

**Spirit Lake East Water Company**

**15807 E. Indiana Avenue**

**Spokane Valley, WA 99216**

**PWS# 1280176**

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IDAHO PUBLIC  
UTILITIES COMMISSION

January 13, 2004

Secretary

Idaho Public Utilities Commission

Post Office Box 83720

Boise, ID 83720-0074

*SPL-W-04-01*

To Whom It May Concern:

Spirit Lake East Water Company is requesting an increase in our hook up fees. We request a rate increase to \$2,500 per hook up from the current rate of \$650 per hook up for the following reasons:

1. SLEWC has never increased its hook up rate since 1983 when it received Certificate No. 293 on March 1, 1983. SLEWC has not raised its rate for almost 21 years.
2. SLEWC pays far more to perform hook ups than it receives at the current rate.
3. SLEWC averaged its costs for hook ups for the last two years (2002 & 2003) and determined it cost approximately \$2,100 per hook up. Please see attached Exhibit A.
4. SLEWC believes the request is timely since no hook ups can be performed until May/June '04 due to winter weather.
5. SLEWC has prudently added a 20% contingency to actual costs for future unanticipated costs and increased cost of materials and services. Actual costs with a contingency equal almost \$2,500 per hook up.

Please review and advise. Thank you.

Sincerely,



Robert J. Boyle

Vice President of Hanson Industries, Inc. (75% owner)

**Spirit Lake East Water Company  
PWS # 1280176  
2002 & 2003 Hook Up Costs**

**Exhibit "A"**

<u>Year</u>	<u>Lot/Tract</u>	<u>Fees Paid</u>
2002	254	\$585
2002	140	\$1,500
2002	223	\$500
2002	TP-3/16	\$500
2002	137	\$2,500
2002	195	\$2,500
2002	39	\$2,500
2002	252	\$550
2002	165	\$2,500
2002	249	\$2,500
2002	256	\$2,500
2002	166	\$2,500
2002	238	\$2,500
2003	305	\$625
2003	280	\$2,500
2003	143	\$1,500
2003	260	\$2,500
2003	141	\$2,500
2003	233	\$2,500
2003	170	\$1,500
2003	290	\$2,500
2003	107	\$2,500
2003	267	\$500
2003	46	\$2,500
2003	18	\$2,500
2003	23	\$2,500
2003	225	\$500
2003	293	\$2,500
2003	TP 3/9	\$500
<b>Total Hook Ups</b>	<b>29</b>	
<b>Total Fees Paid</b>		<b>\$53,760</b>
<b>Less Rate Fees</b>		<b>-\$18,850</b>
<b>Over/Under Fees Paid</b>		<b>\$34,910</b>
<b>Allocated Labor/Vehicle Costs</b>		
2002		\$5,908
2003		\$7,260
<b>Allocated Admin Costs</b>		
2002		\$5,200
2003		\$6,760
<b>Total Costs for Hook Ups</b>		<b>\$60,038</b>
<b>SLEWC Actual Costs/Hook Up</b>	<b>29</b>	<b>\$2,070.28</b>
<b>Future Contingency @ 20%</b>		<b>\$414.06</b>
<b>Future Costs Per Hook Up</b>		<b>\$2,484.33</b>
<b>Rate Increase Rounded Up</b>		<b>\$2,500</b>