Idaho Public Utilities Commission
Office of the Secretary
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Boise, Idaho

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF UNITED WATER IDAHO INC. FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR WATER SERVICE IN THE STATE OF IDAHO	**Case No. UWI-W-04-04**

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION
EXHIBIT 1 TO THE

DIRECT TESTIMONY OF JEREMIAH J. HEALY

UNITED WATER IDAHO
CASE UWI-W-04-4
Rate Base Summary
Test Year Ended July 31, 2004 and the Pro Forma Year Ended May 31, 2005

Line No.	Description	(A) Per Books July 31, 2004	(B) Adjustments	(C) Test Year Adjusted	(D) Adjustments	(E) Pro Forma Year May 31, 2005
1	Utility Plant In Service	$ 227,483,399		$ 227,483,399	$ 31,156,521	**$ 258,639,920**
2	Accumulated Depreciation, Amortization of UPAA and Amortization of PHFU	(55,287,819)		(55,287,819)	(4,892,912)	**(60,180,731)**
3	Net Utility Plant	$ 172,195,580	$ -	$ 172,195,580	$ 26,263,609	$ 198,459,189
4	Customer Advances for Construction	$ (7,072,337)		(7,072,337)	706,980	**(6,365,357)**
5	Contributions in Aid of Construction (net)	(44,670,359)		(44,670,359)	1,660,660	**(43,009,699)**
6	Utility Plant Acquisition Adjustments (gross)	600,762		600,762		**600,762**
7	Accumulated Deferred Income Taxes	(11,144,388)		(11,144,388)	(2,541,522)	**(13,685,910)**
8	Pre-1971 Investment Tax Credits	(14,328)		(14,328)	1,071	**(13,257)**
9	Deferred Charges	1,635,124		1,635,124	396,568	**2,031,692**
10	Working Capital	2,045,126		2,045,126		**2,045,126**
11	Total Rate Base	$ 113,575,180	$ -	$ 113,575,180	$ 26,487,366	140,062,546

United Water Idaho
Case UWI-W-04-4
Plant In Service at July 31, 2004 and the
Pro Forma Year Ended May 31, 2005

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Line No.	Plant Account Number	Plant Account Description	Per Asset Mgt Matrix	Less: Plant Held For Future Use GL Account 105000	Per General Ledger	Pro Forma- Reclass PHFU to Plant in Service	Pro Forma Additions August 1, 2004 through May 31, 2005	Pro Forma Retirements August 1, 2004 through May 31, 2005	Carriage Hill Transaction Impact	Pro Forma Utility Plant in Service May 31, 2005
			Plant In Service 07/31/2004	River Intake	Plant In Service 07/31/2004	River Intake	Additions	Retirements	Other	Utility Plant 05/31/2005
1	301-10	Organization	116,926		116,926				(9,878)	107,048
2	303-20	Land & Land Rights, Water Rights - Source of Supply	6,256,619		6,256,619		190,589		(78,171)	6,369,037
3	303-30	Land & Land Rights - Water Treatment	889,034		889,034					889,034
4	303-40	Land & Land Rights - Trans. & Distrib.	411,626		411,626					411,626
5	303-50	Land & Land Rights - General Plant	213,383		213,383					213,383
6	304-20	Structures and Improvements - Source of Supply	4,319,530	(659,755)	3,659,775	659,755	684,073	(6,800)	(36,314)	4,960,489
7	304-30	Structures and Improvements - Water Treatment	8,002,050		8,002,050		5,462,862			13,464,912
8	304-40	Structures and Improvements - Trans. & Distrib.	35,388		35,388		8,575	(3,000)		40,963
9	304-50	Structures and Improvements - General Plant	3,193,688		3,193,688		94,158	(12,500)		3,275,346
10	305-20	Collecting & Impounding Reservoirs - Source of Supply	83,217		83,217					83,217
11	306-20	Lake, River & Other Intakes	1,272,275	(736,742)	535,533	736,742				1,272,275
12	307-20	Wells & Springs	9,205,941		9,205,941		241,011		(152,319)	9,294,633
13	308-20	Infiltration Galleries & Tunnels	34,652		34,652					34,652
14	309-20	Supply Mains	592,825		592,825		1,620,842			2,213,667
15	310-20	Power Generation Equipment	381,125		381,125		93,408			474,533
16	311-20	Power Electric Pumping Equipment - Source of Supply	10,246,641		10,246,641		1,713,043	(87,040)	(80,584)	11,792,060
17	311-20	Power Diesel Pumping Equipment - Source of Supply	-		-					-
18	311-30	Power Pumping Equipment - Water Treatment	357,998		357,998		5,185,627			5,543,625
19	311-40	Power Pumping Equipment - Trans. & Distrib.	961,390		961,390		13,848	(19,270)		955,968
20	320-30	Water Treatment Equipment	13,978,190		13,978,190		8,426,386	(89,457)		22,315,119
21	320-30	Water Treatment Equipment - Membranes	-		-		500,000			500,000
22	330-40	Distribution Reservoirs & Standpipes	8,848,528		8,848,528		226,967			9,075,495
23	331-10	Trans. & Distrib. Mains & Accessories - Intangible	145		145					145
24	331-20	Trans. & Distrib. Mains & Accessories - SOS	144		144					144
25	331-40	Trans. & Distrib. Mains & Accessories	100,756,125	(1,159,161)	99,596,964	1,159,161	2,756,958	(68,631)	(128,055)	103,316,397
26	333-40	Services	36,824,786		36,824,786		658,231	(115,000)	(28,743)	37,339,274
27	334-40	Meters and Meter Installations	11,575,448		11,575,448		98,173	(115,000)	(3,000)	11,555,621
28	335-40	Hydrants	1,078,405		1,078,405				(10,763)	1,067,642
29	336-40	Backflow Prevention Devices	-		-					-
30	339-10	Other Plant & Misc. Equipment - Intangible	-		-					-
31	339-20	Other Plant & Misc. Equipment - Source of Supply	37,157		37,157		8,637			45,794
32	339-30	Other Plant & Misc. Equipment - Water Treatment	43,525		43,525					43,525
33	339-40	Other Plant & Misc. Equipment - Trans. & Distrib.	88,441		88,441					88,441
34	339-50	Other Plant & Misc. Equipment - General Plant	15,798		15,798					15,798
35	340-50	Office Furniture and Equipment	684,579		684,579		14,000	(1,134)		697,445
36	340-50	AM / FM System - Mapping	552,910		552,910					552,910
37	340-5A	Computer Hardware & Software	1,723,563		1,723,563		236,965	(167,750)		1,792,778
38	340-5A	IFMS / WAN / PeopleSoft	2,870,105		2,870,105		1,197,379			4,067,484
39	340-5A	Customer Information System	1,795,069		1,795,069					1,795,069
40	341-50	Transportation Equipment	134,111		134,111		2,000			136,111
41	342-50	Stores Equipment	24,448		24,448					24,448
42	343-50	Tools, Shop and Garage Equipment	455,945		455,945		8,000			463,945
43	343-50	Confined Space Monitor, Generator, Trench Shield	62,533		62,533					62,533
44	344-50	Laboratory Equipment	116,643		116,643					116,643
45	345-50	Power Operated Equipment	58,817		58,817					58,817
46	345-50	Power Operated Equipment	62,882		62,882		21,300	(14,910)		69,272
47	346-50	Communications Equipment	1,300,447		1,300,447		12,653	(6,600)	(7,518)	1,298,982
48	347-50	Miscellaneous Equipment	107,621		107,621					107,621
49	348-50	Other Tangible Property	-		-					-
50	348-50	Master Plan	268,381		268,381		367,617			635,998
51										
52		Rounding	2		2		(1)			1
53										
54		**Total Plant In Service**	230,039,056	(2,555,658)	227,483,398	2,555,658	29,843,301	(707,092)	(535,345)	258,639,920

United Water Idaho
Case No. UWI-W-04-4
Balance of Accumulated Depreciation and Accumulated Amortization of CIAC, Accumulated Depreciation of Plant Held For Future Use and UPAA Amortization

Test Year Ended July 31, 2004 and Pro Forma Year Ended May 31, 2005

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line No. 1		Accumulated Depreciation	Accumulated CIAC Reserve	Amortization of Plant Held for Future Use	Amortization of UPAA	Total Accumulated Depreciation, CIAC Reserve, UPAA & PHFU Accumulated Amortization
1	At July 31, 2004:					
2	Accumulated Depreciation	46,699,677				46,699,677
3	Accumulated Reserve for Depreciation CIAC		8,293,501			8,293,501
4	Amortization of Plant Held for Future Use			280,656		280,656
5	Amortization of UPAA				13,985	13,985
6	Accumulated Depreciation And Amortization at July 31, 2004	46,699,677	8,293,501	280,656	13,985	55,287,819
7	From August 1 2004 to May 31, 2005:					
8	Depreciation Expense on July 31, 2004 PIS , ten months	4,429,910				4,429,910
9	Depreciation Expense on PIS adds prior to May 31, 2005 , two and one half month convention	258,547				258,547
10	Utility Plant Retirements August 1, 2004 to May 31, 2005	(707,092)				(707,092)
11	Amortization of Contributed Plant August 1, 2004 to May 31, 2005		951,460			951,460
12	Amortization of Plant Held for Future Use Aug I, 2004 to May 31, 2005			42,600		42,600
13	Transfer in From PHFU for CWTP RWPS	323,256		(323,256)		-
14	Cost of Removal on Plant Retirements	(94,365)				(94,365)
15	Salvage on Plant Retirements	19,350				19,350
16	Record UPAA Amortization Aug 1 2004 to May 31, 2005				7,774	7,774
17	Reverse Carriage Hill Accumulated Depr on Refunded Advances	(2,410)				(2,410)
18	Reverse Carriage Amort Reserve For Depr of CIAC		(12,862)			(12,862)
19	Balance of Accumulated Depreciation, CIAC Reserve, PHFU Reserve and UPAA Reserve	50,926,873	9,232,099	-	21,759	60,180,731
20	Change August 1, 2004 to May 31, 2005	4,227,196	938,598	(280,656)	7,774	4,892,912

United Water Idaho
Case UWI-W-04-4
Advances for Construction as of July 31, 2004 and
Pro Forma Year Ended May 31, 2005

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
				Reclass of Advances in CWIP						
Line No	Plant Account	Balance as of July 31, 2004	Reclass of Danskin Well #2 Advance	Micron/Arrow head Reclass	Reclass of Belmont Source of Supply Acquisition	Reclass of Advance Refunds July 2004	Restated Advances at July 31, 2004	Pro Forma Refunds Aug 1, 2004 to May 31, 2005	Carriage Hill Transaction Impact	Advances for Construction at May 31, 2005
1	30110 - Organization Intangible Plant	6,986.00					6,986.00			6,986.00
2	30320 - Source of Supply Land & Land Rights	347,574.48			31,680.30		379,254.78	(10,260.00)	(74,187.00)	294,807.78
3	30340 - Water Treatment Plant Land & Land Rights	50,865.25				(1,419.00)	49,446.25	(6,467.00)		42,979.25
4	30420 - Source of Supply & Pumping Plant Structures & Improvements	85,383.07			40,096.70		125,479.77	(11,660.00)	(33,134.00)	80,685.77
5	30520 - Source of Supply & Pumping Plant Collecting and Impounding Plant	521,273.35		(521,273.35)			-			-
6	30720 - Source of Supply & Pumping Plant Wells & Springs	369,144.85	72,641.73		141,414.87		583,201.45	(14,510.00)	(142,743.00)	425,948.45
7	30920 - Source of Supply & Pumping Plant Supply Mains	374,272.75	14,036.15			(9,414.00)	378,894.90	(14,600.00)		364,294.90
8	31120 - Source of Supply & Pumping Plant Power Generation Equipment	528,615.60	1,167.29		80,864.71	(6,705.00)	603,942.60	(29,110.00)	(75,844.00)	498,988.60
9	31140 - Trans & Dist Plant Pumping Equipment	-		129,574.00			129,574.00			129,574.00
10	32030 - Water Treatment Plant Treatment Equipment	3,384.00					3,384.00			3,384.00
11	33040 - Trans & Dist Plant Reservoirs	653,719.81		337,198.35		(8,253.00)	982,665.16	(127,851.00)		854,814.16
12	33140 - Trans & Dist Plant Mains	3,137,123.72		15,585.00		(10,327.00)	3,142,381.72	(121,246.00)		3,021,135.72
13	33340 - Trans & Dist Plant Services	606,560.14				(3,820.00)	602,740.14	(39,090.00)		563,650.14
14	33350 - Trans & Dist Plant Hydrants	6,986.00					6,986.00			6,986.00
15	34650 - General Plant Communication Equipment	33,587.18		38,916.00	4,896.65		77,399.83	(1,280.00)	(4,998.00)	71,121.83
							-			-
16	Advances in CWIP	346,860.40	(87,845.17)		(298,953.23)	39,938.00	0.00			0.00
17	Rounding	0.44					0.44			0.44
18	Total Per GL July 31, 2004	7,072,337.04	-	-	-	-	7,072,337.04	(376,074.00)	(330,906.00)	6,365,357.04

United Water Idaho
CASE UWI-W-04-4

Contributions in Aid of Construction (net) as of July 31, 2004 and Pro Forma Year Ended May 31, 2005

Line No.		
1	**Contributions in Aid of Construction at July 31, 2004:**	
2	Gross Balance in General Ledger Account 271000	**$ 52,963,858**
3	Accumulated Amortization in General Ledger Account 272000	(8,293,501)
4	**Balance at July 31, 2004**	**$ 44,670,357**
5	**From August 1, 2004 through May 31, 2005:**	
6	Amortization Of Contributions	(951,458)
7	Reverse Carriage Hill CIAC	(177,438)
8	Reverse Carriage Hill CIAC Amort	12,862
9	Balance in CIAC associated with CWIP	(544,626)
10	**Net Contributions in Aid of Construction at May 31, 2005**	**$ 43,009,697**
11	**Change**	**$ (1,660,660)**

United Water Idaho Inc
Case UWI-W-04-4
Summary of Gross and Net Utility Plant Acquisition Adjustments
Test Year Ended July 31, 2004
Pro Forma through May 31, 2005

Acquistion Description	Company Project ID	IPUC Order Month	Amortzation Period	UPAA Account 114000	Amortization Through July 2004 Account 115000	Net Unamortized Balance at July, 2004	Monthly Amortization Amount	Pro Forma Months August through May 2005	Pro Forma Amortization	Consolidated Net UPAA At May 31, 2005
Warm Springs Mesa	X00009	August 1996	20 Years	62,302	24,660	37,642	(260)	10	(2,595.90)	35,046.10
Redwood Creek	X00010	May 1995	20 Years	(110,249)	(51,450)	(58,799)	459	10	4,593.70	(54,205.30)
Island Woods	X00011	Aprip 1995	20 Years	(179,675)	(83,099)	(96,576)	749	10	7,486.50	(89,089.50)
Raintree	X00014	September 2000	40 Years	(227,594)	(22,353)	(205,241)	474	10	4,740.00	(200,501.00)
South County Water	X00020	January 1999	40 Years	1,009,011	140,844	868,167	(2,102)	10	(21,020.00)	847,147.00
Barber Water	X00027	January 1999	40 Years	46,966	5,382	41,584	(98)	10	(978.50)	40,605.50
				$ 600,761	**$ 13,984**	**$ 586,777**	**$ (777)**		**$ (7,774)**	**$ 579,003**

United Water Idaho
CASE UWI-W-04-4

Accumulated Deferred Federal Income Taxes as of July 31, 2004 and Pro Forma Year Ended May 31, 2005

Line No.	Account & Description	Balance at July 31, 2004	Pro Forma Balance at May 31, 2005
1	282001 Accumulated Deferred FIT ACRS	$ 1,901,480	
2	282002 Accumulated Deferred FIT MACRS	6,727,567	
3	282010 Deferred FIT ADR	425,492	
4	283300 Deferred FIT	(798,998)	
5	283991 Deferred FIT AFUDC Equity	555,087	
6	253108 Deferred Advances and Contributions Gross UP	2,333,656	
7	**Deferred Federal FIT at July 31, 2004**	**$ 11,144,284**	
8	Pro Forma Tax Depreciation		**$ 13,648,001**
9	Pro Forma Book Depreciation		6,386,509
10	**Excess Tax Over Book Depreciation**		**$ 7,261,492**
11	Federal Income Tax Rate		35.00%
12	**Incremental Deferred Federal Income Tax**		**$ 2,541,522**
13	**Total Deferred FIT (Line 7 plus line 12)**		**$ 13,685,806**

United Water Idaho
Case No UWI-W-04-4
Pre-1971 Investment Tax Credit
for the Test Year Ended July 31, 2004
and the Pro Forma Year ending May, 31, 2005

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No	Year	Book Life	Book Balance at July 31, 2004	Annual Expense	Ten Months Expense	Balance at May 31, 2005
1	1962	50 Years	1,364	182	152	**1,212**
2	1963	50 Years	1,131	134	112	**1,019**
3	1964	50 Years	905	99	83	**823**
4	1965	50 Years	1,841	176	147	**1,694**
5	1966	50 Years	1,540	136	113	**1,427**
6	1967	50 Years	1,554	124	103	**1,451**
7	1968	50 Years	3,468	258	215	**3,253**
8	1969	50 Years	2,525	176	147	**2,378**
			14,328	**1285**	**1,071**	**13,257**

United Water Idaho
Case UWI-W-04-4
Deferred Debits Balance for the Test Year ended July 31, 2004
and the Pro Forma Year ending May 31, 2005

(1)	(2)	(3)	(4)	(5) Interim Activity	(6)	(7)
Line No.	**Account Number**	**Description**	**Balance at July 31, 2004**	**Debit**	**Credit**	**Balance at May 31, 2005**
1	186001	Deferred Rate Case Expense	12,169	232,831		**245,000**
2	186006	Deferred Power Expense	1,363,240	186,760		**1,550,000**
3	186024/186324	Deferred Relocation Cost	157,215		(21,390)	**135,825**
4	186320	Deferred Rents (Lakewood Well Lease)	19,458		(460)	**18,998**
5	183000	Deferred Terra Grande Cost	3,300	1,407		**4,707**
6	186601	Deferred Tank Painting	79,742		(2,580)	**77,162**
7		**Total**	**1,635,124**	**420,998**	**(24,430)**	**2,031,692**

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF UNITED WATER IDAHO INC. FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR WATER SERVICE IN THE STATE OF IDAHO	**Case No. UWI-W-04-04**

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION
EXHIBIT 2 TO THE

DIRECT TESTIMONY OF JEREMIAH J. HEALY

UNITED WATER IDAHO
STATEMENT OF OPERATING INCOME PER BOOKS AND PROFORMA UNDER
PRESENT AND PROPOSED RATES FOR THE YEAR ENDED JULY 31, 2004

Line No.	Description	Column (1) Adjustment Shown on	Column (2) Per Books 07/31/04	Column (3) Test Year Adjustment	Column (4) Adjusted Test Year	Column (5) Under Proposed Rates Adjustments	Column (6) Under Proposed Rates Proforma
1							
2							
3.	**Description**	**Adjustment Shown on**	**Per Books 07/31/04**	**Test Year Adjustment**	**Adjusted Test Year**	**Under Proposed Rates Adjustments**	**Under Proposed Rates Proforma**
4.	**Operating Revenues**		$ 31,000,222	$ 534,125	$ 31,534,347	$ 6,767,870	$ 38,302,217
5.	**Operating Expenses**						
6.	Operation & Maintenance	Exh 3, Sch 1	$ 11,470,319	$ 1,933,193	13,403,512	44,117	$ 13,447,629
7.	Depreciation	Exh 3, Sch 2	4,738,848	1,647,661	6,386,509	-	6,386,509
8.	Amortization Of PHFU	Exh 3, Sch 2	51,113	(51,113)	-	-	-
9.	Amortization Of UPAA	Exh 3, Sch 2	7,397	1,932	9,329	-	9,329
10.	**Total Depreciation and Amortization**		4,797,358	1,598,480	6,395,838	-	6,395,838
11.	**Taxes Other Than Income**						
12.	Ad Valorem	Exh 3, Sch 3	1,528,696	42,245	1,570,941	-	1,570,941
13.	Payroll Taxes	Exh 3, Sch 3	321,994	30,277	352,271	-	350,693
14.	**Total Taxes Other**		1,850,690	72,522	1,923,212	-	1,921,634
15.	**Total Operating Expenses Excluding Income Taxes**		$ 18,118,367	$ 3,604,195	$ 21,722,562	$ 44,117	$ 21,766,679
16.	**Op Income Before Income Taxes**		$ 12,881,855	$ (3,070,070)	$ 9,811,785	$ 6,723,753	$ 16,535,538
17.	**Income Taxes**						
18.	State Income Taxes	Exh 3, Sch 4	$ 446,418	$ (680,427)	$ (234,009)	$ 537,900	$ 303,891
19.	Federal Income Taxes	Exh 3, Sch 4	3,005,942	$ (1,453,467)	$ 1,552,475	$ 2,165,048	$ 3,717,523
20.	**Total Income Taxes**		$ 3,452,360	$ (2,133,894)	$ 1,318,466	$ 2,702,948	$ 4,021,414
21.	**Utility Operating Income**		$ 9,429,495	$ (936,176)	$ 8,493,319	$ 4,020,805	$ 12,514,124
22.	**Adjusted Rate Base**				$ 140,062,546		$ 140,062,546
23.	**Rate of Return on Rate Base**				6.06%		8.93%

Exhibit No. 2
J. Healy

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF UNITED WATER IDAHO INC. FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR WATER SERVICE IN THE STATE OF IDAHO	**Case No. UWI-W-04-04**

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION
EXHIBIT 3 TO THE

DIRECT TESTIMONY OF JEREMIAH J. HEALY

UNITED WATER IDAHO

Details of Adjustments to
Operating Expenses
At Present Rates
Summary
July 31, 2004 Test Year

Line No.	Adjustment No. (1)	Description (2)	Income Statement Account Reference (3)	Actual Twelve Months Ended July 31,2004 (4)	Adjustments (5)	Pro Forma Expense at May 31,2005 (6)
	Summary	**Adjusted O&M:**				
1	1	Payroll to O&M	Cost Types 1 & 2	$ 3,155,584	$ 232,555	$ 3,388,139
2	2	Thrift Plan	926-700	90,156	1,321	91,477
3	3	Health Care	926-500/610/640	523,193	148,368	671,561
4	4	Pension	926-000	624,767	12,279	637,046
5	5	PEBOP	926-105/106/110	614,847	(145,345)	469,502
6	6	Payroll Overheads	922-000	(859,795)	(52,956)	(912,751)
7	7	Deferred Early Retirement Cost Amortization	926-590 (portion)	152,208	105,526	257,734
8	8	Deferred Enhanced Severance Program Amortization	926-590 (portion)	-	49,751	49,751
9	9	Purchased Water	602-000	107,788	87,528	195,316
10	10	Tank Painting Amortization-Old	672000	3,096	6,091	9,187
11	11	Power	623-000	1,242,538	514,265	1,756,803
12	12	Amortization of Deferred Power	623-000	-	516,667	516,667
13	13	Chemicals	641-000	235,950	78,224	314,174
14	14	Water Qualty Testing (Outside Lab Only)	642-000	78,348	7,662	86,010
15	15	Columbia Water Treatment Plant Misc Opex-Telephone, Water Quality Testing,Natural Gas,other Utilities,Security Alarm Monitoring,Sanitation	Various	-	57,210	57,210
16	16	Variable Cost Savings Due to CWTP Operations	Various	-	(139,580)	(139,580)
17	17	Transportation Expense	Cost Types 40 & 96	362,613	43,652	406,265
18	18	Customer Postage	903-020	170,280	8,061	178,341
19	19	Outside Computer	903-030	384,481	14,416	398,897
20	20	Outside Collection	903-040	99,590	(20,125)	79,465
21	21	Customer Records & Collection Expense/Miscellaneous Customer Accounting Expenses	903-050/905000	18,009	(10,879)	7,130
22	22	Uncollectibles	904-000	162,706	(31,661)	131,045
23	23	IPUC Annual Assessment	928-000	72,347	3,476	75,823
24	24	Rate Case Expense Amortization	928-130	-	81,667	81,667
25	25	Relocation Expense Amortzation	930-310	25,688	1,477	27,165
26	26	Business Insurance	924-000/090 & 925-000/010	789,765	293,535	1,083,300
27	27	Adjust Dues, Eliminate Lobbying & Charitable Give	921110,921300,930300	14,005	(14,005)	-
28	28	Information Technology	923-140 & 921-400	105,094	51,046	156,140
29	29	Enhanced Severance Program	930-250	2,995	(2,995)	-
30	30	Expenses Related to Customer Growth	Various	-	73,022	73,022
31	31	Expenses Related to Weather Normalization	Various	-	(8,792)	(8,792)
32	32	Outside Services Legal	923-080	82,851	(28,851)	54,000
33	33	Amortization of Deferred Terra Grande Expenses	923-080	-	1,569	1,569
34	34	Removal of Carriage Hill Operating Expense	623-000	-	(986)	(986)
35		**Total Adjusted O&M**		8,259,104	1,933,193	10,192,297
36						
37		**Unadjusted O&M:**				
38	35	M & S Fees	923-010,11,12,13,14	2,006,757	-	2,006,757
39	36	Other Operation and Maintenance Expense	Various	1,204,458	0	1,204,458
40		**Total Unadjusted O&M**		3,211,215	0	3,211,215
41						
42		**Total Operation and Maintenance Adjustments**		$ 11,470,319	$ 1,933,193	$ 13,403,512
43						
46	37	Depreciation	403-000	$ 4,738,848	1,647,661	$ 6,386,509
47	38	Amortization of Plant Held for Future Use	405-000	51,113	(51,113)	-
48	39	Amortization of Utility Plant Acquisition Adjustments	406-000	7,397	1,931	9,328
49						
50		**Total Depreciation and Amortization**		$ 4,797,358	$ 1,598,479	$ 6,395,837
53						
54	40	Ad Valorem Taxes	408-120	$ 1,528,696	$ 42,245	$ 1,570,941
55	41	Payroll Taxes	408-130/131/134	321,994	$ 30,277	352,271
56						
57		**Total Taxes Other**		$ 1,850,690	$ 72,522	$ 1,923,212
58						
59		**Total Operating Expenses**		$ 18,118,367	$ 3,604,194	$ 21,722,561

Exhibit No. 3
Summary
J. Healy

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 1

Line No.	Description			Amount
1.	Adjustment of Payroll Chargeable to Operations and Maintenance			
2.	To adjust labor chargeable to operation and maintenance expense based upon pay rates at April 1, 2005 and proposed employee headcount . Use test year derived O & M percentage			$ 232,555
	Details			
3.	Administrative,Engineering, Accounting,Inside Customer Service	34	$ 1,598,773	
4.	Production Department Employees	20	987,251	
5.	Transmission & Distribution Employees	27	1,296,471	
6.	Outside Customer Service Employees	10	408,911	
7.	Total Regular Employees	91		
8.	Temporary Employees	$ 52,837		
9.	Stand By Pay	28,023		
10.	Management Incentive Pay	74,775		
11.	Non-Union Incentive Pay	44,287		
12.	Union Incentive Pay	14,400		
13.	Union Lump Sum Payments	27,300		
14.	ABCD Awards	6,000		
			$ 247,622	
15.	Pro Forma Payroll @ 2005 Rates		$ 4,539,028	
16.	Test Year Derived O&M Percentage		74.6446%	
17.	**Pro Forma Expense**		$ 3,388,139	
18.	**Test Year Expense**		3,155,584	
19.	**Adjustment**		**$ 232,555**	

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UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 2

Line No.	Description		Amount
1.	Normalize Company 401(k) Matching Percentage		
2.	To normalize Company contribution to 401(k) savings plan based upon historical participation rates and proposed headcount.		**$ 1,321**
	Details		
3.	**Pro Forma Company Match**	$ 91,477	
4.	**Test Year Expense**	90,156	
5.	**Adjustment**	**$ 1,321**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 3

Line No.	Description		Amount
1.	Adjustment of Employee Health Care Expense, Long Term Disability and Group Term Life Insurance		$ 148,368
2.	To adjust health care, LTD and GTL expense to current costs level and proposed headcount.		
	Details		
3.	Gross HMO Blue Expense	$ 553,941	
4.	Gross United Health Care Choice Plus Plans	175,229	
5.	Gross Dental & Vision Coverage	76,905	
6.	Group Term Life Insurance Coverage	17,100	
7.	Lond Term Disability Coverage	21,700	
8.	Employee Incentive Opt Out Payment	4,400	
9.	Total Coverage Cost	**$ 849,275**	
10.	Less: Employee Contributions	177,714	
11.	**Pro Forma Health Care, LTD and GTL Expense**	$ 671,561	
12.	**Test Year Expense**	523,193	
13.	**Adjustment**	**$ 148,368**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 4

Line No.	Description		Amount
1.	Adjustment of Pension Expense		
2.	To adjust Employee Pension Expense to the current level per latest actuarial data in accord with FAS 87		$ 12,279
	Details		
3.	Idaho Bargaining Unit	$ 303,084	
4.	Idaho Non-Bargaining Unit	333,962	
5.	**Total Pro Forma Expense**	**$ 637,046**	
6.	**Test Year Expense**	$ 624,767	
7.	**Adjustment**	**$ 12,279**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 5

Line No.	Description		Amount
1.	Adjustment of FAS 106 Post Retirement Cost		
2.	To adjust Post Retirement Cost to the current level in per latest actuarial data in accord with FAS 106		$ (145,345)
	Details		
3.	Idaho Bargaining Unit	$ 118,354	
4.	Idaho Non-Bargaining Unit	258,470	
5.	Annual ITO Amortization Expense	52,078	
6.	PEPOB Amortization	40,600	
7.	**Total Pro Forma Expense**	**$ 469,502**	
8.	**Test Year Expense**	$ 614,847	
9.	**Adjustment**	**$ (145,345)**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 6

Line No.	Description			Amount
1.	Adjust Payroll Overheads Charged to Construction and other non Operations & Maintenance Accounts			
2.	To normalize payroll overhead percentage charged to non-O&M labor based on pro forma labor and benefits			$ (52,956)
	Details			
3.	Pro forma Payroll at April 1,2005 Rates	Sch 1, p.1	$ 4,539,028	
4.	% Chargeable to Other than O&M		25.3554%	
5.	Payroll Other Than O&M		$ 1,150,889	
6.	Overhead Rate	Line 21	79.31%	
7.	Overheads Credit		$ (912,751)	
8.	Test Year Expense - Acct 922-000		$ (859,795)	
9.	**Adjustment**		**$ (52,956)**	
	Payroll Related Expenses			
10.	FICA Taxes	Sch 3,p.2	$ 341,345	
11.	Federal Unemployment Taxes	Sch 3,p.4	5,496	
12.	State Unemployment Taxes	Sch 3,p.3	5,430	
13.	Group Health, Life & LTD	Sch 1.p.3	671,561	
14.	Workers Comp	Sch 1.p.26	164,900	
15.	Pension & PEBOP	Sch 1.p.4, 5	1,106,548	
16.	Tuition Aid	2005 OP	8,700	
17.	Thrift Plan Expenses	Sch 1.p.2	91,477	
18.	Payroll Related Expenses		$ 2,395,457	
19.	Payroll Overheads %		63.03%	
20.	Additive for Non-Work Days		16.28%	
21.	Overhead Rate to be Applied to non O&M Payroll		79.31%	

Note: Payroll OH % = Total Benefits/ (Gross Payroll-(Gross Payroll*Non Work Day Additive
63.03%

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UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 7

Line No.	Description		Amount
1.	Adjustment for Amortization of Deferred Early Retirement Program		
2.	To reflect an adjustment to the test year level of amortzation of deferred early retirement cost previously approved by the IPUC in Case UWI-W-00-1		**$ 105,526**
	Details		
3.	Deferred Pension Cost attributable to ERP	$ 721,330	
4.	Deferred PEBOP Cost attributable to ERP	529,287	
5.	Remaining Balance from Prior Case	38,052	
6.	Total Deferred ERP Cost	**$ 1,288,669**	
7.	Amortization Period	60 Months	
8.	**Pro Forma Expense**	**$ 257,734**	
9.	**Test Year Expense**	152,208	
10.	**Adjustment**	**$ 105,526**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 8

Line No.	Description		Amount
1.	Adjustment for Amortization of Deferred Enhanced Severance Package Expense		
2.	Adjustment for amortization of deferred cost associated with the Enhanced Severance Package Program		$ 49,751
	Details		
3.	Deferred ESP Cost 2002	$ 176,699	
4.	Deferred ESP Cost 2003	72,054	
5.	Total Deferred ESP Cost	$ 248,753	
6.	Amortization Period	60 Months	
7.	**Pro Forma Expense**	**$ 49,751**	
8.	**Test Year Expense**	-	
9.	**Adjustment**	**$ 49,751**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 9

Line No.			Amount
1.	Adjustment of Purchased Water Cost		
2.	Adjust purchased water expense for rented and leased natural flow rights,shares in canal company's and contracts/leases for storage water		**$ 87,528**
	Details		
3.	Natural Flow associated expenses	$ 12,744	
4.	Shares in Canal Companys, maintenance	31,980	
5.	Contracts & Leases for storage water	147,592	
6.	Other Miscellaneous	3,000	
7.	**Pro Forma Purchased Water**	**$ 195,316**	
8.	**Test Year Expense**	107,788	
9.	**Adjustment**	**$ 87,528**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 10

Line No.			Amount
1.	Adjustment of Deferred Tank Painting Expense		
2.	To adjust the test year level of amortization expense for deferred tank painting due to additional deferred paintings		$ 6,091
	Details		
3.	Deferred Gowen Tank Painting	$ 39,808	
4.	Deferred Aeronica Well Tank Painting	21,100	
5.	Total Deferred Expense	$ 60,908	
6.	Amortization Period	10 Years	
7.	New Annual Amortization Expense	$ 6,091	
8.	Continuing Amortizations from Prior Case	3,096	
9.	**Pro Forma Purchased Water**	**$ 9,187**	
10.	**Test Year Expense**	3,096	
11.	**Adjustment**	**$ 6,091**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 11

Line No.	Description		Amount
1.	Adjustment of Purchased Power Expense		
2.	To adjust purchased power expense based on test year usage priced at Idaho Power rates effective July 28 and December 1, 2004; also reflect for CWTP and RWPS		**$ 514,265**
	Details		
3.	Schedule 7 with and without franchise fee	$ 17,820	
4.	Schedule 9 with and without franchise fee	1,279,503	
5.	Marden WTP repriced from 9P to 19	175,081	
6.	CWTP and RWPS projected consuptive power use	236,400	
7.	CWTP Redundant Power and Stand By Charge	48,000	
8.			
9.	**Pro Forma Power Expense**	**$ 1,756,803**	
10.	**Test Year Expense**	1,242,538	
11.	**Adjustment**	**$ 514,265**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 12

Line No.	Description		Amount
1.	Reflect Amortization of Deferred Power Expense		
2.	To reflect the amortization of deferred power expense as established by IPUC Order No 28505 in Case UWI-W-00-1		$ 516,667
	Details		
3.	Projected Balance in Deferred Power as of May 31, 2005	$ 1,550,000	
4.	Amortization Period	3 Years	
5.	**Pro Forma Annual Amortization Expense**	516,667	
6.	**Test Year Expense**	$ -	
7.	**Adjustment**	516,667	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 13

Line No.	Description		Amount
1.	Adjust Chemical Expense		
2.	To normalize chemical expense using test year usage at current prices; adjust for CWTP chemical usage; normalize phosphate		$ 78,224
	Details		
3.	Normalize test year expense at current prices	$ 242,029	
4.	Normalize phosphate usage	15,000	
5.	CWTP chemical usage	57,145	
6.	**Pro Forma Annual Expense**	**314,174**	
7.	**Test Year Expense**	**$ 235,950**	
8.	**Adjustment**	**78,224**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 14

Line No.	Description			Amount
1.	Water Quality Testing Expense			
2.	To adjust test year level of outside laboratory expense to comply with current testing cycle			$ 7,662
	Details			
3.	**Wells planned to adjust operations:**			
3a.	Inorganic Cehicals	$ 6,300		
3b.	Volitile Organic Chemicals	5,643		
3c.	Synthetic Organic Chemicals	29,931		
3d.	Nitrates	1,300		
3e.	Nitrites	1,100		
3f.	Fe/Mn	1,000		
3g.	Arsenic	300		
3h.	Radionuclides	2,000		
3i.	Disinfection By-Products	9,076		
3j.	Coliform	13,860		
3k.	LT2ESWTR	12,000		
3l.	miscellaneous test	3,500		
4.	**Total Pro Forma Outside Lab Testing**		86,010	
5.	**Test Year Expense**		$ 78,348	
6.	**Adjustment**		7,662	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 15

Line No.	Description		Amount
1.	Adjust CWTP Related Other Operating Expenses		
2.	Adjust test year expense for additional minor operating expense associated with CWTP operations		$ 57,210
	Details		
3.	Communications infrastructure: CWTP T-1; MWTP T-1 upgrade, PRV communications upgrades to improve system flexibility	$ 32,030	
4.	Water quality testing, natuarl gas, bldg. elec light, janitorial	25,180	
5.	**Pro Forma Annual Expense**	**$ 57,210**	
6.	**Test Year Expense**	**$ -**	
7.	**Adjustment**	**$ 57,210**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 16

Line No.	Description		Amount
1.	Adjust Test Year Power & Chemicals for CWTP Impact on Other Facilities		
2.	To adjust test year level of power and chemical expense for nine well facilities that will modify operations with CWTP operations		$ (139,580)
	Details		
3.	**Wells planned to adjust operations:**		
3a.	Raptor		
3b.	Ten Mile		
3c.	Pioneer		
3d.	Pleasant Valley		
3e.	Market		
3f.	Terteling		
3g.	JR Flat		
3h.	Centennial		
3i.	Bergeson		
4.	**Total Power & Chemical Pro Forma Expense Reductions**	$ (139,580)	
5.	**Test Year Expense**	$ -	
6.	**Adjustment**	$ (139,580)	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 17

Line No.	Description			Amount
1.	Adjust Transportation Expense			
2.	To adjust transportation expense including lease, fuel,maintenance, labor and overheads,insurance & lease disposal proceeds at current projections and known & measurable changes			$ 43,652
	Details			
3.	Lease Cost		$ 299,719	
4.	Fuel		130,200	
5.	Maintenance materials, outside service		62,000	
6.	Mechanic payroll and benefits		72,879	
7.	Insurance		56,400	
8.	Lease disposal proceeds		(31,442)	
9.	**Pro Forma Annual Expense**		**$ 589,756**	
10.	Test Year O&M ratio	68.89%	**406,265**	
11.	**Test Year Expense**		**$ 362,613**	
12.	**Adjustment**		**$ 43,652**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 18

Line No.	Description		Amount
1.	Adjust Customer Postage Expense		
2.	To adjust customer postage expense to May 31, 2005 customer level and current postal rates		**$ 8,061**
	Details		
3.	Annual bills based on May 31, 2005 customer count	461,442	
4.	Average test year postage cost per bill	$ 0.3059	
5.	Pro Forma bill postage expense	$ 141,136	
6.	Local postage machine for locally mailed customer notices, correspondence, etc	$ 37,205	
7.	**Pro Forma Annual Expense**	**$ 178,341**	
8.	Test Year Expense	$ 170,280	
9.	**Adjustment**	**$ 8,061**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 19

Line No.	Description		Amount
1.	Adjust Customer Information System (billing) Expense		
2.	To adjust customer billing expense to May 31, 2005 customer level		**$ 14,416**
	Details		
3.	Annual bills produced	475,995	
4.	Cost per bill	$ 0.7200	
5.	Pro Forma customer billing expense	$ 342,716	
6.	Annual past due notices produced	88,635	
7.	Cost per notice	$ 0.6000	
8.	Pro Forma past due notice expense	$ 53,181	
9.	Misc programming charges based on test year level	$ 3,000	
10.	**Pro Forma Annual Expense**	**$ 398,897**	
11.	Test Year Expense	$ 384,481	
12.	**Adjustment**	**$ 14,416**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 20

Line No.	Description			Amount
1.	Adjust Customer Outside Collection Expense			
2.	To adjust expense of collecting and processing customer payments: paid at local office, through lockbox and ACH			**$ (20,125)**
	Details			
3.	Annual bills produced		475,995	
4.	Lockbox transactions at test year level of 72.73%		72.73%	
5.	Lockbox transactions		346,191	
6.	Price per unit based on test year	$	0.2344	
7.	Pro Forma lockbox expense	$	81,147	
8.	ACH transactions		18,658	
9.	Price per unit based on test year	$	0.3472	
10.	Pro Forma ACH expense	$	6,478	
11.	US Bank local processing charges	$	20,364	
12.	Federal Express Charges	$	1,476	
13.	Normalizing adjustment for lower lockbox price per unit	$	(30,000)	
14.	**Pro Forma Annual Expense**	**$**	**79,465**	
15.	Test Year Expense	$	99,590	
16.	**Adjustment**	**$**	**(20,125)**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 21

Line No.	Description	Amount
1.	Adjust Customer Records and Collection Expense and Miscellaneous Customer Accounting Expenses	
2.	Adjust test year expense level of accounts 903-050 & 905-000	**$ (10,879)**

Details

3.	903-050: test year level	$	17,524
4.	Normalize contract temporary employee and minor adjustments		(14,570)
5.	903-050: pro forma level	$	2,954
6.	905-000: test year level	$	485
7.	Normalize for annual customer notice bill stuffer & misc		3,691
8.	905-000: pro forma level	$	4,176
9.	**Pro Forma Annual Expense**	**$**	**7,130**
10.	**Test Year Expense**	**$**	**18,009**
11.	**Adjustment**	**$**	**(10,879)**

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 22

Line No.	Description	Amount
1.	Adjust Uncollectible Accounts Expense	
2.	To normalize uncollectible accounts expense based on a four year average	$ (31,661)

Details

	Year	Uncollectibles	Revenue	%
3.	Jul-04	162,706	31,000,222	
4.	Jul-03	124,359	29,884,881	
5.	Jul-02	105,384	30,406,924	
6.	Jul-01	106,277	28,694,018	
7.	Sub Total	$ 498,726	$ 119,986,045	0.41565%

8.	Pro Forma Revenue at Existing Rates	$ 31,527,396
6.	**Pro Forma Annual Expense**	**$ 131,045**
7.	**Test Year Expense**	**$ 162,706**
8.	**Adjustment**	**$ (31,661)**

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 23

Line No.	Description				Amount
1.	Adjust IPUC Annual Assessment				
2.	To adjust test year level of IPUC annual assessment based on latest assessment rate and pro forma adjusted revenue				$ 3,476
	Details				
3.	Total revenue subject to adjustment	$ 31,527,396			
4.	IPUC assessment rate	0.240500%			
4.	**Pro Forma IPUC Assessment**			$ 75,823	
5.	**Test Year Expense**			$ 72,347	
6.	**Adjustment**			$ 3,476	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 24

Line No.	Description			Amount
1.	Adjust Rate Case Expense Amortization			
2.	To amortize over three years the project level of deferred rate case expense			$ 81,667
	Details			
3.	Estimated deferred rate case expense	$ 245,000		
4.	Amortization Period	Three Years		
5.	**Pro Forma Rate Case Expense Amortzation**		$ 81,667	
6.	**Test Year Expense**		$ -	
7.	**Adjustment**		$ 81,667	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 25

Line No.	Description				Amount
1.	Adjust Employee Relocation Expense Amortization				
2.	To amortize over five years deferred employee relocation expense				$ 1,477
	Details				
3.	Unamortized balance of deferred relocation at 31-May-05	$	5,732		
4.	Additional relocation expense incurred	$	130,093		
5.	Total Deferred Employee Relocation Expense			$ 135,825	
6.	Amortization Period			Five Years	
7.	**Pro Forma Relocation Expense Amortzation**			**$ 27,165**	
8.	**Test Year Expense**			$ 25,688	
9.	**Adjustment**			**$ 1,477**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 27

Line No.	Description		Amount
1.	Elimination of Dues, Charitable Contributions, Memberships, etc		
2.	To eliminate from the test year certain expenses that do not qualify for rate making treatment under past IPUC Orders		$ (14,005)
	Details		
3.	Charitable contributions	$ (5,510)	
4.	NAWC Dues- Lobbying portion	(3,600)	
5.	Idaho Association of Commerce & Industry Dues- Lobbying portion	(780)	
6.	Country Club Dues	(4,115)	
7.	**Adjustment**	**$ (14,005)**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 28

Line No.	Description		Amount
1.	Adjust Corporate and Local IT Maintenance & Support		
2.	To adjust test year expense for services related to upkeep and support of communication infrastructure, networks, desktop software support, hydraulic model support, Intellution & Oracle support, SCADA support, etc.		**$ 51,046**
	Details		
3.	Pro Forma Level of Corporate IT support, maintenance	$ 108,340	
4.	Pro Forma Level of Local IT support, maintenance	47,800	
5.	**Pro Forma Annual Expense**	**$ 156,140**	
6.	**Test Year Expense**	105,094	
7.	**Adjustment**	**$ 51,046**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 29

Line No.	Description		Amount
1.	Adjust Test Year Miscode		
2.	To normalize Company books and records for an accounting entry that occurred during the test year and will not recur		$ (2,995)
	Details		
3.	Eliminate charge to account 930-250 that was expensed in the test year and will not recur	$ (2,995)	
4.	**Adjustment**	**$ (2,995)**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 30

Line No.	Description					Amount
1.	Expenses Related to Customer Growth					$ 73,022
2.	To normalize operating expenses related to customers added to the system during the test year and during the pro forma period July 31, 2004 to May 31, 2005					
	Details					
3.	Purchased Power				$ 1,242,538	
4.	Chemicals				235,950	
5.	Transportation Cost				362,613	
6.	General Insurance				789,765	
7.	T&D Excluding Payroll				388,083	
8.	**Total Variable Cost**				$ 3,018,949	
9.	Total Variable Cost	$	3,018,949			
10.	Test Year Revenue	$	31,000,222	=		
11.	Variable Cost Percentage				9.74%	
12.	Customer Growth Revenue per Witness Gradilone				$ 749,828	
13.	**Operating Ratio Adjustment**				$ 73,022	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 31

Line No.	Description				Amount
1.	Expenses Related to Weather Normalization				$ (8,792)
2.	To normalize variable cost power and chemicals due to the negative weather normalization adjustment made by Witness Gradilone				
	Details				
3.	Purchased Power			$ 1,242,538	
4.	Chemicals			235,950	
5.	Total Variable Cost related to weather			$ 1,478,488	
6.	Total Variable Cost	$	1,478,488		
7.	Test Year Revenue	$	31,000,222	4.77%	
8.	Revenue adjustment due to weather normalization			$ (184,354)	
9.	Variable Cost %			4.77%	
10.	**Operating Ratio Adjustment**			**$ (8,792)**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 32

Line No.	Description		Amount
1.	Adjust Outside Services Legal		
2.	To normalize outside legal expense to recognize the cessation of an amortization allowance that terminated in the test year		$ (28,851)
	Details		
3.	**Normalized Pro Forma Annual Expense**	$ 54,000	
4.	**Test Year Expense**	$ 82,851	
5.	**Adjustment**	$ (28,851)	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 33

Line No.	Description		Amount
1.	Adjust Pro Forma Expense for Amortization of Deferred Terra Grande Related Expenses		
2.	To adjust outside legal expense to recognize the amortization of deferred legal expense incurred by Company in pursuit of Terra Grande solution		$ 1,569
	Details		
3.	Total Expenses Incurred by Company	$ 4,707	
4.	Amortization Period	Three Years	
5.	**Normalized Pro Forma Annual Expense**	**$ 1,569**	
6.	**Test Year Expense**	**$ -**	
7.	**Adjustment**	**$ 1,569**	

UNITED WATER IDAHO

Details of Adjustments to
Operations and Maintenance Expense
At Present Rates

Adjustment No. 34

Line No.	Description		Amount
1.	Adjust Operating Expense to Reflect Sale of Carriage Hill System		
2.	To normalize operating expense (power) due to the sale of the Carriage Hill System		**$ (986)**
	Details		
3.	Test year power cost incurred by Company	$ 986	
4.	**Normalized Pro Forma Annual Expense**	$ -	
5.	**Adjustment**	**$ (986)**	

UNITED WATER IDAHO

Details of Adjustment to
Depreciation Expense
At Present Rates

Adjustment No. 37

Line No.	Description		Amount
1.	Adjust Depreciation Expense		$ 1,647,661
2.	To adjust the test year level of depreciation expese to the proforma level based on plant in service, CIAC and advances		
	Details		
3.	**Pro Forma Depreciation Expense per page 2 of 4**	$ 6,386,509	
4.	**Test Year Expense**	4,738,848	
5.	**Adjustment**	$ 1,647,661	

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UNITED WATER IDAHO

Pro Forma Annual Depreciation Provision
Test Year Ended July 31, 2004 with Capital Additions and Retirements through May 31, 2005
Adjustment No. 37 Detail

Line No.	Account Description	Plant Account No.	Pro Forma Utility Plant 05/31/2005	Pro Forma Contributions In Aid 05/31/2005	Pro Forma Advances 05/31/2005	Net Depreciable Plant	Depreciation Rate	Annual Depreciation
1.	**NON DEPRECIABLE PLANT:**							
2.	Organization	301-10	$ 107,048	$ -	$ (6,986)	$ 100,062	0%	$ -
3.	Land & Land Rights, Water Rights - Source of Supply	303-20	$ 6,369,037	$ (325,405)	$ (294,807)	$ 5,748,825	0%	$ -
4.	Land & Land Rights - Water Treatment	303-30	$ 889,034	$ -	$ -	$ 889,034	0%	$ -
5.	Land & Land Rights - Trans. & Distrib.	303-40	$ 411,626	$ -	$ (42,978)	$ 368,648	0%	$ -
6.	Land & Land Rights - General Plant	303-50	$ 213,383	$ -	$ -	$ 213,383	0%	$ -
7.	**TOTAL NON DEPRECIABLE PLANT**		**$ 7,990,128**	**$ (325,405)**	**$ (344,771)**	**$ 7,319,952**		
8.	**DEPRECIABLE PLANT:**							
9.	Structures and Improvements - Source of Supply	304-20	$ 4,960,489	$ (263,428)	$ (80,686)	$ 4,616,375	2.00%	$ 92,328
10.	Structures and Improvements - Water Treatment	304-30	$ 13,464,912	$ -	$ -	$ 13,464,912	2.00%	$ 269,298
11.	Structures and Improvements - Trans. & Distrib.	304-40	$ 40,963	$ -	$ -	$ 40,963	2.00%	$ 819
12.	Structures and Improvements - General Plant	304-50	$ 3,275,346	$ -	$ -	$ 3,275,346	2.50%	$ 81,884
13.	Collecting & Impounding Reservoirs - Source of Supply	305-20	$ 83,217	$ (21,950)	$ -	$ 61,267	2.00%	$ 1,225
14.	Lake, River & Other Intakes	306-20	$ 1,272,275	$ (68,216)	$ -	$ 1,204,059	2.00%	$ 24,081
15.	Wells & Springs	307-20	$ 9,294,633	$ (1,397,310)	$ (425,949)	$ 7,471,374	2.86%	$ 213,681
16.	Infiltration Galleries & Tunnels	308-20	$ 34,652	$ -	$ -	$ 34,652	2.00%	$ 693
17.	Supply Mains	309-20	$ 2,213,667	$ (9,391)	$ (364,295)	$ 1,839,981	2.00%	$ 36,800
18.	Power Generation Equipment	310-20	$ 474,533	$ -	$ -	$ 474,533	5.00%	$ 23,727
19.	Power Electric Pumping Equipment - Source of Supply	311-20	$ 11,792,060	$ (1,814,218)	$ (498,989)	$ 9,478,853	5.00%	$ 473,943
20.	Power Diesel Pumping Equipment - Source of Supply	311-20	$ -	$ -	$ -	$ -	0.00%	$ -
21.	Power Pumping Equipment - Water Treatment	311-30	$ 5,543,625	$ -	$ -	$ 5,543,625	5.00%	$ 277,181
22.	Power Pumping Equipment - Trans. & Distrib.	311-40	$ 955,968	$ -	$ (129,574)	$ 826,394	5.00%	$ 41,320
23.	Water Treatment Equipment	320-30	$ 22,315,119	$ (36,860)	$ (3,384)	$ 22,274,875	5.00%	$ 1,113,744
24.	Water Treatment Equipment - Membranes	320-30	$ 500,000	$ -	$ -	$ 500,000	14.00%	$ 70,000
25.	Distribution Reservoirs & Standpipes	330-40	$ 9,075,495	$ (1,163,794)	$ (854,814)	$ 7,056,887	2.00%	$ 141,138
26.	Trans. & Distrib. Mains & Accessories - Intangible	331-10	$ 145	$ -	$ -	$ 145	2.00%	$ 3
27.	Trans. & Distrib. Mains & Accessories SOS	331-20	$ 144	$ -	$ -	$ 144	2.00%	$ 3
28.	Trans. & Distrib. Mains & Accessories	331-40	$ 103,316,397	$ (40,115,756)	$ (3,021,136)	$ 60,179,505	2.00%	$ 1,203,590
29.	Services	333-40	$ 37,339,274	$ (6,253,083)	$ (563,650)	$ 30,522,541	2.50%	$ 763,064
30.	Meters and Meter Installations	334-40	$ 11,555,621	$ (191,517)	$ -	$ 11,364,104	2.50%	$ 284,103
31.	Hydrants	335-40	$ 1,067,642	$ (563,006)	$ (6,986)	$ 497,650	2.50%	$ 12,441
32.	Backflow Prevention Devices	336-40	$ -	$ -	$ -	$ -	0.00%	$ -
33.	Other Plant & Misc. Equipment - Intangible	339-10	$ -	$ -	$ -	$ -	0.00%	$ -
34.	Other Plant & Misc. Equipment - Source of Supply	339-20	$ 45,794	$ -	$ -	$ 45,794	2.00%	$ 916
35.	Other Plant & Misc. Equipment - Water Treatment	339-30	$ 43,525	$ -	$ -	$ 43,525	2.00%	$ 871
36.	Other Plant & Misc. Equipment - Trans. & Distrib.	339-40	$ 88,441	$ -	$ -	$ 88,441	2.00%	$ 1,769
37.	Other Plant & Misc. Equipment - General Plant	339-50	$ 15,798	$ -	$ -	$ 15,798	2.00%	$ 316
38.	Office Furniture and Equipment	340-50	$ 697,445	$ (1,131)	$ -	$ 696,314	6.67%	$ 46,444
39.	AM / FM System - Mapping	340-50	$ 552,910	$ -	$ -	$ 552,910	10.00%	$ 55,291
40.	Computer Hardware & Software	340-5A	$ 1,792,778	$ -	$ -	$ 1,792,778	20.00%	$ 358,556
41.	IFMS / WAN / PeopleSoft	340-5A	$ 4,067,484	$ -	$ -	$ 4,067,484	10.00%	$ 406,748
42.	Customer Information System	340-5A	$ 1,795,069	$ -	$ -	$ 1,795,069	10.00%	$ 179,507
43.	Transportation Equipment	341-50	$ 136,111	$ -	$ -	$ 136,111	11.49%	$ 15,639
44.	Stores Equipment	342-50	$ 24,448	$ -	$ -	$ 24,448	6.67%	$ 1,631
45.	Tools, Shop and Garage Equipment	343-50	$ 463,945	$ -	$ -	$ 463,945	6.67%	$ 30,945
46.	Confined Space Monitor, Generator, Trench Shield	343-50	$ 62,533	$ -	$ -	$ 62,533	14.50%	$ 9,067
47.	Laboratory Equipment	344-50	$ 116,643	$ (16,729)	$ -	$ 99,914	6.67%	$ 6,664
48.	Power Operated Equipment	345-50	$ 58,817	$ -	$ -	$ 58,817	0.00%	$ -
49.	Power Operated Equipment	345-50	$ 69,272	$ -	$ -	$ 69,272	14.50%	$ 10,044
50.	Communications Equipment	346-50	$ 1,298,982	$ -	$ (71,123)	$ 1,227,859	6.67%	$ 81,898
51.	Miscellaneous Equipment	347-50	$ 107,621	$ -	$ -	$ 107,621	6.67%	$ 7,178
52.	Other Tangible Property	348-50	$ -	$ -	$ -	$ -	2.00%	$ -
53.	Master Plan	348-50	$ 635,998	$ -	$ -	$ 635,998	10.00%	$ 63,600
54.	Rounding		$ -	$ -	$ -	$ -		
55.	**TOTAL DEPRECIABLE PLANT**		**250,649,791**	**(51,916,389)**	**(6,020,586)**	**192,712,816**		**$ 6,402,149**
56.	**TOTAL UTILITY PLANT IN SERVICE**		**258,639,919**	**(52,241,794)**	**(6,365,357)**	**200,032,768**		
57.	**Less: Depreciation Included on Transportation Schedule**							**$ (15,639)**
58.	**Pro Forma Depreciation Expense**							**$ 6,386,509**

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UNITED WATER IDAHO

Details of Adjustment to
Depreciation Expense
At Present Rates

Adjustment No. 38

Line No.	Description		Amount
1.	Adjust Amortization of Plant Held for Future Use		$ (51,113)
2.	To adjust the test year level of PHFU amortization to the proforma level based on the transfer of expenditures related to the CWTP raw water pump station to plant in service		
	Details		
3.	**Pro Forma Plant Held for Future Use Amortization**	$ -	
4.	**Test Year Expense**	51,113	
5.	**Adjustment**	$ (51,113)	

UNITED WATER IDAHO

Details of Adjustment to
Amortization of Utility Plant Acquisition Adjustment
At Present Rates

Adjustment No. 39

Line No.	Description						Amount
1.	Amortization of Utility Plant Acquisition Adjustment						
2.	To adjust pro forma UPAA amortization to normalize a test year adjustment						$ 1,931
		Original UPAA Balance	**Accumulated Amortization Through July 31, 2004**	**Gross Balance UPAA at July 31, 2004**	**Amort Period**	**Annual Amortization Expense**	
3.	Raintree Mutual Water	(227,594)	22,353	**(205,241)**	40 Years	(5,690)	
4.	South County Allowed	1,009,011	(140,844)	**868,167**	40 Years	25,225	
5.	Barber Water Company	46,966	(5,382)	**41,584**	40 Years	1,174	
6.	Warm Springs Mesa	62,302	(24,660)	**37,642**	20 Years	3,115	
7.	Redwood Creek	(110,249)	51,450	**(58,799)**	20 Years	(5,512)	
8.	Island Woods	(179,675)	83,099	**(96,576)**	20 Years	(8,984)	
9.	**Total**	**$ 600,761**	**$ (13,984)**	**$ 586,777**		**$ 9,328**	
12.	**Total Pro Forma UPAA Amortization Expense**						**$ 9,328**
13.	**Test Year Expense**						7,397
14.	**Adjustment**						**$ 1,931**

UNITED WATER IDAHO

Calculation of Real and Personal Property Taxes
July 31, 2004

Adjustment No. 40

Line No.	Description		Amount
1.	Adjust Property Tax Expense		
2.	To adjust the amount of Property Tax expense based 6-year average increase applied to tax expense		$ 42,245
	Details		
3.	Estimated Property Tax Bill for 2004 for utility property in Ada & Canyon County	$ 1,504,445	
4.	Average annual expense increase over past six years experience	4.42%	
5.	**Estimated 2005 Property Tax Expense**	**$ 1,570,941**	
6.	**Test Year Expense**	**$ 1,528,696**	
7.	**Pro Forma Level of Property Tax Expense**	**$ 42,245**	

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UNITED WATER IDAHO

Details of Adjustments to
Payroll Taxes
At Present Rates

Adjustment No. 41

Line No.	Description			Amount
1.	To adjust Employer FICA Tax Liability			$ 29,425
	Details	**FICA Amount**	**Medicare Amount**	**Combined**
2.	FICA Base for 2005	$ 90,000	No Limit	
3.	FICA Rate for 2005	6.20%	1.45%	
4.	Pro Forma Payroll at 2005 Rates	**$ 4,539,028**	**$ 4,539,028**	
5.	Wages in Excess of FICA base	$ 95,012	0	
6.	Taxable Wages	$ 4,444,016	$ 4,539,028	
7.	FICA Tax Rates	6.20%	1.45%	
8.	**Pro Forma FICA Tax**	**$ 275,529**	**$ 65,816**	**$ 341,345**
9.	**Test Year Expense**			**$ 311,920**
10.	**Adjustment**			**$ 29,425**

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UNITED WATER IDAHO

Details of Adjustments to
Payroll Taxes
At Present Rates

Adjustment No. 42

Line No.	Description		Amount
1.	To adjust State Unemployment Insurance Tax		**$ 469**
	Details		
2.	Idaho Taxable Base	$ 29,500	
3.	Idaho U C Tax Rate	0.20%	
4.	Employees covered by U.C. Tax (91 @ $29,500 less under limit wages $22,177 plus temps $52,837)		
5.	Taxable Base	$ 2,715,160	
6.	Taxable Wages	$ 2,715,160	
7.	Tax Rate	0.20%	
8.	**Pro Forma Idaho Unemployment Tax**	**$ 5,430**	
9.	**Test Year Expense**	**$ 4,961**	
10.	**Adjustment**	**$ 469**	

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UNITED WATER IDAHO

Details of Adjustments to
Payroll Taxes
At Present Rates

Adjustment No. 43

Line No.	Description		Amount
1.	To adjust Federal Unemployment Insurance Tax		$ 383
	Details		
2.	Federal Taxable Base	$ 7,000	
3.	Federal Tax Rate	0.80%	
4.	Employees covered by Federal Unemployment Tax (91 @ $7,000 plus temps $50,061)		
5.	Taxable Base	$ 687,061	
6.	Taxable Wages	$ 687,061	
7.	Tax Rate	0.80%	
8.	**Pro Forma Federal Unemployment Tax**	**$ 5,496**	
9.	**Test Year Expense**	**$ 5,113**	
10.	**Adjustment**	**$ 383**	

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF UNITED WATER IDAHO INC. FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR WATER SERVICE IN THE STATE OF IDAHO	**Case No. UWI-W-04-04**

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION
EXHIBIT 4 TO THE

DIRECT TESTIMONY OF JEREMIAH J. HEALY

UNITED WATER IDAHO

Computation of State and Federal Income Taxes
At Present and Proposed Rates

Line No.		EXISTING RATES (1)	PROPOSED RATES (2)
1.	OPERATING INCOME BEFORE INCOME TAXES	$ 9,811,785	$ 16,535,538
2.	LESS: TAX DEDUCTIONS		
3.	Interest Expense (A)	$ 5,475,409	$ 5,475,409
4.	Excess Tax Over Book Depreciation (B)	$ 7,261,492	$ 7,261,492
5.	TOTAL TAX DEDUCTIONS	$ 12,736,901	$ 12,736,901
6.	Taxable Income-State	$ (2,925,116)	$ 3,798,637
7.	State Income Tax at 8%	$ (234,009)	$ 303,891
8.	Federal Taxable Income (L.1-L.3-L.7)	$ 4,570,385	$ 10,756,238
9.	Federal Income Tax at 35%	$ 1,599,635	$ 3,764,683
10.	Less: Amortization of ITC	$ (47,160)	$ (47,160)
11.	NET FEDERAL INCOME TAX EXPENSE	$ 1,552,475	$ 3,717,523
12.	(A) CALCULATION OF INTEREST EXPENSE DEDUCTION:		
13.	Pro Forma Rate Base		$ 140,062,546
14.	Debt Percentage of Capitalization		55.060%
15.	Debt Portion of Rate Base		77,118,438
16.	Debt Rate		7.10%
17.	INTEREST EXPENSE		$ 5,475,409
18.	(B) EXCESS TAX OVER BOOK DEPRECIATION:		
19.	Pro Forma Tax Depreciation		$ 13,648,001
20.	Pro Forma Book Depreciation		$ 6,386,509
21.	EXCESS TAX OVER BOOK DEPRECIATION (B)		$ 7,261,492

UNITED WATER IDAHO

Balance Sheet Per Books
July 31, 2004

Line No.		
	ASSETS	
1.	**Utility Plant**	
2.	Water Plant in Service	$ 227,483,399
3.	Retirement Work in Progress	8,296
4.	Less: Accumulated Depreciation and Amortization	(55,273,835)
5.	Construction Work in Progress	13,506,811
6.	Plant Held for Future Use	2,555,658
7.	**Total Utility Plant**	**$ 188,280,329**
8.	Utility Plant Acquisition Adjustment	**$ 586,777**
9.	**Other Property and Investments**	
10.	Investment in Associated Companies	$ -
11.	Other Investments	1,250
12.	Non-Utility Property	53,329
13.	**Total Other Property and Investments**	**$ 54,579**
14.	**Current and Accrued Assets**	
15.	Cash	$ (352,564)
16.	Net Accounts Receivable Customers	1,661,909
17.	Unbilled Utility Revenue	6,218,121
18.	Other Accounts Receivable	185,238
19.	Reserve for Uncollectibles	(25,800)
20.	Intercompany Accounts Receivable	(232,835)
21.	Materials & Supplies	266,212
22.	Prepaid Expenses	(2,111,610)
23.	**Total Current and Accrued Assets**	**$ 5,608,671**
24.	**Deferred Debits**	
25.	Preliminary Survey and Investigation Expenses	$ 3,300
26.	Deferred Rate Case Expenses	12,169
27.	Deferred Power Expense	1,363,240
28.	Deferred Legal Expenses	15,269
29.	Deferred Relocation Expenses	157,215
30.	Deferred Rents	19,458
31.	Deferred Tank Painting	79,742
32.	Deferred Merchandising and Jobbing Cost	148,003
33.	Deferred ERP & ESP	1,664,262
34.	Deferred Post Retirement Benefits	497,631
35.	Deferred Regulatory Assets	(3,126,432)
36.	Clearing Accounts	118,924
37.	**Total Deferred Debits**	**$ 952,781**
38.	**Total Assets**	**$ 195,483,137**

UNITED WATER IDAHO

Balance Sheet Per Books
July 31, 2004

Line No.		
	LIABILITIES AND STOCKHOLDER'S EQUITY	
1.	**Stockholder's Equity**	
2.	Preferred Shares-at stated par value $100 per share Authorized 25,000 shares, outstanding 6,965	$ 696,500
3.	Common Shares-at stated par value $500 per share Authorized 50,000 shares, outstanding ---------	1,261,750
4.	Paid in Capital	67,104,330
5.	Retained Earnings	53,395,684
6.	**Total Stockholders Equity**	**$ 122,458,264**
7.	**Current and Accrued Liabilities**	
8.	Accounts Payable	$ (134,859)
9.	Notes Payable to Associated Companies	4,799,000
10.	Customer Deposits	110
11.	Accrued Real Estate Taxes	912,600
12.	Accrued Income Taxes	(236,208)
13.	Other Accrued Taxes	116,574
14.	Dividends Declared	-
15.	Accrued Payroll	311,676
16.	Accrued Power	310,016
17.	Other Current Liabilities	113,116
18.	**Total Current and Accrued Liabilities**	**$ 6,192,025**
19.	**Deferred Credits and Other Liabilities**	
20.	Deferred Income Taxes and ITC	$ 5,533,525
21.	Advances for Construction	7,072,337
22.	Contributions in Aid of Construction	44,670,359
23.	Pensions & Benefits	2,272,164
24.	Deferred Advances and CIAC Gross Up	2,333,656
25.	Deferred Regulatory Liabilities	996,838
26.	Deferred Post Retirement Benefits	3,660,031
27.	Other	293,938
28.	**Total Deferred Credits and Other Liabilities**	**$ 66,832,848**
29.	**Total Liabilities and Stockholder's Equity**	**$ 195,483,137**

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Attorneys for Applicant

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF UNITED WATER IDAHO INC. FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR WATER SERVICE IN THE STATE OF IDAHO	**Case No. UWI-W-04-04**

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION
EXHIBIT 5 TO THE

DIRECT TESTIMONY OF JEREMIAH J. HEALY

UNITED WATER IDAHO

Statement of Operating Income
For the Year Ended July 31, 2004

Line No.		
1.	**Operating Revenues**	$ 31,000,222
2.	**Operating Expenses and Taxes**	
3.	Operation and Maintenance Expenses	11,470,319
4.	Depreciation Expenses	4,738,848
5.	Amortization of Other Utility Plant	51,113
6.	Amortization of Utility Plant Acquisition Adjustment	7,397
7.	**Taxes Other than Income Taxes**	
8.	Real and Personal Property	1,528,696
9.	Payroll Taxes	321,994
10.	**Income Taxes**	
11.	State	446,418
12.	Federal	3,005,942
13.	**Total Operating Expenses and Taxes**	21,570,727
14.	**Utility Operating Income**	$ 9,429,495

Exhibit No. 5
J. Healy