

Per Act 10-14-06 TO PN

TO Comms & H

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Spirit Lake Idaho 83869

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Tel. (208) 623-3244

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IDAHO PUBLIC
UTILITIES COMMISSION

October 13, 2006

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

RE: SPIRIT LAKE EAST WATER COMPANY APPLICATION TO INCREASE RATES

Dear Sirs:

I am a client of the above company since June 1993. During that period, the Company has maintained a low price for their services. There have been occasional interruptions of service, which I deemed to be minor.

A former employee of the City of Spokane, I was involved in the construction and certification of several major installations including two tanks, one reservoir and several installations up to 18 inches in diameter.

The facility is limited and there is undeniable argument for expansion and redundancy to service an ever expanding clientele as the Private Spirit Lake East Plat in Kootenai County and the Public Treepport Plat in Bonner County continue development.

In the interim, since the establishment of the facility, maintenance has been the major concern. Undeniably the existing tank is in diminished capacity from its initial construction.

In my judgment, DEQ exhibited little oversight of the facility since its inception, as recently as 1993, representatives of DEQ were confused as to the location and service area of the facility. My loan application was denied on the basis of the water quality. Only after considerable effort was I able to ascertain that DEQ confused it with the area of Sheep Springs.

Spirit Lake East Water Company is entitled to a rate increase for their services. It will be up to the Commission to determine the amount of the increase and how that increase will be apportioned to the continuing maintenance and upgrading of the system as well.

Sincerely yours,

Robert A. Costigan

