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ANNUAL REPORT

IDAHO PUBLIC
UTILITIES COMMISSION

OF

NAME

ROBAER COBOTT
PONDEROSA TERRACE ESTATES
2626 WRENCO LOOP ROAD
SANDPOINT ID 83864



TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED ~~2010~~ 2011

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION FOR THE YEAR ENDING 2011

COMPANY INFORMATION

- 1 Give full name of utility PONDEROSA TERRACE ESTATES WATER SYSTEM INC.
- Telephone Area Code (208) 263-2720
- E-mail address ZADRAP65@NETZERO.NET
- 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 COUNTY

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

	Name	Phone No.
12 Contact Information		
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>208 263-2720</u>
Complaints or Billing	<u>ROBAER COBOTT</u>	<u>208 263-2720</u>
Engineering		
Emergency Service		
Accounting	<u>ROBAER COBOTT</u>	<u>208 263-2720</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: P.T.E. WATER SYSTEM INC.

COMPANY INFORMATION (Cont.)
For the Year Ended 2011

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? If yes, attach full explanation	<u>NO</u>	
20 Has the Idaho Division of Environmental Quality recommended any improvements? If yes, attach full explanation	<u>NO</u>	
21 Number of Complaints received during the reporting period Quality of Service High Bills Disconnection	<u>NO</u>	
22 Number of Customers Involuntarily disconnected	<u>NO</u>	
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	<u>NO</u>	
24 Did significant additions or retirements from the Plant Accounts occur during the year? If yes, attach full explanation and an updated system map		

NAME: P.T.E. WATER SYSTEM INC.

REVENUE & EXPENSE DETAIL

For the Year Ended 2011

ACCT #	DESCRIPTION	
400 REVENUES		
1 460	Unmetered Water Revenue	<u>12,001.00</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>12,001.00</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>2650.00</u>
13 601.7	Labor - Customer Accounts	_____
14 601.8	Labor - Administrative & General	_____
15 603	Salaries, Officers & Directors	<u>2,800.00</u>
16 604	Employee Pensions & Benefits	_____
17 610	Purchased Water	_____
18 615-16	Purchased Power & Fuel for Power	<u>3,729.33</u>
19 618	Chemicals	<u>180.00</u>
20 620.1-6	Materials & Supplies - Operation & Maint.	<u>6,026.69</u>
21 620.7-8	Materials & Supplies - Administrative & General	<u>967.67</u>
22 631-34	Contract Services - Professional	<u>400.00</u>
23 635	Contract Services - Water Testing	<u>240.00</u>
24 636	Contract Services - Other	_____
25 641-42	Rentals - Property & Equipment	<u>2,400.00</u>
26 650	Transportation Expense	<u>209.00</u>
27 656-59	Insurance	<u>232.25</u>
28 660	Advertising	_____
29 666	Rate Case Expense (Amortization) BUSINESS TAX	<u>195.20</u>
30 667	Regulatory Comm. Exp. (Other except taxes)	<u>185.00</u>
31 670	Bad Debt Expense	_____
32 675	Miscellaneous INTEREST EXPENSE	<u>5,770.79</u>
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)	<u>27,985.93</u>

Name: P.T.E. WATER SYSTEM INC.

INCOME STATEMENT

For Year Ended 2011

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		<u>12,061.00</u>
2	Operating Expenses (From Page 3, line 33)	<u>27985.93</u>	
3	403 Depreciation Expense	_____	
4	406 Amortization, Utility Plant Acquisition Adj.	_____	
5	407 Amortization Exp. - Other	_____	
6	408.10 Regulatory Fees (PUC)	_____	
7	408.11 Property Taxes	_____	
8	408.12 Payroll Taxes	_____	
9A	408.13 Other Taxes (list) DEQ Fees	_____	
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>22215.14</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)	_____	
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)	_____	
30	427.3 Interest Exp. on Long-Term Debt		<u>5770.79</u>
31	427.5 Other Interest Charges		
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)		<u>15984.93</u>

NET LOSS

Name: P. T. E. WATER SYSTEM INC.

ACCOUNT 101 PLANT IN SERVICE DETAIL
For Year Ended 2011

SUB ACCT #	DESCRIPTION	Balance Beginning of Year	Added During Year	Removed During Year	Balance End of Year
1 301	Organization	75096.10			91061.03
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)	75076.10			91061.03

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

Name: P.T.F. WATER SYSTEM INC.

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended 2011

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%	3.3%	0
5	308 Infiltration Galleries & Tunnels				
6	309 Supply Mains				
7	310 Power Generation Equipment				
8	311 Power Pumping Equipment	5%	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	338 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	348 Communications Equipment				
24	347 Miscellaneous Equipment				
25	348 Other Tangible Property				
26	TOTALS (Add Lines 1 - 25)	8.5%	8.5%	8.5%	

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

Name: P.T.E. WATER SYSTEM INC.

BALANCE SHEET

For Year Ended 2011

ASSETS

ACCT #	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 101	Utility Plant in Service (From Pg 5, Line 29)	75076.10	91061.03	15984.93
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 28)			
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			
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)			

Name: P.T.E. WATER SYSTEM INC.

BALANCE SHEET

For Year Ended 2011

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 Recquired 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	47205.82	57707.87	10502.05
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)	47205.82	57707.87	10502.05

** Only if Commission Approved

Name: P. T. E. WATER SYSTEM INC.

STATEMENT OF RETAINED EARNINGS
For Year Ended 2011

1	Retained Earnings Balance @ Beginning of Year	<u>0</u>
2	Amount Added from Current Year Income (From Pg 4, Line 32)	<u>0</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>0</u>

CAPITAL STOCK DETAIL

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

DETAIL OF LONG-TERM DEBT

8	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
	LOAN TO ROBAER COBOTT	12%	57707.87	NONE	

Name: P. T. E. WATER SYSTEM INC.

SYSTEM ENGINEERING DATA
For Year Ended 2011

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 #1 WELL	20	CHLORINE	3700	WELL
#2 WELL	5		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	10,000	10,000	ELEVATED	CONCRETE

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

Name: P.T.E. WATER SYSTEM INC.

SYSTEM ENGINEERING DATA
(continued)
For Year Ended 2011

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.T.E. WATER #1	5	30		2829.33
#2	2	10		

** 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?
 How many of those potential additions are vacant lots?
 21
 21
- 10 Are backbone plant additions anticipated during the coming year?
 If Yes, attach an explanation of projects and anticipated costs!
 NO
- 11 In what year do you anticipate that the system capacity (supply, storage or distribution) will have to be expanded?
 MANY YEARS

Name: P.T.E. WATER SYSTEM INC.

SYSTEM ENGINEERING DATA

(continued)

For Year Ended 2011

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
	3"	all	NONE		all
	2"	all	NONE		all
	1"	all	NONE		all

CUSTOMER STATISTICS

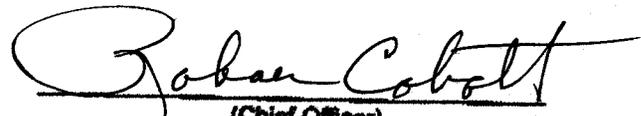
	Number of Customers		Thousands of Gallons Sold	
	This Year	Last Year	This Year	Last Year
2 Metered:				
2A Residential	16	16	3300	3550
2B Commercial	6	6		
2C Industrial				
3 Flat Rate:				
3A Residential				
3B Commercial				
3C Industrial				
4 Private Fire Protection				
5 Public Fire Protection				
6 Street Sprinkling				
7 Municipal, Other				
8 Other Water Utilities				
TOTALS (Add lines 2 through 8)	22	22		

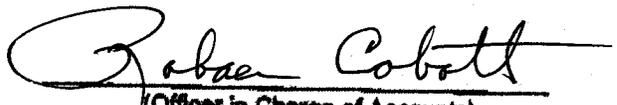
CERTIFICATE

State of Idaho Hawaii)
 County of Hawaii) ss

WE, the undersigned Robner Collett
 and _____
 of the Ponderosa Terrace Estate Water System Inc

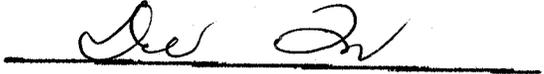
utility, on our oath do severally say that the foregoing report has been prepared under our direction,
 from the original books, papers and records of said utility; that we have carefully examined same, and
 declare the same to be a correct statement of the business and affairs of said utility for the 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

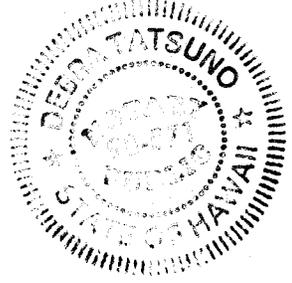
this 12th day of April, 2012

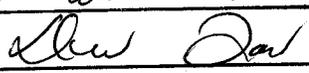

 NOTARY PUBLIC

My Commission Expires November 8, 2014



gdk/ezcel/jnelson/annulrpts/wtrannulrpts



Doc Date: 4-12-12 # Pages: 13
 Name: Debra Tsuno Third Circuit
 Doc. Description: Annual Report
for Water Utilities
 Rev 3/02 4/12-12 Page 13
 Date
 Signature Date

NOTARY CERTIFICATION