

FLS-W

ANNUAL REPORT

OF

NAME

SCOTT BRUCE
FALLS WATER CO
2180 N. DEBORAH DR
IDAHO FALLS ID 83401

IDAHO PUBLIC
UTILITIES COMMISSION

2014 APR 18 AM 8:26

RECEIVED

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED

2013

**ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING December 31, 2013**

COMPANY INFORMATION

1 Give full name of utility Falls Water Co., Inc.
 Telephone Area Code (208) 522-1300
 E-mail address scott1@fallswater.com
 2 Date of Organization 1/7/1959
 3 Organized under the laws of the state of Idaho
 4 Address of Principal Office (number & street) 2180 N Deborah Dr
 5 P.O. Box (if applicable) _____
 6 City Idaho Falls
 7 State Idaho
 8 Zip Code 83401
 9 Organization (proprietor, partnership, corp.) Corporation
 10 Towns, Counties served Bonneville County and portions of Ammon, Idaho

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)	Brent Johnson	208-709-2669
Vice President		
Secretary		
General Manager	K. Scott Bruce	208-522-1300
Complaints or Billing	K. Scott Bruce	208-522-1300
Engineering	Tony Wise	208-522-1300
Emergency Service	Tony Wise	208-522-1300
Accounting	K. Scott Bruce	208-522-1300

13 Were any water systems acquired during the year or any additions/deletions made to the service area during the year? Yes
 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 2180 N Deborah Dr
 City Idaho Falls
 State Idaho
 Zip 83401

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THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING December 31, 2013**

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 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 2180 N Deborah Dr
 City Idaho Falls
 State Idaho
 Zip 83401

NAME: Falls Water Co., Inc.

COMPANY INFORMATION (Cont.)

For the Year Ended December 31, 2013

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, Leased well site within FWC's Service Area

18 If yes: Name of Organization Lincoln Land Company LLC
 Name of owner or operator Well operated by Falls Water Company, Inc.
 Mailing Address PO Box 1768
 City Idaho Falls
 State Idaho
 Zip 83403

	Gallons/CCF	\$Amount
Water Purchased	31,628,221	\$ 3,300.38

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

If yes, attach full explanation

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

If yes, attach full explanation

21 Number of Complaints received during year concerning:
 Quality of Service 8
 High Bills 47
 Disconnection 3

22 Number of Customers involuntarily disconnected 72

23 Date customers last received a copy of the Summary of Rules required by IDAPA 31.21.01.701? July 2013

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: Falls Water Co., Inc.

COMPANY INFORMATION (Cont.)

For the Year Ended December 31, 2013

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, Leased well site within FWC's Service Area

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

Table with 2 columns: Water Purchased, Gallons/CCF, \$Amount. Values: 31,628,221, \$ 3,300.38

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

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

If yes, attach full explanation

21 Number of Complaints received during year concerning: Quality of Service, High Bills, Disconnection

22 Number of Customers involuntarily disconnected

23 Date customers last received a copy of the Summary of Rules required by IDAPA 31.21.01.701? July 2013

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

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NAME: Falls Water Co., Inc.

REVENUE & EXPENSE DETAIL

For the Year Ended December 31, 2013

ACCT #	DESCRIPTION		
<u>400 REVENUES</u>			
1	460	Unmetered Water Revenue	-
2	461.1	Metered Sales - Residential	1,313,226
3	461.2	Metered Sales - Commercial, Industrial	51,462
4	462	Fire Protection Revenue	-
5	464	Other Water Sales Revenue	8,017
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)	1,372,705
9	* DEQ Fees Billed separately to customers		Booked to Acct # _____
10	** Hookup or Connection Fees Collected	64,675	Booked to Acct # <u>271.3</u>
11	***Commission Approved Surcharges Collected		Booked to Acct # _____
<u>401 OPERATING EXPENSES</u>			
12	601.1-6	Labor - Operation & Maintenance	149,211
13	601.7	Labor - Customer Accounts	-
14	601.8	Labor - Administrative & General	23,153
15	603	Salaries, Officers & Directors	183,000
16	604	Employee Pensions & Benefits	68,330
17	610	Purchased Water	3,300
18	615-16	Purchased Power & Fuel for Power	169,754
19	618	Chemicals	10,070
20	620.1-6	Materials & Supplies - Operation & Maint.	36,603
21	620.7-8	Materials & Supplies - Administrative & General	76,382
22	631-34	Contract Services - Professional	16,539
23	635	Contract Services - Water Testing	5,224
24	636	Contract Services - Other	15,002
25	641-42	Rentals - Property & Equipment	74,915
26	650	Transportation Expense	58,316
27	656-59	Insurance	26,656
28	660	Advertising	-
29	666	Rate Case Expense (Amortization)	-
30	667	Regulatory Comm. Exp. (Other except taxes)	-
31	670	Bad Debt Expense	13,370
32	675	Miscellaneous	16,028
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)		945,854

NAME: Falls Water Co., Inc.

REVENUE & EXPENSE DETAIL

For the Year Ended December 31, 2013

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7	466	Sales for Resale	-
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12	601.1-6	Labor - Operation & Maintenance	149,211
13	601.7	Labor - Customer Accounts	-
14	601.8	Labor - Administrative & General	23,153
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16	604	Employee Pensions & Benefits	68,330
17	610	Purchased Water	3,300
18	615-16	Purchased Power & Fuel for Power	169,754
19	618	Chemicals	10,070
20	620.1-6	Materials & Supplies - Operation & Maint.	36,603
21	620.7-8	Materials & Supplies - Administrative & General	76,382
22	631-34	Contract Services - Professional	16,539
23	635	Contract Services - Water Testing	5,224
24	636	Contract Services - Other	15,002
25	641-42	Rentals - Property & Equipment	74,915
26	650	Transportation Expense	58,316
27	656-59	Insurance	26,656
28	660	Advertising	-
29	666	Rate Case Expense (Amortization)	-
30	667	Regulatory Comm. Exp. (Other except taxes)	-
31	670	Bad Debt Expense	13,370
32	675	Miscellaneous	16,028
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)		945,854

Name: Falls Water Co., Inc.

INCOME STATEMENT

For Year Ended December 31, 2013

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		1,372,705
2	Operating Expenses (From Page 3, line 33)	945,854	
3 403	Depreciation Expense	115,569	
4 406	Amortization, Utility Plant Aquisition Adj.		
5 407	Amortization Exp. - Other		
6 408.10	Regulatory Fees (PUC)	2,849	
7 408.11	Property Taxes	33,090	
8 408.12	Payroll Taxes	32,818	
9A 408.13	Other Taxes (list)		
9B			
9C			
9D			
10 409.10	Federal Income Taxes		
11 409.11	State Income Taxes	-	
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)	1,130,180	
17 413	Income From Utility Plant Leased to Others		
18 414	Gains (Losses) From Disposition of Utility Plant	(2,219)	
19	Net Operating Income (Add lines 1, 17 & 18 less line 16)		240,306
20 415	Revenues, Merchandizing Jobbing and Contract Work		
21 416	Expenses, Merchandizing, Jobbing & Contracts		
22 419	Interest & Dividend Income	69	
23 420	Allowance for Funds used During Construction		
24 421	Miscellaneous Non-Utility Income	9,691	
25 426	Miscellaneous Non-Utility Expense	45,167	
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)		(35,407)
29	Gross Income (add lines 19 & 28)		204,899
30 427.3	Interest Exp. on Long-Term Debt		39,586
31 427.5	Other Interest Charges		895.71
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)		164,418

Name: Falls Water Co., Inc.

INCOME STATEMENT

For Year Ended December 31, 2013

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		<u>1,372,705</u>
2	Operating Expenses (From Page 3, line 33)	945,854	
3	403 Depreciation Expense	115,569	
4	406 Amortization, Utility Plant Aquisition Adj.		
5	407 Amortization Exp. - Other		
6	408.10 Regulatory Fees (PUC)	2,849	
7	408.11 Property Taxes	33,090	
8	408.12 Payroll Taxes	32,818	
9A	408.13 Other Taxes (list)		
9B			
9C			
9D			
10	409.10 Federal Income Taxes		
11	409.11 State Income Taxes	-	
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)	1,130,180	
17	413 Income From Utility Plant Leased to Others		
18	414 Gains (Losses) From Disposition of Utility Plant	(2,219)	
19	Net Operating Income (Add lines 1, 17 & 18 less line 16)		<u>240,306</u>
20	415 Revenues, Merchandizing Jobbing and Contract Work		
21	416 Expenses, Merchandizing, Jobbing & Contracts		
22	419 Interest & Dividend Income	69	
23	420 Allowance for Funds used During Construction		
24	421 Miscellaneous Non-Utility Income	9,691	
25	426 Miscellaneous Non-Utility Expense	45,167	
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>(35,407)</u>
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32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)		<u><u>164,418</u></u>

Name: Falls Water Co., Inc.

ACCOUNT 101 PLANT IN SERVICE DETAIL
For Year Ended December 31, 2013

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	2,121,305	-	-	2,121,305
4 304	Structures and Improvements	488,782	-	-	488,782
5 305	Collecting & Impounding Reservoirs				
6 306	Lake, River & Other Intakes				
7 307	Wells	401,931	-	-	401,931
8 308	Infiltration Galleries & Tunnels				
9 309	Supply Mains				
10 310	Power Generation Equipment	16,693	-	-	16,693
11 311	Power Pumping Equipment	419,992	38,689	-	458,681
12 320	Purification Systems	48,554	-	-	48,554
13 330	Distribution Reservoirs & Standpipes				
14 331	Trans. & Distrib. Mains & Accessories	963,393	34,396	-	997,789
15 333	Services				
16 334	Meters and Meter Installations	1,741,104	43,980	9,614	1,775,470
17 335	Hydrants	61,904	1,189	-	63,093
18 336	Backflow Prevention Devices				
19 339	Other Plant & Misc. Equipment				
20 340	Office Furniture and Equipment	61,759	-	-	61,759
21 341	Transportation Equipment	124,602	2,631	-	127,233
22 342	Stores Equipment				
23 343	Tools, Shop and Garage Equipment	79,631	4,231	-	83,862
24 344	Laboratory Equipment				
25 345	Power Operated Equipment	-	104,406		104,406
26 346	Communications Equipment				
27 347	Miscellaneous Equipment				
28 348	Other Tangible Property				
29	TOTAL PLANT IN SERVICE	6,529,649	229,523	9,614	6,749,558

(Add lines 1 - 28)

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

Name: Falls Water Co., Inc.

ACCOUNT 101 PLANT IN SERVICE DETAIL
For Year Ended December 31, 2013

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	2,121,305	-	-	2,121,305
4 304	Structures and Improvements	488,782	-	-	488,782
5 305	Collecting & Impounding Reservoirs				
6 306	Lake, River & Other Intakes				
7 307	Wells	401,931	-	-	401,931
8 308	Infiltration Galleries & Tunnels				
9 309	Supply Mains				
10 310	Power Generation Equipment	16,693	-	-	16,693
11 311	Power Pumping Equipment	419,992	38,689	-	458,681
12 320	Purification Systems	48,554	-	-	48,554
13 330	Distribution Reservoirs & Standpipes				
14 331	Trans. & Distrib. Mains & Accessories	963,393	34,396	-	997,789
15 333	Services				
16 334	Meters and Meter Installations	1,741,104	43,980	9,614	1,775,470
17 335	Hydrants	61,904	1,189	-	63,093
18 336	Backflow Prevention Devices				
19 339	Other Plant & Misc. Equipment				
20 340	Office Furniture and Equipment	61,759	-	-	61,759
21 341	Transportation Equipment	124,602	2,631	-	127,233
22 342	Stores Equipment				
23 343	Tools, Shop and Garage Equipment	79,631	4,231	-	83,862
24 344	Laboratory Equipment				
25 345	Power Operated Equipment	-	104,406		104,406
26 346	Communications Equipment				
27 347	Miscellaneous Equipment				
28 348	Other Tangible Property				
29	TOTAL PLANT IN SERVICE	6,529,649	229,523	9,614	6,749,558

(Add lines 1 - 28)

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

Name: Falls Water Co., Inc.

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended December 31, 2013

SUB ACCT #	DESCRIPTION	Depreciation Rate %	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 304	Structures and Improvements		71,406	87,831	16,424
2 305	Collecting & Impounding Reservoirs				
3 306	Lake, River & Other Intakes				
4 307	Wells		104,235	117,736	13,501
5 308	Infiltration Galleries & Tunnels				
6 309	Supply Mains				
7 310	Power Generation Equipment		12,624	13,459	835
8 311	Power Pumping Equipment		211,071	230,413	19,342
9 320	Purification Systems		25,375	28,792	3,417
10 330	Distribution Reservoirs & Standpipes				
11 331	Trans. & Distrib. Mains & Accessories		232,206	257,115	24,908
12 333	Services				
13 334	Meters and Meter Installations		649,774	761,290	111,516
14 335	Hydrants		10,655	12,738	2,083
15 336	Backflow Prevention Devices				
16 339	Other Plant & Misc. Equipment				
17 340	Office Furniture and Equipment		42,739	48,663	5,924
18 341	Transportation Equipment		61,045	77,863	16,818
19 342	Stores Equipment				
20 343	Tools, Shop and Garage Equipment		30,225	39,710	9,485
21 344	Laboratory Equipment				
22 345	Power Operated Equipment		-	3,342	3,342
23 346	Communications Equipment				
24 347	Miscellaneous Equipment				
25 348	Other Tangible Property		434,833	521,800	86,967
26	TOTALS (Add Lines 1 - 25)		1,886,588	2,200,751	314,562

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

Name: Falls Water Co., Inc.

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended December 31, 2013

SUB ACCT #	DESCRIPTION	Depreciation Rate %	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 304	Structures and Improvements		71,406	87,831	16,424
2 305	Collecting & Impounding Reservoirs				
3 306	Lake, River & Other Intakes				
4 307	Wells		104,235	117,736	13,501
5 308	Infiltration Galleries & Tunnels				
6 309	Supply Mains				
7 310	Power Generation Equipment		12,624	13,459	835
8 311	Power Pumping Equipment		211,071	230,413	19,342
9 320	Purification Systems		25,375	28,792	3,417
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20 343	Tools, Shop and Garage Equipment		30,225	39,710	9,485
21 344	Laboratory Equipment				
22 345	Power Operated Equipment		-	3,342	3,342
23 346	Communications Equipment				
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25 348	Other Tangible Property		434,833	521,800	86,967
26	TOTALS (Add Lines 1 - 25)		1,886,588	2,200,751	314,562

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

Name: Falls Water Co., Inc.**BALANCE SHEET**For Year Ended December 31, 2013

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)	6,529,649	6,749,558	219,909
2	102	Utility Plant Leased to Others			
3	103	Plant Held for Future Use	80,000	80,000	-
4	105	Construction Work in Progress	-	-	-
5	114	Utility Plant Aquisition Adjustment			
6		Subtotal (Add Lines 1 - 5)	6,609,649	6,829,558	219,909
7	108.1	Accumulated Depreciation (From Pg 6, Line 26)	1,886,588	2,200,751	314,163
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)	4,723,061	4,628,807	(94,254)
14	123	Investment in Subsidiaries			
15	125	Other Investments			
16		Total Investments (Add lines 14 & 15)			
17	131	Cash	181,647	217,900	36,252
18	135	Short Term Investments			
19	141	Accts/Notes Receivable - Customers	94,418	85,527	(8,891)
20	142	Other Receivables	235	93	(142)
21	145	Receivables from Associated Companies			
22	151	Materials & Supplies Inventory	2,752	12,462	9,710
23	162	Prepaid Expenses	76,227	92,645	16,418
24	173	Unbilled (Accrued) Utility Revenue			
25	143	Provision for Uncollectable Accounts	1,300	1,300	-
26		Total Current (Add lines 17 -24 less line 25)	353,979	407,326	53,347
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)	5,077,040	5,036,133	(40,907)

Name: Falls Water Co., Inc.**BALANCE SHEET**For Year Ended December 31, 2013

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)	6,529,649	6,749,558	219,909
2	102 Utility Plant Leased to Others			
3	103 Plant Held for Future Use	80,000	80,000	-
4	105 Construction Work in Progress	-	-	-
5	114 Utility Plant Aquisition Adjustment			
6	Subtotal (Add Lines 1 - 5)	6,609,649	6,829,558	219,909
7	108.1 Accumulated Depreciation (From Pg 6, Line 26)	1,886,588	2,200,751	314,163
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)	4,723,061	4,628,807	(94,254)
14	123 Investment in Subsidiaries			
15	125 Other Investments			
16	Total Investments (Add lines 14 & 15)			
17	131 Cash	181,647	217,900	36,252
18	135 Short Term Investments			
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Name: Falls Water Co., Inc.**BALANCE SHEET**For Year Ended December 31, 2013

<u>LIABILITIES & CAPITAL</u>		Balance	Balance	Increase
ACCT #	DESCRIPTION	Beginning of Year	End of Year	or (Decrease)
1	201-3 Common Stock	25,000	25,000	-
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts	1,005,617	1,005,617	-
4	214 Appropriated Retained Earnings			
5	215 Unappropriated Retained Earnings	303,332	467,750	164,418
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital			
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	1,333,950	1,498,367	164,418
9	221-2 Bonds			
10	223 Advances from Associated Companies			
11	224 Other Long - Term Debt	1,172,015	1,108,740	(63,275)
12	231 Accounts Payable	55,247	55,247	-
13	232 Notes Payable	15,583	11,288	(4,296)
14	233 Accounts Payable - Associated Companies	61,268	63,275	2,007
15	235 Customer Deposits (Refundable)			
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	2394	1243	(1,151)
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	3,533,279	3,597,954	64,675
28	272 Accum. Amort. of Contrib. in Aid of Const. **	(1,096,695)	(1,299,980)	(203,285)
29	281-3 Accumulated Deferred Income Taxes			
30	Total Liabilities (Add lines 9 - 29)	3,743,091	3,537,766	(205,325)
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)	5,077,040	5,036,133	(40,907)

** Only if Commission Approved

Name: Falls Water Co., Inc.**BALANCE SHEET**For Year Ended December 31, 2013

<u>LIABILITIES & CAPITAL</u>		Balance	Balance	Increase
ACCT #	DESCRIPTION	Beginning of Year	End of Year	or (Decrease)
1	201-3 Common Stock	25,000	25,000	-
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts	1,005,617	1,005,617	-
4	214 Appropriated Retained Earnings			
5	215 Unappropriated Retained Earnings	303,332	467,750	164,418
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital			
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	1,333,950	1,498,367	164,418
9	221-2 Bonds			
10	223 Advances from Associated Companies			
11	224 Other Long - Term Debt	1,172,015	1,108,740	(63,275)
12	231 Accounts Payable	55,247	55,247	-
13	232 Notes Payable	15,583	11,288	(4,296)
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15	235 Customer Deposits (Refundable)			
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	2394	1243	(1,151)
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	3,533,279	3,597,954	64,675
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29	281-3 Accumulated Deferred Income Taxes			
30	Total Liabilities (Add lines 9 - 29)	3,743,091	3,537,766	(205,325)
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)	5,077,040	5,036,133	(40,907)

**** Only if Commission Approved**

Name: Falls Water Co., Inc.

STATEMENT OF RETAINED EARNINGS

For Year Ended December 31, 2013

1	Retained Earnings Balance @ Beginning of Year	<u>303,332</u>
2	Amount Added from Current Year Income (From Pg 4, Line 32)	<u>164,418</u>
3	Other Credits to Account	<u>0</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>467,750</u></u>

CAPITAL STOCK DETAIL

7	Description (Class, Par Value etc.)	No. Shares Authorized	No. Shares Outstanding	Dividends Paid
	COMMON	1000	25	

DETAIL OF LONG-TERM DEBT

8	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
	DEQ State Revolving Loan Fund - DW-9923	3.25%	165,800	6,122	
	DEQ State Revolving Loan Fund - Well #9	3.25%	942,940	33,464	

Name: Falls Water Co., Inc.

STATEMENT OF RETAINED EARNINGS

For Year Ended December 31, 2013

1	Retained Earnings Balance @ Beginning of Year	<u>303,332</u>
2	Amount Added from Current Year Income (From Pg 4, Line 32)	<u>164,418</u>
3	Other Credits to Account	<u>0</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>467,750</u></u>

CAPITAL STOCK DETAIL

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	COMMON	1000	25	

DETAIL OF LONG-TERM DEBT

8	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
	DEQ State Revolving Loan Fund - DW-9923	3.25%	165,800	6,122	
	DEQ State Revolving Loan Fund - Well #9	3.25%	942,940	33,464	

Name: Falls Water Co., Inc.

SYSTEM ENGINEERING DATA

For Year Ended December 31, 2013

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)
Well #1	750		68,742	WELL
Well #2	400	CHLORINATION	67,262	WELL
Well #4	1500	SAND SEP/CHLRN	168,690	WELL
Well #5	750	SAND SEP/CHLRN	211,616	WELL
Well #6 (Pump 6)	600		47,684	WELL
Pump #7 (In Well #6)	600		87,907	WELL
Well #8	1500	CHLORINATION	76,705	WELL
Well #9	3000	CHLORINATION	502,885	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)
Well 2/4	5	1.8	Pressurized	Steel

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

Name: Falls Water Co., Inc.

SYSTEM ENGINEERING DATA

For Year Ended December 31, 2013

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

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Well 2/4	5	1.8	Pressurized	Steel

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

Name: Falls Water Co., Inc.

**SYSTEM ENGINEERING DATA
(continued)**

For Year Ended December 31, 2013

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 #2, Turbine Pump #2	40	400	65	
Well #4, Turbine Pump #4	150	1500	65	
Well #6, Submersible Pump #6	75	600	65	
Pump #7, Submersible Pump #7	75	600	65	
SUBTOTAL OF ABOVE	The Above are all on one Power Meter Totaling			521,440
Well #1, VFD Turbine Pump #1	75	750	65	127,029
Well #5, Turbine Pump #5	75	750	65	296,783
Well #8, Turbine Pump #8	150	1500	65	93,880
Well #9, VFD Turbine Pump #9	400	3000	65	1,157,040

**** 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? | <u>1,231,491,000</u> |
| What was the total amount pumped during peak month? | <u>258,232,600</u> |
| What was the total amount pumped on the peak day? | <u>9,857,800</u> |
- 6 If customers are metered, what was the total amount sold in peak month? 238,447,000
- 7 Was your system designed to supply fire flows? Yes
If Yes: What is current system rating? 4
- 8 How many times were meters read this year? 7
 During which months? 12 times once per month for all classes of customers from January to December.
- 9 How many additional customers could be served with no system improvements except a service line and meter? 200
 How many of those potential additions are vacant lots? 200
- 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? 2015

Name: Falls Water Co., Inc.

**SYSTEM ENGINEERING DATA
(continued)**

For Year Ended December 31, 2013

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
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- 11 In what year do you anticipate that the system capacity (supply, storage or distribution) will have to be expanded? 2015

Name: Falls Water Co., Inc.

**SYSTEM ENGINEERING DATA
(continued)**

For Year Ended December 31, 2013

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year
	2"	1,239	-	-	1,239
	4"	1,879	-	(795)	2,675
	6"	220,271	192	-	220,464
	8"	72,242	1,856	-	74,099
	10"	29,489	-	-	29,489
	12"	24,991	2,965	-	27,956

CUSTOMER STATISTICS

		Number of Customers		Thousands of Gallons Sold	
		This Year	Last Year	This Year	Last Year
2	Metered:				
2A	Residential	3,981	3,858	1,136,862	1,150,861
2B	Commercial	81	80	44,120	50,106
2C	Industrial	N/A	N/A	N/A	N/A
3	Flat Rate:				
3A	Residential	N/A	N/A	N/A	N/A
3B	Commercial	N/A	N/A	N/A	N/A
3C	Industrial	N/A	N/A	N/A	N/A
4	Private Fire Protection	N/A	N/A	N/A	N/A
5	Public Fire Protection	390	381	N/A	N/A
6	Street Sprinkling	N/A	N/A	N/A	N/A
7	Municipal, Other	N/A	N/A	N/A	N/A
8	Other Water Utilities	N/A	N/A	N/A	N/A
	TOTALS (Add lines 2 through 8)	4,452	4,319	1,180,982	1,200,967

Name: Falls Water Co., Inc.

SYSTEM ENGINEERING DATA
(continued)

For Year Ended December 31, 2013

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year
	2"	1,239	-	-	1,239
	4"	1,879	-	(795)	2,675
	6"	220,271	192	-	220,464
	8"	72,242	1,856	-	74,099
	10"	29,489	-	-	29,489
	12"	24,991	2,965	-	27,956

CUSTOMER STATISTICS

		<u>Number of Customers</u>		<u>Thousands of Gallons Sold</u>	
		<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
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3A	Residential	N/A	N/A	N/A	N/A
3B	Commercial	N/A	N/A	N/A	N/A
3C	Industrial	N/A	N/A	N/A	N/A
4	Private Fire Protection	N/A	N/A	N/A	N/A
5	Public Fire Protection	390	381	N/A	N/A
6	Street Sprinkling	N/A	N/A	N/A	N/A
7	Municipal, Other	N/A	N/A	N/A	N/A
8	Other Water Utilities	N/A	N/A	N/A	N/A
	TOTALS (Add lines 2 through 8)	4,452	4,319	1,180,982	1,200,967

CERTIFICATE

State of Idaho)
) ss
County of Bonneville)

WE, the undersigned Brent Johnson, President, and K. Scott Bruce, General Manager, of the of the Falls Water Company, Inc. 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 _____ day of _____, _____

NOTARY PUBLIC


My Commission Expires _____

gdk/excel/jnelson/anulrpts/wtrannualrpt

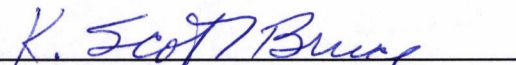
CERTIFICATE

State of Idaho)
) ss
County of Bonneville)

WE, the undersigned Brent Johnson, President, and K. Scott Bruce, General Manager, of the of the Falls Water Company, Inc. 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.



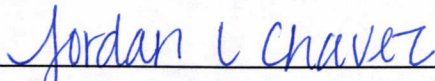
(Chief Officer)



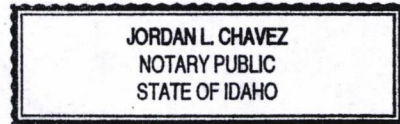
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 14 day of April, 2014



NOTARY PUBLIC



My Commission Expires December 16, 2019

gdk/excel/jnelson/anulrpts/wtrannualrpt

Supplemental information for question 13:

List of new subdivisions (see attached will serve letter) added to water system in 2013 include:

Birchwood Estates Subdivision Phase 2

Landmark Center Division 1

Green Valley Subdivision Division 1

See attached Spout copy for copy of summary requested in question 23.

FALLS WATER COMPANY

2180 N Deborah Dr, Idaho Falls, Idaho 83401

Tel.: (208) 522-1300

Website: www.fallswater.com

Fax: (208) 522-4099

Gary Marshall
Baseline Contractors, Inc.
PO Box 434
Shelley, ID 83274

April 17, 2013

Water Service for Birchwood Estates Subdivision Phase No. 2

This confirms that Falls Water Company, Inc. has the ability, capacity, and willingness to provide domestic water utility service to the proposed development, Birchwood Estates Subdivision described as follows:

The entire plat for the development contains the land beginning at a point that is S00°25'50"E 713.67 feet along the section line and S88°57'20"W 653.21 feet and S49°07'W 486.94 feet from the Northeast Corner of Section 3, Township 2 North, Range 38 East of the Boise Meridian, Bonneville County, Idaho said point of beginning being the Extreme Westerly Corner of Lot 7 Block 2, of the Edwards Acres Subdivision, Division No. 1, Bonneville County, Idaho as shown on the recorded plat thereof, and running thence S49°07'W 859.04 feet; S1°43'E 493.55 feet; thence S89°18'W 238.81 feet; thence N40°57'W 306.75 feet; thence S49°07'W 290.00 feet; thence S0°44'E 396.46 feet to the South line of the Northeast Quarter of said Section 3; thence N89°54'47"E 1318.44 feet along said South line; thence N7°28'18"W 158.25 feet; to a point on a curve having a radius of 50.00 feet and a chord that bears N25°15'57"E 169.85 feet; thence to the left along said curve 98.86 feet through a central angle of 113°17'05"; thence N59°15'39"E 169.84 feet thence N00°16'42"W 100.00 feet to the Southeast Corner of Lot 10 Block 2 of Birchwood Estates, Bonneville County, Idaho as shown on the recorded plat thereof; thence N0°25'50"W 293.88 feet; thence S89°06'54"E 373.67 feet to a point on the Westerly line of Edwards Acres Division No. 1; thence N38°37'20"W 901.24 feet to the point of beginning, containing 29.834 acres.

This will serve letter authorizes water service to Birchwood Estates Subdivision Phase 2 described as follows:

Beginning at a point that is S.00°25'50"E. 713.67 feet and S.88°57'20"W. 653.21 feet and S.49°07'00"W. 1181.54 feet from the North East Corner of Section 3, Township 2 North, Range 38 East of the Boise Meridian, Bonneville County, Idaho said point being the most Northerly Corner of Lot 15, Block 1, Birchwood Estates, Bonneville County, Idaho, a plat of Instrument #743927 and running thence S.50°09'06"E. 415.90 feet to the most Easterly corner of Lot 13, of said Block 1; thence S.50°09'06"E. 30.00 feet to the centerline of Edwards Drive; thence S.39°50'54"W. 350.00 feet along the centerline of Edwards Drive; thence N.50°09'06"W. 30.00 feet to the most Southerly Corner of Lot 18, of said Block 1; thence N.50°09'06"W. 275.94 feet to a point that is the most Northerly corner of Lot 19, of said Block 1, and falls on the boundary line of said plat; running thence N.01°43'00"E. 250.88 feet along the boundary line to a point that is a corner of said plat; thence N.49°07'00"E. 164.44 feet along the boundary line of said plat, to the POINT OF BEGINNING.

CONTAINING 3.389 Acres

This is subject to the following conditions:

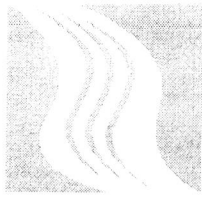
1. Installation and extension of the water system by the developer in accordance with Falls Water standards both within the development and connecting to the existing Falls Water system.
2. Approval by the Idaho Public Utilities Commission (IPUC).
3. In accordance with IPUC approved Rates and Tariff for Falls Water Company, Inc.
4. Payment by developer or by subsequent builders, homeowners, or lot purchasers of the connection fee in accordance with IPUC approved Rates and Tariffs.
5. System design and installation approved, inspected and accepted by Idaho Department of Environmental Quality, Falls Water's designated professional engineer, and by Falls Water's own internal staff.
6. Developer or their representative shall provide as-built drawings on paper and in an electronic format readable by Falls Water as the development progresses.
7. This will serve letter is valid for one year from the date of this letter.
8. Existing surface water rights from Progressive Irrigation District must be assigned to Falls Water Company, Inc.
9. In accordance with any other lawfully necessary provisions as agreed between developer and Falls Water.

If construction on the phase of this sub-development is not started within one year of the date of this letter the developer or his authorized agent will need to seek a new will serve letter.

FALLS WATER COMPANY, INC.

K. Scott Bruce

K. Scott Bruce
Manager



FALLS WATER COMPANY

2180 N Deborah Dr, Idaho Falls, Idaho 83401

Tel.: (208) 522-1300

Website: www.fallswater.com

Fax: (208) 522-4099

Blake Jolley
Harper-Leavitt Engineering Inc.
985 N Capital Ave
Idaho Falls, ID 83402

April 30, 2013

Water Service for Landmark Center Division No. 1

This confirms that Falls Water Company, Inc. has the ability, capacity, and willingness to provide domestic water utility service to the proposed development, Landmark Center Division 1 described as follows:

Beginning at a point that is S 88°32'50" W 591.07 feet and S 49°07'00" W 786.73 feet from the Northwest Corner of Section 3, Township 2 North, Range 38 East of the Boise Meridian: running thence S 49°07'00" W 660.00 feet; thence S 40°52'59" E 79.17 feet; thence S 01°43'00" E 542.80 feet; thence N 49°07'00" E 1002.82 feet; thence N 40°53'00" W 500.00 feet to the Point of Beginning, containing 9.23 Acres more or Less.

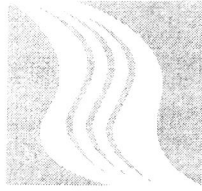
This is subject to the following conditions:

1. Installation and extension of the water system by the developer in accordance with Falls Water standards both within the development and connecting to the existing Falls Water system.
2. Approval by the Idaho Public Utilities Commission (IPUC).
3. In accordance with IPUC approved Rates and Tariff for Falls Water Company, Inc.
4. Payment by developer or by subsequent builders, homeowners, or lot purchasers of the connection fee in accordance with IPUC approved Rates and Tariffs.
5. System design and installation approved, inspected and accepted by Idaho Department of Environmental Quality, Falls Water's designated professional engineer, and by Falls Water's own internal staff.
6. Developer or their representative shall provide as-built drawings on paper and in an electronic format readable by Falls Water as the development progresses.
7. This will serve letter is valid for one year from the date of this letter.
8. In accordance with any other lawfully necessary provisions as agreed between developer and Falls Water.

If construction on the phase of this sub-development is not started within one year of the date of this letter the developer or his authorized agent will need to seek a new will serve letter.

FALLS WATER COMPANY, INC.

K. Scott Bruce
Manager



FALLS WATER COMPANY

2180 N Deborah Dr, Idaho Falls, Idaho 83401

Tel.: (208) 522-1300

Website: www.fallswater.com

Fax: (208) 522-4099

Eagle Rock Engineering
4400 Colonial Way
Idaho Falls, ID 83404

June 19, 2013

Water Service for Green Valley Subdivision Division No. 1

This confirms that Falls Water Company, Inc. has the ability, capacity, and willingness to provide domestic water utility service to the proposed development, Green Valley Subdivision described as follows:

BEGINNING AT THE NE 1/4 CORNER OF SECTION 11, TOWNSHIP 2 NORTH, RANGE 38 EAST OF THE BOISE, MERIDIAN; BONNEVILLE COUNTY, IDAHO; AND RUNNING THENCE N84°48'57"W 1065.81 FEET ALONG SAID SECTION LINE; THENCE S00°03'41"W 2237.76 FEET; THENCE N87°14'15"W 804.34 FEET; N00°03'36"E 1176.54 FEET; THENCE N84°49'04"W 377.72 FEET; S00°03'34"W 1192.51 FEET; THENCE N87°14'15"W 391.44 FEET; THENCE S00°03'41"W 329.00 FEET; THENCE S87°14'15"E 2637.17 FEET; THENCE N00°00'56"E 2521.78 FEET TO THE TRUCE POINT OF BEGINNING, CONTAINING 84.15 ACRES.

This will serve letter authorizes water service to Green Valley Estates Subdivision Division 1 described as follows:

BEGINNING AT A POINT THAT IS S00°01'06"W 1640.34 FEET FROM THE NE CORNER OF SECTION 11, TOWNSHIP 2 NORTH, RANGE 38 EAST OF THE BOISE MERIDIAN, BONNEVILLE COUNTY, IDAHO; AND RUNNING THENCE S00°01'06"W 881.22 FEET; THENCE N87°14'15"W 523.53 FEET; THENCE N00°03'41"E 373.23 FEET; THENCE N89°56'19"W 168.0 FEET; THENCE N00°03'41"E 130.0 FEET; THENCE N26°49'48"W 78.49 FEET; THENCE N00°03'41"E 421.59 FEET; THENCE S89°56'19"E 470.50 FEET; THENCE N78°40'20"E 71.41 FEET; THENCE S89°56'19"E 130.70 FEET; THENCE S00°30'13"W 149.67 FEET; THENCE S87°10'04"E 55.80 FEET TO THE POINT OF BEGINNING, CONTAINING 14.731 ACRES.

This is subject to the following conditions:

1. Installation and extension of the water system by the developer in accordance with Falls Water standards both within the development and connecting to the existing Falls Water system.
2. Approval by the Idaho Public Utilities Commission (IPUC).
3. In accordance with IPUC approved Rates and Tariff for Falls Water Company, Inc.
4. Payment by developer or by subsequent builders, homeowners, or lot purchasers of the connection fee in accordance with IPUC approved Rates and Tariffs.
5. System design and installation approved, inspected and accepted by Idaho Department of Environmental Quality, Falls Water's designated professional engineer, and by Falls Water's own internal staff.
6. Developer or their representative shall provide as-built drawings on paper and in an electronic format readable by Falls Water as the development progresses.
7. This will serve letter is valid for one year from the date of this letter.
8. Existing surface water rights from Progressive Irrigation District must be assigned to Falls Water Company, Inc.
9. In accordance with any other lawfully necessary provisions as agreed between developer and Falls Water.

If construction on the division of this sub-development is not started within one year of the date of this letter the developer or his authorized agent will need to seek a new will serve letter.

FALLS WATER COMPANY, INC.

K. Scott Bruce
Manager

MEDICAL EMERGENCY

If the customer or a member of the customer's family is seriously ill or has a medical emergency, the utility will postpone termination of service for thirty (30) days if a written certificate signed by a licensed physician or public health official is received.

An informal or formal complaint concerning the termination may be filed directly with the utility. If the customer is dissatisfied with the proposed resolution of the complaint, they may contact the Consumer Assistance staff by mail at the Idaho Public Utilities Commission, PO Box 83720, Boise, ID 83720-0074, or by telephone at 800-432-0369, or online at <http://www.puc.idaho.gov>

A complete set of customer Rules and Regulations are on file with the Idaho Public Utilities Commission and on the website.

FIRE HYDRANTS

Any customer with a fire hydrant located on their property is responsible to make sure that access to the hydrant is not blocked by landscaping, trees and shrubs, or by fences. Fire department personnel must be able to easily get to all sides of a hydrant in the case of a fire.

SPRINKLING

Falls Water does not have established watering days, but we urge you not to waste water. A nozzle or sprinkler **must always** be used when watering your lawn. Use of an "open" hose can result in termination of service.

BEFORE YOU DIG

Idaho Law requires that you call Dig Line utility locating service prior to any excavating in an easement or digging deeper than 18 inches anywhere on or off your property. Call 811 or 1-800-342-1585 three days before digging.

IMPORTANT REMINDERS

1. It is the owner's responsibility to repair any water leaks in the service line from the meter to the home, and any leaks in the home or under the home. Prompt repairs of leaks results in lower billings and conserves water.
2. During severe cold weather spells, be sure to keep a pencil-sized stream of water running to prevent costly and inconvenient freeze-ups. You will be responsible for repairing any freeze-up beyond the meter.

3. Make sure you know where the main water shutoff valve in your house is located in case you have a "plumbing emergency".

Memberships

American Water Works Association
Idaho Rural Water Association

Regulated by:

Idaho Public Utilities Commission
Idaho Department of Environmental Quality
Idaho Department of Water Resources
U.S. Environmental Protection Agency

THE SPOUT

Falls Water Co., Inc.'s
Information Pipeline
FOR 2013

Quality
On Tap!
Our Commitment  Our Profession



FALLS WATER
COMPANY

2180 Deborah Dr., Idaho Falls, Idaho 83401
Phone: (208) 522-1300 Fax: (208) 522-4099
or on our website www.fallswater.com

Falls Water Co., Inc. has operated since 1959 and currently serves over 3,980 homes in Bonneville County. As your water provider, we would like you to become familiar with some of our policies.

WATER SOURCE

Your water is supplied through a network of several inter-connected deep wells throughout the service area. The computer controlled pumps and distribution system automatically delivers water to meet the fluctuating demand.

The water is tested frequently according to testing schedules approved by The Idaho Department of Environmental Quality and by an independent laboratory to ensure that it meets all state and federal water quality standards. The water is chlorinated.

Falls Water Company operates in compliance with and is regulated by the Idaho Department of Environmental Quality and the Idaho Public Utilities Commission (IPUC).

WATER RATES

The IPUC approved rate for residential, multi-family residential, and commercial rates is as follows:

Service Meter Size	Gallons included each billing cycle is less than or equal to	Minimum Charge
3/4" or less	12,000	\$17.75
1"	17,000	\$25.00
1 1/2"	22,000	\$32.25
2"	28,000	\$41.00
4"	49,000	\$73.25

If usage in a billing cycle or portion of a billing cycle exceeds the allowable gallons included in the minimum charge, the excess usage will be billed at \$0.689 per thousand gallons of water used.

Effective October 16, 2012, meters for all customers will be read year round.

The bills are calculated on water use between meter readings and are due by the 15th of the following month. Customers with outstanding balances, as of the billing date, will be charged a 1% per month late payment fee.

The one-time Hook-up Fee for newly constructed homes is \$500 for a 3/4" meter, \$600 for a 1" meter, \$930 for a 1 1/2" meter, and \$1,205 for a 2" meter.

Reconnect fees after involuntary disconnection are \$20 for reconnection during office hours, Monday through Friday 8:00 a.m. to 5:00 p.m., and \$40 if reconnected after office hours. This fee is due at the time of service restoration.

A \$15 field collection fee will be charged if our representative receives a partial or full payment on a customer's account while visiting the customer to terminate service for nonpayment. The fee will be waived if payment is made to an employee restoring service after an involuntary disconnection for nonpayment.

A customer requesting that the company test the meter for their service will be charged a \$10 meter testing fee. If the meter tests outside the manufacturer's specifications of plus or minus 1.5%, the meter test charge will be waived, the meter replaced, and an adjustment made to the customer's bill.

A \$20 returned check fee will be charged when a customer's check is returned by the bank for insufficient funds.

THE METER COVER

Our meter readers and service personnel must have access to the water meter located on your property. Please do not cover the meter with landscaping or other obstacles. If you fence your yard, be sure to leave the meter on the outside of the fence. You can identify the cover as a round cast iron lid near where the water line enters your property.

TERMINATION RULES

SUMMARY OF RULES AND REGULATIONS OF THE IDAHO PUBLIC UTILITIES COMMISSION GOVERNING CUSTOMER RELATIONS OF NATURAL GAS, ELECTRIC AND WATER PUBLIC UTILITIES

A utility may terminate service to a customer without his/her permission after adequate notice for the following reasons:

1. Failure to pay an undisputed past due bill, or when payment is made with a written check or electronic payment drawn on an account with insufficient funds.
2. Failure to make security deposit where it is required.
3. Failure to abide by terms of a payment arrangement.
4. Customer or applicant misrepresented their identity for the purpose of obtaining utility service.
5. Customer or applicant denied or prevented the utility's access to the meter.
6. Willful waste of service through improper equipment or otherwise.

7. Customer or applicant is a minor not competent to contract as defined by Idaho Code.
8. Customer or applicant owes money on an existing account or from a previous account for service provided within the past four years.

A utility may deny or terminate service without prior notice to the customer or applicant and without his/her permission for one or more of the following reasons:

1. A situation exists that is immediately dangerous to life, physical safety or property.
2. The utility is ordered to terminate service by any court, the Commission or other duly authorized public authority.
3. The service is obtained, diverted or used without the authorization or knowledge of the utility.
4. The utility has made a diligent attempt to notify the customer of termination, but has been unable to make contact.

NOTIFICATION

1. A billing may be considered past due fifteen (15) days after the billing date. A written notice of termination must be mailed at least seven (7) days before the proposed termination date.
2. At least twenty-four (24) hours before the service is terminated, another attempt shall be made to contact the customer in person or by telephone.
3. If service is not terminated within twenty-one (21) calendar days after the proposed termination date, another seven (7) day and twenty-four (24) hour notice is required.
4. No additional notice is required if upon receipt of a termination notice the customer makes a payment arrangement and fails to keep it, or when payment is made with a written check or electronic payment drawn on an account with insufficient funds

WHEN TERMINATION IS NOT ALLOWED

1. The unpaid bill totals less than fifty dollars (\$50) or two (2) months service, whichever is less.
2. The unpaid bill is for service to another customer.
3. The unpaid bill results from the purchase of non-utility goods or services.
4. Terminations are not allowed on Friday, Saturday or Sunday, legal holidays recognized by the State of Idaho, the day preceding legal holidays, or at any time when the company is not open for business.