UNITED WATER IDAHO

Details of Adjustments to Operation and Maintenance Expenses at Present Rates

Adjustment No. 9

Line No.	Description			Amount
1.	Adjustment of Purchased Water Cost			
2.	Adjust purchased water expense for rented and leased natural flow rights, shares in canal companies and contracts/leases for storage water			$ 20,400
	Details			
3.	Natural Flow associated expenses	$	12,744	
4.	Shares in Canal Companies, maintenance		31,255	
5.	Contracts & Leases for storage water		50,565	
6.	CWTP -- South Boise Water		20,400	
7.	Other Miscellaneous		2,873	
8.	**Pro Forma Purchased Water**	**$**	**117,837**	
9.	**Test Year Budgeted Expense**		97,437	
10.	**Adjustment**	**$**	**20,400**	

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UNITED WATER IDAHO

Details of Adjustments to Operation and Maintenance Expenses 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 exclusive of PCA; also reflect for CWTP and RWPS			$ 283,459
	Details			
3.	Schedule 7 with and without franchise fee	$	16,398	
4.	Schedule 9 with and without franchise fee		1,098,080	
5.	Marden WTP repriced from 9P to 19		145,414	
6.	CWTP and RWPS projected consumptive power use		192,509	
7.	CWTP Redundant Power and Stand By Charge		44,360	
8.	**Pro Forma Power Expense**	$	1,496,761	
9.	**Test Year Expense**		1,213,302	
10.	**Adjustment**	$	283,459	

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UWI Purchased Power Adjustment

Pro Forma w/o PCA

	Total Energy kWh	Summer Energy 0-300 kWh	Summer Energy Over 300 kWh	Non-Summer Energy kWh	Total Demand kW	Summer Demand kW	Non-Summer Demand kW	Total Basic load Capacity kW	Customer Service Charge	1% Franchise Fee	Group Total Charge
Schedule 7, Franchise Fee, 0-300 kWh	3656								57		
Charge/unit	0.061177								3.30		
Total Charge	223.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	188.10	4.12	415.88
Schedule 7, Franchise Fee, Over 300 kWh	79635	6443.6	16978.4	56212.9					68		
Charge/unit		0.061177	0.068915	0.061177					3.30		
Total Charge	0.00	394.20	1170.07	3438.94	0.00	0.00	0.00	0.00	224.40	52.28	5279.88
Schedule 7, No Franchise Fee, 0-300 kWh	2500								61		
Charge/unit	0.061177								3.30		
Total Charge	152.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	201.30	0	354.24
Schedule 7, No Franchise Fee, Over 300 kWh	160049	6451.09	27155.27	126442.6					105		
Charge/unit		0.061177	0.068915	0.061177					3.30		
Total Charge	0.00	394.66	1871.41	7735.38	0.00	0.00	0.00	0.00	346.50	0	10347.95
Total Schedule 7											**$16,398**
Schedule 9, Secondary Service, Franchise Fee	21555462	8944653		12610809	57151	20329	36822	84684	940		
Charge/unit		0.029062		0.025926		3.02	2.75	0.37	5.60		
Total Charge	0.00	259949.51	0.00	326947.83	0.00	61393.58	101260.50	31333.08	5264.00	7861.48	794009.98
Schedule 9, Secondary Service, No Franchise Fee	8261968	3257890		5004078	23621	7130.9	16490.1	30594	259		
Charge/unit		0.029062		0.025926		3.02	2.75	0.37	5.60		
Total Charge	0.00	94680.81	0.00	129735.72	0.00	21535.32	45347.78	11319.78	1450.40	0	304069.80
Total Schedule 9											**$1,098,080**
Total Schedule 7 & 9											**$1,114,478**

UWI Purchased Power Adjustment

Test Year w/o PCA

	Total Energy kWh	Summer Energy 0-300 kWh	Summer Energy Over 300 kWh	Non-Summer Energy kWh	Total Demand kW	Summer Demand kW	Non-Summer Demand kW	Total Basic load Capacity kW	Customer Service Charge	1% Franchise Fee	Group Total Charge
Schedule 7, Franchise Fee, 0-300 kWh	3656								57		
Charge/unit	0.059649								2.51		
Total Charge	218.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	143.07	3.61	364.76
Schedule 7, Franchise Fee, Over 300 kWh	79635	6443.6	16978.4	56212.9					68		
Charge/unit		0.059649	0.059649	0.059649					2.51		
Total Charge	0.00	384.35	1012.74	3353.04	0.00	0.00	0.00	0.00	170.68	49.21	4970.03
Schedule 7, No Franchise Fee, 0-300 kWh	2500								61		
Charge/unit	0.059649								2.51		
Total Charge	149.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	153.11	0	302.23
Schedule 7, No Franchise Fee, Over 300 kWh	160049	6451.09	27155.27	126442.6					105		
Charge/unit		0.059649	0.059649	0.059649					2.51		
Total Charge	0.00	384.80	1619.78	7542.18	0.00	0.00	0.00	0.00	263.55	0	9810.31
Total Schedule 7											**$15,447**
Schedule 9, Secondary Service, Franchise Fee	21555462	8944653		12610809	57151	20329	36822	84684	940		
Charge/unit		0.026150		0.026150		2.73	2.73	0.36	5.54		
Total Charge	0.00	233902.68	0.00	329772.65	0.00	55498.17	100524.06	30486.24	5207.60	7553.91	762945.32
Schedule 9, Secondary Service, No Franchise Fee	8261968	3257890		5004078	23621	7130.9	16490.1	30594	259		
Charge/unit		0.026150		0.026150		2.73	2.73	0.36	5.54		
Total Charge	0.00	85193.83	0.00	130856.63	0.00	19467.36	45017.97	11013.84	1434.86	0	292984.49
Total Schedule 9											**$1,055,930**
Total Schedule 7 & 9											**$1,071,377**

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UWI Purchased Power Adjustment

Test Year With PCA

	Total Energy kWh	Summer Energy 0-300 kWh	Summer Energy Over 300 kWh	Non-Summer Energy kWh	Total Demand kW	Summer Demand kW	Non-Summer Demand kW	Total Basic load Capacity kW	Customer Service Charge	1% Franchise Fee	Group Total Charge
Schedule 7, Franchise Fee, 0-300 kWh	3656								57		
Charge/unit	0.068126								2.51		
Total Charge	249.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	143.07	3.92	396.06
Schedule 7, Franchise Fee, Over 300 kWh	79635	6443.6	16978.4	56212.9					68		
Charge/unit		0.068126	0.068126	0.068126					2.51		
Total Charge	0.00	438.98	1156.67	3829.56	0.00	0.00	0.00	0.00	170.68	55.96	5651.85
Schedule 7, No Franchise Fee, 0-300 kWh	2500								61		
Charge/unit	0.068126								2.51		
Total Charge	170.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	153.11	0	323.43
Schedule 7, No Franchise Fee, Over 300 kWh	160049	6451.09	27155.27	126442.6					105		
Charge/unit		0.068126	0.068126	0.068126					2.51		
Total Charge	0.00	439.49	1849.98	8614.03	0.00	0.00	0.00	0.00	263.55	0	11167.05
Total Schedule 7											**$17,538**
Schedule 9, Secondary Service, Franchise Fee	21555462	8944653		12610809	57151	20329	36822	84684	940		
Charge/unit		0.032189		0.032189		2.73	2.73	0.36	5.54		
Total Charge	0.00	287919.44	0.00	405929.33	0.00	55498.17	100524.06	30486.24	5207.60	8855.65	894420.48
Schedule 9, Secondary Service, No Franchise Fee	8261968	3257890		5004078	23621	7130.9	16490.1	30594	259		
Charge/unit		0.032189		0.032189		2.73	2.73	0.36	5.54		
Total Charge	0.00	104868.23	0.00	161076.25	0.00	19467.36	45017.97	11013.84	1434.86	0	342878.52
Total Schedule 9											**$1,237,299**
Total Schedule 7 & 9											**$1,254,837**

UNITED WATER IDAHO

Details of Adjustments to Operation and Maintenance Expenses 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		$ 258,525
	Details		
3.	Balance in Deferred Power as of April 30, 2003	$ 1,034,098	
4.	Amortization Period	4 years	
5.	**Pro Forma Amortization Expense**	$ 258,525	
6.	**Test Year Expense**	0	
7.	**Adjustment**	$ 258,525	

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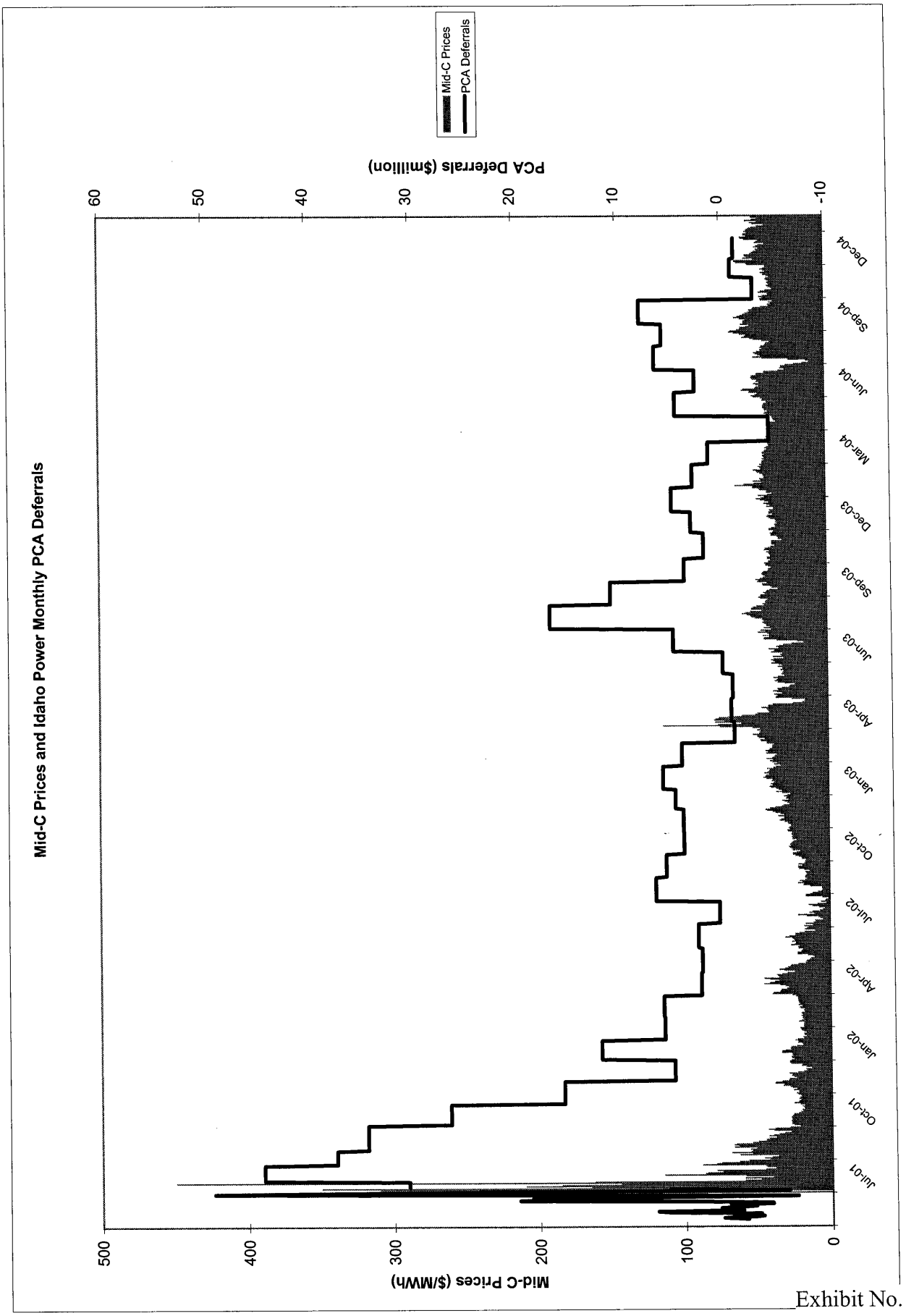

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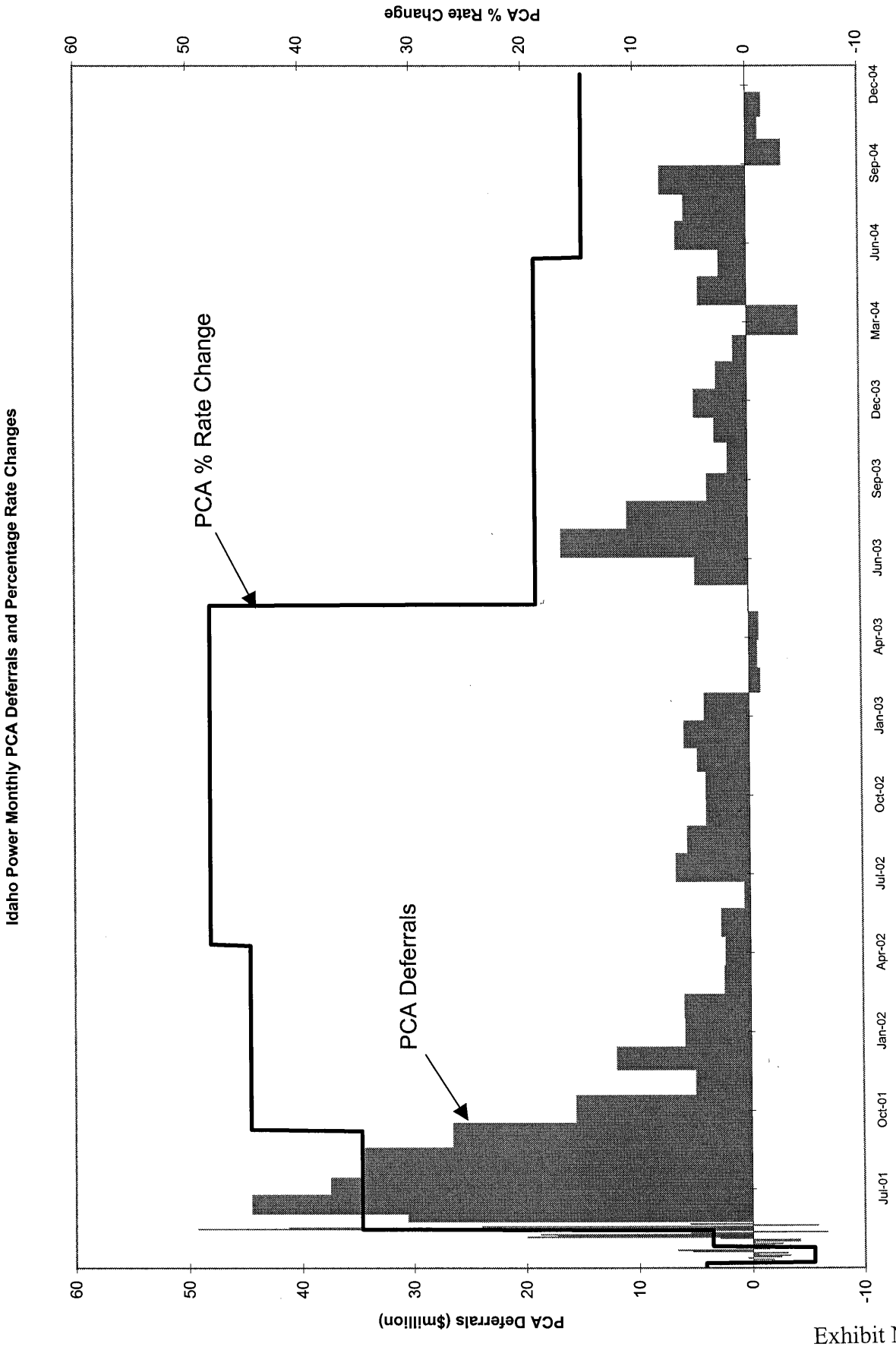

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UNITED WATER IDAHO

Details of Adjustments to Operation and Maintenance Expenses at Present Rates

Adjustment No. 13

Line No.	Description			Amount
1.	Adjust Chemical Expense			
2.	To normalize chemical expenses using test year usage at current prices; adjust for CWTP chemical usage			$ 63,224
	Details			
3.	Normalize test year expense at current prices	$	242,029	
4.	CWTP chemical usage		57,145	
5.	**Pro Forma Chemical Expense**	$	299,174	
6.	**Test Year Expense**		235,950	
7.	**Adjustment**	$	63,224	

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UNITED WATER IDAHO

Details of Adjustments to Operation and Maintenance Expenses at Present Rates

Adjustment No. 31

Line No.	Description					Amount
1.	Expenses Related to Weather Normalization					$ (8,618)
2.	To normalize variable cost power and chemicals due to the negative weather normalization adjustment made by witness Gradilone					
	Details					
3.	Purchased Power w/o PCA			$	1,213,302	
4.	Chemicals				235,950	
5.	Total variable cost related to weather			$	1,449,252	
6.	Total Variable Cost	$	1,449,252			
7.	Test Year Revenue	$	31,000,222		4.67%	
8.	Revenue adjustment due to weather normalization			**$**	**(184,354)**	
9.	Variable Cost %				4.67%	
10.	**Operating Revenue Adjustment**			**$**	**(8,618)**	

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UNITED WATER IDAHO

NORMALIZING ADJUSTMENTS TO OPERATING REVENUE UNDER PRESENT RATES & TOTAL REVENUES UNDER FINAL RATES FOR THE TEST YEAR ENDED JULY 31, 2004 & THE PRO FORMA YEAR ENDED MAY 31, 2005

LINE NO.	ACCOUNT TITLE	(1) Adjusted Revenue for 12 Months Ended 7/31/04 [Exh6 Sch1 Pg1)]	(2) ADJUSTMENTS TO REVENUE Full Pricing of South County [Exh6 Sch3 Pg 21)]	(3) Weather Normalizing Adjustments [Exh6 Sch3 Pg 7,13)]	(4) Annualization of Growth During Year [Exh6 Sch3 Pg 7,13)]	(5) Annualization of Growth Thru 5/31/05 [Exh6 Sch3 Pg 7,13)]	(6) Normalized Revenue for Pro Forma Year [(1) + ((2)...(5))]	(7) REVENUE AT PROPOSED RATES Revenues for Pro Forma Year [Exh6 Sch3 Pg 24,25)]	(8) Revenue Change by Category [(6) - (7)]	(9) Percent Change in Revenue [(8) / (7)]
TARIFFED SERVICES										
METERED WATER SALES:										
1.	Residential	$ 21,117,247	$ 79,126	($ 146,491)	$ 218,539	$ 356,120	$ 21,624,541	$ 21,995,708	$ 371,167	1.72%
2.	Commercial	$ 8,964,124	$ 9,270	($ 34,213)	$ 56,768	$ 94,613	$ 9,090,562	$ 9,277,742	$ 187,181	2.06%
3.	Public Authority	$ 159,698	$ 0	($ 3,650)	$ 0	$ 0	$ 156,049	$ 159,370	$ 3,321	2.13%
4.	***Total Metered Sales***	**$ 30,241,069**	**$ 88,397**	**($ 184,354)**	**$ 275,307**	**$ 450,733**	**$ 30,871,152**	**$ 31,432,820**	**$ 561,668**	**1.82%**
FIRE PROTECTION:										
5.	Private Fire Protection	**$ 495,741**			**$ 12,502**	**$ 10,418**	**$ 518,661**	**$ 528,216**	**$ 9,556**	**1.84%**
6.	**Total Tariffed Services**	**$ 30,736,810**	**$ 88,397**	**($ 184,354)**	**$ 287,809**	**$ 461,151**	**$ 31,389,812**	**$ 31,961,036**	**$ 571,224**	**1.82%**
OTHER REVENUE										
7.	Customer Fees Revenue	$ 44,656				$ 1,329	$ 45,985	$ 51,470	$ 5,485	11.93%
7.	Bulk Hydrant Sales	$ 86,334					$ 86,334	$ 87,514	$ 1,179	1.37%
8.	Rents-Construction Meters	$ 12,220					$ 12,220	$ 15,275	$ 3,055	25.00%
9.	Unbilled Revenue	$ 0					$ 0	$ 0	$ 0	0.00%
10.	O&M Contract Revenue	$ 480					$ 480	$ 480	$ 0	0.00%
11.	**Total Other Revenue**	**$ 143,690**	**$ 0**	**$ 0**	**$ 0**	**$ 1,329**	**$ 145,019**	**$ 154,739**	**$ 9,719**	**6.70%**
TOTAL REVENUE										
12.	**Total Revenue**	**$ 30,880,500**	**$ 88,397**	**($ 184,354)**	**$ 287,809**	**$ 462,480**	**$ 31,534,832**	**$ 32,115,775**	**$ 580,943**	**1.84%**
							REVENUE REQUIREMENT	**$ 32,115,901**	**$ 581,069**	**1.84%**
							DIFFERENCE REVENUE REQUIRMENT vs RATE PROOF	**($ 126)**		
							PERCENT DIFFERENCE REVENUE REQUIRMENT vs RATE PROOF	**0.00%**		

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UNITED WATER IDAHO
Existing & Proposed Tariffs

METER SIZE	EXISTING CHARGE	NOMINAL CHARGE	PROPOSED CHARGE	PERCENT CHANGE
METERED SERVICE TARIFFS				
Fixed Service Charges				
5/8"	$ 14.57	14.5700	$ 14.57	0.00%
3/4"	$ 14.57	14.5700	$ 14.57	0.00%
1"	$ 19.19	19.1900	$ 19.19	0.00%
1 1/4"	$ 31.05	31.0500	$ 31.05	0.00%
1 1/2"	$ 31.05	31.0500	$ 31.05	0.00%
2"	$ 44.88	44.8800	$ 44.88	0.00%
3"	$ 82.49	82.4900	$ 82.49	0.00%
4"	$ 131.28	131.2800	$ 131.28	0.00%
6"	$ 252.63	252.6300	$ 252.63	0.00%
8"	$ 381.20	381.2000	$ 381.20	0.00%
10"	$ 532.85	532.8500	$ 532.85	0.00%
Street Sprinkler Rate	$ 179.23	182.5325	$ 182.53	1.84%
Flat Rate Service	$ 54.29	55.2904	$ 55.29	1.84%
Commodity Rates (CCF)				
WINTER PERIOD	$0.9825	1.006207	$1.0058	2.37%
SUMMER PERIOD	$1.2281	1.257759	$1.2574	2.39%
Commodity Rates (KG)				
WINTER PERIOD	$1.3134	1.345092	$1.3447	2.38%
SUMMER PERIOD	$1.6418	1.681365	$1.6810	2.39%
PRIVATE FIRE PROTECTION TARIFFS				
Fixed Service Charges				
3"	$ 11.83	12.0480	$ 12.05	1.86%
4"	$ 17.93	18.2604	$ 18.26	1.84%
6"	$ 44.53	45.3505	$ 45.35	1.84%
8"	$ 73.17	74.5182	$ 74.52	1.85%
10"	$ 114.11	116.2126	$ 116.21	1.84%
12"	$ 170.93	174.0796	$ 174.08	1.84%
Private Hydrant	$ 7.16	7.2919	$ 7.29	1.82%

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 6TH DAY OF APRIL 2005, SERVED THE FOREGOING **DIRECT TESTIMONY OF RICK STERLING,** IN CASE NO. UWI-W-04-04, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

MARK GENNARI
UNITED WATER
200 OLD HOOK RD
HARRINGTON PARK NJ 07640

DEAN J MILLER ESQ
McDEVITT & MILLER LLP
PO BOX 2564
BOISE ID 83701

DOUGLAS K STRICKLING
BOISE CITY ATTORNEY'S OFFICE
150 N CAPITOL BLVD.
PO BOX 500
BOISE ID 83701

CHUCK MICKELSON
CITY OF BOISE
150 N CAPITOL BLVD.
PO BOX 500
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WILLIAM M. EDDIE
ADVOCATES FOR THE WEST
PO BOX 1612
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BILL SEDIVY
IDAHO RIVERS UNITED
PO BOX 633
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2019 N 17TH STREET
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9627 W. DESERT AVE
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SECRETARY