

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF SPIRIT LAKE EAST WATER COMPANY) **CASE NO. SPL-W-13-01**
FOR AUTHORITY TO INCREASE ITS)
RATES AND CHARGES FOR WATER) **NOTICE OF APPLICATION**
SERVICE)
)
) **NOTICE OF**
) **MODIFIED PROCEDURE**
)
) **ORDER NO. 32783**

YOU ARE HEREBY NOTIFIED that Spirit Lake East Water Company (“Spirit Lake” or “Company”) is a water corporation with offices in Coeur d’Alene, Idaho.

YOU ARE FURTHER NOTIFIED that on March 5, 2013, Spirit Lake filed an Application requesting authority to increase its rates and charges for water service. The Company has not proposed an effective date for the proposed changes to its rates.

YOU ARE FURTHER NOTIFIED that Spirit Lake proposes to increase its minimum monthly charge for water service. The base rate for water service would rise from \$12.50 to approximately \$24.75 per month for usage up to 9,000 gallons. The Company proposes to institute a rate of 12 cents per 100 gallons consumed for all usage in excess of 9,000 gallons during each monthly billing period.

YOU ARE FURTHER NOTIFIED that Spirit Lake’s Application and workpapers utilize a 2011 historical test year. The Company’s rate base calculations reveal a current rate base of \$232,750. The Company’s 2011 income statement discloses test year revenues of \$72,870 less total expenses of \$114,830 for a net income of -\$41,961.

YOU ARE FURTHER NOTIFIED that the Company alleges that, based upon an 11.42% allowed rate of return, it is operating under a total revenue deficiency of \$77,544. Combining the Company’s test year revenue with its estimated total revenue deficiency results in a total revenue requirement of \$150,414, or an approximately 106% overall increase from its current rates.

YOU ARE FURTHER NOTIFIED that the Company requests authority to change its billing and meter reading procedure from a quarterly to monthly meter reading schedule. The Company included an estimate of the future costs of this new billing procedure in its attached

workpapers. The Company asserts that a more frequent meter reading has been requested by many of the Company's customers and the Company believes that it would be in the best interest of the public to convert to a program of monthly billing.

YOU ARE FURTHER NOTIFIED that Spirit Lake requests that this case be processed through Modified Procedure.

YOU ARE FURTHER NOTIFIED that Spirit Lake's revenue requirement, and every component of it, both rate base and expense, are at issue. The Commission may grant, deny, or modify the revenue requirement requested and may find a revenue requirement different from that proposed by any party is just, fair and reasonable. IDAPA 31.01.01.124.01.

YOU ARE FURTHER NOTIFIED that the rates and charges of all Idaho retail customers, both recurring and non-recurring, including those of any special contract customers are at issue, and every component of every existing and proposed rate and charge is at issue. The Commission may approve, reject or modify the rates and charges proposed and may find that rates and charges different from those proposed by any party are just, fair and reasonable. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may approve, reject or modify existing or proposed relationships between and among rates and charges within, between or among customer classes or rate groupings and may approve, reject or modify existing or proposed relationships among and between customer classes or rate groupings. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may abolish, reduce or create rate blocks or categories of rates and charges, abolish, create or reduce components of rates and charges, abolish, reduce or create customer classes or rate groupings, and abolish reduce or create absolute or relative differences among and between existing classes or rate groupings of customers. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the tariffs, practices, rules and regulations, service, instrumentalities, equipment, facilities, classifications, and customer relations of the utility are at issue and the Commission may address any of them in its order. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission Staff ("Staff") shall conduct an audit of the Company's Application, workpapers and all documents and files relevant to this

matter. Following such audit, Staff shall present to the Commission its findings and recommendations. After reviewing the Staff's audit and recommendations, the Commission will issue an Order regarding the further processing of this case.

YOU ARE FURTHER NOTIFIED that the Idaho Public Utilities Commission has jurisdiction over Spirit Lake, its filing and the issues pertaining to this case pursuant to Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-502, 61-622 and 61-623.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the Company's filing, Case No. SPL-W-13-01, and finds that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position concerning Spirit Lake's Application in Case No. SPL-W-13-01 may file a written comment in support or opposition with the Commission **no later than July 31, 2013**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this filing should be mailed to the Commission and Spirit Lake at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Leslie Abrams
Owner/Operator
Spirit Lake East Water Company
PO Box 3388
Coeur d'Alene, ID 83816

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments and Questions"

icon, and complete the comment form, using the case number as it appears on the front of this document.

YOU ARE FURTHER NOTIFIED that Spirit Lake's filing can be viewed at www.puc.idaho.gov by clicking on "File Room" and then "Water Cases," or it can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 West Washington St., Boise, Idaho.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

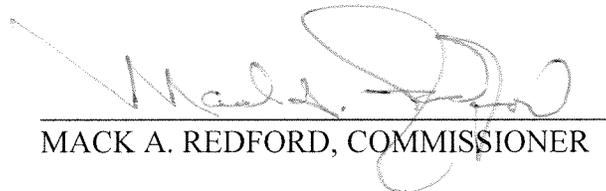
ORDER

IT IS HEREBY ORDERED that the Application of Spirit Lake East Water Company for authority to increase its rates and charges for water service shall be suspended for a period of 30 days plus 5 months pursuant to the Commission's authority under *Idaho Code* § 61-622.

IT IS FURTHER ORDERED that the Application of Spirit Lake East Water Company shall be processed through Modified Procedure, IDAPA 31.01.01.201-204. Persons interested in submitting written comments in this matter must do so **no later than July 31, 2013**.

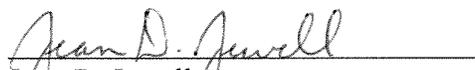
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 10th
day of April 2013.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

O:SPL-W-13-01_np