

ANNUAL REPORT

OF

EAGLE WATER COMPANY
NAME

172 W. State Street Eagle, ID
ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED 12-31-2004

RECEIVED
FILED
2005 MAY 13 PM 4:37
IDAHO PUBLIC
UTILITIES COMMISSION

**ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING December 31,2004**

COMPANY INFORMATION

1 Give full name of utility Eagle Water Company, Inc.
 2 Date of Organization 3/14/74
 3 Organized under the laws of the state of Idaho
 4 Address of Principal Office (number & street) 172 W. State Street, Suite D
 5 P.O. Box (if applicable) PO Box 455
 6 City Eagle
 7 State Idaho
 8 Zip Code 83616
 9 Organization (proprietor, partnership, corp.) Corporation
 10 Towns, Counties served Eagle, Ada County, 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)	Robert V. DeShazo, Jr.	939-0242
Vice President	Rowland Jones	
Secretary	Betty Holt	939-0242
General Manager	Norman Revels	939-0242
Complaints or Billing	Betty Holt	939-0240
Engineering	Jim Rees, MTC Engineers	
Emergency Service	Norman Revels	939-0242
Accounting	Betty Holt 939-0242 or Geneva Trent	939-8206

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 172 W. State Street, Suite D
 City Eagle
 State Idaho
 Zip 83616

NAME: Eagle Water Company, Inc.

COMPANY INFORMATION (Cont.)

For the Year Ended 31-Dec-04

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

No

16 If yes: With whom is the contract?

When does the contract expire?

What services and rates are included?

17 Is water purchased for resale through the system?

No

18 If yes: Name of Organization

Name of owner or operator

Mailing Address

City

State

Zip

Gallons/CCF

\$Amount

Water Purchased

19 Has any system(s) been disapproved by the Idaho Division of Environmental Quality?

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

7

High Bills

3

Disconnection

4

22 Number of Customers involuntarily disconnected

28

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

Jul-04

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: Eagle Water Company, Inc.

REVENUE & EXPENSE DETAIL

For the Year Ended 31-Dec-04

ACCT #	DESCRIPTION		
400 REVENUES			
1	460	Unmetered Water Revenue	
2	461.1	Metered Sales - Residential	<u>491,998</u>
3	461.2	Metered Sales - Commercial, Industrial	<u>124,031</u>
4	462	Fire Protection Revenue	
5	464	Other Water Sales Revenue	<u>0</u>
6	465	Irrigation Sales Revenue	
7	466	Sales for Resale	
8	400	Total Revenue (Add Lines 1 - 7) (also enter result on Page 4, line 1)	<u>616,029</u>
9	* DEQ Fees Billed separately to customers		Booked to Acct # _____
10	** Hookup or Connection Fees Collected	<u>148,096</u>	Booked to Acct # <u>271</u>
11	***Commission Approved Surcharges Collected		Booked to Acct # _____
401 OPERATING EXPENSES			
12	601.1-6	Labor - Operation & Maintenance	<u>36,437</u>
13	601.7	Labor - Customer Accounts	<u>83,148</u>
14	601.8	Labor - Administrative & General	<u>19,781</u>
15	603	Salaries, Officers & Directors	<u>16,434</u>
16	604	Employee Pensions & Benefits	<u>23,054</u>
17	610	Purchased Water	
18	615-16	Purchased Power & Fuel for Power	<u>88,000</u>
19	618	Chemicals	
20	620.1-6	Materials & Supplies - Operation & Maint.	<u>29,205</u>
21	620.7-8	Materials & Supplies - Administrative & General	<u>28,044</u>
22	631-34	Contract Services - Professional	<u>40,324</u>
23	635	Contract Services - Water Testing	
24	636	Contract Services - Other	
25	641-42	Rentals - Property & Equipment	
26	650	Transportation Expense	<u>4,248</u>
27	656-59	Insurance	<u>29,980</u>
28	660	Advertising	
29	666	Rate Case Expense (Amortization)	
30	667	Regulatory Comm. Exp. (Other except taxes)	
31	670	Bad Debt Expense	<u>10,672</u>
32	675	Miscellaneous	<u>928</u>
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)		<u>410,257</u>

Name: Eagle Water Company, Inc.

INCOME STATEMENT

For Year Ended 31-Dec-04

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		<u>616,029</u>
2	Operating Expenses (From Page 3, line 33)	<u>410,257</u>	
3	403 Depreciation Expense	<u>42,144</u>	
4	406 Amortization, Utility Plant Aquisition Adj.		
5	407 Amortization Exp. - Other		
6	408.10 Regulatory Fees (PUC)	<u>1,444</u>	
7	408.11 Property Taxes	<u>38,903</u>	
8	408.12 Payroll Taxes	<u>20,339</u>	
9A	408.13 Other Taxes (list) DEQ Fees		
9B		<u>Sales Taxes</u>	<u>692</u>
9C		<u>City Franchise Fees</u>	<u>3415</u>
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)		<u>517,193</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>98,836</u>
20	415 Revenues, Merchandizing Jobbing and Contract Work		
21	416 Expenses, Merchandizing, Jobbing & Contracts		
22	419 Interest & Dividend Income		<u>93.58</u>
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)		<u>93.58</u>
29	Gross Income (add lines 19 & 28)		<u>98,929</u>
30	427.3 Interest Exp. on Long-Term Debt		<u>5,261</u>
31	427.5 Other Interest Charges		<u>3,681</u>
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)		<u>89,987</u>

Name: Eagle Water Company, Inc.

ACCOUNT 101 PLANT IN SERVICE DETAIL
For Year Ended 31-Dec-04

SUB ACCT #	DESCRIPTION	Balance Beginning of Year	Added During Year	Removed During Year	Balance End of Year
1 301	Organization	13,857			13,857
2 302	Franchises and Consents				-
3 303	Land & Land Rights	19,100			19,100
4 304	Structures and Improvements	15,199			15,199
5 305	Collecting & Impounding Reservoirs	48,015			48,015
6 306	Lake, River & Other Intakes				-
7 307	Wells	374,369			374,369
8 308	Infiltration Galleries & Tunnels				-
9 309	Supply Mains	12,882			12,882
10 310	Power Generation Equipment	20,236			20,236
11 311	Power Pumping Equipment	202,123			202,123
12 320	Purification Systems				-
13 330	Distribution Reservoirs & Standpipes				-
14 331	Trans. & Distrib. Mains & Accessories	967,151			967,151
15 333	Services				-
16 334	Meters and Meter Installations	187,229	11,868		199,097
17 335	Hydrants	4,200			4,200
18 336	Backflow Prevention Devices				-
19 339	Other Plant & Misc. Equipment				-
20 340	Office Furniture and Equipment	15,296			15,296
21 341	Transportation Equipment	30,175			30,175
22 342	Stores Equipment				-
23 343	Tools, Shop and Garage Equipment	12,505			12,505
24 344	Laboratory Equipment				-
25 345	Power Operated Equipment				-
26 346	Communications Equipment				-
27 347	Miscellaneous Equipment	2,291			2,291
28 348	Other Tangible Property				-
29	TOTAL PLANT IN SERVICE	1,924,628	11,868	-	1,936,496

(Add lines 1 - 28)

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

Name: Eagle Water Company, Inc.

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended 31-Dec-04

SUB ACCT #	DESCRIPTION	Depreciation Rate %	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 304	Structures and Improvements		8,324	8,604	280
2 305	Collecting & Impounding Reservoirs				-
3 306	Lake, River & Other Intakes				-
4 307	Wells		79,416	91,139	11,722
5 308	Infiltration Galleries & Tunnels				-
6 309	Supply Mains		2,448	2,705	257
7 310	Power Generation Equipment		20,236	20,236	(0)
8 311	Power Pumping Equipment		63,254	72,049	8,794
9 320	Purification Systems				-
10 330	Distribution Reservoirs & Standpipes		48,015	48,015	0
11 331	Trans. & Distrib. Mains & Accessories		139,612	150,215	10,603
12 333	Services				-
13 334	Meters and Meter Installations		17,764	21,749	3,985
14 335	Hydrants		874	909	35
15 336	Backflow Prevention Devices				-
16 339	Other Plant & Misc. Equipment				-
17 340	Office Furniture and Equipment		14,845	15,296	451
18 341	Transportation Equipment		17,158	21,925	4,767
19 342	Stores Equipment				-
20 343	Tools, Shop and Garage Equipment		10,651	11,442	791
21 344	Laboratory Equipment				-
22 345	Power Operated Equipment				-
23 346	Communications Equipment				-
24 347	Miscellaneous Equipment		1,145	1,604	459
25 348	Other Tangible Property				-
26	TOTALS (Add Lines 1 - 25)		423,742	465,887	42,144

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

Name: Eagle Water Company**BALANCE SHEET**For Year Ended 12/31/04

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)	1,924,628	1,936,496	11,868
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)	1,924,628	1,936,496	11,868
7	108.1 Accumulated Depreciation (From Pg 6, Line 26)	423,742	465,887	42,145
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)	1,500,886	1,470,609	(30,277)
14	123 Investment in Subsidiaries			-
15	125 Other Investments			-
16	Total Investments (Add lines 14 & 15)			-
17	131 Cash	32,754	134,660	101,906
18	135 Short Term Investments			-
19	141 Accts/Notes Receivable - Customers	30,613	18,976	(11,637)
20	142 Other Receivables	37,360	27,333	(10,027)
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)	100,727	180,969	80,242
27	181 Unamortized Debt Discount & Expense			-
28	183 Preliminary Survey & Investigation Charges			-
29	184 Deferred Rate Case Expenses			-
30	186 Other Deferred Charges A/R Construct'n	2,052,614	2,232,067	179,453
31	Total Assets (Add lines 13, 16 & 26 - 30)	3,654,227	3,883,644	229,417

Name: Eagle Water Company

BALANCE SHEET

For Year Ended 12/31/04

LIABILITIES & CAPITAL

ACCT #	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1	201-3 Common Stock	20,000	20,000	-
2	204-6 Preferred Stock			-
3	207-13 Miscellaneous Capital Accounts	63,702	63,702	-
4	214 Appropriated Retained Earnings			-
5	215 Unappropriated Retained Earnings	783,390	873,375	89,985
6	216 Reacquired Capital Stock			-
7	218 Proprietary Capital			-
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	867,092	957,077	89,985
9	221-2 Bonds			-
10	223 Advances from Associated Companies			-
11	224 Other Long - Term Debt	37,926	31,847	(6,079)
12	231 Accounts Payable	210,721	215,093	4,372
13	232 Notes Payable	87,873	77,270	(10,603)
14	233 Accounts Payable - Associated Companies			-
15	235 Customer Deposits (Refundable)			-
16	236.11 Accrued Other Taxes Payable	21,812	33,141	11,329
17	236.12 Accrued Income Taxes Payable			-
18	236.2 Accrued Taxes - Non-Utility			-
19	237-40 Accrued Debt, Interest & Dividends Payable	8,700	1,017	(7,683)
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	2,420,103	2,568,199	148,096
28	272 Accum. Amort. of Contrib. in Aid of Const. **			-
29	281-3 Accumulated Deferred Income Taxes			-
30	Total Liabilities (Add lines 9 - 29)	2,787,135	2,926,567	139,432
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)	3,654,227	3,883,644	229,417

** Only if Commission Approved

Name: Eagle Water Company, Inc.

STATEMENT OF RETAINED EARNINGS

For Year Ended 31-Dec-04

1	Retained Earnings Balance @ Beginning of Year	<u>783,390</u>
2	Amount Added from Current Year Income (From Pg 4, Line 32)	<u>89,985</u>
3	Other Credits to Account	<u> </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>873,375</u></u>

CAPITAL STOCK DETAIL

		No. Shares Authorized	No. Shares Outstanding	Dividends Paid
7	Description (Class, Par Value etc.)			
	Common	20,000	20,000	-0-

DETAIL OF LONG-TERM DEBT

	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
8	Note Payable - Nyborg	12% - 14%	31,847	4,289	132.5

Name: Eagle Water Company, Inc.

SYSTEM ENGINEERING DATA

For Year Ended 31-Dec-04

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)
#1	600 gpm	none		well
#2	400 gpm	none		well
#3	400 gpm	none		well
#5	variable to 2,500	none		well
#6	variable to 2,500	none		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)
W/H #2	90,000	90,000	Boosted	Concrete)

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

Name: Eagle Water Company, Inc.

**SYSTEM ENGINEERING DATA
(continued)**

For Year Ended 31-Dec-04

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
W/H #1 Sub. Berkley	50	600		
W/H #2 Sub. Berkley	20	400		
W/H #3 Sub. Berkley	20	400		
W.H #4 Layne & Bowler	variable 250	up to 2,500		
W/H #6 Layne & Bowler	variable 250	up to 2,500		
W/H #2 Pacific	25	450		
W/H #2 Pacific	15	220		
W/H #2 Pacific	25	450		

**** 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? 747,961,000
 - What was the total amount pumped during peak month? July 125,703,00
 - What was the total amount pumped on the peak day? 16 Aug 4,763,00
- 6 If customers are metered, what was the total amount sold in peak month? 125,703,000
- 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? 12
 During which months? Dec. thru Jan.
- 9 How many additional customers could be served with no system improvements
 except a service line and meter? _____
 How many of those potential additions are vacant lots? _____
- 10 Are backbone plant additions anticipated during the coming year? Yes
If Yes, attach an explanation of projects and anticipated costs! Well - Approx. \$250,000-300,000
- 11 In what year do you anticipate that the system capacity (supply, storage or distribution)
 will have to be expanded? 2005

Name: Eagle Water Company, Inc.

SYSTEM ENGINEERING DATA
 (continued)
 For Year Ended 31-Dec-04

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year
	1 1/2 "	13,010	0	0	13,010
	2"	1,601	0	0	1,601
	4"	9,074	0	0	9,074
	6"	41,296	0	0	41,296
	8"	122,664	0	0	122,664
	10"	20	0	0	20
	12"	68,852	0	0	68,852

CUSTOMER STATISTICS

		Number of Customers		Thousands of Gallons Sold	
		This Year	Last Year	This Year	Last Year
2	Metered:				
2A	Residential	2596	2488		547,248,325
2B	Commercial	292	257		129,318,068
2C	Industrial	0	0		
3	Flat Rate:				
3A	Residential	0	0		
3B	Commercial	1	1		
3C	Industrial	0	0		
4	Private Fire Protection				
5	Public Fire Protection				
6	Street Sprinkling				
7	Municipal, Other				
8	Other Water Utilities				
	TOTALS (Add lines 2 through 8)	2889	2746	0	676,566,393

CERTIFICATE

State of Idaho)
County of Ada) ss

WE the undersigned Robert DeShazo Jr.
and Betty Holt
of the Eagle 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.

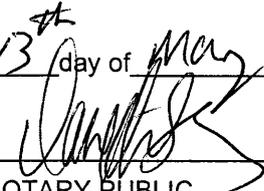


(Chief Officer)

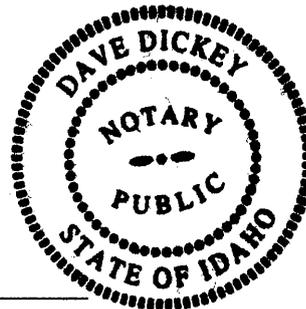


(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 13th day of May, 2005


NOTARY PUBLIC



My Commission Expires 4-23-07

gdk/excel/jnelson/anulrpts/wtrannualrpt