

FLS-W

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ANNUAL REPORT

IDAHO PUBLIC
UTILITIES COMMISSION

OF

FALLS WATER CO., INC.
NAME

2180 N. Deborah Dr., Idaho Falls, ID 83401
ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED December 31, 2011

**ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING December 31, 2011**

COMPANY INFORMATION

1 Give full name of utility Falls Water Co., Inc.
 Telephone Area Code (208) 522-1300
 E-mail address scott1@fallswater.com
 2 Date of Organization 1/7/1959
 3 Organized under the laws of the state of Idaho
 4 Address of Principal Office (number & street) 2180 N Deborah Dr
 5 P.O. Box (if applicable) _____
 6 City Idaho Falls
 7 State Idaho
 8 Zip Code 83401
 9 Organization (proprietor, partnership, corp.) Corporation
 10 Towns, Counties served Bonneville County and portions of Ammon, 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)	Brent Johnson	208-709-2669
Vice President		
Secretary		
General Manager	K. Scott Bruce	208-522-1300
Complaints or Billing	K. Scott Bruce	208-522-1300
Engineering	Tony Wise	208-522-1300
Emergency Service	Tony Wise	208-522-1300
Accounting	K. Scott Bruce	208-522-1300

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 2180 N Deborah Dr
 City Idaho Falls
 State Idaho
 Zip 83401

NAME: Falls Water Co., Inc.

COMPANY INFORMATION (Cont.)

For the Year Ended December 31, 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? Yes, Leased well site within FWC's Service Area

18 If yes: Name of Organization Lincoln Land Company LLC
 Name of owner or operator Well operated by Falls Water Company, Inc.
 Mailing Address PO Box 1768
 City Idaho Falls
 State Idaho
 Zip 83403

	Gallons/CCF	\$Amount
Water Purchased	53,611,300	\$ 3,300.38

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 8
 High Bills 59
 Disconnection 10

22 Number of Customers involuntarily disconnected 72

23 Date customers last received a copy of the Summary of Rules required by IDAPA 31.21.01.701? July 2011

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: Falls Water Co., Inc.

REVENUE & EXPENSE DETAIL

For the Year Ended December 31, 2011

ACCT #	DESCRIPTION		
<u>400 REVENUES</u>			
1	460	Unmetered Water Revenue	-
2	461.1	Metered Sales - Residential	1,063,201
3	461.2	Metered Sales - Commercial, Industrial	41,778
4	462	Fire Protection Revenue	-
5	464	Other Water Sales Revenue	7,632
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)	1,112,611
9	* DEQ Fees Billed separately to customers		Booked to Acct # _____
10	** Hookup or Connection Fees Collected	46,600	Booked to Acct # 271.3
11	***Commission Approved Surcharges Collected		Booked to Acct # _____
<u>401 OPERATING EXPENSES</u>			
12	601.1-6	Labor - Operation & Maintenance	154,166
13	601.7	Labor - Customer Accounts	-
14	601.8	Labor - Administrative & General	21,036
15	603	Salaries, Officers & Directors	167,100
16	604	Employee Pensions & Benefits	76,057
17	610	Purchased Water	3,300
18	615-16	Purchased Power & Fuel for Power	119,396
19	618	Chemicals	4,548
20	620.1-6	Materials & Supplies - Operation & Maint.	38,442
21	620.7-8	Materials & Supplies - Administrative & General	72,029
22	631-34	Contract Services - Professional	3,370
23	635	Contract Services - Water Testing	3,428
24	636	Contract Services - Other	17,019
25	641-42	Rentals - Property & Equipment	82,309
26	650	Transportation Expense	37,816
27	656-59	Insurance	27,355
28	660	Advertising	683
29	666	Rate Case Expense (Amortization)	-
30	667	Regulatory Comm. Exp. (Other except taxes)	-
31	670	Bad Debt Expense	10,921
32	675	Miscellaneous	18,575
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)		857,551

Name: Falls Water Co., Inc.

INCOME STATEMENT

For Year Ended December 31, 2011

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		<u>1,112,611</u>
2	Operating Expenses (From Page 3, line 33)	<u>857,551</u>	
3 403	Depreciation Expense	<u>71,682</u>	
4 406	Amortization, Utility Plant Aquisition Adj.		
5 407	Amortization Exp. - Other		
6 408.10	Regulatory Fees (PUC)	<u>2,444</u>	
7 408.11	Property Taxes	<u>24,552</u>	
8 408.12	Payroll Taxes	<u>31,393</u>	
9A 408.13	Other Taxes (list)		
9B			
9C			
9D			
10 409.10	Federal Income Taxes		
11 409.11	State Income Taxes	<u>20</u>	
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>987,642</u>	
17 413	Income From Utility Plant Leased to Others		
18 414	Gains (Losses) From Disposition of Utility Plant	<u>(158)</u>	
19	Net Operating Income (Add lines 1, 17 & 18 less line 16)		<u>124,811</u>
20 415	Revenues, Merchandizing Jobbing and Contract Work		
21 416	Expenses, Merchandizing, Jobbing & Contracts		
22 419	Interest & Dividend Income	<u>39</u>	
23 420	Allowance for Funds used During Construction		
24 421	Miscellaneous Non-Utility Income	<u>8,305</u>	
25 426	Miscellaneous Non-Utility Expense	<u>19,713</u>	
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>(11,369)</u>
29	Gross Income (add lines 19 & 28)		<u>113,442</u>
30 427.3	Interest Exp. on Long-Term Debt		<u>47,246</u>
31 427.5	Other Interest Charges		
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)		<u><u>66,196</u></u>

Name: Falls Water Co., Inc.

ACCOUNT 101 PLANT IN SERVICE DETAIL
For Year Ended December 31, 2011

SUB ACCT #	DESCRIPTION	Balance Beginning of Year	Added During Year	Removed During Year	Balance End of Year
1 301	Organization				
2 302	Franchises and Consents				
3 303	Land & Land Rights	2,001,089	212,736		2,213,824
4 304	Structures and Improvements	488,782	-		488,782
5 305	Collecting & Impounding Reservoirs				
6 306	Lake, River & Other Intakes				
7 307	Wells	400,431	1,500		401,931
8 308	Infiltration Galleries & Tunnels				
9 309	Supply Mains				
10 310	Power Generation Equipment	16,693			16,693
11 311	Power Pumping Equipment	417,702	2,290		419,992
12 320	Purification Systems	26,436	22,118		48,554
13 330	Distribution Reservoirs & Standpipes				
14 331	Trans. & Distrib. Mains & Accessories	906,136	-		906,136
15 333	Services				
16 334	Meters and Meter Installations	1,003,305	-	18,052	985,253
17 335	Hydrants	57,962	1,886		59,849
18 336	Backflow Prevention Devices				
19 339	Other Plant & Misc. Equipment				
20 340	Office Furniture and Equipment	37,828	22,691		60,519
21 341	Transportation Equipment	60,607	77,796		138,403
22 342	Stores Equipment				
23 343	Tools, Shop and Garage Equipment	24,049	2,809		26,858
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	5,441,019	343,826	18,052	5,766,793

(Add lines 1 - 28)

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

Name: Falls Water Co., Inc.

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended December 31, 2011

SUB ACCT #	DESCRIPTION	Depreciation Rate %	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 304	Structures and Improvements		38,320	54,982	16,663
2 305	Collecting & Impounding Reservoirs				
3 306	Lake, River & Other Intakes				
4 307	Wells		77,556	90,734	13,178
5 308	Infiltration Galleries & Tunnels				
6 309	Supply Mains				
7 310	Power Generation Equipment		10,955	11,789	835
8 311	Power Pumping Equipment		168,532	190,973	22,441
9 320	Purification Systems		19,788	21,958	2,171
10 330	Distribution Reservoirs & Standpipes				
11 331	Trans. & Distrib. Mains & Accessories		185,474	208,473	22,999
12 333	Services				
13 334	Meters and Meter Installations		474,781	529,306	54,525
14 335	Hydrants		6,657	8,625	1,969
15 336	Backflow Prevention Devices				
16 339	Other Plant & Misc. Equipment				
17 340	Office Furniture and Equipment		27,525	34,439	6,914
18 341	Transportation Equipment		51,415	56,901	5,486
19 342	Stores Equipment				
20 343	Tools, Shop and Garage Equipment		17,471	20,252	2,781
21 344	Laboratory Equipment				
22 345	Power Operated Equipment				
23 346	Communications Equipment				
24 347	Miscellaneous Equipment				
25 348	Other Tangible Property		268,900	358,533	89,633
26	TOTALS (Add Lines 1 - 25)		1,347,372	1,586,967	239,595

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

Name: Falls Water Co., Inc.**BALANCE SHEET**For Year Ended December 31, 2011

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)	5,441,019	5,766,793	325,774
2 102	Utility Plant Leased to Others			
3 103	Plant Held for Future Use			
4 105	Construction Work in Progress	-	834,878	834,878
5 114	Utility Plant Aquisition Adjustment			
6	Subtotal (Add Lines 1 - 5)	5,441,019	6,601,672	1,160,653
7 108.1	Accumulated Depreciation (From Pg 6, Line 26)	1,347,372	1,586,967	239,595
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)	4,093,647	5,014,704	921,058
14 123	Investment in Subsidiaries			
15 125	Other Investments			
16	Total Investments (Add lines 14 & 15)			
17 131	Cash	187,960	90,053	(97,907)
18 135	Short Term Investments			
19 141	Accts/Notes Receivable - Customers	79,273	79,050	(222)
20 142	Other Receivables	58,683	58,183	(499)
21 145	Receivables from Associated Companies			
22 151	Materials & Supplies Inventory			
23 162	Prepaid Expenses	43,391	59,809	16,418
24 173	Unbilled (Accrued) Utility Revenue			
25 143	Provision for Uncollectable Accounts	1,300	1,300	-
26	Total Current (Add lines 17 -24 less line 25)	368,006	285,796	(82,210)
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)	4,461,653	5,300,500	838,847

Name: Falls Water Co., Inc.

BALANCE SHEET

For Year Ended December 31, 2011

LIABILITIES & CAPITAL

ACCT #	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1	201-3 Common Stock	25,000	25,000	-
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts	-	999428.51	999,429
4	214 Appropriated Retained Earnings			
5	215 Unappropriated Retained Earnings	149,239	215,435	66,196
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital			
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	174,239	1,239,864	1,065,625
9	221-2 Bonds			
10	223 Advances from Associated Companies	58,610	-	(58,610)
11	224 Other Long - Term Debt	1,292,512	1,233,283	(59,229)
12	231 Accounts Payable	57,587	57,587	-
13	232 Notes Payable	10,508	66,363	55,855
14	233 Accounts Payable - Associated Companies	67,206	59,229	(7,977)
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	-	2553	2,553
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	3,498,922	3,545,522	46,600
28	272 Accum. Amort. of Contrib. in Aid of Const. **	(697,930)	(903,899)	(205,969)
29	281-3 Accumulated Deferred Income Taxes			
30	Total Liabilities (Add lines 9 - 29)	4,287,414	4,060,637	(226,778)
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)	4,461,653	5,300,500	838,847

**** Only if Commission Approved**

Name: Falls Water Co., Inc.

STATEMENT OF RETAINED EARNINGS

For Year Ended December 31, 2011

1	Retained Earnings Balance @ Beginning of Year	149,239
2	Amount Added from Current Year Income (From Pg 4, Line 32)	66,196
3	Other Credits to Account	0
4	Dividends Paid or Appropriated	
5	Other Distributions of Retained Earnings	
6	Retained Earnings Balance @ End of Year	<u>215,435</u>

CAPITAL STOCK DETAIL

7	Description (Class, Par Value etc.)	No. Shares	No. Shares	Dividends
		Authorized	Outstanding	Paid
	COMMON	1000	25	

DETAIL OF LONG-TERM DEBT

8	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
	DEQ State Revolving Loan Fund - DW-9923	3.25%	191,499	6,911	
	DEQ State Revolving Loan Fund - Well #9	3.25%	1,041,784	36,498	

Name: Falls Water Co., Inc.

SYSTEM ENGINEERING DATA

For Year Ended December 31, 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)
Well #1	750	SAND SEP	134,074	WELL
Well #2	400	CHLORINATION	175,758	WELL
Well #4	1500	SAND SEP/CHLRN	149,364	WELL
Well #5	750	SAND SEP/CHLRN	261,454	WELL
Well #6 (Pump 6)	600		17,919	WELL
Pump #7 (In Well #6)	600		88,131	WELL
Well #8	1500	CHLORINATION	53,611	WELL
Well #9	3000	CHLORINATION	188,070	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)
Well 2/4	5	1.8	Pressurized	Steel

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

Name: Falls Water Co., Inc.

**SYSTEM ENGINEERING DATA
(continued)**

For Year Ended December 31, 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
Well #2, Turbine Pump #2	40	400	65	
Well #4, Turbine Pump #4	150	1500	65	
Well #6, Submersible Pump #6	75	600	65	
Pump #7, Submersible Pump #7	75	600	65	
SUBTOTAL OF ABOVE	The Above are all on one Power Meter Totaling			509,440
Well #1, VFD Turbine Pump #1	75	750	65	268,799
Well #5, Turbine Pump #5	75	750	65	375,298
Well #8, Turbine Pump #8	150	1500	65	93,760
Well #9, VFD Turbine Pump #9	400	3000	65	279,640

**** 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? | <u>1,077,341,667</u> |
| What was the total amount pumped during peak month? | <u>247,537,800</u> |
| What was the total amount pumped on the peak day? | <u>8,849,700</u> |
- 6 If customers are metered, what was the total amount sold in peak month? 196,906,000
- 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? 7
 During which months? April, May, June, July, August, September, October for Residential.
Commercial and Multi-family Residential are read year round.
- 9 How many additional customers could be served with no system improvements
 except a service line and meter? 600
 How many of those potential additions are vacant lots? 600
- 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? 2015

Name: Falls Water Co., Inc.

SYSTEM ENGINEERING DATA
(continued)
 For Year Ended December 31, 2011

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year
	2"	1,238.85	-	-	1,238.85
	4"	1,879.42	-	-	1,879.42
	6"	220,181.26	-	-	220,181.26
	8"	71,550.02	-	-	71,550.02
	10"	29,489.35	-	-	29,489.35
	12"	21,849.43	-	-	21,849.43

CUSTOMER STATISTICS

		Number of Customers		Thousands of Gallons Sold	
		This Year	Last Year	This Year	Last Year
2	Metered:				
2A	Residential	3,756	3,669	903,321	864,670
2B	Commercial	76	84	40,169	51,274
2C	Industrial				
3	Flat Rate:				
3A	Residential	-	-	N/A	N/A
3B	Commercial				
3C	Industrial				
4	Private Fire Protection				
5	Public Fire Protection	372	372	N/A	N/A
6	Street Sprinkling				
7	Municipal, Other				
8	Other Water Utilities				
	TOTALS (Add lines 2 through 8)	4,204	4,125	943,490	915,944

CERTIFICATE

State of Idaho)
) ss
County of Bonneville)

WE, the undersigned Brent Johnson, President, and K. Scott Bruce, General Manager, of the of the Falls Water Company, 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)

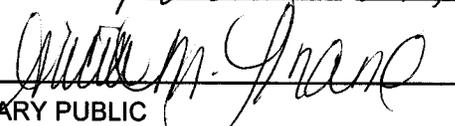
State of Idaho.
County of Bonneville



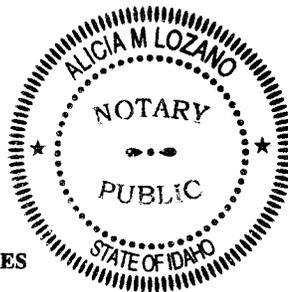
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 13th day of April, 2012



NOTARY PUBLIC



MY COMMISSION EXPIRES
July 6, 2015

My Commission Expires BONDED THRU NOTARY PUBLIC UNDERWRITERS

gdk/excel/jnelson/anulrpts/wtrannualrpt