

ANNUAL REPORT

OF

PONDEROSA TERRACE ESTATES WATER SYSTEM INC.
NAME

2626 WRENCO LOOP Rd.
SANDPOINT, ID. 83864
ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED 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 PONDEROSA TERRACE ESTATES WATER SYSTEM INC.
 Telephone Area Code (208) 263-2720
 E-mail address ZADRAP2@WMCONNECT.COM
 2 Date of Organization 1986
 3 Organized under the laws of the state of IDAHO
 4 Address of Principal Office (number & street) 2626 WRENCO Loop Rd.
 5 P.O. Box (if applicable) _____
 6 City SANDPOINT
 7 State IDAHO
 8 Zip Code 83864
 9 Organization (proprietor, partnership, corp.) CORP.
 10 Towns, Counties served BONNER COUNTIE

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)	<u>ROBAER COBOTT</u>	<u>208-263-2720</u>
Vice President		
Secretary	<u>ZADEREA RAPHAEL</u>	<u>208-263-2720</u>
General Manager	<u>ROBAER COBOTT</u>	<u>11</u>
Complaints or Billing	<u>ROBAER COBOTT</u>	<u>11</u>
Engineering		
Emergency Service		
Accounting	<u>ROBAER COBOTT</u>	<u>11</u>

13 Were any water systems acquired during the year or any additions/deletions made to the service area during the year? NO
 If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.

14 Where are the Company's books and records kept?
 Street Address 2626 WRENCO Loop Rd.
 City SANDPOINT
 State IDAHO
 Zip 83864

NAME: _____

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?

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

High Bills

Disconnection

NONE

22 Number of Customers involuntarily disconnected

NONE

23 Date customers last received a copy of the Summary

of Rules required by IDAPA 31.21.01.701?

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: _____

REVENUE & EXPENSE DETAIL

For the Year Ended 2004

ACCT #	DESCRIPTION	
400 REVENUES		
1	460 Unmetered Water Revenue	<u>13747.08</u>
2	461.1 Metered Sales - Residential	_____
3	461.2 Metered Sales - Commercial, Industrial	_____
4	462 Fire Protection Revenue	_____
5	464 Other Water Sales Revenue	_____
6	465 Irrigation Sales Revenue	_____
7	466 Sales for Resale	_____
8	400 Total Revenue (Add Lines 1 - 7) (also enter result on Page 4, line 1)	<u>13747.08</u>
9	* DEQ Fees Billed separately to customers	Booked to Acct # _____
10	** Hookup or Connection Fees Collected	Booked to Acct # _____
11	***Commission Approved Surcharges Collected	Booked to Acct # _____
401 OPERATING EXPENSES		
12	601.1-6 Labor - Operation & Maintenance	<u>2300.00</u>
13	601.7 Labor - Customer Accounts	_____
14	601.8 Labor - Administrative & General	_____
15	603 Salaries, Officers & Directors	<u>4279.78</u>
16	604 Employee Pensions & Benefits	_____
17	610 Purchased Water	_____
18	615-16 Purchased Power & Fuel for Power	<u>1501.73</u>
19	618 Chemicals	<u>120.00</u>
20	620.1-6 Materials & Supplies - Operation & Maint.	<u>1183.08</u>
21	620.7-8 Materials & Supplies - Administrative & General	<u>551.84</u>
22	631-34 Contract Services - Professional	_____
23	635 Contract Services - Water Testing	<u>690.00</u>
24	636 Contract Services - Other	<u>238.00</u>
25	641-42 Rentals - Property & Equipment	<u>1620.00</u>
26	650 Transportation Expense	<u>844.97</u>
27	656-59 Insurance	_____
28	660 Advertising	_____
29	666 Rate Case Expense (Amortization)	_____
30	667 Regulatory Comm. Exp. (Other except taxes)	_____
31	670 Bad Debt Expense	<u>5188.00</u>
32	675 Miscellaneous	_____
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)	<u>18517.40</u>

Name: _____

INCOME STATEMENT

For Year Ended 2004

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		<u>13747.08</u>
2	Operating Expenses (From Page 3, line 33)	<u>18517.40</u>	
3 403	Depreciation Expense	<u>1446.00</u>	
4 406	Amortization, Utility Plant Acquisition Adj.		
5 407	Amortization Exp. - Other		
6 408.10	Regulatory Fees (PUC)		
7 408.11	Property Taxes	<u>172.29</u>	
8 408.12	Payroll Taxes		
9A 408.13	Other Taxes (list) DEQ Fees	<u>160.00</u>	
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)		<u>20295.69</u>
17 413	Income From Utility Plant Leased to Others		
18 414	Gains (Losses) From Disposition of Utility Plant		<u>6548.61</u>
19	Net Operating Income (Add lines 1, 17 & 18 less line 16)		<u>6548.61</u>
20 415	Revenues, Merchandizing Jobbing and Contract Work		
21 416	Expenses, Merchandizing, Jobbing & Contracts		<u>3600.00</u>
		<i>LOAN PAYBACK TO ROBAER FOR 2ND WELL</i>	
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)		
30 427.3	Interest Exp. on Long-Term Debt		
31 427.5	Other Interest Charges		
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)		<u>10148.61</u>

Name: _____

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	10655.01			20803.62
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)	10655.01			20803.62

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

Name: _____

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	3.3%	3.3%	0
5	308	Infiltration Galleries & Tunnels			
6	309	Supply Mains			
7	310	Power Generation Equipment			
8	311	Power Pumping Equipment	5%	5%	0
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)		8.5%	8.5%	0

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

Name: _____

BALANCE SHEET

For Year Ended 2004

<u>ASSETS</u>		Balance	Balance	Increase
ACCT #	DESCRIPTION	Beginning of Year	End of Year	or (Decrease)
1	101 Utility Plant in Service (From Pg 5, Line 29)	10655.01	10148.61	506.40 decrease
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			
18	135 Short Term Investments			
19	141 Accts/Notes Receivable - Customers	3702.00	1380.50	2321.50 decrease
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)			
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)		8768.11	

Name: _____

BALANCE SHEET

For Year Ended 2004

LIABILITIES & CAPITAL

ACCT #	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1	201-3 Common Stock			
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts			
4	214 Appropriated Retained Earnings			
5	215 Unappropriated Retained Earnings			
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital			
8	Total Equity Capital (Add Lines 1-5+7 less line 6)			
9	221-2 Bonds			
10	223 Advances from Associated Companies			
11	224 Other Long - Term Debt			
12	231 Accounts Payable <i>To ROBAER FOR 2ND well</i>	<i>30,000⁰⁰</i>	<i>30,000⁰⁰</i>	<i>SAME</i>
13	232 Notes Payable			
14	233 Accounts Payable - Associated Companies			
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			
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			
28	272 Accum. Amort. of Contrib. in Aid of Const. **			
29	281-3 Accumulated Deferred Income Taxes			
30	Total Liabilities (Add lines 9 - 29)			
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)	<i>30,000⁰⁰</i>	<i>30,000⁰⁰</i>	<i>SAME</i>

** Only if Commission Approved

Name: _____

STATEMENT OF RETAINED EARNINGS
For Year Ended 2004

1	Retained Earnings Balance @ Beginning of Year	0
2	Amount Added from Current Year Income (From Pg 4, Line 32)	0
3	Other Credits to Account	
4	Dividends Paid or Appropriated	
5	Other Distributions of Retained Earnings	
6	Retained Earnings Balance @ End of Year	0

CAPITAL STOCK DETAIL

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

DETAIL OF LONG-TERM DEBT

	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
8	LOAN TO ROBER FOR 2 ND WELL		30,000 ⁰⁰		

Name: _____

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)
P.T.E. WATER SYSTEM INC.	5	Chlorine	5,475,000	WELL
TALACHE, IDAHO	25		BOTH WELLS	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)
P.T.E. WATER SYSTEM INC.	19,000	10,000	ELEVATED	CONCRETE

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

Name: _____

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
P.J.E. WATER SYSTEM INC.	5	30		1501.73
TALACHE, IDAHO	5	30		B&TH
2-pumps				

** Submit pump curves unless previously provided or unavailable. Asterisk facilities added this year. Attach additional sheets if inadequate space is available on this page.

- 5 If Wells are metered:
 What was the total amount pumped this year? _____
 What was the total amount pumped during peak month? _____
 What was the total amount pumped on the peak day? _____
- 6 If customers are metered, what was the total amount sold in peak month? _____
- 7 Was your system designed to supply fire flows?
If Yes: What is current system rating? _____
- 8 How many times were meters read this year? _____
 During which months? _____
- 9 How many additional customers could be served with no system improvements
 except a service line and meter? 21
 How many of those potential additions are vacant lots? 21
- 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? Many years later

Name: _____

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
	6"	all	None		all
	4"	all	None		all
	2"	all	None		all
	1"	all	None		all

CUSTOMER STATISTICS

	Number of Customers		Thousands of Gallons Sold	
	This Year	Last Year	This Year	Last Year
2 Metered:				
2A Residential				
2B Commercial				
2C Industrial				
3 Flat Rate:				
3A Residential - <i>RESIDENT</i>	15	13	5,475,000	4,380,000
3B Commercial <i>NON-RESIDENT</i>	17	43		
3C Industrial				
4 Private Fire Protection				
5 Public Fire Protection				
6 Street Sprinkling				
7 Municipal, Other				
8 Other Water Utilities				
TOTALS (Add lines 2 through 8)	32	56		

CERTIFICATE

State of Idaho)
) ss
County of _____)

WE, the undersigned Robaer Cobalt
and _____
of the _____
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.

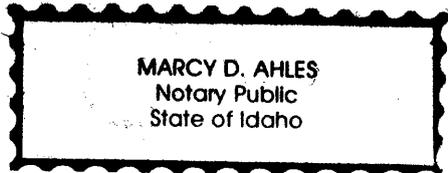
Robaer Cobalt
(Chief Officer)

Robaer Cobalt
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 14 day of March, 2005

Marcy D. Ahles
NOTARY PUBLIC



**My Commission Expires On
December 6, 2010**

My Commission Expires _____

gdk/excel/jnelson/anulrpts/wtrannualrpt