

ALGOMA WATER COMPANY
P.O. BOX 751
SANDPOINT, ID 83864
(208) 263-8946

RECEIVED
2008 MAR 27 PM 2:01
IDAHO PUBLIC
UTILITIES COMMISSION

March 24, 2008

IDAHO PUBLIC UTILITIES COMMISSION
P.O. BOX 83720
BOISE, ID 83720-0074

RE: RESPONSE, IPUC, CASE NO. AWS-W-07-1, ITEMS 23 THROUGH 35

Dear Commissioners:

In response to your request for additional information I have attached Items 23 through 28 that were compiled by Robert Hanson from Water Systems Management, Inc. He can be reached at (208) 265-4270. Item 29 through 35 were prepared by Joan Brittain, Bookkeeper and Billing Clerk for Algoma Water. You can reach me at (208) 263-8946. Regarding Request No. 31 and 32, the fixed assets on the Balance Sheet are not depreciated because of the age of the items. Except for repairs, these are the original items placed in service in 1989. Regarding Request No. 35, there is a loan of \$4,000 from Robert Carrier/Northern Utilities to pay for repairs on the system. It has not yet been paid back.

In May of 2007 we requested a rate increase for the commercial hookups to \$40 per month. After discussion with Bob Hanson, we feel that should be amended to \$54 per month. The residential rate increase we requested was \$30 per month, and we would like to amend that to \$36. We are expecting major repairs on the system during the summer of '08, and need to have the revenue to pay for them. Bob Hanson has spent five hours preparing and copying the items you requested and I will also have nearly that amount of time in preparing this report. At the current rates, these bills can hardly be paid and major repairs have to be paid out of pocket by the owner. The system is continuing to operate in the red with negative net income in both '06 and '07, and the owner will not be able to operate the system with a continued loss like this. We truly hope that the current rate increase will be approved as soon as possible. We had hoped that the increase would go into effect last fall. Now we are ending the first quarter of '08 and still have not received approval. Your expediting this would be greatly appreciated.

Thank you for granting our request for extension of time to prepare this report. Bob Hanson was out of town, and we were granted until 3/31/08.

If you have any questions regarding Algoma Water, please do not hesitate to call me.

Sincerely,



Joan Brittain
Bookkeeper – (208) 263-8946