

ANNUAL REPORT

OF

PKS-W

Packsaddle Estates Water Corporation
NAME

P.O. Box 269
Tetonia, Idaho 83452
ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED 2005

ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 2005

COMPANY INFORMATION

1 Give full name of utility PACKSADDLE ESTATES WATER CORPOPATION
 Telephone Area Code (208) 456-2301 or 456-2236
 E-mail address _____
 2 Date of Organization 02/01/96
 3 Organized under the laws of the state of IDAHO
 4 Address of Principal Office (number & street) 113 CENTRAL STREET
 5 P.O. Box (if applicable) P.O. BOX 269
 6 City TETONIA
 7 State IDAHO
 8 Zip Code 83452
 9 Organization (proprietor, partnership, corp.) CORPORATION
 10 Towns, Counties served PACKSADDLE ESTATES SUBDIVISION-TETON COUNTY

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

12 Contact Information	Name	Phone No.
President (Owner)	EARL BAINBRIDGE	208-456-2236
Vice President	JUANITA BAINBRIDGE	208-456-2236
Secretary	REA FULLMER	208-456-2301
General Manager	REA FULLMER	208-456-2301
Complaints or Billing	REA FULLMER	208-456-2301
Engineering	BENTON	208-522-8033
Emergency Service	REA FULLMER or JUANITA BAINBRIDGE	456-2301
Accounting	WILLIAM B. MOULTON C.P.A.	208-354-2929

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 113 CENTRAL
 City TETONIA
 State IDAHO
 Zip 83452

NAME: PACKSADDLE ESTATES WATER CORPORATION

COMPANY INFORMATION (Cont.)

For the Year Ended 2005

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

0

High Bills

0

Disconnection

0

22 Number of Customers involuntarily disconnected

0

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

07/01/05

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: PACKSADDLE ESTATES WATER CORPORATION

REVENUE & EXPENSE DETAIL

For the Year Ended 2005

ACCT #	DESCRIPTION	
<u>400 REVENUES</u>		
1	460 Unmetered Water Revenue	<u>10,934.⁴⁴</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>10,934.⁴⁴</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 # _____
<u>401 OPERATING EXPENSES</u>		
12	601.1-6 Labor - Operation & Maintenance	<u>3,309.⁰⁰</u> X
13	601.7 Labor - Customer Accounts	<u>1,354.⁵⁰</u> X
14	601.8 Labor - Administrative & General	_____
15	603 Salaries, Officers & Directors	_____
16	604 Employee Pensions & Benefits	_____
17	610 Purchased Water	_____
18	615-16 Purchased Power & Fuel for Power	<u>2,227.⁶⁰</u> X
19	618 Chemicals	_____
20	620.1-6 Materials & Supplies - Operation & Maint.	<u>526.⁰⁹</u> X
21	620.7-8 Materials & Supplies - Administrative & General	<u>282.²⁶</u> X
22	631-34 Contract Services - Professional	<u>250.⁰⁰</u> X
23	635 Contract Services - Water Testing	<u>60.⁰⁰</u> X
24	636 Contract Services - Other	<u>515.⁰⁰</u> X
25	641-42 Rentals - Property & Equipment	_____
26	650 Transportation Expense	<u>1,579.⁴¹</u> X
27	656-59 Insurance	<u>955.⁰⁰</u> X
28	660 Advertising	_____
29	666 Rate Case Expense (Amortization)	_____
30	667 Regulatory Comm. Exp. (Other except taxes)	_____
31	670 Bad Debt Expense	_____
32	675 Miscellaneous	_____
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)	<u>11,058.⁸⁰</u>

Name: PACKSADDLE ESTATES WATER CORPORATION

INCOME STATEMENT

For Year Ended 2005

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		10,934.44
2	Operating Expenses (From Page 3, line 33)	11,058.86	
3	403 Depreciation Expense		
4	406 Amortization, Utility Plant Acquisition Adj.		
5	407 Amortization Exp. - Other		
6	408.10 Regulatory Fees (PUC)	50.00	
7	408.11 Property Taxes	542.44	
8	408.12 Payroll Taxes	1,163.07	
9A	408.13 Other Taxes (list) DEQ Fees	25.00	
9B			
9C			
9D			
10	409.10 Federal Income Taxes		
11	409.11 State Income Taxes	20.00	
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)	2,268.52	
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)		13,327.38
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		
31	427.5 Other Interest Charges		
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)		

This is w/ \$311.75 over payment.

(2393)

Name: PACKSADDLE ESTATES WATER CORPORATION

ACCOUNT 101 PLANT IN SERVICE DETAIL
For Year Ended 2005

SUB ACCT #	DESCRIPTION	Balance Beginning of Year	Added During Year	Removed During Year	Balance End of Year
1 301	Organization	3740			3740
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	2395			2395
8 308	Infiltration Galleries & Tunnels				
9 309	Supply Mains				
10 310	Power Generation Equipment				
11 311	Power Pumping Equipment	401			401
12 320	Purification Systems				
13 330	Distribution Reservoirs & Standpipes				
14 331	Trans. & Distrib. Mains & Accessories	483			483
15 333	Services				
16 334	Meters and Meter Installations	753			753
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	7775			7775

(Add lines 1 - 28)

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

Name: PACKSADDLE ESTATES WASTER CORPORATION

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended 2005

SUB ACCT #	DESCRIPTION	Depreciation Rate %	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 304	Structures and Improvements				
2 305	Collecting & Impounding Reservoirs				
3 306	Lake, River & Other Intakes				
4 307	Wells	5	948	948	-
5 308	Infiltration Galleries & Tunnels				
6 309	Supply Mains				
7 310	Power Generation Equipment				
8 311	Power Pumping Equipment				
9 320	Purification Systems				
10 330	Distribution Reservoirs & Standpipes				
11 331	Trans. & Distrib. Mains & Accessories	5	351	351	-
12 333	Services				
13 334	Meters and Meter Installations	5	289	289	-
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		3740	3740	
26	TOTALS (Add Lines 1 - 25)		5328	5328	

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

BALANCE SHEET

For Year Ended 2005

		<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)	5430	5430	
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)	5430	5430	
7	108.1	Accumulated Depreciation (From Pg 6, Line 26)	1588	1588	
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	3740	3740	
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)	102	102	
14	123	Investment in Subsidiaries			
15	125	Other Investments			
16		Total Investments (Add lines 14 & 15)	3939	1540	↔
17	131	Cash	3939	1540	<2393>
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)	3939	1540	<2393>
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)	4041	1648	<2393>

Name: PACKSADDLE ESTATES WATER CORPORATION

BALANCE SHEET

For Year Ended 2005

LIABILITIES & CAPITAL

ACCT #	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1	201-3 Common Stock	7389	7389	
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts			
4	214 Appropriated Retained Earnings			
5	215 Unappropriated Retained Earnings	<3348>	<5741>	<2393>
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital			
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	4041	1648	<2393>
9	221-2 Bonds			
10	223 Advances from Associated Companies			
11	224 Other Long - Term Debt			
12	231 Accounts Payable			
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)	4041	1648	<2393>

** Only if Commission Approved

Name: PACKSADDLE ESTATES WATER CORPORATION

STATEMENT OF RETAINED EARNINGS

For Year Ended 2005

1	Retained Earnings Balance @ Beginning of Year	<u><3348></u>
2	Amount Added from Current Year Income (From Pg 4, Line 32)	<u><2393></u>
3	Other Credits to Account	_____
4	Dividends Paid or Appropriated	_____
5	Other Distributions of Retained Earnings	_____
6	Retained Earnings Balance @ End of Year	<u><5741></u>

CAPITAL STOCK DETAIL

7	Description (Class, Par Value etc.)	No. Shares	No. Shares	Dividends
		Authorized	Outstanding	Paid
	<u>COMMON STOCK</u>	<u>7389</u>	<u>7389</u>	<u>—</u>

DETAIL OF LONG-TERM DEBT

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

Name: PACKSADDLE ESTATES WATER CORPORATION

SYSTEM ENGINEERING DATA

For Year Ended 2005

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)
LOT 63	70	none		well
Lot 63	35	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)
LOT 63	88,000	88,000	ELEVATED SOME PRESSURIZED LINES	CONCRETE

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

Name: PACKSADDLE ESTATES WATER CORPORATION

SYSTEM ENGINEERING DATA

(continued)

For Year Ended 2005

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
LOT 63	10hp	70		
LOT 63	5hp	35		-0-

** 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? 5ep 04- 8ep 05 9,320,600
 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? NO
 If Yes: What is current system rating? _____
- 8 How many times were meters read this year? _____
 During which months? unmetered. Only flow meter at pump house
- 9 How many additional customers could be served with no system improvements except a service line and meter? DO NOT KNOW
 How many of those potential additions are vacant lots? 57
- 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? DO NOT KNOW

Name: PACKSADDLE ESTATES WATER CORPORATION

SYSTEM ENGINEERING DATA
(continued)

For Year Ended 2005

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year
	6" - 4" - 2"	APPROXIMATLY 20,000 ft.	none	none	20,000

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	35	35		
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)	35	35		

CERTIFICATE

State of Idaho)
) ss
County of _____)

WE, the undersigned _____
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.

Juanita Bainbridge
(Chief Officer)

Rea Fullmer
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 25 day of APRIL, 2006

W. B. Moulton
NOTARY PUBLIC

My Commission Expires LIFE

gdk/excel/jnelson/anulrpts/wtrannualrpt



P.O. BOX 269 TETONIA, ID. 83452
(208) 456-2301

TO OUR CUSTOMERS:

This is a summary of the rules for termination of service for all Packsaddle Estates Water Corporation customers as determined by the Idaho Public Utilities Commission effective January 8, 1996. These rules cover the rights and responsibilities of the customer and Utility. An explanation of our rate schedule has also been included.

If you have any questions concerning this information, please contact:

PACKSADDLE ESTATES WATER CORP:
ADDRESS SAME AS ABOVE:

OR

IDAHO PUBLIC UTILITIES COMMISSION
CONSUMER ASSISTANCE
P.O. BOX 83720
BOISE, IDAHO 83720-0074
1-800-432-0369

PACKSADDLE ESTATES WATER CORP.

P.O. BOX 269

TETONIA, IDAHO 83452

(208) 456-2301

HOOKUP

The company reserves the right to deny new service hookups during the months November thru April, due to frost levels. New hookups need scheduled in May thru October.

Applicants for water service may be requested to sign a standard form of service application.

HOOKUP CHARGES:

A one time hookup charge of 430.00 will be paid in advance for any new service hookups. This is figured on a time and material basis to cover service hookup, meter box and meter base. The extra costs of any of the out of the ordinary circumstances requiring addition equipment or special construction techniques involved in the installation of a service connection will be agreed to in advance by the customer and the company.

MONTHLY RATES will begin the date of service hookup. Payment is due the first day of the following month, EXAMPLE: July water used, is due August 1st. Payment is past due the 20th of August. Flat rate of \$34.24 per mo. Arrangements may be made to pay ahead monthly, quarterly, semi-annual or annual.

SEASONAL CUSTOMERS:

For seasonal customers who take service for a portion of the year and then close their account for 45 days or more from the time of disconnection will pay \$129. reconnection charge. To close your account you need to notify the company in writing. The reconnection charge and any balance due on account must be paid in advance of the service being reconnected.

INVOLUNTARILY DISCONNECTED customers in credit related situations resolved in less than 45 days will bring all accounts current and will pay a \$25. reconnection charge in advance of being reconnected.

No customer shall permit any person from another premises to take water from his or her water service or tap for more than (1) one week without the written permission and consent of the company.

No one, except an authorized agent of the company, shall tamper with, interfere with, make repairs, connections or replacements of or to any of the company's property.

No one, except an authorized Company representative, is allowed to turn-off or turn-on the water on the Company's side of the service connection. Except in case of extreme emergency.

RULES FOR TERMINATION OF SERVICE

TERMINATION WITH PRIOR NOTICE

With proper customer notification the company may deny or terminate water service for one of the following reasons:

1. Nonpayment of past due billing or payment of a past due billing with any check not honored by the bank.
2. Failure to abide by the terms of a payment arrangement.
3. Obtaining service by misrepresentation of identity.
4. Denying or willfully preventing access to the water meter or shut off valve.
5. Willfully wasting service through improper equipment or otherwise.
6. Failure to apply for service.

TERMINATION WITHOUT PRIOR NOTICE

Packsaddle Estates Water Corporation may deny or terminate water service without notice for one of the following reasons:

1. A situation exists that is immediately dangerous to life, physical safety or property.
2. To prevent a violation of federal, state or local safety or health codes;
3. Service is obtained, diverted or used without the authorization of the water company.
4. The company has diligently attempted to notify you of termination and has been unable to contact you.
5. If order by any court, the Commission, or any other duly authorized public authority.

NOTIFICATION:

1. A billing may be considered past due (20) 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, a notice will be left at the property advising you of the steps needed to have service restored.
 3. When the 24 hour period has lapsed, another attempt will be made to contact you in person or by telephone.
- Only a 24 hour notice is required if:

4. You do not make a initial payment according to a payment arrangement or the initial payment is made with a check not honored by the bank.

PAYMENT ARRANGEMENTS AND SPECIAL CIRCUMSTANCES:

If you cannot pay your bill and a member of your household is seriously ill or there is a medical emergency, Packsaddle Estates Water Corporation will postpone the termination of service for (30) thirty days. A written certificate is required from a licensed physician or public health official stating the name of the person who is ill, the nature of the illness and the name, title, and signature of the person certifying the serious illness or medical emergency.

RESTRICTIONS ON TERMINATION OF SERVICE:

Service cannot be disconnected on Friday after 12:00 Noon or on Saturday, Sunday, Legal Holidays recognized by the State of Idaho, or after 12:00 Noon on any day immediately before any legal holiday. Service may only be terminated between the hours of 8:00 a.m. and 4:00 p.m.

The employee sent to the premises to terminate service will identify himself/herself to you and state the purpose of the visit. This employee is authorized to accept payment in full.

If you have further questions on your billing, we will be happy to discuss this process, step by step, with you.