

Spirit Lake East Water Company
15807 E. Indiana Avenue
Spokane Valley, WA 99216
(509) 922-5252
PWS 1280176
May 19, 2004

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IDAHO PUBLIC
UTILITIES COMMISSION

Jean Jewell
Commission Secretary
Idaho Public Utilities Commission

RE: Case No. SPL-W-04-1
Response to Comments of the Commission Staff

Dear Ms. Jewell:

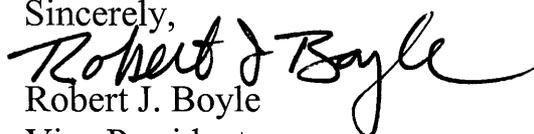
We received the Comments of the Commission Staff dated April 30, 2004 and Order No. 29493 granting us an extension of time to respond until May 21, 2004.

Our Response: We agree with the Staff's recommendation that our revised hook up rate should not exceed \$1,200 from the current \$650 rate. As a result, we will accept a new hook up rate of \$1,200 per lot if granted by the Commission.

Facts Supporting Our Response: We obtained a quote from a contractor on the Idaho Public Works Contractors list by working with Staff Engineer Fuss. This contractor quoted a maximum rate of \$1,200 per lot per hook up which applies to most of the remaining lots. We will not recoup our administrative fees associated with the hook up for each lot and we are subject to rate increases by the contractor. Nonetheless, we are confident in the contractor's abilities to serve our customers in a timely manner and we wish to reach finality on the issue. We therefore accept the Staff's recommended hook up rate.

Thank you.

Sincerely,


Robert J. Boyle

Vice President

Spirit Lake East Water Company
15807 E. Indiana Avenue
Spokane Valley, WA 99216
(509) 922-5252
PWS 1280176
May 19, 2004

Jean Jewell
Commission Secretary
Idaho Public Utilities Commission

RE: Case No. SPL-W-04-1

Dear Ms. Jewell:

In conjunction with our hook rate increase application, we wish to present the following issue to the Commission:

Issue: Spirit Lake East Water Company requests the Commission to confirm its policy with customers that a lot hook up request received with the fee paid in full will be installed in the calendar year it was received in, subject only to inclement weather. If the customer elects not to install in the calendar year the request and payment was received, Spirit Lake East Water Company will give full credit in the next year towards the hook up but the customer must pay the difference between the old rate and the new rate before we have to perform the installation.

Facts: Spirit Lake East Water Company received several payments for hook ups but with indefinite dates. For all but one, we received these requests during our pending application with the Commission for a hook up rate increase. We have sent letters to our affected customers (copies attached) advising them of our policy. We inquired with Staff about our policy but have been advised there is not a definitive rule. We have not received any complaints but we want to be proactive if we are questioned about our policy.

Sincerely,

Robert J. Boyle
Vice President

SPIRIT LAKE EAST WATER COMPANY
15807 East Indiana Avenue
Spokane Valley, Washington 99216
509-922-5252

May 14, 2004

Mr. Ralph Shrigley
2100 West Bay Drive #29
Olympia, Washington 98502

RE: Hook Up Request and Payment

Dear Mr. Shrigley:

We received your \$650.00 payment for the hook up of water service to Lot 72 in Spirit Lake East subdivision, Spirit Lake, Idaho.

Your payment has been accepted at the current hook up rate despite our pending Application before the Idaho Public Utilities Commission for a hook up rate increase (not a water rate increase). All customers were notified of our Application with the last invoice.

We will honor your request for a hook up in the 2004 season (approximately from April to October, depending on the weather) at the hook up rate of \$650.00. Please advise our office of the location of your water service so that we can schedule the installation work. This gives you over five (5) months to decide the location of your service and allows us to install it in this season. As a result, we do not believe this policy places an undue hardship on you.

If you elect not to hook up in the 2004 season, you will receive a \$650.00 credit towards the new hook up rate approved by the Idaho Public Utilities Commission.

Thank you.

Sincerely,



Robert J. Boyle
Vice President

SPIRIT LAKE EAST WATER COMPANY
15807 East Indiana Avenue
Spokane Valley, Washington 99216
509-922-5252

May 14, 2004

Mr. Robb Strand
7885 Rock Spring Court
Sacramento, California 95828

RE: Hook Up Request and Payment

Dear Mr. Strand:

We received your \$650.00 payment in June 2002, for the hook up of water service to Lot 109 in Spirit Lake East subdivision, Spirit Lake, Idaho.

Your payment has been accepted at the current hook up rate despite our pending Application before the Idaho Public Utilities Commission for a hook up rate increase (not a water rate increase). All customers were notified of our Application with the last invoice.

We will honor your request for a hook up in the 2004 season (approximately from April to October, depending on the weather) at the hook up rate of \$650.00. Please advise our office of the location of your water service so that we can schedule the installation work. This gives you over five (5) months to decide the location of your service and allows us to install it in this season. As a result, we do not believe this policy places an undue hardship on you.

If you elect not to hook up in the 2004 season, you will receive a \$650.00 credit towards the new hook up rate approved by the Idaho Public Utilities Commission.

Thank you.

Sincerely,



Robert J. Boyle
Vice President

SPIRIT LAKE EAST WATER COMPANY
15807 East Indiana Avenue
Spokane Valley, Washington 99216
509-922-5252

May 17, 2004

Ms. Sue Fox
Mr. Doug Keiner
P. O. Box 688
Spirit Lake, Idaho 83869

RE: Hook Up Request and Payment

Dear Mr. Keiner and Ms. Fox:

We received your \$650.00 payments per lot for the hook up of water service to Lots 103,117 and 251 in Spirit Lake East subdivision, Spirit Lake, Idaho.

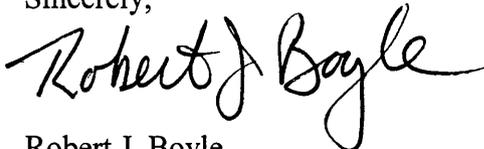
Your payment has been accepted at the current hook up rate despite our pending Application before the Idaho Public Utilities Commission for a hook up rate increase (not a water rate increase). All customers were notified of our Application with the last invoice.

We will honor your request for a hook up in the 2004 season (approximately from April to October, depending on the weather) at the hook up rate of \$650.00. Please advise our office of the location of your water service so that we can schedule the installation work. This gives you over five (5) months to decide the location of your service and allows us to install it in this season. As a result, we do not believe this policy places an undue hardship on you.

If you elect not to hook up in the 2004 season, you will receive a \$650.00 credit towards the new hook up rate approved by the Idaho Public Utilities Commission.

Thank you.

Sincerely,



Robert J. Boyle
Vice President

SPIRIT LAKE EAST WATER COMPANY
15807 East Indiana Avenue
Spokane Valley, Washington 99216
509-922-5252

May 14, 2004

Mr. Todd Brooks
27907 Smyth Drive
Valencia, California 91355

RE: Hook Up Request and Payment

Dear Mr. Brooks:

We received your \$650.00 payment for the hook up of water service to Lot 255 in Spirit Lake East subdivision, Spirit Lake, Idaho.

Your payment has been accepted at the current hook up rate despite our pending Application before the Idaho Public Utilities Commission for a hook up rate increase (not a water rate increase). All customers were notified of our Application with the last invoice.

We will honor your request for a hook up in the 2004 season (approximately from April to October, depending on the weather) at the hook up rate of \$650.00. Please advise our office of the location of your water service so that we can schedule the installation work. This gives you over five (5) months to decide the location of your service and allows us to install it in this season. As a result, we do not believe this policy places an undue hardship on you.

If you elect not to hook up in the 2004 season, you will receive a \$650.00 credit towards the new hook up rate approved by the Idaho Public Utilities Commission.

This policy does not apply to your Lot 270, only to Lot 255.

Thank you.

Sincerely,



Robert J. Boyle
Vice President