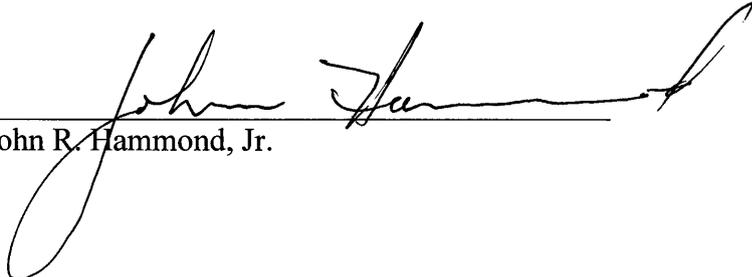
  
\_\_\_\_\_  
John R. Hammond, Jr.  
Attorneys for Terra Grande Water

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 14<sup>th</sup> day of July, 2005, I caused a true and correct copy of the above and foregoing document to be served, in the manner indicated, on the following:

Scott Woodbury  
Idaho Public Utilities Commission  
472 W. Washington  
Boise, Idaho 83702

- Hand Delivery
- U.S. Mail
- Facsimile
- Federal Express

  
\_\_\_\_\_  
John R. Hammond, Jr.

## Exhibit A

D & D Plumbing  
5182 S Valley St  
Boise, ID 83709  
208-375-4586

TO Terra Grande Water  
PO Box 7112  
Boise, ID 83707

STATEMENT

May 31, 2005

Disconnected 12/31/04 Customer request	
Service Call to Reconnect Water Service	
1833 Penninger 5/05/05 per customer request	\$65.00

All Bills are due by the 10<sup>th</sup> of the Month  
*A finance charge of 1.75% per month will be charged on all balances 30 days past due.  
This is an annual finance rate of 21%. A minimum late charge of \$5.00 will be charged.*

D & D Plumbing  
5182 S Valley St  
Boise, ID 83709  
208-375-4586

TO Terra Grande Water  
PO Box 7112  
Boise, ID 83707

STATEMENT

December 31, 2004

Disconnected 10/25/04 customer request owner deceased  
Service Call to Reconnect Water Service  
1833 Penninger 12/20/04 per customer request

\$65.00

All Bills are due by the 10<sup>th</sup> of the Month  
*A finance charge of 1.75% per month will be charged on all balances 30 days past due.  
This is an annual finance rate of 21%. A minimum late charge of \$5.00 will be charged.*

D & D Plumbing  
5182 S Valley St  
Boise, ID 83709  
208-375-4586

TO Terra Grande Water  
PO Box 7112  
Boise, ID 83707

STATEMENT

October 31, 2004

Disconnected 10/25/04 non payment	\$159.07	
Service Call to Reconnect Water Service		
8111 Lemhi 10/27/04		\$65.00

All Bills are due by the 10<sup>th</sup> of the Month  
*A finance charge of 1.75% per month will be charged on all balances 30 days past due.  
This is an annual finance rate of 21%. A minimum late charge of \$5.00 will be charged.*

D & D Plumbing  
5182 S Valley St  
Boise, ID 83709  
208-375-4586

TO Terra Grande Water  
PO Box 7112  
Boise, ID 83707

STATEMENT

July 7, 2005

Service Call Connect 1721 S Ash Park New Account	\$ 65.00
Disconnected May 31, 2005 non payment \$162.92 Service Call Reconnect 2133 Penninger New occupant (owner request)	<u>\$ 65.00</u>
Total	\$130.00

All Bills are due by the 10<sup>th</sup> of the Month  
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D & D Plumbing  
5182 S Valley St  
Boise, ID 83709  
208-375-4586

TO Terra Grande Water  
PO Box 7112  
Boise, ID 83707

STATEMENT

June 30, 2005

Disconnected 5/31/05 Ferguson non payment \$165.16 2013 S Ash Park Service Call Reconnect New occupant 6/2/05	\$ 65.00
Disconnected 5/31/05 2006 Penninger non payment \$114.92 Service Call new owner 6/18/05 Darwish	\$ 65.00
Disconnect 5/31/05 Kurtright non payment \$197.16 1639 Penninger Service Call Reconnect acct paid 6/6/05	<u>\$ 65.00</u>
Total	\$195.00

All Bills are due by the 10<sup>th</sup> of the Month  
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This is an annual finance rate of 21%. A minimum late charge of \$5.00 will be charged.*