

McKAY CONSTRUCTION CO., INC.

GENERAL CONTRACTOR
PO BOX 2450 EAGLE ID 83616
OFFICE 208-939-6300 / FAX 208-939-6401

SERVING THE BOISE VALLEY SINCE 1946

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

June, 5 2008

RE: Case No. UWI-W-08-01
Formal Complaint of McKay Construction
Response to United Statement of Position

IDAHO PUBLIC
UTILITIES COMMISSION

2008 JUN 10 AM 8:07

RECEIVED

Dear Jean,

We are responding in regards to the "Statement of Position" dated May 6th, 2008 and the "Answer of United of United Water" (same date).

We feel that United water did not adequately address the specific items in defense, only to continue to convey their position without regard to the financial impact to our company nor address the letter that states we can perform work on United Water Idaho projects when we are able to meet the required insurance requirements (which we have provided proof that we can).

We have been in contact with Schmidt Construction and we both feel we have no other course of action at this time other than to seek legal counsel. Our appointed legal counsel will provide a response to the United Water claims within the next 30 days to present to the Idaho Public Utilities Commission for a ruling.

Sincerely,



Mike McKay
President

Cc: Schmidt Construction