

Hidden Creek Water Company
Clarification regarding Issues addressed in the Hearing on July 6, 2001.

As requested in the hearing, Hidden Creek prepared and sent to the Division its interpretation of the issues in question. The Division added its input and was returned to the water company for their review. The water company replied that they are in agreement with the wording changes.

Additions indicated as bolded text. Deletions are shown as red text with a red strike-through.

Recommendation No. 3d:

Hidden Creek shall provide an 'annual accounting' (**in summary format**) of the Capital Reserve Account with its Annual Report and at any such other time as the Commission requests. The 'annual accounting' shall **show, at a minimum, the beginning balance, annual deposits, annual withdrawals and the ending balance. Included with the Annual Report, the water company shall also provide a separate detailed accounting of the Capital Reserve Account that consists** ~~be in the form~~ **of monthly** bank statements encompassing the entire calendar year showing a series of deposits made within 30 days from the receipt of rate payments for each billing cycle and withdrawals that meet requirements a, b and c above. **Such detailed accounting, including copies of bank statements and possibly other sensitive information shall be marked as "confidential."**

Recommendation No. 5:

~~Strike entire existing paragraph (clarified in No. 3d above). The Division recommends that an accounting of the Capital Reserve Account be provided to the water customers on an annual basis by the water company showing, at a minimum, the beginning balance, annual deposits, annual withdrawals and the ending balance.~~

The Division recommends that the priority of allocation of a customer payment, in the event such payment is a partial payment of any given billed invoice by Hidden Creek, shall be used first to cover fixed and variable expenses with the remainder of said partial payment to go to the Capital Reserve Account. A reconciliation, clearly indicating the circumstances surrounding those instances when the Capital Reserve Account was not fully funded, shall be provided by the water company with the detailed 'annual accounting' of the Capital Reserve Account.

3. Recommendation No. 7:

The Division recommends reading the meters monthly from April 1st through October 1st annually, weather permitting.

Winter months shall be billed at the minimum usage amount. The **actual** winter usage **should it exceed the minimum usage amount during the winter months, shall be billed in total on the first billing which shows the first meter reading taken in the calendar year.** ~~and billings shall be adjusted based on the first meter reading in the spring.~~ As an assurance to the water customers that they will not be billed at tier 3 rates as a result of a leak, during the time period that the meters are not read monthly, the maximum monthly billing adjusted after the first spring reading cannot exceed that of the maximum usage allowed through tier 2, unless it can be established that the customer actually used an excessive amount of water: **and/or it can be shown by Hidden Creek that a leak related to the customer's service was detected and noticed to the customer in a timely fashion. If Hidden Creek notifies a customer of a leak related to a customer's service then customer shall have 15 calendar days from time of notice sent by Hidden Creek to repair said leak. Failure by a customer to repair a leak within 15 calendar days from the time they were notified of the leak shall result in full billings based on the water flowing through their meters. The above applies only during the time periods that the meters are not read monthly.**

The Company requests that the decision of the Commission regarding this rate case be expedited, if possible, and most importantly that the new rates apply as of June 1, 2010 as per the Division's recommendation to avoid further financial hardship to the Company as a result of the prolonged rate case process.