

RECEIVED
FILED



2004 NOV -1 PM 1:10

IDAHO PUBLIC
UTILITIES COMMISSION

ANNUAL REPORT

OF

**ATLANTA POWER COMPANY, INC.
11140 CHICKEN DINNER ROAD
CALDWELL, IDAHO 83607**

TO THE

IDAHO PUBLIC UTILITIES COMMISSION

FOR THE YEAR ENDED DECEMBER 31, 2003



Jones, France, Basterrechea & Brush, Chtd.
Certified Public Accountants

J. THOMAS JONES, C.P.A.
STEVEN R. FRANCE, C.P.A.
RICK BASTERRECHEA, C.P.A.
DAVID D. BRUSH, C.P.A.

714 MAIN STREET • GOODING, IDAHO 83330
PHONE (208) 934-8438 • FAX (208) 934-4066
PHONE (208) 934-8411

October 26, 2004

To the Board of Directors
Atlanta Power Company, Inc.
Caldwell, Idaho

We have compiled the Idaho Public Utilities Commission Annual Report for Atlanta Power Company, Inc. for the year ended December 31, 2003 in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Idaho Public Utilities Commission information that is the representation of management of Atlanta Power Company, Inc. We have not audited or reviewed the financial statements referred to above and, accordingly; do not express an opinion or any other form of assurance on them.

These financial statements including the Prior Period Adjustment Disclosure are presented in accordance with the requirements of the Idaho Public Utilities Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

We are not independent with respect to Atlanta Power Company, Inc.

Jones, France, Basterrechea & Brush, Chtd.

Jones, France, Basterrechea & Brush, Chtd.
Certified Public Accountants

**ANNUAL REPORT FOR SMALL ELECTRIC UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING DECEMBER 31, 2003**

COMPANY INFORMATION

Line No.

1 Give full name of utility: Atalanta Power Company, Inc.

2 Date of organization: June 1985

3 Organized under the laws of the State of: Idaho

4 Address of principal office: 11140 Chicken Dinner Road P.O. Box _____

City Caldwell State Idaho Zip Code 83607

Telephone Number Area Code (208) 459-7007

5 Nature of utility, whether person, partnership or corporation: Corporation

6 Cities, towns and counties served: Atlanta, Elmore County

7 List any affiliated companies. Give address and description of business: None

8 Do any of the above companies provide service to the utility? _____

If yes, describe. _____

9 Persons to contact:

	Name	Telephone
President (Owner)	<u>Israel Ray</u>	<u>(208) 459-7007</u>
Vice President		
Secretary	<u>Shawn Lee</u>	<u>(208) 454-3880</u>
Treasurer		
General Manager	<u>Israel Ray</u>	<u>(208) 459-7007</u>
Complaints or Billing	<u>Israel Ray or Dave Gill</u>	<u>(208) 459-7007 or (208) 864-2137</u>
Engineering	<u>Israel Ray</u>	<u>(208) 459-7007</u>
Emergency Service	<u>Dave Gill</u>	<u>(208) 864-2137</u>
Accounting	<u>Linda Gill</u>	<u>(208) 864-2137</u>

**ANNUAL REPORT FOR SMALL ELECTRIC UTILITIES
YEAR ENDED DECEMBER 31, 2003**

**COMPANY INFORMATION
(continued)**

- 10 List any electric systems acquired during the year and any changes in the service area:
NONE
- 11 Where are the Company's books and records kept? C/O Linda Gill, Atlanta, Idaho
- 12 If the system is maintained or operated under a service contract: _____
- a. Who is the contract with? Dave Gill
- b. When does the contract expire? DECEMBER 31, 2003
- c. What services and rates are included? _____
Emergency on call; Meter reading; Disconnections & Connections
- 13 If electricity is purchased for resale through the system, from whom is it purchased?
- Name of organization N/A
- Name of owner or operator _____
- Business address _____
- Telephone number (____) _____
- Total annual quantity purchased _____
- 14 How many customer complaints were received during the year? 10
- 15 How many complaints concerned quality of service? 10 For Downed lines and low water flow
- High bills? 0 Disconnection of service? 0
- 16 How many customers were involuntarily disconnected? 0
- 17 When did customers receive a copy of the Summary of Rules as required by IDAPA
31.21.01.701? As new customers connected Please submit copy with Annual Report.

**ANNUAL REPORT FOR SMALL ELECTRIC UTILITIES
YEAR ENDED DECEMBER 31, 2003**

BALANCE SHEET

		Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
ASSETS				
100	Utility Plant	340,472	340,472	-
107	Construction Work in Progress			-
114	Acquisition Adjustment			-
	Subtotal	340,472	340,472	-
108	Less: Accumulated Depreciation	(208,013)	(218,090)	(10,077)
	Net Utility Plant	132,459	122,382	(10,077)
123	Investment in Subsidiaries			-
124	Other Investments			-
	Total Investments			-
131	Cash	1,766	4,861	3,095
136	Short-Term Investments			-
142	Accts./Notes Receivable - Customers	5,174	6,201	1,027
143	Other Receivables			-
144	Less: Provision for Doubtful Accts.	()	()	
146	Receivables from Assoc. Companies			-
150	Materials and Supplies	7,000	7,000	-
166	Prepaid Expenses			-
173	Unbilled Utility Revenue			-
	Total Current Assets	13,940	18,062	4,122
181	Unamortized Debt Discount & Expense			-
183	Prelim. Survey & Investigation Chgs.			-
184	Rate Case Expenses			-
186	Other Deferred Charges			-
	Total Deferred Charges			-
				-
	TOTAL ASSETS	<u>146,399</u>	<u>140,444</u>	<u>(5,955)</u>

**ANNUAL REPORT FOR SMALL ELECTRIC UTILITIES
YEAR ENDED DECEMBER 31, 2003**

BALANCE SHEET

		Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
LIABILITIES AND CAPITAL				
201	Common Stock	144,171	144,171	-
204	Preferred Stock			-
211	Paid in Capital	70,323	70,323	-
216	Retained Earnings	(124,632)	(131,667)	(7,035)
	Total	89,862	82,827	(7,035)
221	Long-Term Debt	48,910	35,419	(13,491)
231	Notes Payable to Banks			-
231.1	Notes Payable to Others			-
232	Accounts Payable - Trade	7,627	22,198	14,571
232.1	Accounts Payable - Others			-
235	Customer Deposits			-
235.1	Revenue Billed in Advance			-
236	Accrued Federal Income Taxes			-
236.1	Accrued Income Taxes - Other			-
237	Accrued Interest			-
238	Dividends Accrued			-
241	Other Taxes Accrued/Withheld			-
242	Other Current Liabilities			-
252	Advances for Construction			-
255	Investment Tax Credit			-
262	Reserves for Contingencies			-
265	Other Liabilities & Reserves			-
271	Cont. in Aid of Construction			-
	Total	56,537	57,617	1,080
TOTAL LIABILITIES & CAPITAL		146,399	140,444	(5,955)

**ANNUAL REPORT FOR SMALL ELECTRIC UTILITIES
YEAR ENDED DECEMBER 31, 2003**

DETAIL OF UTILITY PLANT ACCOUNTS

Classification	Balance Beginning of Year	Added During Year	Withdrawn During Year	Balance at End of Year
Organization				-
FERC License	55,152			55,152
Land & Land Rights	8,145			8,145
Steam Production Plant				-
Hydraulic Production Plant	152,387			152,387
Other Production Plant				-
Transmission Plant				-
Distribution Plant	50,554			50,554
General Plant	57,500			57,500
Office Furniture & Equipment				-
Transportation Equipment	16,734			16,734
Shop Equipment & Tools				-
Other Tangible Property				-
Total Beginning of Year	340,472	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
Total Added During Year	XXXXXXXXXXXX		XXXXXXXXXXXX	XXXXXXXXXXXX
Total Withdrawn During Year	XXXXXXXXXXXX	XXXXXXXXXXXX		XXXXXXXXXXXX
Total End of Year	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	340,472

**ANNUAL REPORT FOR SMALL ELECTRIC UTILITIES
YEAR ENDED DECEMBER 31, 2003**

DETAIL OF DEPRECIATION RESERVE

ACCOUNT 110

Classification	Rate	Balance Beginning of Year	Added During Year	Retired During Year	Balance at End of Year
311					
312	10-30	140,298	9,019		149,317
314					
343					
343.1	15	51,215	1,058		52,273
348					
391					
392	8	16,500			16,500
394					
399					
Composite Depr. Rate					
Reserve Balance Beg. of Year		208,013	XXXXXXXX	XXXXXXXX	XXXXXXXXXXXXXX
Add. to Reserve During Year		XXXXXXXX	10,077	XXXXXXXX	XXXXXXXXXXXXXX
Retirements From Reserve		XXXXXXXX	XXXXXXXX	-	XXXXXXXXXXXXXX
Reserve Balance Close of Year		XXXXXXXX	XXXXXXXX	XXXXXXXX	218,090

**ANNUAL REPORT FOR SMALL ELECTRIC UTILITIES
YEAR ENDED DECEMBER 31, 2003**

SIGNIFICANT ADDITIONS TO PLANT

Description	Amount
NONE	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$

RETIREMENTS OF PLANT

Description	Book Cost	Accumulated Description
NONE	\$	\$
_____	\$	\$
_____	\$	\$
_____	\$	\$
_____	\$	\$
_____	\$	\$
_____	\$	\$
_____	\$	\$
_____	\$	\$
_____	\$	\$
_____	\$	\$
_____	\$	\$
_____	\$	\$
_____	\$	\$
_____	\$	\$
_____	\$	\$
_____	\$	\$
_____	\$	\$
_____	\$	\$

**ANNUAL REPORT FOR SMALL ELECTRIC UTILITIES
YEAR ENDED DECEMBER 31, 2003**

STATEMENT OF EARNED SURPLUS

ACCOUNT 216

(This statement must be used for all corporations, partnerships and proprietorships)

Amount

Balance in Surplus Beginning of Year	<u>(205,692)</u>
Balance Transferred from Income Account	<u>(7,035)</u>
Other Credits - Prior Period Adjustment (See Disclosure)	<u>81,060</u>
Dividend Appropriations - Distribution of Earnings	
Other Charges	
Balance in Surplus Close of Year	<u>(131,667)</u>

CAPITAL STOCK

Class and Series of Stock	No. of Shares Authorized	Par on Stated Value Per Share	Outstanding Per Balance Sheet Amount	Dividends Paid
Common	144	100	144,171	-

DETAIL OF LONG-TERM DEBT

Class & Series of Obligation	Rate	Outstanding per Balance Sheet	Interest Paid	Accrued Interest
Israel Ray	10%	14,818		9,818
Mort Zimmerman	10%	14,242		10,392
Eric Alberdi	12%	6,359		-

**ANNUAL REPORT FOR SMALL ELECTRIC UTILITIES
YEAR ENDED DECEMBER 31, 2003**

STATEMENT OF INCOME

	Current Year	Increase (Decrease) Prior Year
Operating Revenues	64,092	(4,676)
Operating Revenue Deductions:		
Operating Expense	52,271	19,443
Depreciation	10,077	(312)
Other Taxes	2,652	(285)
Federal Taxes on Income		-
Total Revenue Deductions	65,000	18,846
Net Operating Revenues	(908)	(23,522)
Income from Merchandising Jobbing & Contract		-
Income from Non-Utility Operations		-
Gross Income		-
Interest on Long-Term Debt	6,127	1,032
Other Interest Charges		-
Net Income	<u>(7,035)</u>	<u>(24,554)</u>

DETAIL OF OPERATING REVENUES

Flat Rate Sales	-	(400)
Metered Sales Residential	42,046	(1,968)
Metered Sales Commercial	21,746	(2,608)
Other Electricity Sales	300	300
Sales to Irrigation Customers		-
Total Operating Revenue	<u>64,092</u>	<u>(4,676)</u>

* Hook-up or connection fees collected \$_300_____. To what account were they booked?

 Other Electricity Sales

**ANNUAL REPORT FOR SMALL ELECTRIC UTILITIES
YEAR ENDED DECEMBER 31, 2003**

DETAIL OF OPERATING EXPENSES

Maintenance	Current Year	Increase (Decrease) Prior Year
Power Generation - Labor	7,711	1,646
Power Generation - Materials & Supplies	5,663	872
Buildings, Fixtures & Ground - Labor		-
Buildings, Fixtures & Ground - M & S		-
Transmission Lines	3,248	3,248
Distribution Lines		-
Services	532	532
Meters		-
Poles		-
Meter Reading Labor	3,000	3,000
Customer Accounting & Collection	900	900
Sales Promotion Expense		-
General Officers Salaries	18,998	(1,102)
General Office Salaries		-
General Office Supplies & Expense	1,427	1,398
Miscellaneous Expense (Attach Schedule)	10,792	8,949
Rents		-
Total Operating Expenses	<u>52,271</u>	<u>19,443</u>

OTHER TAXES

List by Types	Current Year	Increase (Decrease) Prior Year
Property Taxes	2,551	(386)
Idaho Corporation Taxes	101	101
		-
		-
Total Other Taxes	<u>2,652</u>	<u>(285)</u>

ANNUAL REPORT FOR SMALL ELECTRIC UTILITIES
YEAR ENDED DECEMBER 31, 2003

DETAIL OF OPERATION EXPENSES
ATTACHMENT - SCHEDULE OF MISCELLANEOUS EXPENSE

	<u>Current Year</u>	<u>Increase (Decrease) Prior Year</u>
License/Dues/Fees	1,159	992
Bank Charges	224	69
Bad Debts	-	(1,521)
Travel	469	469
Professional CPA Fees	<u>8,940</u>	<u>8,940</u>
Total Miscellaneous Expense	<u><u>10,792</u></u>	<u><u>8,949</u></u>

**ANNUAL REPORT FOR SMALL ELECTRIC UTILITIES
YEAR ENDED DECEMBER 31, 2003**

	Name of Plant	Year Original Construction	Name Plate Rating (kW)	Net Peak Demand (kW)	Total kW Generation
Hydro	Kirby Dam	1,907	360	125	176,103
Internal Combustion					

**SUBMIT SYSTEM MAP INDICATING LINE VOLTAGE AND SHOWING LOCATION
AND CAPACITY OF ALL TRANSFORMERS.**

**ANNUAL REPORT FOR SMALL ELECTRIC UTILITIES
YEAR ENDED DECEMBER 31, 2003**

PRIOR PERIOD ADJUSTMENT DISCLOSURE

Certain errors, resulting in the overstatement of Long-Term Debt owed to Shareholder Lynn E. Stevenson and the overstatement of insurance and property taxes payable included in accounts payable, and resulting in the understatement of reported net income in the Company's previously issued 1998, 1999, 2000, 2001, and 2002 financial statements, have been corrected in the current year. This resulted in the following changes to retained earnings as of December 31, 2003.

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Retained Earnings (R.E.) at Beginning of Year	(164,956)	(178,818)	(191,012)	(195,338)	(203,428)	(205,692)
Adjustments for Accrued Expenses reflected in Loan payable-Shareholder, and accounts payable.	-	15,486	29,460	44,681	61,277	81,060
R.E. Balance at beginning of year as restated	<u>(164,956)</u>	<u>(163,332)</u>	<u>(161,552)</u>	<u>(150,657)</u>	<u>(142,151)</u>	<u>(124,632)</u>
Net Income and as Previously Stated	(13,862)	(12,194)	(4,326)	(8,090)	(2,264)	(7,035)
Adjustment for bookkeeping -Customer Accounting	10,800	10,800	10,800	10,800	10,800	-
Adjustment for management - Gen Officers Salaries	1,500	1,500	1,500	1,500	1,500	-
Adjustment for insurance - Miscellaneous Expense	2,646	-	-	-	-	-
Adjustment for property taxes - Other Taxes	540	1,674	2,921	4,296	5,803	-
Adjustment for interest-Interest on L.T. Debt	1,624	1,780	10,895	8,506	17,519	(7,035)
Net Income 2003 and as restated 1998-2002	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Retained Earnings as Restated End of Year	<u>(163,332)</u>	<u>(161,552)</u>	<u>(150,657)</u>	<u>(142,151)</u>	<u>(124,632)</u>	<u>(131,667)</u>
Balance Sheet Account Changes						
Long-Term Debt as previously stated Line 221	90,892	101,906	110,710	102,507	125,643	(76,734)
Adjustment to Lynn Stevenson Loan	(12,840)	(26,814)	(42,035)	(58,631)	(76,734)	-
Long-Term Debt as Restated Line 221	<u>78,052</u>	<u>75,092</u>	<u>68,675</u>	<u>43,876</u>	<u>48,909</u>	<u>48,909</u>
Accounts Payable as previously stated Line 232	6,837	16,623	30,129	36,135	11,954	(2,646)
Adjustment for Property taxes	(2,646)	(2,646)	(2,646)	(2,646)	(2,646)	(1,680)
Adjustment for Insurance	-	-	-	-	-	-
Accounts Payable as Restated Line 232	<u>4,191</u>	<u>13,977</u>	<u>27,483</u>	<u>33,489</u>	<u>7,628</u>	<u>7,628</u>
Total of Adjustments to Balance Sheet	-	-	-	-	-	<u>(81,060)</u>

"See Accountant's Compilation Report"

CERTIFICATE

State of Idaho)
) ss
County of)

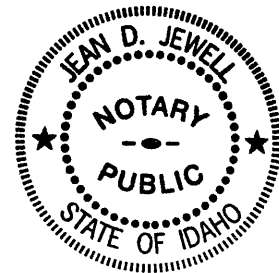
WE, the undersigned Israel Ray
and
of the Atlanta Power Company, Inc.
utility, on our oath do severally say that the foregoing return has been prepared under our direction, from the original books, papers and records of said utility; that we have carefully examined same, and declare the same to be a correct statement of the business and affairs of said utility for the period covered by the return in respect to each and every matter and thing therein set forth, to the best of our knowledge, information and belief.

Israel Ray
(Chief Officer)
Israel Ray
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me
this 1st day of November, 2004

Jean D. Jewell
NOTARY PUBLIC

My Commission Expires 10/29/2007



excel/gkoch/annual report form for elec 99.00.01.02.03