

ANNUAL REPORT

OF

BITTERROOT WATER COMPANY

PO Box 2306

Hayden Lake, ID 83835

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED: DECEMBER 31, 2004

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**ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 2004**

COMPANY INFORMATION

1 Give full name of utility Bitterroot Water Company
 2 Date of Organization 6/16/1995
 3 Organized under the laws of the state of Idaho
 4 Address of Principal Office (number & street) 24461 Old Highway 95 N, Athol, ID 83801 (Not mailing address)
 5 P.O. Box (if applicable) PO Box 2306
 6 City Hayden Lake
 7 State Idaho
 8 Zip Code 83835
 9 Organization (proprietor, partnership, corp.) Corporation
 10 Towns, Counties served Kootenai County

11 Are there any affiliated companies? No
If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.

12 Contact Information	Name	Phone No.
President (Owner)	Ken Rickel	208-683-8105
Vice President	Ken Rickel	208-683-8105
Secretary	Cathy Rickel	208-683-8105
General Manager	Ken Rickel	208-683-8105
Complaints or Billing	Cathy Rickel	208-683-8105
Engineering	Inland Northwest Consultants	208-773-8370
Emergency Service	Ken Rickel	208-683-8105
Accounting	Susan Jacobson	866-791-5656

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 24461 Old Highway 95 N
 City Athol
 State Idaho
 Zip 83801

NAME: Bitterroot Water Company

COMPANY INFORMATION (Cont.)

For the Year Ended 2004

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? Yes

18 **If yes:** Name of Organization Rickel Water Company
Name of owner or operator Ken Rickel
Mailing Address PO Box 1261
City Hayden Lake
State Idaho
Zip 83835

	Gallons/CCF	\$Amount
Water Purchased	<u>4,239,770</u>	<u>\$ 1,330.52</u>

19 Has any system(s) been disapproved by the Idaho Department of Environmental Quality? No

If yes, attach full explanation

20 Has the Idaho Department of Environmental Quality recommended any improvements? No

If yes, attach full explanation

21 Number of Complaints received during year concerning:
Quality of Service 0
High Bills 0
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? July-04 (All new customers receive a copy in their packet)
Attach a copy of the Summary

24 Did significant additions or retirements from the Plant Accounts occur during the year? No

If yes, attach full explanation and an updated system map

NAME: Bitterroot Water Company

REVENUE & EXPENSE DETAIL

For the Year Ended 2004

ACCT #	DESCRIPTION		
<u>400 REVENUES</u>			
1	460	Unmetered Water Revenue	
2	461.1	Metered Sales - Residential	\$ 35,619
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)	\$ 35,619
9	* DEQ Fees Billed separately to customers		Booked to Acct #
10	** Hookup or Connection Fees Collected		Booked to Acct # 460
11	***Commission Approved Surcharges Collected		Booked to Acct # 460
<u>401 OPERATING EXPENSES</u>			
12	601.1-6	Labor - Operation & Maintenance	\$ 13,735
13	601.7	Labor - Customer Accounts	
14	601.8	Labor - Administrative & General	\$ 1,649
15	603	Salaries, Officers & Directors	
16	604	Employee Pensions & Benefits	
17	610	Purchased Water	
18	615-16	Purchased Power & Fuel for Power	\$ 7,323
19	618	Chemicals	
20	620.1-6	Materials & Supplies - Operation & Maint.	\$ 2,520
21	620.7-8	Materials & Supplies - Administrative & General	\$ 958
22	631-34	Contract Services - Professional	\$ 1,728
23	635	Contract Services - Water Testing	\$ 215
24	636	Contract Services - Other	\$ 150
25	641-42	Rentals - Property & Equipment	
26	650	Transportation Expense	\$ 911
27	656-59	Insurance	\$ 6,803
28	660	Advertising	
29	666	Rate Case Expense (Amortization)	
30	667	Regulatory Comm. Exp. (Other except taxes)	
31	670	Bad Debt Expense	\$ 123
32	675	Miscellaneous	\$ 1,638
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)		\$ 37,754

Name: **Bitterroot Water Company**

INCOME STATEMENT

For Year Ended **2004**

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		\$ 35,619
2	Operating Expenses (From Page 3, line 33)	\$ 37,754	
3	403 Depreciation Expense		
4	406 Amortization, Utility Plant Aquisition Adj.		
5	407 Amortization Exp. - Other		
6	408.10 Regulatory Fees (PUC)	\$ 93	
7	408.11 Property Taxes	\$ 227	
8	408.12 Payroll Taxes		
9A	408.13 Other Taxes (list) DEQ Fees	\$ 505	
9B			
9C			
9D			
10	409.10 Federal Income Taxes		
11	409.11 State Income Taxes	\$ 655	
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)	\$ 39,233	
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)		\$ (3,614)
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		
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)		\$ (3,614)
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)		\$ (3,614)

Name: Bitterroot Water Company

ACCOUNT 101 PLANT IN SERVICE DETAIL
For Year Ended 2004

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

(Add lines 1 - 28)

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

Name: Bitterroot Water Company

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended 2004

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)		\$ -	\$ -	\$ -

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

BALANCE SHEETFor Year Ended 2004

ASSETS			Balance	Balance	Increase
ACCT #	DESCRIPTION		Beginning of Year	End of Year	or (Decrease)
1	101	Utility Plant in Service (From Pg 5, Line 29)	\$ -	\$ -	\$ -
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)	\$ -	\$ -	\$ -
7	108.1	Accumulated Depreciation (From Pg 6, Line 26)	\$ -	\$ -	\$ -
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)	\$ -	\$ -	\$ -
14	123	Investment in Subsidiaries			\$ -
15	125	Other Investments			\$ -
16		Total Investments (Add lines 14 & 15)			\$ -
17	131	Cash	\$ 8,821	\$ 6,199	\$ (2,622)
18	135	Short Term Investments			\$ -
19	141	Accts/Notes Receivable - Customers	\$ (41)	\$ (629)	\$ (588)
20	142	Other Receivables			\$ -
21	145	Receivables from Associated Companies			\$ -
22	151	Materials & Supplies Inventory			\$ -
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)	\$ 8,781	\$ 5,570	\$ (3,210)
27	181	Unamortized Debt Discount & Expense			\$ -
28	183	Preliminary Survey & Investigation Charges			\$ -
29	184	Deferred Rate Case Expenses			\$ -
30	186	Other Deferred Charges			\$ -
31		Total Assets (Add lines 13, 16 & 26 - 30)	\$ 8,781	\$ 5,570	\$ (3,210)

BALANCE SHEETFor Year Ended 2004

<u>LIABILITIES & CAPITAL</u>		Balance	Balance	Increase
ACCT #	DESCRIPTION	Beginning of Year	End of Year	or (Decrease)
1	201-3 Common Stock			\$ -
2	204-6 Preferred Stock			\$ -
3	207-13 Miscellaneous Capital Accounts			\$ -
4	214 Appropriated Retained Earnings	\$ 559	\$ (3,529)	\$ (4,088)
5	215 Unappropriated Retained Earnings	\$ 1,800	\$ 1,800	\$ -
6	216 Reacquired Capital Stock			\$ -
7	218 Proprietary Capital			\$ -
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	\$ 2,359	\$ (1,729)	\$ (4,088)
9	221-2 Bonds			\$ -
10	223 Advances from Associated Companies			\$ -
11	224 Other Long - Term Debt			\$ -
12	231 Accounts Payable	\$ 1,172		\$ (1,172)
13	232 Notes Payable		\$ 2,000	\$ 2,000
14	233 Accounts Payable - Associated Companies			\$ -
15	235 Customer Deposits (Refundable)			\$ -
16	236.11 Accrued Other Taxes Payable		\$ 50	\$ 50
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			\$ -
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	\$ 5,250	\$ 5,250	\$ -
28	272 Accum. Amort. of Contrib. in Aid of Const. **			\$ -
29	281-3 Accumulated Deferred Income Taxes			\$ -
30	Total Liabilities (Add lines 9 - 29)	\$ 6,422	\$ 7,300	\$ 878
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)	\$ 8,781	\$ 5,571	\$ (3,210)

**** Only if Commission Approved**

Name: Bitterroot Water Company

STATEMENT OF RETAINED EARNINGS
For Year Ended 2004

1	Retained Earnings Balance @ Beginning of Year	\$	559
2	Amount Added from Current Year Income (From Pg 4, Line 32)	\$	(3,614)
3	Other Credits to Account 2003 Clsing adj	\$	(474)
4	Dividends Paid or Appropriated	\$	-
5	Other Distributions of Retained Earnings		
6	Retained Earnings Balance @ End of Year	<u>\$</u>	<u>(3,529)</u>

CAPITAL STOCK DETAIL

		No. Shares Authorized	No. Shares Outstanding	Dividends Paid
7	Description (Class, Par Value etc.)			
	Common, no par value			

DETAIL OF LONG-TERM DEBT

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

Name: Bitterroot Water Company

SYSTEM ENGINEERING DATA
For Year Ended 2004

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)
Corner of Brunner & Clagstone Road	120	Chlorine	19,551	Well

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)
Corner of Brunner & Clagstone Road	100	90	Boosted	Concrete

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

Name: Bitterroot Water Company

SYSTEM ENGINEERING DATA
(continued)
For Year Ended 2004

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
1) Well-Submersible	20	120	20	109,758 KW
2) Booster Pump #1	15			
3) Booster Pump #2	30			
4) 6 Pressure Tanks			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? | 19,550,709 |
| What was the total amount pumped during peak month? | 3,796,612 |
| What was the total amount pumped on the peak day? | N/A |
- 6 If customers are metered, what was the total amount sold in peak month? 5,979,502
- 7 Was your system designed to supply fire flows? Yes
If Yes: What is current system rating? Residential
- 8 How many times were meters read this year? 7
 During which months? March, April, May, June,
July, August, September
- 9 How many additional customers could be served with no system improvements except a service line and meter? 90
 How many of those potential additions are vacant lots? 90
- 10 Are backbone plant additions anticipated during the coming year? NO
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? 2005

Name: Bitterroot Water Company

SYSTEM ENGINEERING DATA

(continued)

For Year Ended 2004

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year
	8"	32,000	0	0	32,000
	6"	3,500	0	0	3,500

CUSTOMER STATISTICS

		Number of Customers		Thousands of Gallons Sold	
		This Year	Last Year	This Year	Last Year
2	Metered:				
2A	Residential	116	115	21,523	21,875
2B	Commercial				
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	1	1	2,219	1,353
	TOTALS (Add lines 2 through 8)	117	116	23,742	23,228

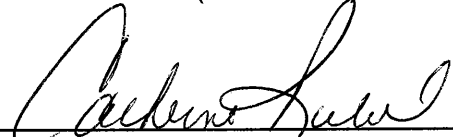
CERTIFICATE

State of Washington)
) ss
County of Spokane)

WE, the undersigned, Kenneth W. Rickel and Catherine L. Rickel, of the BITTERROOT WATER COMPANY 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.



(Chief Officer)



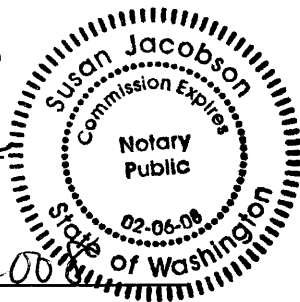
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 29th day of March 2005



NOTARY PUBLIC



My Commission Expires 02/06/2008

gdk/excel/jnelson/anulrpts/wtrannualrpt