



Case No: SPL-W-19-01

Order No: 34271

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Comment deadline set for proposed sale of Spirit Lake East Water Company to Gem State Water Co.

BOISE (March 19, 2019) – State regulators are accepting written comments on the proposed sale of Spirit Lake East Water Company in northern Idaho.

The proposal before the Idaho Public Utilities Commission calls for Gem State Water Company, LLC to acquire Spirit Lake East, which provides water service to approximately 315 customers in Kootenai and Bonner counties.

Customer rates would not change as a result of the proposed transaction.

Gem State Water has asked the Commission to process the case by Modified Procedure, which means that a public hearing may not be required.

The Commission is accepting written comments on the proposal through June 11. Anyone who desires a public hearing in the case should specifically request a hearing in their comment.

Gem State Water is an Idaho company “created to own and operate water utilities in Idaho,” according to [its application](#).

Gem State Water is a wholly owned subsidiary of NW Natural Water of Idaho, LLC, which is owned by NW Natural Water Company, LLC.

NW Natural Water Company received Commission approval in July 2018 to acquire Falls Water Company, a regulated water utility with approximately 5,500 customers in eastern Idaho.

The three companies are held by Northwest Natural Holding Company, which was created during a recent corporate reorganization of Northwest Natural Gas Company and its affiliates.

Northwest Natural Gas Company is a 160-year-old natural gas utility based in Oregon that provides natural gas service to more than 730,000 customers in western Oregon and Washington.

Purchasing Spirit Lake East Water would provide Gem State Water and its affiliates a “platform for additional acquisitions in Idaho,” according to [testimony](#) filed with the Commission.

Spirit Lake is owned by one shareholder, who also owns Lynnwood Water, an unregulated water company that provides service to 18 customers in the Lynnwood Estates subdivision near Athol.

Lynnwood Water is included in the proposed transaction, which calls for Spirit Lake's existing Certificate of Public Convenience and Necessity (CPCN) to be amended to incorporate Lynnwood's current customers and for the amended CPCN to be transferred to Gem State Water.

Gem State Water said it intends to retain the existing management and other employees of Spirit Lake and Lynnwood Water in order "to maintain the existing level of services, to leverage their expertise with operating these water systems and to prevent any disruption to customer service."

The sales agreement has been designated confidential, with the agreed-upon purchase price undisclosed.

Go [here](#) to submit a comment in this case electronically. Or go to the Commission's web site, www.puc.idaho.gov, and click on the "Case Comment Form" under the "Water" heading. Please include the case number, SPL-W-19-01. Comments can also be submitted via fax to (208) 334-3762 or by mail to P.O. Box 83720, Boise, ID 83720-0074.

All documents related to this case are available [here](#). Or go to the Commission's web site, www.puc.idaho.gov, click on "Open Cases" under the "Water" heading and scroll down to case number SPL-W-19-01.