

ANNUAL REPORT

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IDAHO PUBLIC
UTILITIES COMMISSION

OF

SPL-W

Spirit Lake East Water Co.
NAME

Spokane, WA.
ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED

10/31/06

**ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 10/31/2006**

COMPANY INFORMATION

1 Give full name of utility SPIRIT LAKE EAST WATER COMPANY
 2 Date of Organization 4/1/1982
 3 Organized under the laws of the state of IDAHO
 4 Address of Principal Office (number & street) 15807 E. INDIANA AVE.
 5 P.O. Box (if applicable) _____
 6 City SPOKANE VALLEY
 7 State WA
 8 Zip Code 99216
 9 Organization (proprietor, partnership, corp.) CORP
 10 Towns, Counties served SPIRIT LAKE EAST AND TREEPORT DEVELOPMENTS
KOOTENAI AND BOONER COUNTY

11 Are there any affiliated companies? HANSON INDUSTRIES, INC.
 If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.

12 Contact Information	Name	Phone No.
President (Owner)	RAYMOND A HANSON	509-922-5252
Vice President	ROBERT BOYLE	509-922-5252
Secretary		
General Manager		
Complaints or Billing	ROXANN MIDDLETON	509-922-5252
Engineering		
Emergency Service	JIM KRUGER	509-868-5929
Accounting	ROXANN MIDDLETON	509-922-5252

13 Were any water systems acquired during the year or any additions/deletions made to the service area during the year? NO
 If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.

14 Where are the Company's books and records kept?
 Street Address 15807 E INDIANA AVE
 City SPOKANE VALLEY
 State WA
 Zip 99216

NAME: SPIRIT LAKE EAST WATER COMPANY

COMPANY INFORMATION (Cont.)

For the Year Ended 10/31/2006

15 Is the system operated or maintained under a service contract? No

16 If yes: With whom is the contract? _____
When does the contract expire? _____
What services and rates are included? _____

17 Is water purchased for resale through the system? NO

18 If yes: Name of Organization _____
Name of owner or operator _____
Mailing Address _____
City _____
State _____
Zip _____

	Gallons/CCF	\$Amount
Water Purchased	_____	_____

19 Has any system(s) been disapproved by the Idaho Division of Environmental Quality? Yes
If yes, attach full explanation

20 Has the Idaho Division of Environmental Quality recommended any improvements? Yes
If yes, attach full explanation

21 Number of Complaints received during year concerning:
Quality of Service Unknown
High Bills 4 or 5
Disconnection None

22 Number of Customers involuntarily disconnected None

23 Date customers last received a copy of the Summary of Rules required by IDAPA 31.21.01.701? Beginning of service
Attach a copy of the Summary

24 Did significant additions or retirements from the Plant Accounts occur during the year? Yes
If yes, attach full explanation and an updated system map

NAME: Spirit Lake East Water Co

REVENUE & EXPENSE DETAIL

For the Year Ended 10-31-06

ACCT #	DESCRIPTION		
400 REVENUES			
1	460	Unmetered Water Revenue	
2	461.1	Metered Sales - Residential	<u>57966</u>
3	461.2	Metered Sales - Commercial, Industrial	
4	462	Fire Protection Revenue	
5	464	Other Water Sales Revenue	<u>2400</u>
6	465	Irrigation Sales Revenue	
7	466	Sales for Resale	
8	400	Total Revenue (Add Lines 1 - 7) (also enter result on Page 4, line 1)	<u>60366</u>
9	*	DEQ Fees Billed separately to customers	Booked to Acct # _____
10	**	Hookup or Connection Fees Collected	<u>2400</u> Booked to Acct # _____
11	***	Commission Approved Surcharges Collected	Booked to Acct # _____

401 OPERATING EXPENSES

12	601.1-6	Labor - Operation & Maintenance	<u>9205</u>
13	601.7	Labor - Customer Accounts	
14	601.8	Labor - Administrative & General	<u>4500</u>
15	603	Salaries, Officers & Directors	
16	604	Employee Pensions & Benefits	
17	610	Purchased Water	
18	615-16	Purchased Power & Fuel for Power	<u>22708</u>
19	618	Chemicals	<u>757</u>
20	620.1-6	Materials & Supplies - Operation & Maint.	<u>45208</u>
21	620.7-8	Materials & Supplies - Administrative & General	<u>718</u>
22	631-34	Contract Services - Professional	<u>6556</u>
23	635	Contract Services - Water Testing	<u>258</u>
24	636	Contract Services - Other	<u>14126</u>
25	641-42	Rentals - Property & Equipment	
26	650	Transportation Expense	<u>6248</u>
27	656-59	Insurance	<u>3046</u>
28	660	Advertising	<u>504</u>
29	666	Rate Case Expense (Amortization)	
30	667	Regulatory Comm. Exp. (Other except taxes)	
31	670	Bad Debt Expense	
32	675	Miscellaneous	<u>467</u>
33		Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)	<u>114301</u>

Name: Spirit Lake East Water

INCOME STATEMENT

For Year Ended 10-31-06

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		<u>60367</u>
2	Operating Expenses (From Page 3, line 33)	<u>114301</u>	
3	403 Depreciation Expense	<u>11848</u>	
4	406 Amortization, Utility Plant Acquisition Adj.		
5	407 Amortization Exp. - Other		
6	408.10 Regulatory Fees (PUC)	<u>164</u>	
7	408.11 Property Taxes	<u>140</u>	
8	408.12 Payroll Taxes		
9A	408.13 Other Taxes (list) DEQ Fees	<u>1120</u>	
9B			
9C			
9D			
10	409.10 Federal Income Taxes	<u>5</u>	
11	409.11 State Income Taxes	<u>30</u>	
12	410.10 Provision for Deferred Income Tax - Federal		
13	410.11 Provision for Deferred Income Tax - State		
14	411 Provision for Deferred Utility Income Tax Credits		
15	412 Investment Tax Credits - Utility		
16	Total Expenses from operations before interest (add lines 2-15)		<u>127608</u>
17	413 Income From Utility Plant Leased to Others		
18	414 Gains (Losses) From Disposition of Utility Plant		<u>1806</u>
19	Net Operating Income (Add lines 1, 17 & 18 less line 16)		<u>65435</u>
20	415 Revenues, Merchandizing Jobbing and Contract Work		
21	416 Expenses, Merchandizing, Jobbing & Contracts		
22	419 Interest & Dividend Income		
23	420 Allowance for Funds used During Construction		
24	421 Miscellaneous Non-Utility Income <i>Forgiveness of Debt by Affiliated Co</i>		<u>66000</u>
25	426 Miscellaneous Non-Utility Expense		
26	408.20 Other Taxes, Non-Utility Operations		
27	409-20 Income Taxes, Non-Utility Operations		
28	Net Non-Utility Income (Add lines 20,22,23 & 24 less lines 21,25,26, & 27)		
29	Gross Income (add lines 19 & 28)		
30	427.3 Interest Exp. on Long-Term Debt		
31	427.5 Other Interest Charges		
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)		<u>565</u>

Name: Spirit Lake East Water

ACCOUNT 101 PLANT IN SERVICE DETAIL
For Year Ended 10-31-06

SUB ACCT #	DESCRIPTION	Balance Beginning of Year	Added During Year	Removed During Year	Balance End of Year
1 301	Organization				
2 302	Franchises and Consents				
3 303	Land & Land Rights				
4 304	Structures and Improvements	8405			8405
5 305	Collecting & Impounding Reservoirs	77073			77073
6 306	Lake, River & Other Intakes				
7 307	Wells	30132			30132
8 308	Infiltration Galleries & Tunnels				
9 309	Supply Mains				
10 310	Power Generation Equipment		28124		28124
11 311	Power Pumping Equipment	92445		21392	71053
12 320	Purification Systems	796			796
13 330	Distribution Reservoirs & Standpipes		7134		7134
14 331	Trans. & Distrib. Mains & Accessories	512537	7195		519732
15 333	Services	71097			71097
16 334	Meters and Meter Installations	13918			13918
17 335	Hydrants				
18 336	Backflow Prevention Devices				
19 339	Other Plant & Misc. Equipment		5407		5407
20 340	Office Furniture and Equipment	629	2400		3029
21 341	Transportation Equipment	5001			5001
22 342	Stores Equipment				
23 343	Tools, Shop and Garage Equipment				
24 344	Laboratory Equipment				
25 345	Power Operated Equipment				
26 346	Communications Equipment	1951			1951
27 347	Miscellaneous Equipment	639			639
28 348	Other Tangible Property	25512	1821		27339
29	TOTAL PLANT IN SERVICE	840134	52087	21392	870829

(Add lines 1 - 28)

Enter beginning & end of year totals on Pg 7, Line 1

Spirit Lake East Water Company
Assets Acquired in the Current Year
For the 12 Months Ended 10/31/06

Asset No.	Asset Description	Date Acquired	Method	Life	Sold?	Cost	Section 179 Deduction	Current Depreciation
1620 PP & E								
5	Generator, Housing & Setup	12/01/05	ST LINE	10/00	N	28,123.98	0.00	1,406.20
	Total for (PP & E)					28,123.98	0.00	1,406.20
No Account Number								
7	Bladders Tanks	01/31/06	ST LINE	10/00	N	1,459.53	0.00	72.98
8	Distribution Pumps & Motors	01/31/06	ST LINE	10/00	N	7,194.59	0.00	359.73
9	Misc. Equip (DEQ Required)	01/31/06	ST LINE	05/00	N	2,443.64	0.00	244.36
10	Chlorine Meters	02/20/06	ST LINE	05/00	N	1,048.00	0.00	104.80
11	Computer Software Upgrade	02/28/06	ST LINE	05/00	N	2,400.00	0.00	240.00
6	Reservoir Repairs	04/01/06	ST LINE	10/00	N	7,134.01	0.00	356.70
13	Metal Detector	04/24/06	ST LINE	05/00	N	456.11	0.00	45.61
12	SLE Signage	07/31/06	ST LINE	05/00	N	1,827.31	0.00	182.73
	Total for (No Account Number)					23,963.19	0.00	1,606.91
	Total					52,087.17	0.00	3,013.11

Name: Spirit Lake East Water

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended 10-31-06

SUB ACCT #	DESCRIPTION	Depreciation Rate %	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1	304	Structures and Improvements			
2	305	Collecting & Impounding Reservoirs			
3	306	Lake, River & Other Intakes			
4	307	Wells			
5	308	Infiltration Galleries & Tunnels			
6	309	Supply Mains			
7	310	Power Generation Equipment			
8	311	Power Pumping Equipment			
9	320	Purification Systems			
10	330	Distribution Reservoirs & Standpipes			
11	331	Trans. & Distrib. Mains & Accessories			
12	333	Services			
13	334	Meters and Meter Installations			
14	335	Hydrants			
15	336	Backflow Prevention Devices			
16	339	Other Plant & Misc. Equipment			
17	340	Office Furniture and Equipment			
18	341	Transportation Equipment			
19	342	Stores Equipment			
20	343	Tools, Shop and Garage Equipment			
21	344	Laboratory Equipment			
22	345	Power Operated Equipment			
23	346	Communications Equipment			
24	347	Miscellaneous Equipment			
25	348	Other Tangible Property			
26	TOTALS (Add Lines 1 - 25)		<u>736,253</u>	<u>726,709</u>	<u>(9,544)</u>

Enter beginning & end of year totals on Pg 7, Line 7

Name: Spirit Lake East Water

BALANCE SHEET

For Year Ended 10-31-06

		<u>ASSETS</u>	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
ACCT #	DESCRIPTION				
1	101	Utility Plant in Service (From Pg 5, Line 29)	840134	870830	30696
2	102	Utility Plant Leased to Others			
3	103	Plant Held for Future Use			
4	105	Construction Work in Progress			
5	114	Utility Plant Aquisition Adjustment			
6		Subtotal (Add Lines 1 - 5)	840134	870830	30696
7	108.1	Accumulated Depreciation (From Pg 6, Line 26)	736253	726709	<9544
8	108.2	Accum. Depr. - Utility Plant Lease to Others			
9	108.3	Accum. Depr. - Property Held for Future Use			
10	110.1	Accum. Amort. - Utility Plant in Service			
11	110.2	Accum. Amort. - Utility Plant Lease to Others			
12	115	Accumulated Amortization - Aquisition Adj.			
13		Net Utility Plant (Line 6 less lines 7 - 12)	103881	144121	40240
14	123	Investment in Subsidiaries			
15	125	Other Investments			
16		Total Investments (Add lines 14 & 15)			
17	131	Cash			
18	135	Short Term Investments			
19	141	Accts/Notes Receivable - Customers	9748	9515	<233
20	142	Other Receivables			
21	145	Receivables from Associated Companies			
22	151	Materials & Supplies Inventory	3055	10077	7022
23	162	Prepaid Expenses			
24	173	Unbilled (Accrued) Utility Revenue			
25	143	Provision for Uncollectable Accounts			
26		Total Current (Add lines 17 -24 less line 25)			
27	181	Unamortized Debt Discount & Expense			
28	183	Preliminary Survey & Investigation Charges			
29	184	Deferred Rate Case Expenses			
30	186	Other Deferred Charges	23828		<23828
31		Total Assets (Add lines 13, 16 & 26 - 30)	<u>140512</u>	<u>163713</u>	<u>23201</u>

Name: Spirit Lake East Water

BALANCE SHEET

For Year Ended 10-31-06

LIABILITIES & CAPITAL

ACCT #	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1	201-3 Common Stock	296434	296434	
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts			
4	214 Appropriated Retained Earnings	<382332>	<372247>	10085
5	215 Unappropriated Retained Earnings			
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital			
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	<85898>	<75814>	10085
9	221-2 Bonds			
10	223 Advances from Associated Companies			
11	224 Other Long - Term Debt			
12	231 Accounts Payable			
13	232 Notes Payable			
14	233 Accounts Payable - Associated Companies			
15	235 Customer Deposits (Refundable)		55	55
16	236.11 Accrued Other Taxes Payable			
17	236.12 Accrued Income Taxes Payable			
18	236.2 Accrued Taxes - Non-Utility			
19	237-40 Accrued Debt, Interest & Dividends Payable			
20	241 Misc. Current & Accrued Liabilities			
21	251 Unamortized Debt Premium			
22	252 Advances for Construction			
23	253 Other Deferred Liabilities	156361	169422	13061
24	255.1 Accumulated Investment Tax Credits - Utility			
25	255.2 Accum. Investment Tax Credits - Non-Utility			
26	261-5 Operating Reserves			
27	271 Contributions in Aid of Construction	70050	70050	
28	272 Accum. Amort. of Contrib. in Aid of Const. **			
29	281-3 Accumulated Deferred Income Taxes			
30	Total Liabilities (Add lines 9 - 29)			
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)	140513	163713	23201

** Only if Commission Approved

Name: Spirit Lake East Water

STATEMENT OF RETAINED EARNINGS
For Year Ended 10-31-06

1	Retained Earnings Balance @ Beginning of Year	<u><382332></u>
2	Amount Added from Current Year Income (From Pg 4, Line 32)	<u>565</u>
3	Other Credits to Account <u>Prior Year Adj</u>	<u>9520</u>
4	Dividends Paid or Appropriated	<u> </u>
5	Other Distributions of Retained Earnings	<u> </u>
6	Retained Earnings Balance @ End of Year	<u><u>372247</u></u>

CAPITAL STOCK DETAIL

7	Description (Class, Par Value etc.)	No. Shares	No. Shares	Dividends
		Authorized	Outstanding	Paid
	<u>Common Stock</u>	<u>500</u>	<u>4950</u>	

DETAIL OF LONG-TERM DEBT

8	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued

Name: SPIRIT LAKE EAST WATER COMPANY

SYSTEM ENGINEERING DATA
(continued)
For Year Ended 10/31/2006

4 Pump information for ALL system pumps, including wells and boosters.

Designation or Location & Type of Pump**	Horse Power	Rated Capacity (gpm)	Discharge Pressure (psi)	Energy Used This Year
Well Site - Submersible	100	500	600	
Well Site - Booster (2)	10		0-45	
Well Site - Booster (3)	25		25-45	

**** Submit pump curves unless previously provided or unavailable. Asterisk facilities added this year. Attach additional sheets if inadequate space is available on this page.**

- 5 If Wells are metered:
 What was the total amount pumped this year? _____
 What was the total amount pumped during peak month? _____
 What was the total amount pumped on the peak day? _____
- 6 If customers are metered, what was the total amount sold in peak month? _____
- 7 Was your system designed to supply fire flows? NO
 If Yes: What is current system rating? _____
- 8 How many times were meters read this year? 3
 During which months? March - July - September
- 9 How many additional customers could be served with no system improvements
 except a service line and meter? 51
 How many of those potential additions are vacant lots? 51
- 10 Are backbone plant additions anticipated during the coming year? Yes
If Yes, attach an explanation of projects and anticipated costs!
- 11 In what year do you anticipate that the system capacity (supply, storage or distribution)
 will have to be expanded? _____

Name: SPIRIT LAKE EAST WATER COMPANY

SYSTEM ENGINEERING DATA
 (continued)
 For Year Ended 10/31/2006

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year
	10	603			603
	8	2791			2791
	6	58564			58564
	4	36944			36944
	3	4401			4401
	2	2400			2400

CUSTOMER STATISTICS

		Number of Customers		Thousands of Gallons Sold	
		This Year	Last Year	This Year	Last Year
2	Metered				
			Active		
2A	Residential	289	285		
		Inactive			
2B	Commerical	20	20		
2C	Industrial				
3	Flat Rate:				
3A	Residential				
3B	Commercial				
3C	Industrial				
4	Private Fire Protection				
5	Public Fire Protection				
6	Street Sprinkling				
7	Municipal, Other				
8	Other Water Utilities				
TOTALS (Add lines 2 through 8)		309	305		

