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IDAHO PUBLIC
UTILITIES COMMISSION

ANNUAL REPORT

OF

RICKEL WATER COMPANY

5408 Rickel Ranch Road

Athol, ID 83801

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED: DECEMBER 31, 2003

**ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 2003**

COMPANY INFORMATION

1 Give full name of utility Rickel Water Company
 2 Date of Organization 4/13/1995
 3 Organized under the laws of the state of Idaho
 4 Address of Principal Office (number & street) 5408 Rickel Ranch Road
 5 P.O. Box (if applicable) _____
 6 City Athol
 7 State Idaho
 8 Zip Code 83801
 9 Organization (proprietor, partnership, corp.) Corporation
 10 Towns, Counties served Kootenai 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) | Ken Rickel | 208-772-3685 |
| Vice President | Jerry Rickel | 509-582-4940 |
| Secretary | Cathy Rickel | 208-772-3685 |
| General Manager | Ken Rickel | 208-772-3685 |
| Complaints or Billing | Cathy Rickel | 208-772-3685 |
| Engineering | Empire Surveying | 208-772-8581 |
| Emergency Service | Ken Rickel | 208-772-3685 |
| Accounting | Susan Jacobson | 509-892-6440 |

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 5408 E Rickel Ranch Road
 City Athol
 State Idaho
 Zip 83835

NAME: Rickel Water Company

COMPANY INFORMATION (Cont.)

For the Year Ended 2003

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

18 **If yes:** Name of Organization

Bitterroot Water Company

Name of owner or operator

Ken Rickel

Mailing Address

PO Box 2306

City

Hayden Lake

State

Idaho

Zip

83835

Water Purchased

Gallons/CCF

1,352,540

\$Amount

\$ 405.76

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

No

If yes, attach full explanation

20 Has the Idaho Department 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?

2/5/2003

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: Rickel Water Company

REVENUE & EXPENSE DETAIL

For the Year Ended 2003

| ACCT # | DESCRIPTION | | |
|--------------------------------------|---|--|-------------------------------|
| <u>400 REVENUES</u> | | | |
| 1 | 460 | Unmetered Water Revenue | |
| 2 | 461.1 | Metered Sales - Residential | <u>\$ 9,583</u> |
| 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>\$ 9,583</u> |
| 9 | * DEQ Fees Billed separately to customers | | Booked to Acct # _____ |
| 10 | ** Hookup or Connection Fees Collected | <u>\$ 15,000</u> | Booked to Acct # <u>460.1</u> |
| 11 | ***Commission Approved Surcharges Collected | | Booked to Acct # _____ |
| <u>401 OPERATING EXPENSES</u> | | | |
| 12 | 601.1-6 | Labor - Operation & Maintenance | |
| 13 | 601.7 | Labor - Customer Accounts | |
| 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>\$ 1,707</u> |
| 19 | 618 | Chemicals | |
| 20 | 620.1-6 | Materials & Supplies - Operation & Maint. | |
| 21 | 620.7-8 | Materials & Supplies - Administrative & General | <u>\$ 557</u> |
| 22 | 631-34 | Contract Services - Professional | <u>\$ 1,704</u> |
| 23 | 635 | Contract Services - Water Testing | <u>\$ 13</u> |
| 24 | 636 | Contract Services - Other | <u>\$ 744</u> |
| 25 | 641-42 | Rentals - Property & Equipment | |
| 26 | 650 | Transportation Expense | |
| 27 | 656-59 | Insurance | <u>\$ 628</u> |
| 28 | 660 | Advertising | |
| 29 | 666 | Rate Case Expense (Amortization) | |
| 30 | 667 | Regulatory Comm. Exp. (Other except taxes) | <u>\$ 50</u> |
| 31 | 670 | Bad Debt Expense | |
| 32 | 675 | Miscellaneous | <u>\$ 189</u> |
| 33 | Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2) | | \$ 5,592 |

Name: Rickel Water Company

INCOME STATEMENT

For Year Ended 2003

| ACCT # | DESCRIPTION | | |
|-----------|--|-----------|------------|
| 1 | Revenue (From Page 3, line 8) | | \$ 9,583 |
| 2 | Operating Expenses (From Page 3, line 33) | \$ 5,592 | |
| 3 403 | Depreciation Expense | \$ 6,948 | |
| 4 406 | Amortization, Utility Plant Aquisition Adj. | | |
| 5 407 | Amortization Exp. - Other | \$ 140 | |
| 6 408.10 | Regulatory Fees (PUC) | | |
| 7 408.11 | Property Taxes | \$ 576 | |
| 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 | \$ 20 | |
| 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) | \$ 13,276 | |
| 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) | | \$ (3,693) |
| 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 | \$ 60 | |
| 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) | | \$ (60) |
| 29 | Gross Income (add lines 19 & 28) | | \$ (3,753) |
| 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) | | \$ (3,753) |

Name: **Rickel Water Company**

ACCOUNT 101 PLANT IN SERVICE DETAIL
 For Year Ended **2003**

| SUB ACCT # | DESCRIPTION | Balance Beginning of Year | Added During Year | Removed During Year | Balance End of Year |
|------------|---------------------------------------|---------------------------|-------------------|---------------------|---------------------|
| 1 301 | Organization | \$ 2,098 | | | \$ 2,098 |
| 2 302 | Franchises and Consents | \$ - | | | \$ - |
| 3 303 | Land & Land Rights | \$ 5,094 | | | \$ 5,094 |
| 4 304 | Structures and Improvements | \$ 11,233 | | | \$ 11,233 |
| 5 305 | Collecting & Impounding Reservoirs | \$ - | | | \$ - |
| 6 306 | Lake, River & Other Intakes | \$ - | | | \$ - |
| 7 307 | Wells | \$ 54,380 | | | \$ 54,380 |
| 8 308 | Infiltration Galleries & Tunnels | \$ - | | | \$ - |
| 9 309 | Supply Mains | \$ - | | | \$ - |
| 10 310 | Power Generation Equipment | \$ - | | | \$ - |
| 11 311 | Power Pumping Equipment | \$ 16,719 | | | \$ 16,719 |
| 12 320 | Purification Systems | \$ - | | | \$ - |
| 13 330 | Distribution Reservoirs & Standpipes | \$ - | | | \$ - |
| 14 331 | Trans. & Distrib. Mains & Accessories | \$ 74,224 | \$ 1,057 | | \$ 75,281 |
| 15 333 | Services | \$ - | | | \$ - |
| 16 334 | Meters and Meter Installations | \$ 6,389 | | | \$ 6,389 |
| 17 335 | Hydrants | \$ - | | | \$ - |
| 18 336 | Backflow Prevention Devices | \$ - | | | \$ - |
| 19 339 | Other Plant & Misc. Equipment | \$ - | | | \$ - |
| 20 340 | Office Furniture and Equipment | \$ 950 | | | \$ 950 |
| 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 | \$ 171,086 | \$ 1,057 | \$ - | \$ 172,143 |

(Add lines 1 - 28)

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

Name: Rickel Water Company

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended 2003

| SUB ACCT # | DESCRIPTION | Depreciation Rate % | Balance Beginning of Year | Balance End of Year | Increase or (Decrease) |
|---------------|---------------------------------------|---------------------------|---------------------------------|---------------------------|------------------------------|
| 1 304 | Structures and Improvements | 4.74% | \$ 2,531 | \$ 3,064 | \$ 533 |
| 2 305 | Collecting & Impounding Reservoirs | | | | \$ - |
| 3 306 | Lake, River & Other Intakes | | | | \$ - |
| 4 307 | Wells | 4.46% | \$ 15,435 | \$ 17,861 | \$ 2,426 |
| 5 308 | Infiltration Galleries & Tunnels | | | | \$ - |
| 6 309 | Supply Mains | | | | \$ - |
| 7 310 | Power Generation Equipment | | | | \$ - |
| 8 311 | Power Pumping Equipment | 1.78% | \$ 1,680 | \$ 1,977 | \$ 297 |
| 9 320 | Purification Systems | | | | \$ - |
| 10 330 | Distribution Reservoirs & Standpipes | | | | \$ - |
| 11 331 | Trans. & Distrib. Mains & Accessories | 3.78% | \$ 13,237 | \$ 16,084 | \$ 2,847 |
| 12 333 | Services | | | | \$ - |
| 13 334 | Meters and Meter Installations | 4.13% | \$ 1,243 | \$ 1,507 | \$ 264 |
| 14 335 | Hydrants | | | | \$ - |
| 15 336 | Backflow Prevention Devices | | | | \$ - |
| 16 339 | Other Plant & Misc. Equipment | | | | \$ - |
| 17 340 | Office Furniture and Equipment | 11.47% | \$ 483 | \$ 592 | \$ 109 |
| 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) | | \$ 34,609 | \$ 41,085 | \$ 6,476 |

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

Name: Rickel Water Company

BALANCE SHEET

For Year Ended 2003

| 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) | \$ 171,086 | \$ 172,143 | \$ 1,057 |
| 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) | \$ 171,086 | \$ 172,143 | \$ 1,057 |
| 7 | 108.1 Accumulated Depreciation (From Pg 6, Line 26) | \$ 34,609 | \$ 41,085 | \$ 6,476 |
| 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 | \$ 1,061 | \$ 1,201 | \$ 140 |
| 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) | \$ 135,416 | \$ 129,857 | \$ (5,559) |
| 14 | 123 Investment in Subsidiaries | | | \$ - |
| 15 | 125 Other Investments | | | \$ - |
| 16 | Total Investments (Add lines 14 & 15) | | | \$ - |
| 17 | 131 Cash | \$ 20,082 | \$ 22,100 | \$ 2,018 |
| 18 | 135 Short Term Investments | | | \$ - |
| 19 | 141 Accts/Notes Receivable - Customers | \$ 132 | \$ 6,635 | \$ 6,503 |
| 20 | 142 Other Receivables | | \$ 60 | \$ 60 |
| 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) | \$ 20,214 | \$ 28,795 | \$ 8,581 |
| 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) | \$ 155,630 | \$ 158,652 | \$ 3,022 |

Name: Rickel Water Company**BALANCE SHEET**For Year Ended 2003

| LIABILITIES & CAPITAL | | Balance | Balance | Increase |
|----------------------------------|---|----------------------|-------------------|------------------|
| ACCT # | DESCRIPTION | Beginning of Year | End of Year | or (Decrease) |
| 1 | 201-3 Common Stock | \$ 68,430 | \$ 68,430 | \$ - |
| 2 | 204-6 Preferred Stock | | | \$ - |
| 3 | 207-13 Miscellaneous Capital Accounts | \$ 39,750 | \$ 39,750 | \$ - |
| 4 | 214 Appropriated Retained Earnings | | | \$ - |
| 5 | 215 Unappropriated Retained Earnings | \$ (70,981) | \$ (82,709) | \$ (11,728) |
| 6 | 216 Reacquired Capital Stock | | | \$ - |
| 7 | 218 Proprietary Capital | | | \$ - |
| 8 | Total Equity Capital (Add Lines 1-5+7 less line 6) | \$ 37,199 | \$ 25,471 | \$ (11,728) |
| 9 | 221-2 Bonds | | | \$ - |
| 10 | 223 Advances from Associated Companies | | | \$ - |
| 11 | 224 Other Long - Term Debt | | | \$ - |
| 12 | 231 Accounts Payable | \$ 250 | \$ - | \$ (250) |
| 13 | 232 Notes Payable | \$ 30,817 | \$ 30,817 | \$ - |
| 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 | \$ 102,455 | \$ 117,455 | \$ 15,000 |
| 28 | 272 Accum. Amort. of Contrib. in Aid of Const. ** | \$ (15,091) | \$ (15,091) | \$ - |
| 29 | 281-3 Accumulated Deferred Income Taxes | | | \$ - |
| 30 | Total Liabilities (Add lines 9 - 29) | \$ 118,431 | \$ 133,181 | \$ 14,750 |
| 31 | TOTAL LIAB & CAPITAL (Add lines 8 & 30) | \$ 155,630 | \$ 158,652 | \$ 3,022 |

** Only if Commission Approved

Name: Rickel Water Company

STATEMENT OF RETAINED EARNINGS

For Year Ended 2003

| | | |
|---|--|-------------|
| 1 | Retained Earnings Balance @ Beginning of Year | \$ (70,981) |
| 2 | Amount Added from Current Year Income (From Pg 4, Line 32) | \$ (3,753) |
| 3 | Other Credits to Account | |
| 4 | Dividends Paid or Appropriated | \$ (7,975) |
| 5 | Other Distributions of Retained Earnings | |
| 6 | Retained Earnings Balance @ End of Year | \$ (82,709) |

CAPITAL STOCK DETAIL

| | Description (Class, Par Value etc.) | No. Shares Authorized | No. Shares Outstanding | Dividends Paid |
|---|-------------------------------------|--------------------------|---------------------------|-------------------|
| 7 | Common, no par value | 109,336 | 109,336 | 0 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

DETAIL OF LONG-TERM DEBT

| | Description | Interest Rate | Year-end Balance | Interest Paid | Interest Accrued |
|---|---------------------------|------------------|---------------------|------------------|---------------------|
| 8 | Note Payable K & C Rickel | | \$ 30,817 | \$ 0 | \$ 0 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
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| | | | | | |
| | | | | | |

Name: Rickel Water Company

SYSTEM ENGINEERING DATA

For Year Ended 2003

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) |
|--|----------------------|--|--------------------------------|---|
| 1.5 Miles West on Brunner Road from Highway 95, north side of road, before railroad tracks | 125 | None | 6,729 | 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) |
|--|---------------------------|----------------------------|--|-------------------------------------|
| 1.5 Miles West on Brunner Road from Highway 95, north side of road, before railroad tracks | 2,000 | 2,000 | Pressure | Steel |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
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| | | | | |
| | | | | |

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

Name: Rickel Water Company

SYSTEM ENGINEERING DATA
(continued)
For Year Ended 2003

FEET OF MAINS

| 1 | Pipe Size | In Use Beginning Of Year | Installed During Year | Abandoned During Year | In Use End of Year |
|---|-----------|--------------------------|-----------------------|-----------------------|--------------------|
| | 8" | 6,720 | 0 | 0 | 6,720 |
| | 6" | 6,466 | 3530 | 0 | 9,996 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

CUSTOMER STATISTICS

| | Number of Customers | | Thousands of Gallons Sold | |
|--------------------------------|---------------------|-----------|---------------------------|--------------|
| | This Year | Last Year | This Year | Last Year |
| 2 Metered: | | | | |
| 2A Residential | 20 | 20 | 4,137 | 2,676 |
| 2B Commercial | | | | |
| 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 | 1 | 1 | 3,961 | 1,681 |
| TOTALS (Add lines 2 through 8) | 21 | 21 | 8,098 | 4,357 |

