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IDAHO PUBLIC UTILITIES COMMISSION

Dean J. Miller (ISB No. 1968)
McDevitt & Miller LLP
420 West Bannock Street
P.O. Box 2564-83701
Boise, Idaho 83702
208-343-7500 (T)
208-336-6912 (F)
joe@mcdevitt-miller.com

Attorneys for Teton Springs Water & Sewer Company LLC.

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
TETON SPRINGS WATER AND SEWER)
COMPANY LLC, FOR THE ISSUANCE OF A)
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY, FOR APPROVAL OF)
RATES AND CHARGES FOR WATER)
SERVICE, FOR APPROVAL OF)
RULES AND REGULATIONS GOVERNING)
THE RENDERING OF WATER SERVICE.)
_____)

Case No. TTS-w 08 d

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

DIRECT TESTIMONY OF JON PINARDI

May 20, 2008

- 1 Q. Please state your name and business address.
- 2 A. My name is Jon Pinardi; my business address is:
- 3 Teton Springs Water and Sewer Company LLC., 75 W. 950 S. Ste 3, Victor, ID
- 4 83455.
- 5 Q. What is your occupation?
- 6 A. I am the Director and Manager of Teton Springs Water and Sewer Company LLC
- 7 (“Teton Springs” or “TSWS”).
- 8 Q. What is the purpose of your testimony?
- 9 A. I will describe Teton Springs’ Application for a Certificate of Public Convenience
- 10 and Necessity and its request for approval of initial rates for water service.
- 11 Background
- 12 Q. Please describe the area to which TSWS proposes to provide water service.
- 13 A. Teton Springs will provide water service to a planned unit development in Teton
- 14 County known as the Teton Springs Resort Community. The location of the
- 15 development is depicted on Exhibit C to the Application.
- 16 Q. Please discuss the history and character of the development.
- 17 A. The development was constructed by Teton Springs & Golf & Casting LLC.,
- 18 commencing in 2001. The development is an all-season resort community. Most
- 19 of the homes within the community are second or third homes for the owners.
- 20 The owners tend to be affluent as indicated by the fact that the sales price for lots
- 21 within the community range from \$252,000 to \$2.8 million.
- 22 Q. As part of the development, did the Developer construct a water and sewer
- 23 system?

- 1 A. Yes. The water system is fully capable of providing water service to residents of
2 the development. It consists generally of two wells, a water storage reservoir,
3 water mains, hydrants and service lines. The original cost of the water system
4 was approximately \$2,882,000.
- 5 Q. Have the water system assets been transferred by Teton Springs & Golf & Casting
6 LLC., to Teton Springs Water and Sewer Company LLC?
- 7 A. Yes. Those assets were transferred on May 6, 2008. The executed transfer
8 documents are attached to my testimony as Exhibit 1.
- 9 Q. Why were the water and sewer assets transferred from Teton Springs & Golf &
10 Casting LLC., to Teton Springs Water and Sewer Company?
- 11 A. The transfer enabled the water and sewer operations to be separate from the
12 development functions to avoid commingling of the revenue and expenses from
13 development operations with utility operations.
- 14 Q. Please describe the number of customers that will be served by TWSC?
- 15 A. Within the development there are 581 single family building lots and 14
16 commercial lots. In addition, there are two multifamily dwelling customers which
17 will contain 143 residential units at full build-out.
- 18 Q. Has the water system been approved by the Idaho Department of Environmental
19 Quality?
- 20 A. Yes it has, and a Public Water System Number has been assigned.
- 21 Rules and Regulations; Customer Forms
- 22 Q. Is Teton Springs proposing to adopt Rules and Regulations for Commission
23 approval?

1 A. Yes. The Company's proposed Rules and Regulations are attached to the
2 Application as Exhibit F.

3 Q. Please describe how these rules were developed.

4 A. The Rules and Regulations of United Water Idaho Inc., which have been
5 approved by the Commission, were used as a template. Our rules are not as
6 extensive as United Water's, but at this time, they do not need to be. We tried to
7 keep the rules as simple as possible while minimizing ambiguity.

8 Q. Is the Company proposing to adopt rules for water main extensions?

9 A. No. The water system is fully built-out and it will not be necessary to construct
10 additional main lines to serve customers.

11 Q. Is the Company proposing to adopt certain customer notice forms and billing
12 statement?

13 A. Yes. Attached to my testimony as Exhibit 2, are proposed termination notices and
14 billing statement. These contain the information required by the Commission's
15 Utility Customer Relations Rules.

16 Financial Ability

17 Q. Does Teton Springs have the bona fide intent and financial ability to provide
18 water service as a regulated utility?

19 A. Yes. As noted above, Teton Springs is a subsidiary of Teton Springs & Golf &
20 Casting LLC., and has access to the necessary capital to enable it to operate the
21 water system in a safe and reliable manner, assuming the Company is allowed to
22 earn revenues sufficient to cover operational costs and produce a reasonable

1 margin. Also as noted above, the water system is fully built-out and accordingly,
2 additional capital is not needed for construction of system expansions.

3 Q. Does Teton Springs face operational challenges not faced by other utilities?

4 A. Yes. The Teton Springs Development is a stand-alone property located in a
5 remote part of Teton County. Winters are harsh in the area creating additional
6 maintenance and operation effort. Many of the dwellings are occupied only on a
7 part time basis; accordingly water consumption varies dramatically throughout the
8 year.

9 Q. In what way are these considerations relevant to this Application?

10 A. They explain, in part Teton Spring's comparatively high revenue requirement.

11 Notice of Application

12 Q. Has Teton Springs provided notice of this Application to its customers?

13 A. Yes. Attached to my testimony as Exhibit 3 is the form of notice that will be
14 mailed to each of our customers at the time the Application is filed.

15 Rates and Charges

16 Q. Is the Company requesting that the Commission approve initial rates and charges
17 for water service?

18 A. Yes it is.

19 Q. What are Teton Springs' current rates for water service?

20 A. Currently, customers that are connected to the system and taking service are
21 charged \$240 on a quarterly basis.

22 Q. Why are customers billed on quarterly basis, rather than monthly?

- 1 A. As noted above, most of the homes within the development are occupied only on
2 a part time basis. In some months individual homes may have minimal or no
3 consumption and the expense of monthly billing may exceed revenue from
4 individual accounts. Quarterly billing minimizes billing expense and is more
5 convenient for our customers.
- 6 Q. Why are customers billed on a flat-rate basis rather than on metered consumption?
- 7 A. Because the system has been in operation for only a short time, we do not have
8 consumption data from metered sales that would permit calculation of a rate for
9 metered service. After we have monitored consumption for a period of time Teton
10 Springs intends to apply to the Commission for authority to convert to rates based
11 on metered consumption.
- 12 Q. What rates is the Company proposing for approval?
- 13 A. For residential customers that are connected to the system and actively taking
14 service we are proposing a quarterly monthly rate of \$150.00. For customers
15 whose property fronts an existing main, but who have not connected to the system
16 we are proposing an Availability Charge of \$75.00 per quarter.
- 17 Q. In the Company's proposed Rate Schedule No.1, Flat Rate Service, there is
18 reference to an "Availability Charge". Please explain this charge.
- 19 A. The Availability Charge is a rate charged to each customer's premises located
20 within the Teton Springs Community that can be connected to the Company's
21 water system but which has not yet connected to the system.

1 Q. Does an availability charge recognize the fact that it was necessary to install the
2 entire water system and the front-end of development, rather than build it out over
3 time?

4 A. Yes. As a large scale mixed-use seasonal resort community in a rural setting, to
5 properly develop the land at a level that could be adequately marketed with the
6 full breadth of residential types, and recreational amenities in place, it was
7 necessary to install the entirety of the utility infrastructure generally at one time.
8 In a typical residential development, the utilities are added in phases as property is
9 sold and homes are constructed. In the case of typical developments, there is
10 proportionality between the size and operational scope of the system and the
11 number of users paying for the service. In our situation, we must operate and
12 maintain the full scale of the utility, but with only a fraction of the potential users
13 providing revenue into the system. There is no direct proportionality between the
14 size and operating cost of our system and the number of "active" users. In our
15 case only 35% of the users have built homes and, if those 35% were required to
16 bear the full burden of the system, they would be required to pay an amount that
17 would not be fair for them. In equality, therefore, we propose that an
18 "availability" fee be paid by those property owners that have not yet built homes,
19 so the full burden doesn't fall on those that have.

20 Q. Does an availability charge recognize the fixed nature of water utility system
21 costs? Yes. The operating and maintenance costs associated with a water system
22 are largely fixed. Typically, the only major variable expenses relate to the energy
23 required to produce the water from the wells and the cost of disinfection which is

1 tied to the number of gallons produced. This creates the situation where the costs
2 of operation are largely set, regardless of the number of customers. Again, if a
3 small number of customers were required to bear the full burden, without
4 assistance from all of the potential users of the system, the cost would be grossly
5 unfair to this smaller group.

6 Q. Would an availability charge help preserve the financial integrity of the utility?

7 A. Yes. An availability fee would preserve the fiscal integrity of the system, thereby
8 ensuring that high quality water services, meeting all current and future regulatory
9 and safety requirements, are readily available when the lot owners are ready to
10 build on their lot and connect to the system. Having readily available water
11 service is a benefit to all lot owners, irrespective of whether or not they are
12 receiving water service currently. Additionally, because the water has been
13 installed to every property to provide easy and immediate access to those owners
14 when they desire it, having those owners not share in the burden of the utility may
15 unjustly enrich them. If the financial viability of the system is jeopardized, and
16 the availability of water service and its quality is compromised, this has a
17 corresponding negative impact on all property owners, regardless of whether they
18 are currently connected to the system. Once full or substantially full occupancy
19 of the PUD has been achieved, it is anticipated that the availability fee can be
20 substantially reduced or eliminated in its entirety.

21 Q. Would an availability fee recognize the seasonal nature of occupancy by some
22 homeowners?

- 1 A. Yes. Because of the seasonal nature of our owners occupancy, many of them
2 choose to turn their water service on and off throughout the season when the
3 home is not occupied. Without an availability fee, the system revenue stream
4 would be adversely impacted and confidence in adequate revenues to maintain the
5 fiscal integrity of the system would be compromised. In a typical residential
6 subdivision setting, large numbers of users do not regularly discontinue water
7 service and cease payment. In our case, this does occur.
- 8 Q. Does an availability fee recognize that some properties might not be improved
9 until several years in the future?
- 10 A. Yes. Many owners of the land have purchased for the purpose of long-term
11 investment and speculation. Some have purchased with the intent of NOT
12 developing the land, and keeping it in open space. Both of these situations add to
13 the issue of considerable land not having homes constructed for years, if not
14 decades to come. Without these properties being developed and becoming active
15 water users, again, in the absence of an availability fee as a means to share the
16 operating burden, those who have chosen to develop would be treated unfairly by
17 having an arbitrarily high cost for water service and the fiscal integrity of the
18 system would be jeopardized.
- 19 Q. Has Teton Springs sought expert assistance in the development of its revenue
20 requirement and resulting rates?
- 21 A. Yes. Mr. Larry Crowley has prepared a Cost of Service study which determines
22 the Company's revenue requirements. Mr. Crowley presents his study in Direct
23 Testimony that is being filed with the Application.

1 Q. Is Teton Springs involved in any litigation?

2 A. Yes. The Company and the City of Victor, Idaho are involved in a dispute
3 regarding sewer treatment and collection services provided by the City to Teton
4 Springs. A civil action is pending in the District Court of Teton County, Case No.
5 07-066. The Company's water operations are not affected by this litigation.

6 Q. Does that conclude your testimony?

7 A. Yes it does.

ASSUMPTION AND INDEMNITY AGREEMENT

This Assumption and Indemnity Agreement (this "Agreement") is executed between Teton Springs Golf and Casting Club, LLC, a Wyoming limited liability company, hereinafter referred to as "Assignor" and Teton Springs Water and Sewer Company, LLC, an Idaho limited liability company, hereby referred to as "Assignee."

RECITALS:

A. Assignor is the owner of a culinary water system and the sewage collection system (the "Systems") located at Teton Springs Planned Unit Development situated in Teton County, Idaho.

B. Assignee is a wholly owned subsidiary of Assignor.

C. Assignor desires to transfer to Assignee and Assignee desires to accept from Assignor, all of the assets constituting the Systems.

D. In connection with the assignment of the Systems, Assignor will transfer certain contractual obligations to Assignee, but will only do so upon Assignee's express acceptance of the assignment and execution of this Agreement in order to indemnify Assignor of any liability with respect to such contractual obligations.

AGREEMENTS:

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Assignment And Acceptance. Assignor assigns to assignee all of Assignor's rights and obligations in all contracts, permits, licenses and certificates relating to the Systems, including but not limited those identified on the attached Exhibit A (all of which are referred to herein as the "Contracts"). Assignee hereby accepts assignment of the Contracts and agrees to perform each of Assignor's obligations thereunder.

2. Indemnity. Assignee shall indemnify, defend and hold harmless Assignor for, from and against any and all claims, actions, suits, liabilities, damages, penalties, fines and costs, including but not limited to attorneys' fees and costs, (i) that may be brought against it in connection with the Contracts or that Assignor may incur or pay by way of settlement, judgment or otherwise in connection with any of the Contracts. If any claim, action or suit

alleging such liabilities, damages, penalties or fines is brought against Assignor, then Assignee shall defend the same at its expense by counsel reasonably satisfactory to Assignor.

3. No Limitation. Assignee's liability under this Agreement is unlimited.

4. Enforcement Costs. If there is any litigation or other action taken by any party to enforce or interpret any provisions of or rights arising under this Agreement, the nonprevailing party shall pay to the prevailing party all costs and expenses incurred by the prevailing party, including but not limited to reasonable attorney fees and costs.

5. Entire Agreement. This Agreement sets forth the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements of the parties. This Agreement cannot be altered or amended except by an instrument in writing signed by the parties hereto.

6. Successors and Assigns. This Agreement is binding upon and inures to the benefit of the parties hereto and their respective successors and assigns.

7. Headings. The headings in this Agreement are for reference only and do not limit or define the meaning of any provisions of this Agreement.

8. Survival. All of the representations, warranties, agreements and indemnities set forth in this Agreement shall survive the execution and delivery of this Agreement and any other instruments and documents executed and delivered in connection with this Agreement.

9. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Idaho.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the _____ day of May, 2008.

ASSIGNOR

TETON SPRINGS GOLF AND CASTING CLUB, LLC

By: 
Anthony Vest
Managing Member

ASSIGNEE

**TETON SPRINGS WATER AND SEWER
COMPANY, LLC**

**By: Teton Springs Golf and Casting Club,
LLC, manager**

By: 
**Anthony Vest
Managing Member**

EXHIBIT A
ASSIGNED CONTRACTS

1. The Water Main Easement granted by Fay T. Rammell and Corey T. Rammell, Limited Partnership, as set forth in that certain Water Main Easement, recorded in the records of Teton County, Idaho, as instrument no. 151595 and instrument no. 152735.
2. All rights, title and interest of Grantor in that certain Memorandum Of Water Tank Easement Agreement between Richard M. Jacobsen and Susan Jacobsen as trustees of the Richard and Susan Jacobsen Trust dated April 2, 1993 and Teton Springs Golf and Casting Club, LLC, recorded in the records of Teton County, Idaho, as instrument no. 151483.
3. All rights and obligations of Assignor under that Wastewater Collection system and Treatment Facilities Use Agreement among Assignor, City of Victor and City of Driggs, dated May 19, 2000.
4. All culinary water rights, including but not limited to those evidenced by IDWR Permit no. 22-13178.
5. All rights, title and interest of Grantor in the customer list, any customer deposits, and customer service agreements of the water and sewer systems.
6. Grantor's Public Water Supply Permit, Permit No. PWS 7410033
7. Grantor's DEQ Certificate issued by the Idaho Department of Environmental Quality, Certificate No. 00-01-41

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4 INDEMNITY AGREEMENT



BILL OF SALE

For Ten Dollars and other good and valuable consideration paid to Teton Springs Golf and Casting Club, LLC, a Wyoming limited liability company, whose address is 10 Headwaters Drive, Victor, Idaho, 83455, hereinafter referred to as "Grantor", the receipt and sufficiency of which are acknowledged, Grantor transfers, conveys and assigns to the Teton Springs Water and Sewer Company, LLC, an Idaho limited liability company, hereinafter referred to as "Grantee", all of Grantor's right, title and interest in and to that certain personal property listed in Exhibit A attached and incorporated by reference (the "Personal Property"). The Personal Property does not include items owned by third persons and leased to Grantor, although it does include any leasehold interest of Grantor in and to the same.

Grantor represents and warrants to Grantee that: (i) Grantor is the lawful owner of the Personal Property, (ii) Grantor has not encumbered the Personal Property or consented to the creation of any security interest in the Personal Property except as disclosed on Exhibit A; and (iii) the persons executing this Bill of Sale on behalf of Grantor are authorized so to do and are authorized to bind Grantor under the terms of this Bill of Sale.

The Personal Property is sold in a used and an "AS IS" condition. Grantor makes no warranties, express or implied, of any kind (including, but not limited to: title; merchantability; fitness for any particular purpose; design; condition; quality; capacity; workmanship; conformity with applicable laws, ordinances, rules or regulations; patent infringement; or latent defects) to Grantee regarding the Personal Property except as specifically set forth in this Bill of Sale.

IN WITNESS WHEREOF, Grantor has executed this Bill of Sale this 6th day of May, 2008.

GRANTOR:

TETON SPRINGS GOLF AND CASTING CLUB, LLC

By: 
Anthony Vest
Managing Member

BILL OF SALE**EXHIBIT A**

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Manufacturer</u>	<u>Model</u>
1	Marking Paint	30	various	n/a
2	Hydrant wrench	2	n/a	n/a
3	Manhole lifter	2	n/a	n/a
4	2" Valve key -8'	2	n/a	n/a
5	2" Valve key -15' ext	1	n/a	n/a
6	Electronic Locator	1	Schonstedt	GA92XTd
7	Pocket Cl Photometer	1	HF Scientific	pocket
8	Measuring wheel	1	Stanley	wheel
9	2" valve Key-10' ext	1	n/a	n/a
10	Curb stop key- 6'	1	n/a	n/a
11	2.5" hose- 50'	4	n/a	n/a
12	2.5" hose- 100'	4	n/a	n/a
13	Barricade sign	2	n/a	n/a
14	2.5" nozzle	1	n/a	2.5"
15	2.5" gate valve	1	n/a	2.5"
16	2.5" 90 degree fitting	1	n/a	n/a
17	2.5" 45 degree fitting	1	n/a	n/a
18	Misc. Handtools	n/a	various	n/a
19	1" meter	48	Sensus	1"
20	1" Yoke assbly	35	Ford	1"
21	1" check valve	40	Ford	1"
22	5" valve box ext	15	n/a	5"
23	5" valve box ext	12	n/a	5"
24	Manhole lids	5	n/a	n/a
25	IDWR Permit 22-13178			
26	All rights, title and interest of Grantor in the customer list, any customer deposits, and customer service agreements of the water and sewer systems.			

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2 - BILL OF SALE

SPECIAL WARRANTY DEED

For the consideration of Ten Dollars (\$10.00), and other valuable consideration, the receipt and sufficiency of which are acknowledged, Teton Springs Golf and Casting Club, LLC, a Wyoming limited liability company, hereinafter referred to as "Grantor", hereby conveys to Teton Springs Water and Sewer Company, LLC, an Idaho limited liability company, whose address is 10 Headwaters Drive, Victor, Idaho 83445, hereinafter referred to as "Grantee", all of its right title and interest in and to the culinary water system and the sewage collection system located at Teton Springs Planned Unit Development (the "PUD") situated in Teton County, Idaho, referred to hereafter as the Property. Without limiting the foregoing, Grantor conveys to Grantee

1. the well lots described on Exhibit A,
2. the Water system improvements described on Exhibit B,
3. the Sewer system improvements described on Exhibit C,
4. all benefits and burdens of the easements described on Exhibit D.
5. all permits, licenses and certificates pertaining to the water and sewer systems, including but not limited to those described on Exhibit E.
6. all benefits and burdens of all easements on the recorded plat of Teton Springs Planned Unit Development that are utilized for delivery of water and or sewer services to the Lot Owners within the PUD.
7. all rights and obligations of Grantor under that Wastewater Collection system and Treatment Facilities Use Agreement among Grantor, City of Victor and City of Driggs, dated May 19, 2000.

Grantor binds itself and its successors to warrant and defend the title to the Property against all acts of Grantor and no other, subject to the matters set forth above.

Dated this 6th day of May, 2008.

GRANTOR:

TETON SPRINGS GOLF AND
CASTING CLUB, LLC

By: 

Anthony Vest

Managing Member

Teton Springs Water and Sewer Company LLC
75 West 950 South, Suite 3
Victor, Idaho 83455
Phone:(208)-
Fax(208)-

NOTICE OF INTENT TO TERMINATE SERVICES

Customer Address Label

Acct#: _____

Final Date: _____

Balance Due: _____

Service Address: _____

You were recently notified that you are delinquent in the payment of charges for Water Service provided by Teton Springs Water and Sewer Company LLC. The balance of your account, according to our records, is indicated above.

In accordance with the rules and regulations of the Idaho Public Utilities Commission, if this balance is not paid, or if payment arrangements are not made by the Final Date shown above, then **YOUR WATER SERVICE WILL BE DISCONNECTED** after the Final Date.

To avoid termination you must contact Teton Springs Water and Sewer Company LLC., before the Final Date to make a payment arrangements or pay in full. **Please call on weekdays between _____ a.m. and _____ p.m.** and ask for our water collection department.

Termination may be delayed by:

1. Providing a medical certificate advising us of the existence of a Medical Emergency.
2. Filing a complaint regarding the proposed termination with the Idaho Public Utilities Commission, PO Box 83720, Boise, Idaho 83720-0074, (800) 432-0369. Service will not be terminated prior to resolution of a filed complaint.

Termination of service in no way relieves you of your obligation to pay for all services prior to termination.

Should service be terminated, a charge for restoration of service (\$_____ during office hours, \$_____ other times) must be paid, plus the account balance prior to restoration of service.

Teton Springs Water and Sewer Company LLC will, one time, assist you by making payment arrangements not requiring immediate payment in full, if you contact us prior to the Final Date to arrange such a payment plan.

Remember, your water will be turned off after the Final Date unless you act before the Final Date.

Teton Springs Water and Sewer Company LLC

Teton Springs Water and Sewer Company LLC
75 West 950 South, Suite 3
Victor, Idaho 83455
Phone:(208)-
Fax(208)-

FINAL WATER SHUT OFF NOTICE

Final Date: _____

Name: _____

Service Address: _____

Acct #: _____

Account Balance: _____

You were recently notified that you are delinquent in the payment of charges for Water Service provided by Teton Springs Water and Sewer Company LLC. The balance of your account, according to our records, is indicated above.

In accordance with the rules and regulations of the Idaho Public Utilities Commission, if this balance is not paid, or if payment arrangements are not made by the Final Date shown above, then **YOUR WATER SERVICE WILL BE DISCONNECTED** after the Final Date.

To avoid termination you must contact Teton Springs Water and Sewer Company LLC before the Final Date to make a payment arrangements or pay in full. **Please call on weekdays between _____ a.m. and _____ p.m.** and ask for our water collection department.

Termination may be delayed by:

1. Providing a medical certificate advising us of the existence of a Medical Emergency.
2. Filing a complaint regarding the proposed termination with the Idaho Public Utilities Commission, PO Box 83720, Boise, Idaho 83720-0074, (800) 432-0369. Service will not be terminated prior to resolution of a filed complaint.

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Should service be terminated, a charge for restoration of service (\$_____ during office hours, \$_____ other times) must be paid, plus the account balance prior to restoration of service.

Teton Springs Water and Sewer Company LLC will, one time, assist you by making payment arrangements not requiring immediate payment in full, if you contact us prior to the Final Date to arrange such a payment plan.

Remember, your water will be turned off after the Final Date unless you act before the Final Date.

Teton Springs Water & Sewer, ID
 75 W 950 S Ste 3
 Victor ID 83455

Service Address		
Account Number	Due Date	Pay This Amount
	06/30/08	

Service from	Service to	Account No.	Service Address	
04/01/08	06/30/08			
<u>Water Meter Readings</u>				
Previous	Current	Usage	Description	Amount
			PREVIOUS BALANCE	
<p>Message Please put account number on check or return bottom portion of this invoice. Thank You.</p>				
				PAY THIS AMOUNT
Phone #	Fax #	E-mail		
208-787-8001 ext 28	208-787-8019	sherndon@tetonsprings.com		

Teton Springs Water & Sewer, ID
 75 W 950 S Ste 3
 Victor ID 83455

Payment Due Date
06/30/08

Account No.

Amount Due

Amount Paid

**TETON SPRINGS WATER AND SEWER COMPANY, LLC., NOTICE OF FILING
APPLICATION FOR FILING A CERTIFICATE OF PUBLIC CONVENIENCE AND
NECESSITY AND TO ESTABLISH FOR WATER SERVICE**

Teton Springs Water and Sewer Company, LLC filed an application with the Idaho Public Utilities Commission ("Commission") on _____, 200_____, Case No._____, requesting that the Commission grant it a Certificate of Public Convenience and Necessity under its authorities and to establish rates and charges for water service.

In the event the Commission grants the Company a Certificate of Public Convenience and Necessity it will become regulated by the Commission as a public utility and be required to comply with its authorities, including its Utility Customer Relations Rules which can be found on the Commission's website, <http://www.puc.state.id.us/Rules.htm>. Included with this filing is a summary of the rules and regulations which the Company proposes will govern its operations as a public utility.

The proposed rates are necessary so that the Company can recover its costs and provide it with an opportunity to earn a return on its investments in water facilities which are providing service to customers. This is necessary for the Company to maintain a sound financial position so that it can provide safe and reliable service.

The request for a Certificate of Public Convenience and Necessity, and the request to establish rates and charges for water service and are proposals subject to public review and a Commission decision, which it may accept, modify or reject in whole or in part, the proposed increases. A copy of the Application is on file and available for inspection at the Idaho Public Utilities Commission, 472 W. Washington Street, Boise, Idaho, and the Company's offices located at: The Application is also available on-line at the Commission's website: <http://www.puc.state.id.us/FILEROOM/water/water.htm>.

You can also file a comment on the Application via the Commission's website at: <http://www.puc.state.id.us/comments-complaints/choose%20form.htm>. Additionally, you can mail comments to:

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

Teton Springs Water and Sewer Company LLC
75 West 950 South, Suite 3
Victor, Idaho 83455

In any comments filed with the Commission and also sent to the Company the Case No. of this matter, Case No._____, should be included.

Sincerely,

Teton Springs Water and Sewer Company LLC