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IDAHO PUBLIC  
UTILITIES COMMISSION

# ANNUAL REPORT

OF SPL-W

Spirit Lake East Water Co.  
NAME

\_\_\_\_\_  
ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED October 31 2007

ANNUAL REPORT FOR WATER UTILITIES TO  
THE IDAHO PUBLIC UTILITIES COMMISSION  
FOR THE YEAR ENDING 10-31-07

COMPANY INFORMATION

1 Give full name of utility Spirit Lake East Water Company  
 Telephone Area Code ( ) 509-922-5252  
 E-mail address \_\_\_\_\_  
 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 + Trepport  
Developments  
Kootenai + Bonner County

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

12 Contact Information	Name	Phone No.
President (Owner)	<u>Raymond Hanson</u>	<u>509 922 5252</u>
Vice President	<u>Robert Boyle</u>	<u>"</u>
Secretary	_____	_____
General Manager	_____	_____
Complaints or Billing	<u>Roxann Middleton</u>	<u>"</u>
Engineering	_____	_____
Emergency Service	<u>Water Works Inc</u>	<u>208-687-0902</u>
Accounting	<u>Roxann Middleton</u>	<u>509 922 5252</u>

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 INFORMATION (Cont.)

For the Year Ended 10-31-07

15 Is the system operated or maintained under a service contract?

Yes

16 If yes: With whom is the contract?

Water Works Inc

When does the contract expire?

Open

What services and rates are included?

All maintenance & emergency services

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

*all documentation previously on file*

21 Number of Complaints received during year concerning:

Quality of Service

unknown

High Bills

2

Disconnection

0

22 Number of Customers involuntarily disconnected

0

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

at beginning of service

Attach a copy of the Summary

24 Did significant additions or retirements from the Plant Accounts occur during the year?

Upgrades in progress

If yes, attach full explanation and an updated system map

NAME: Spirit of the East Water

REVENUE & EXPENSE DETAIL

For the Year Ended 10-31-07

ACCT #	DESCRIPTION		
<b>400 REVENUES</b>			
1	460	Unmetered Water Revenue	
2	461.1	Metered Sales - Residential	<u>65,577</u>
3	461.2	Metered Sales - Commercial, Industrial	
4	462	Fire Protection Revenue	
5	464	Other Water Sales Revenue	
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>65,577</u>
9	*	DEQ Fees Billed separately to customers	Booked to Acct # _____
10	**	Hookup or Connection Fees Collected	Booked to Acct # _____
11	***	Commission Approved Surcharges Collected	Booked to Acct # _____

**401 OPERATING EXPENSES**

12	601.1-6	Labor - Operation & Maintenance	<u>45949</u>
13	601.7	Labor - Customer Accounts	
14	601.8	Labor - Administrative & General	
15	603	Salaries, Officers & Directors	
16	604	Employee Pensions & Benefits	
17	610	Purchased Water	
18	615-16	Purchased Power & Fuel for Power	<u>18580</u>
19	618	Chemicals	<u>2191</u>
20	620.1-6	Materials & Supplies - Operation & Maint.	<u>43961</u>
21	620.7-8	Materials & Supplies - Administrative & General	<u>2385</u>
22	631-34	Contract Services - Professional	<u>34244</u>
23	635	Contract Services - Water Testing	<u>852</u>
24	636	Contract Services - Other	<u>4025</u>
25	641-42	Rentals - Property & Equipment	
26	650	Transportation Expense	<u>1125</u>
27	656-59	Insurance	<u>3592</u>
28	660	Advertising	
29	666	Rate Case Expense (Amortization)	
30	667	Regulatory Comm. Exp. (Other except taxes)	
31	670	Bad Debt Expense	
32	675	Miscellaneous	<u>2</u>
33		Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)	<u>156906</u>

Name: Spirit Lake East Water

INCOME STATEMENT

For Year Ended 10-31-07

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		<u>65 577</u>
2	Operating Expenses (From Page 3, line 33)	<u>156 906</u>	
3	403 Depreciation Expense	<u>1 5750</u>	
4	406 Amortization, Utility Plant Aquisition Adj.		
5	407 Amortization Exp. - Other		
6	408.10 Regulatory Fees (PUC)	<u>3 621</u>	
7	408.11 Property Taxes	<u>138</u>	
8	408.12 Payroll Taxes		
9A	408.13 Other Taxes (list) DEQ Fees		
9B			
9C			
9D			
10	409.10 Federal Income Taxes	<u>198</u>	
11	409.11 State Income Taxes	<u>111</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>176 724</u>
17	413 Income From Utility Plant Leased to Others		
18	414 Gains (Losses) From Disposition of Utility Plant		
19	Net Operating Income (Add lines 1, 17 & 18 less line 16)		<u>111 147</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</i>		<u>113 000</u>
25	426 Miscellaneous Non-Utility Expense <i>by Affiliated Co</i>		
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)		<u>113 000</u>
29	Gross Income (add lines 19 & 28)		<u>1853</u>
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>1853</u>

Name: Spirit Lake East Water

**ACCOUNT 101 PLANT IN SERVICE DETAIL**  
For Year Ended 10-31-07

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	<u>8405</u>			<u>8405</u>
5 305	Collecting & Impounding Reservoirs	<u>77073</u>			<u>77073</u>
6 306	Lake, River & Other Intakes				
7 307	Wells	<u>30132</u>			<u>30132</u>
8 308	Infiltration Galleries & Tunnels				
9 309	Supply Mains				
10 310	Power Generation Equipment	<u>28124</u>			<u>28124</u>
11 311	Power Pumping Equipment	<u>71053</u>			<u>71053</u>
12 320	Purification Systems	<u>796</u>			<u>796</u>
13 330	Distribution Reservoirs & Standpipes	<u>7134</u>			<u>7134</u>
14 331	Trans. & Distrib. Mains & Accessories	<u>519732</u>			<u>519732</u>
15 333	Services	<u>71097</u>			<u>71097</u>
16 334	Meters and Meter Installations	<u>13918</u>			<u>13918</u>
17 335	Hydrants				
18 336	Backflow Prevention Devices				
19 339	Other Plant & Misc. Equipment	<u>5407</u>			<u>5407</u>
20 340	Office Furniture and Equipment	<u>3029</u>			<u>3029</u>
21 341	Transportation Equipment	<u>5001</u>			<u>5001</u>
22 342	Stores Equipment				
23 343	Tools, Shop and Garage Equipment				
24 344	Laboratory Equipment				
25 345	Power Operated Equipment				
26 346	Communications Equipment	<u>1951</u>			<u>1951</u>
27 347	Miscellaneous Equipment	<u>639</u>			<u>639</u>
28 348	Other Tangible Property	<u>27339</u>			<u>27339</u>
29	<b>TOTAL PLANT IN SERVICE</b>	<u><b>870829</b></u>			<u><b>870829</b></u>

(Add lines 1 - 28)

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

Name: Spirit Lake East Water

**ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL**

For Year Ended 10-31-07

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>726709</u>	<u>742459</u>	<u>15750</u>

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

Name: Spirit Lake East Water

**BALANCE SHEET**

For Year Ended 10-31-07

<u>ASSETS</u>		Balance	Balance	Increase
ACCT #	DESCRIPTION	Beginning of Year	End of Year	or (Decrease)
1	101 Utility Plant in Service (From Pg 5, Line 29)	870 830	870 830	
2	102 Utility Plant Leased to Others			
3	103 Plant Held for Future Use			
4	105 Construction Work in Progress		48 806	48 806
5	114 Utility Plant Aquisition Adjustment			
6	Subtotal (Add Lines 1 - 5)	870 830	919 636	48 806
7	108.1 Accumulated Depreciation (From Pg 6, Line 26)	726 709	742 459	15 750
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)	144 121	177 177	33 056
14	123 Investment in Subsidiaries			
15	125 Other Investments			
16	Total Investments (Add lines 14 & 15)			
17	131 Cash		8 547	8 547
18	135 Short Term Investments			
19	141 Accts/Notes Receivable - Customers	9 815	18 063	8 548
20	142 Other Receivables			
21	145 Receivables from Associated Companies			
22	151 Materials & Supplies Inventory	100 77	19 314	9 237
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			
31	<b>Total Assets (Add lines 13, 16 &amp; 26 - 30)</b>	<b>163 713</b>	<b>223 101</b>	<b>59 388</b>

Name: Spirit Lake East Water

**BALANCE SHEET**

For Year Ended 10-31-07

<u>LIABILITIES &amp; CAPITAL</u>		Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
ACCT #	DESCRIPTION			
1	201-3 Common Stock	296 434	296 434	
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts			
4	214 Appropriated Retained Earnings	<372 247>	<370 394>	1853
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)	<75814>	<73960>	1853
9	221-2 Bonds			
10	223 Advances from Associated Companies			
11	224 Other Long - Term Debt			
12	231 Accounts Payable		10 983	10 983
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	169 422	215 977	46 555
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	<b>TOTAL LIAB &amp; CAPITAL ( Add lines 8 &amp; 30)</b>	<b>163 713</b>	<b>223 105</b>	<b>59 392</b>

\*\* Only if Commission Approved

Name: Spirit Lake East Water

**STATEMENT OF RETAINED EARNINGS**  
For Year Ended 10-31-07

1	Retained Earnings Balance @ Beginning of Year	<u>&lt;372 247&gt;</u>
2	Amount Added from Current Year Income (From Pg 4, Line 32)	<u>1853</u>
3	Other Credits to Account	_____
4	Dividends Paid or Appropriated	_____
5	Other Distributions of Retained Earnings	_____
6	Retained Earnings Balance @ End of Year	<u>&lt;370 394&gt;</u>

**CAPITAL STOCK DETAIL**

7	Description (Class, Par Value etc.)	No. Shares	No. Shares	Dividends
		Authorized	Outstanding	Paid
	<u>Common Stock</u>	<u>5000</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 Co

**SYSTEM ENGINEERING DATA**

For Year Ended 10-31-07

1 Provide an updated system map if significant changes have been made to the system during the year.

2 Water Supply:

Pump Designation or location	Rated Capacity (gpm)	Type of Treatment: (None, Chlorine Fluoride Filter etc.)	Annual Production (000's Gal.)	Water Supply Source (Well, Spring, Surface Wtr)
<u>Well Site</u>	<u>500</u>	<u>Chlorine</u>	<u>50,000</u>	<u>Well</u>

3 System Storage:

Storage Designation or Location	Total Capacity 000's Gal.	Usable Capacity 000's Gal.	Type of Reservoir (Elevated, Pressurized, Boosted)	Construction (Wood, Steel Concrete)
<u>Well Site</u>	<u>200</u>	<u>200</u>	<u>Boosted</u>	<u>Concrete</u>

(Duplicate form and attach if necessary. Asterisk facilities added this year.)

Name: Spirit Lake East Water

**SYSTEM ENGINEERING DATA**  
(continued)  
For Year Ended 10-31-07

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 Co

SYSTEM ENGINEERING DATA  
(continued)

For Year Ended 10-31-07

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:				
2A Residential	287	289		
2B Commercial	22	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	309		

# CERTIFICATE

Washington  
State of Idaho )  
County of Spokane ) ss

WE, the undersigned Robert J. Boyle  
and Roxann Middleton  
of the Spirit Lake East Water Co.  
utility, on our oath do severally say that the foregoing report has been prepared under our direction,  
from the original books, papers and records of said utility; that we have carefully examined same, and  
declare the same to be a correct statement of the business and affairs of said utility for the period  
covered by the report in respect to each and every matter and thing therein set forth, to the best of our  
knowledge, information and belief.

Robert J. Boyle  
(Chief Officer)

Roxann G. Middleton  
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires \_\_\_\_\_

gdk/excel/jnelson/annualrpts/wtrannualrpt