Dean J. Miller (ISB #1968)
McDEVITT & MILLER LLP
420 West Bannock Street
P.O. Box 2564-83701
Boise, ID 83702
Tel: 208.343.7500
Fax: 208.336.6912
joe@mcdevitt-miller.com

*Attorneys for Applicant*

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UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| 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-06-02** |

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

DIRECT TESTIMONY OF JEREMIAH J. HEALY

1 Q. Please state your name and business address?

2 A. Jeremiah J. Healy, 8248 West Victory Road, Boise, Idaho 83709.

3 Q. By whom are you employed and in what capacity?

4 A. I am employed by United Water Idaho Inc. ("United Water" or "the Company") in

5 the capacity of Manager Finance and Rates.

6 Q. How long have you been employed by United Water Idaho?

7 A. I have been employed by United Water Idaho or United Water Management and

8 Services Company since February 1980.

9 Q. Briefly describe your responsibilities during your tenure.

10 A. As a Staff Accountant with the Central Region Office in Harrisburg, Pennsylvania

11 until April 1982, I performed general accounting, prepared federal and state tax

12 returns and public utility commission annual reports among other duties. In May

13 1982 I transferred to the Philadelphia area as Internal Auditor responsible for

14 conducting financial and special audits on regulated and non-regulated

15 subsidiaries of General Waterworks. From September 1985 until December 1989 I

16 was Accounting Supervisor for United Water Idaho in Boise. In this capacity, I

17 was responsible for accounting and planning functions. In January 1990 I became

18 Financial Coordinator for the Western Region of General Waterworks responsible

19 for accounting, budgeting and strategic planning for five water and/or wastewater

20 utilities. From August 1993 until October 1994 I was Director of Rates at United

21 Water Management and Services Company in King of Prussia, Pennsylvania. In

22 this capacity I prepared rate filings for various utility subsidiaries. In November

23 1994 I assumed my current position.

1 Q. What is your educational background?

2 A. I was granted a Bachelor of Science degree with a major in accounting from the

3 University of South Carolina in May 1977.

4 Q. Before what regulatory commissions have you appeared and presented expert

5 testimony?

6 A. I have testified in various proceedings before the Idaho Public Utilities

7 Commission ("IPUC") and I have submitted written testimony before the

8 regulatory bodies in Illinois and Arkansas as well.

9 Q. What is the test year United Water is utilizing in this proceeding?

10 A. The Company is using the twelve-month period ended April 30, 2006. The case is

11 being filed with a combination of six months actual financial information through

12 October 31, 2005 and six months of forecast financial information through April

13 30, 2006. Actual financial results will be substituted for forecast results as the

14 case proceeds on a quarterly basis. Normalizing and annualizing adjustments have

15 been made to the test period as appropriate. Also, known and measurable

16 adjustments have been made to revenue and operating expense. The Company is

17 utilizing a thirteen-month average rate base in this proceeding consistent with

18 IPUC Order No. 29838 rendered in Case UWI-W-04-04.

19 Q. In connection with the Company's present application for an increase in rates and

20 charges, what is the scope of your participation and testimony?

21 A. My participation and testimony covers both operating expense and rate base. I

22 have analyzed the Company's books and records and prepared the necessary

23 accounting exhibits to adjust operating expenses. I have also analyzed the

1 elements of rate base on the Company's books and prepared schedules to
2 document each element.
3 Q. Please generally describe the approach you have taken in preparing the exhibits
4 for operation expenses.
5 A. For operation and maintenance expenses, I have relied on information and data
6 produced within the Company, and my own investigation thereof, as the basis for
7 my adjustments. For depreciation, amortization of utility plant acquisition
8 adjustments, operating taxes and income taxes, supporting details are shown
9 which provide the basis for these adjustments. Additionally, I have carefully
10 reviewed Order No. 29838 from Case No. UWI-W-04-04 to ensure that all
11 adjustments required by that Order have been made and that all adjustments
12 proposed in this case are consistent with Order No. 29838 requirements. I am not
13 proposing any adjustments I consider to be new or controversial in nature.
14 Q. Have you prepared from the Company's books and records a series of exhibits
15 depicting the Company's balance sheet and operating income statement for the
16 test year ended April 30, 2006?
17 A. I have prepared Exhibits Numbered 6 and 7 illustrating the Company's Balance
18 Sheet (Exhibit No. 6) and Operating Income Statement Per Books (Exhibit No. 7)
19 as of October 31, 2005. As quarterly updates are made to replace forecast
20 financial results with actual financial results, the financial statement Exhibits will
21 be updated accordingly, ultimately to April 30, 2006.
22 Q. Have you prepared an exhibit that indicates the pro forma operating income for
23 the Company at existing and proposed rates?

1 A. Yes. I have prepared Exhibit No. 3, which is titled "Statement of Operating
2 Income Per Books and Pro Forma under Present and Proposed Rates For The Year
3 Ended April 30, 2006". I have also prepared Exhibit No. 4 Summary identifying
4 individual operating expense, depreciation and property tax and payroll tax
5 adjustments. Revenue adjustments are discussed by Witness Gradilone.

6 Column 1 of Exhibit No. 3 identifies the schedule on Exhibit No. 4 that
7 details the adjustments to the test year results indicated in aggregate fashion on
8 Exhibit No.3. Column 2 of Exhibit No. 3 indicates the elements of operating
9 income: operations and maintenance expense, depreciation and amortization
10 expense, taxes other and income taxes. The amounts therein are per books, as
11 shown in Exhibit No. 4. Column 3 of Exhibit No. 3 shows a summary of test year
12 adjustments made to revenues and expenses. The adjustment to operating revenue
13 shown on line 1 will be explained by Witness Gradilone. The adjustments to
14 operation and maintenance expenses, summarized on line 3, are detailed in
15 Exhibit No. 4 Summary, Schedule 1 and they will be explained in conjunction
16 therewith. The adjustments to depreciation expense, amortization of plant held
17 for future use and amortization of utility plant acquisition adjustments
18 summarized on lines 4, 5 and 6 are detailed in Exhibit No. 4 Summary, Schedule
19 2, pages 1 to 3, and will be explained in conjunction therewith. The adjustments
20 to operating taxes summarized on lines 8 and 9 are detailed in Exhibit No. 4
21 Summary, Schedule 3, pages 1 to 4, and will be explained in conjunction
22 therewith. Column 4 of Exhibit No. 3 shows the adjusted operating income at
23 existing rates for the test period. Column 4 also indicates that based on the test

1 year adjustments made, the Company will earn a 5.929% overall rate of return on
2 its rate base investment as of April 30, 2006 with known and measurable
3 adjustments taken into consideration. Column 5 of Exhibit No. 3 indicates the
4 adjustments to operating revenue, operation and maintenance expenses, and
5 income taxes under the increased rates proposed by the Company herein. The
6 adjustment to operating revenues of $5,921,691 was computed using an 8.427%
7 rate of return on rate base. Column 6 of Exhibit No. 3 illustrates the adjusted
8 operating income necessary to produce the requested rate of return, 8.427%. The
9 income taxes shown on lines 13 and 14 were computed as indicated on Exhibit
10 No. 4, Schedule 4, and will be explained in conjunction therewith.
11 Q. Returning to Column 3 of Exhibit No. 3, please explain the adjustments to
12 operating expenses?
13 A. Operation and maintenance expenses have been increased by $459,092 (Exhibit 3,
14 line 3). Depreciation and amortization expense have been increased by $127,301
15 (Exhibit 3, line 7). Property taxes and payroll taxes have been increased $41,517
16 (Exhibit 3, line 10). Federal income taxes have decreased $1,336,482 and State
17 income taxes have been decreased by $294,998 (Exhibit No. 3, lines 13 & 14).
18 The detailed support for the operation and maintenance expense
19 adjustments are shown on the four Schedules following the Exhibit 4 Summary.
20 Schedule 1, pages 1 to 19, provides detail for adjustments made to operation and
21 maintenance expense. Schedule 2, pages 1 to 3, provides detail for adjustments to
22 depreciation and amortization expense. Schedule 3, pages 1 to 4, provides detail
23 for adjustments to property and payroll taxes. Schedule 4, page 1 provides detail

1 for adjustment of State and Federal income tax expense. Page 2 of Schedule 4
2 provides detail for the "production credit" to Federal Income Tax expense which
3 is incorporated into Page 1. Page 3 of Schedule 4 shows the methodology I
4 employed to compute the "Net to Gross Multiplier" utilized in this case to gross
5 up the Net Operating Income deficiency
6 Q. Did the Company attempt to streamline the instant case by reducing the number of
7 adjustments to operations and maintenance expense compared to Case UWI-W-
8 04-04?
9 A. Yes. As explained in the testimony of Witness Wyatt, a primary driver of this rate
10 case filing is the need to obtain recovery upon plant investments that are now
11 eligible for full recovery under a 13-month average rate base methodology. In
12 light of this, and because the Company's expenses and investments were
13 thoroughly reviewed in Case No. UWI-W-04-04 the Company has made a
14 conscious effort to concentrate solely on items that represent material adjustments
15 since the last case. In Case UWI-W-04-04, thirty-four adjustments were made to
16 O&M expense. A great deal of time and effort was expended by both Company
17 and IPUC personnel to prepare and investigate each adjustment. Often, relatively
18 small adjustments were the subject of an inordinate amount of effort and unduly
19 complicated the Case. In the instant case the Company has substantially reduced
20 the number of adjustments to O&M expense. The reduced number of adjustments
21 should substantially lessen the effort related to the audit and discovery process
22 and, ultimately, reduce hearing time.

1 Q. Please describe the various normalizing and annualizing adjustments, as well as
2 known and measurable adjustments, made to operation and maintenance expense.
3 A. Adjustment No. 1 increases payroll expense by $282,315 (Schedule 1, Page 1).
4 This adjustment reflects anticipated pay increases for salaried employees to be
5 effective April 1, 2006. For Bargaining Unit employees, the pay rates used reflect
6 those that will become effective April 1, 2006 as called for in the current union
7 contract. For all bargaining unit employees, total hours were determined and
8 applied to the contractually obligated pay rates. For non-bargaining unit salaried
9 exempt and non-exempt employees, a 4% pay increase is anticipated effective
10 April 1, 2006. The Company was authorized in Case UWI-W-04-04 a workforce
11 of 91 employees. One new position is proposed in this case.
12 Q. Please identify the staffing addition incorporated into the Company's filing.
13 A. The Company proposes to add an Inspector/Crew Chief. The staff addition is
14 anticipated to occur prior to hearings in this proceeding.
15 Q. Please explain the rational and need for the additional employee.
16 A. The addition of an Inspector/Crew Chief is necessary due to growth of the system.
17 In 2005 about 115 developer projects were added to the system and the
18 expectation is that the 2006 project activity will be higher. In calendar year 2005
19 the Company added 2,504 customers or 3.3%. The inspector position functions to
20 ensure materials used and material installation meets Company specifications, that
21 proper safety practices and environmental practices are followed on the job and
22 takes critical measurements that allow accurate mapping of all facilities installed.
23 Also, the inspector attends pre-construction meetings to ensure coordination

among ACHD, other utility and construction contractors and United Water. As a crew chief, the new position will be responsible for planning and supervising the work of a utility crew. This function entails ensuring all manner of operation and maintenance work is completed efficiently while following prescribed safety and environmental practices.

A test year based ratio of labor charged to operation and maintenance expense was applied to total labor to determine the O&M component.

Q. Please continue with your explanation of adjustments to O&M expenses.

A. Adjustment No. 2 increases the cost of providing medical and dental care, vision care, long-term disability insurance and group term life insurance coverage to employees by $115,679 (Schedule 1, Page 2). The current cost of providing the various benefits has been applied to the ninety-two employee workforce. Data from the late fall 2005 open enrollment process, which documents coverage levels chosen by each employee, was utilized in constructing the total cost. Contributions from employees offsetting Company costs were calculated based on the current level for various coverage options. The test year expense for providing this group of benefits was $584,963; the pro forma cost is $700,642, an increase of $115,679. The same methodology was employed to compute the adjustment to health care expense in this case as was used in Case UWI-W-04-04.

Adjustment No. 3 increases test year expense by $1,185,356 for employee pension cost (Schedule 1, Page 3). In Commission Order No. 29838 issued in Case UWI-W-04-04, the Commission found that it was not appropriate, for the purposes of regulatory reporting and rate recovery, to use the FAS 87 pension

1 expense accrual calculation that is required to be used for book purposes. United
2 Water has been informed by its pension actuary, Aon Consulting, that the funding
3 requirement for the United Water Idaho Non-Bargaining plan, assuming no
4 funding relief is enacted by the U.S. Congress, is $1,074,000 as of January 1,
5 2006. The like number for the United Water Idaho Bargaining plan is $760,000
6 for a total of $1,834,000. In an e-mail correspondence dated December 15, 2005
7 Aon Consulting informed the Company: "In accordance with your request below,
8 we have estimated 2006 Plan Year ERISA Funding requirements for Idaho as
9 follows" (quotes amounts above); "The above estimates assumes that the
10 minimum contribution is made for the 2005 plan year. That is, no accelerated
11 contributions are made to the Non-Bargaining Plan to avoid the additional funding
12 charge in 2006. The 2006 Plan Year contributions are assumed to be made in
13 accordance with minimum quarterly requirements and reflect an estimate of the
14 January 1, 2006 414(1) asset/liability transfer. Assets were projected from
15 September 30, 2005 to December 31, 2005 at 8.5% per annum." The test year
16 accrual expense is $648,644, resulting in an increase of $1,185,356. The amount
17 of $1,834,000 reflects a cash contribution that will be made during the test year, or
18 in quarterly installments with accrued interest. The adjustment is consistent with
19 the Commission's preference, expressed in Order No. 29838, (pg.18) for
20 allowance of the actual cash contribution amounts made to the plan for the test
21 year.
22 Q. Does this required cash contribution come as a surprise to you?

1 A. No. In Case No. UWI-W-04-04 Mr. David Degann, a principle member of Aon
2 Consulting, testified, based on budgets and estimates available at the time, that the
3 cash contribution required in the year 2006 would likely be $1.8 million dollars
4 (Transcript, Case No. UWI-W-04-04, pg. 733).
5 Q. Please continue with your explanation of adjustments to O&M expenses.
6 A. Adjustment No. 4 decreases test year expense by $21,596 for the normalization of
7 PBOP (Post Retirement Benefits Other Than Pension) Schedule 1, Page 4. The
8 pro forma level of expense represents the actual 2006 FAS 106 expense as
9 developed by the Company's actuary plus a 20-year amortization of the deferred
10 portion of FAS 106 expense. This adjustment is made consistent with the
11 methodology employed in Case UWI-W-04-04.
12 Adjustment No. 5 decreases test year expense by $225,753 for the
13 normalization of payroll overheads chargeable to other than Operations and
14 Maintenance expense (Schedule 1, Page 5). The relationship of employee benefit
15 expense to workday payroll dollars is 66.69%. Added to this percentage is
16 16.52% for the non-work day additive, resulting in a combined total of 83.21%.
17 When 83.21% is applied to pro forma non-O&M payroll, the result is a pro forma
18 overhead credit of $992,394. This is $225,753 larger than the test year overhead
19 credit of $766,641.
20 Adjustment No. 6 decreases Purchased Water expense by $23,657
21 (Schedule 1, Page 6). The Company, in addition to owned water rights, has long
22 and short-term lease and rental agreements with various entities to use surface
23 water rights. The expense decrease is driven by the fact that the test year was an

1 unusually poor water year, which forced the Company to locate additional sources
2 of water and pay higher than normal prices. These higher cost were partially offset
3 by lease income from the Initial Butte water right. This payment, which amounted
4 to approximately $47,000, was credited against the expense account for booking
5 purposes. The Company anticipates a "normal" water year in 2006. Witness
6 Rhead elaborates further on purchased water expense in his direct testimony.

7 Adjustment No. 7 increases test year expense by $202,644 for purchased
8 power expense (Schedule 1, Page 7). The increase in power expense is driven
9 largely by two factors: the annualization of the Idaho Power rate increase effective
10 June 1, 2005 and the annualization of redundant power supply cost for the
11 Columbia Water Treatment Plant, and its related Boise River Raw Water Pump
12 Station. These expenses were first billed to the Company by Idaho Power in
13 January, 2006. Idaho Power recently completed its paperwork with regard to the
14 reserve capacity calculation for these two facilities and determined the annual cost
15 under Schedule 46 to be $34,435. Idaho Power has also determined the annual
16 expense amount for its Distribution Facility Investment provision under Schedules
17 9 and 19 to be an additional $36,545. No expense adjustment has been made as of
18 the filing of direct testimony in this case for Idaho Powers' currently pending rate
19 filing. The potential adjustment to the annual Power Cost Adjustment (PCA) in
20 the spring of 2006 will be handled in accordance with Commission Order No.
21 29838 issued in Case UWI-W-04-04. United Water Idaho will accumulate any
22 PCA adjustment in a balancing account and will file with its' Annual Report to
23 the Commission information indicating the calculations used in computing input

to the account and indicating what the balance of the balancing account is as of year end.

Adjustment No. 8 decreases chemical expense by $3,249. (Schedule 1, Page 8). The test year expense is slightly high due to chemical purchases made at the end of the "actual" period. It is expected that the test year expense will mitigate somewhat as actual expense updates to the test period are made in this case. The pro forma year expense is calculated using test year quantities priced at current known and measurable prices.

Adjustment No. 9 increases the test year level of transportation cost by $46,195 (Schedule 1, Page 9). Transportation expense includes net lease cost, fuel cost, vehicle maintenance materials and outside service expense, payroll and overhead expense for the mechanic position and transportation insurance. The primary driver of the increasing expense is that the test year contained an abnormally high amount of proceeds from the disposition of leased vehicles that will not recur in the pro-forma rate year. Some of the proceeds realized in the test year were due to the sale of large equipment, such as the sale of a dump truck for $18,000, which occurs infrequently. The Company employee responsible for administration of the vehicle and equipment lease program anticipates virtually no sale proceeds in the pro forma year.

Adjustment No. 10 increases test year expense for business insurance expense (general & excess liability insurance, property insurance and workers compensation insurance; Schedule 1, Page 10) from $625,844 to $923,844, an increase of $298,000. The Company anticipates business insurance expense of

1 $1,080,600 to be recorded in year 2006. This is composed of $64,200 for property
2 insurance, $798,800 general and excess liability and $217,600 for workers
3 compensation insurance. This estimated expense is based upon United Water
4 Idaho's allocated share of the total corporate cost. Insurance is purchased in this
5 manner to take advantage of economies of scale and the benefits of pooling utility
6 entities to create a larger group over which risk may be spread. The estimated
7 expense is based on past loss experience, past accident experience, payroll
8 increases and insurance marketplace conditions in general. The adjusted test year
9 level of expense represents the best indication of the correct level of insurance
10 expense to include in customer rates excluding the 2005 non-recurring insurance
11 credit of $298,000.

12 Adjustment No. 11 eliminates $51,131 (Schedule 1, Page 11) in expense
13 recorded in the test year for expenses considered inappropriate for recovery from
14 customers based upon past Commission precedent. The $51,131 elimination is
15 composed of charitable giving, Company funding of the low-income customer
16 assistance program, the portion of National Association of Water Companies and
17 Idaho Association of Commerce and Industry dues that are attributable to
18 lobbying efforts, employee Christmas Party and Summer picnic expenditures,
19 Country Club dues and Company sponsorships of various water related causes.
20 This adjustment corresponds to the adjustment proposed by Staff Witness English
21 and approved by Commission Order No. 29838 in Case UWI-W-04-04.

22 Adjustment No. 12 annualizes and normalizes various amortizations
23 granted by the Commission in Order No. 29838 in Case UWI-W-04-04 (test year

expense of $445,685 versus normalized expense of $575,856) resulting in an increase in expense of $130,171 (Schedule 1, Page 12). The Order was received in early August of 2005, thus the Company began the various amortizations in August 2005 and the test year includes only nine months of expense. The amortizations adjusted are relocation expense, tank painting expense, legal expense, deferred power expense, water quality testing expense related to LT2ESWTR, 2004 allowed rate case expense and deferred Terra Grande expense.

Adjustment No. 13 increases test year expense by $7,500 representing a twenty-year amortization of the $150,000 expenditure to be incurred in the spring of 2006 for the painting of the Federal tank. This tank requires re-painting to protect the metal surfaces (Schedule 1, Page 13). The Company is in the process of obtaining bids for this project, which is expected to be complete prior to April 30, 2006.

Adjustment No. 14 increases test year expense by $108,042 for additional deferred rate case expense amortization (Schedule 1, Page 14). The Company incurred $427,168 of deferred expense in the preparation and presentation of Case UWI-W-04-04. Of this amount, the Commission considered $236,467 ($245,000 less $8,533 for a sharing of public information expenses) in Order No. 29838. The Company now seeks recovery of the balance of the cost of UWI-W-04-04 ($182,168) as well as the cost of the instant case, which is estimated to be $250,000 (see itemization on Schedule 1, Page 14). The total of these two items is $432,168. The Company seeks a four-year recovery of this expense, the same amortization period as awarded in Case No. UWI-W-04-04, or $108,042 annually.

Adjustment No. 15 (Schedule 1, Page 15) removes from the test year $50,106 of amortization expense related to the Commission approved amortization of deferred early retirement cost approved in case UWI-W-00-1. Four months of this expense is included in the test year and must be removed as the underlying deferred debit has been completely amortized.

Adjustment No. 16 adjusts test year expense downward by $1,537,422 due to the Company's write-off of deferred Early Retirement Plan/ Enhanced Severance Program expense the Company sought recovery of in Case UWI-W-04-04. Commission Order No. 29838 rejected the Company's request and the Company subsequently wrote off these deferrals to operating expense (Schedule 1, Page 16).

Adjustment No. 17 adjusts test year expense downward by $50,093 related to the Company's write-off of excess deferred relocation expense presented for recovery in Case UWI-W-04-04. The Commission allowed recovery of $80,000 out of a total of $130,093 of deferred relocation expense incurred by a United Water Idaho employee (Schedule 1, Page 17).

Adjustment No. 18 adjusts test year expense upward by $57,297 related to the upward weather normalization adjustment made by Witness Gradilone and explained in his testimony. The test period utilized in this case includes lower than normal production and consumption, thus prompting Mr. Gradilone's normalization. This increased usage will cause variable cost directly associated with increased production, power use and chemical use, to increase. A test-year

1 based ratio of power and chemical expense to test year revenue was calculated and
2 applied to the upward revenue adjustment (Schedule 1, Page 18).
3 Adjustments Nos. 19 through 24 are composed of items that the Company
4 usually updates in its general rate filings but has chosen to leave at the test year
5 level in the instant case. This was done to decrease the number of adjustments that
6 need to be intensively researched by IPUC Staff members, and because the
7 materiality of the adjustments is insignificant in light of the overall rate award. As
8 an example, although postage rates increased in January 2006, the Company has
9 not made an expense adjustment for this item. This decision is in accord with the
10 Company's intent to streamline and simplify the case.
11 Q. Please continue with Adjustment No. 26.
12 A. Adjustment No. 26 reduces the test year level of Management and Service fees
13 included in the case by $11,190. The adjustment eliminates a class of
14 Management and Service Fees identified on the Company's books and records as
15 "Non-Regulated M&S Fees". This adjustment corresponds to the adjustment
16 made by Staff Witness Stockton in Case UWI-W-04-04.
17 Line 27 on Exhibit No. 4 Summary, page 2 of 2 represents other
18 Operations and Maintenance expenses included in the test year but not specifically
19 identified or adjusted.
20 Q. Please explain Exhibit No. 4, Schedule 2.
21 A. Exhibit No. 4, Schedule 2 consists of three pages. Page 1 of Schedule 2
22 summarizes the adjustment to depreciation expense in the amount of $156,721.

1 Pro forma depreciation expense amounts to $6,543,927. This is $156,721 greater
2 than depreciation recorded during the test year of $6,387,206.
3 Page 2 of Schedule 2 indicates the depreciable basis of Utility Plant by
4 primary account, net of contributions and advances (advances for construction are
5 classified as non-depreciable property until the Company acquires an investment
6 in the property through the payment of advance refunds as determined in Case
7 UWI-W-00-1), the depreciation rate for each plant account and the annual
8 depreciation expense by primary account. Pro forma annual depreciation expense
9 is carried forward to Page 1 in order to determine the adjustment needed to test
10 year expense. The depreciation rates used are the same as those utilized in prior
11 rate case filings.
12 Q. Please explain Exhibit No. 4, Schedule 2, Page 3.
13 A. Exhibit No. 4, Schedule 2, Page 3 adjusts amortization of plant held for future use
14 expense to $0 from a test year level of $29,420. This reflects the fact that
15 investment in the raw water pumping station related to the CWTP is now used and
16 useful coincident with the in-service date of the plant, March 2005. The
17 accumulated balance of plant held for future use amortization is similarly
18 reclassified to regular accumulated depreciation in a rate base adjustment.
19 Q. Please explain Exhibit No. 4, Schedule 3, Page 1.
20 A. Exhibit No. 4, Schedule 3, Page 1 increases test year property taxes by $12,568.
21 The pro forma property tax expense represents the sum of actual property tax bills
22 received from Ada County and Canyon County in November 2005 and payable in
23 two installments in December 2005 and June 2006.

1 Q. Please explain Exhibit No. 4, Schedule 3, Pages 2, 3 and 4.

2 A. Exhibit No. 4, Schedule 3, Pages 2, 3 and 4 increases the test year level of payroll
3 taxes by $28,949 combined. Page 2 indicates an increase in FICA taxes of
4 $22,407. Page 3 shows an increase of $6,403 in Idaho State unemployment taxes.
5 Page 4 reflects an increase of $139 in Federal unemployment taxes. The
6 respective payroll tax increases are driven by salary increases and increased
7 headcount. All payroll taxes have been adjusted based on information received
8 indicating statutory limits and rates for 2006.

9 Q. Please explain Exhibit No. 4, Schedule 4.

10 A. Exhibit No. 4, Schedule 4, Page 1 of 3 shows the calculation of state and federal
11 income taxes at existing and proposed rates. The amounts shown on line 1 of
12 columns 1 and 2 are the same as the amounts shown on line 12 of columns 4 and
13 6 on Exhibit No. 3. These figures represent operating income before income taxes.
14 From these figures must be deducted the applicable statutory deductions when
15 computing the state and federal income taxes.

16 The first deduction is interest expense and it is deductible in the
17 computation of both state and federal taxable income. The calculation for the
18 interest deduction is shown in Note A on lines 14 through 18. The deduction of
19 interest expense is shown on line 3.

20 The second deduction is the excess of pro forma tax depreciation over pro
21 forma book depreciation. The excess tax depreciation is deducted from state
22 taxable income only since state income taxes are calculated on the basis of flow-
23 through accounting while federal income taxes are calculated on the basis of

1 normalization accounting. Lines 20, 21 and 22 indicate the amounts used in
2 determining excess tax depreciation.
3 The remaining calculations are self-explanatory except for the
4 amortization of investment tax credit shown on Line 10 and the calculation of the
5 "Production Credit" based on the American Jobs Creation Act of 2004 shown on
6 line 11. Federal income tax expense was reduced by the amortization of ITC that
7 is amortized ratably over the lives of the assets and represents 2% of the ITC
8 claimed from 1971 through 1999. The Production credit was calculated in the
9 same manner as Staff Witness Stockton calculated it in Case UWI-W-04-04. In
10 that Case the credit was $87,501, in the present Case it is $102,470.
11 Q. Please explain the adjustment shown on line 3, Column 5 of Exhibit No. 3.
12 A. The adjustment shown on line 3, Column 5 of Exhibit No. 3 represents additional
13 uncollectible expense and IPUC assessment as a result of the pro forma
14 adjustment to operating revenue shown on line 1, Column 5 of Exhibit No. 3
15 Q. Does this conclude your testimony regarding operating expenses?
16 A. Yes.
17 Q. Please address your rate base testimony.
18 A. The Company was directed by the Commission in Case UWI-W-04-04, Order No.
19 29838, to file future rate cases utilizing a 13-month average rate base
20 methodology. The Commission also informed the Company that data should be
21 provided in time to incorporate the information into the pre-filed testimony of
22 Staff and other intervening parties.
23 Q. Has the Company complied with the Commission directives stated above?

1 A. Yes, I believe so. First, the Company computed rate base using essentially the
2 same methodology as was used by the IPUC Staff and approved by the
3 Commission. Major elements of rate base, namely: plant in service, accumulated
4 depreciation, contributions in aid of construction, advances for construction and
5 utility plant acquisition adjustments are all 13-month averaged. Working capital is
6 computed as of the Company's December 31, 2005 balance sheet. Deferred debits
7 are not averaged but are included in rate base at their anticipated balance as of
8 April 30, 2006. Second, the Company has not included any post test-year capital
9 expenditures in this case. The Company has filed a test year composed of the six
10 actual months ended October 2005 and six forecasted months ending April 30,
11 2006. IPUC Staff and other parties to the case will receive updated actual results,
12 replacing forecasted results, on a quarterly basis, as mentioned in my expense
13 testimony. The first update, providing the parties with nine months actual data and
14 three months projected will be available in mid-February.
15 Q. What is the level of rate base the Company is requesting in this proceeding?
16 A. The rate base is $141,015,147. This is an increase of $14,190,462 over the rate
17 base balance determined in case UWI-W-04-04 of $126,824,685. Company
18 Witness's Wyatt and Rhead discuss the plant in service additions that drive the
19 increase in their direct testimony.
20 Q. Please explain Exhibit 5, Schedule 1, Page 1 of 1.
21 A. Exhibit 5, Schedule 1, Page 1 of 1, Rate Base Summary, indicates the elements of
22 the Company's rate base as of April 30, 2006, using the 13-month average
23 methodology. The elements of rate base are as follows: Utility Plant in Service;

1 Accumulated Depreciation; Customer Advances for Construction; Contributions
2 In Aid of Construction; Net Utility Plant Acquisition Adjustments; Accumulated
3 Deferred Income Taxes; Pre-1971 Investment Tax Credits; Deferred Charges and
4 Working Capital.
5 Q. Is it appropriate in this case to calculate the 13-month average plant in service, by
6 simply adding the total plant in service amount derived from monthly balance
7 sheets incorporating the period April 2005 through April 2006 and dividing the
8 resultant amount by 13 months?
9 A. No. Under normal circumstances, this would be the appropriate method of
10 calculating the 13-month average plant in service amount. However, there are
11 circumstances that existed during a portion of the test period that compelled the
12 Company to re-state the plant in service balances on a monthly basis.
13 Q. Please elaborate on the nature of the circumstances that made this re-statement
14 necessary.
15 A. In September of 2004, the Company upgraded its accounting software from
16 PeopleSoft version 7.0 to PeopleSoft version 8.4. It is not unusual for there to be
17 some minor problems associated with the software upgrades. In this particular
18 case, the system designed to transfer plant dollars from construction work in
19 progress to plant in service, as determined by the local engineering staff, did not
20 initially function well. Consequently, for the period of time from October 2004
21 until October 2005, the Company's balance sheet plant-in-service balance lagged
22 behind what it should have shown. Plant dollars that United Water Idaho
23 engineer's requested be placed in service because the associated projects were in

1 fact physically in service and used and useful for customers did not get transferred
2 to plant-in-service on the balance sheet in a timely manner.
3 Q. Please provide an example that will illustrate this problem.
4 A. The best example to illustrate this point is the Columbia Water Treatment Plant
5 and its associated projects, the Raw Water Pump Station and the Raw Water
6 Pipeline. These three projects were all physically providing service to customers
7 in March of 2005 and represented over $20,500,000 that should have been placed
8 in service. However, on the Company balance sheet, only about $11,800,000 was
9 actually placed in service. The next significant recording of plant in service on the
10 Company balance sheet did not occur until August 2005
11 Q. Why is the delay in reflecting plant in service on the Company balance sheet of
12 critical importance in this case?
13 A. The delay is of critical importance because of the plant-in-service averaging
14 nature of the 13-month average rate base methodology. Any delay in placing plant
15 into service means an incorrect weighted amount of that investment is reflected in
16 rate base.
17 Q. How were you able to compensate for the delay in placing plant in service on the
18 Company balance sheet?
19 A. The Company Engineering Staff and I reviewed in detail each project that went
20 into service during the test period and determined if there was a lag associated
21 with the particular project. The Engineering Staff reviewed their documentation
22 consisting of e-mail requests to the asset management group in Corporate for
23 particular projects to be placed in service and actual physical evidence that

1 projects were placed in service such as inspectors notes or pumping records, etc.
2 Plant dollars were then applied to the books or "backcast" in accordance with
3 their actual in-service timing. All associated post in-service accounting activity,
4 such as depreciation expense calculations and the accumulation of depreciation
5 expense were adjusted as well. Plant retirements that were submitted by the
6 Company but were delayed in processing were also "backcast". Many of the
7 affected projects were developer projects. These projects are not nearly as critical
8 since the overwhelming majority of them are labor, materials, and contracting in
9 lieu. When developer projects are completed and proper cost documentation
10 received, both plant and contributions in aid of construction are recorded,
11 offsetting each other in rate base.
12 Q. Are there any other consequences of the plant-in-service timing issue that you
13 have had to address in this case?
14 A. Yes. The asset management group, those personnel located in the Corporate office
15 and responsible for maintaining all manner of asset records, informed me that as
16 plant was actually placed into service, depreciation expense was calculated in
17 arrears, as if the plant had been placed into service at the correct time. This
18 resulted in depreciation expense adjustments and of course impacted accumulated
19 depreciation. I therefore "backcasted" accumulated depreciation similarly to the
20 way I backcasted plant additions to provide a more accurate picture of these two
21 elements of rate base under the thirteen-month average methodology.
22 Q. Does Exhibit 5, Schedule 1, Page 1 of 1, demonstrate the impact of this
23 backcasting?

1 A. Yes. With regard to both plant-in-service and accumulated depreciation, Exhibit
2 5, Schedule 1, Page 1 of 1 indicates the results of the backcast of both the balance
3 sheet plant-in-service amount as well as the accumulated depreciation backcast.
4 Q. Are the actual mechanics of the backcast process illustrated on any of your
5 Exhibits?
6 A. Yes. Exhibit No.5, Schedule 2, Page 1 of 1 indicates the actual mechanics
7 involved in the backcast. For example, line 8 on this schedule indicates the plant
8 in service per books for each of the thirteen months included in the averaging
9 period. Line 11 indicates the plant in service balance after it has been backcasted.
10 Line 11a indicates the difference between the books and the backcasted results.
11 Similarly, accumulated depreciation and amortization is stated per books on line
12 16 and per backcast on line 24.
13 Q. Do you have an Exhibit regarding plant in service additions?
14 A. Yes. I have Exhibit 5, Schedule 3, Pages 1 through 6. This Exhibit forms the basis
15 of the plant-in-service backcast in detail. Beginning with the month of April 2005
16 and continuing through the month of April 2006 each event impacting plant-in-
17 service is shown. These events are categorized in columns such as blanket work
18 orders placed in service; plant retirements removed from service; developer
19 project bookings for the month; unusual events such as the disposition of the
20 Carriage Hill system to the City of Nampa (December 2004); a specific column
21 indicating how the investment in the Columbia Water Treatment Plant, the Raw
22 Water Pump Station and the Raw Water pipeline were placed in service; a specific
23 column indicating how projects included on Company Exhibit 8 from Case UWI-

1 W-04-04, excluding the aforementioned Columbia family of projects, were placed
2 in service; a column for other capital projects that the Company has invested in
3 that were post Exhibit 8 in case UWI-W-04-04; and, for the period November
4 through April 2006, columns indicating anticipated plant in service additions and
5 retirements. By the end of April 2006 the Company expects gross plant-in-service
6 to total $274,782,814. The 13-month average of plant-in-service is $268,608,214.
7 Q. In Case UWI-W-04-04, the Commission ordered several adjustments totaling
8 $1,348,466 to be made to the Company plant-in-service records. How are these
9 adjustments reflected on Exhibit 5, Schedules 2 and 3?
10 A. I backcasted these adjustments to the month of March, 2005 so they would be
11 fully removed from plant-in-service under the 13-month average methodology.
12 Exhibit No. 5, Schedule 2, indicates the thirteen-month average period only. My
13 workpapers contain the complete backcasting record from October 2004 forward.
14 Q. Please explain Exhibit 5, Schedule 4, Page 1 of 1.
15 A. Exhibit 5, Schedule 4, Page 1 of 1 shows change in the balance of accumulated
16 depreciation, accumulated CIAC amortization and accumulated amortization of
17 plant held for future use from October 2004 through April 30, 2006. As indicated
18 earlier, accumulated depreciation was backcasted, as was CIAC amortization. The
19 balance of accumulated amortization of plant held for future use, which
20 investment was related to the raw water pump stations original construction back
21 in 1996 and 1997 was simply transferred from its home account into the
22 accumulated depreciation account, to mirror the transfer of the asset from plant

1 held for future use to plant-in-service. The 13-month average balance of
2 accumulated depreciation and CIAC accumulated amortization is $63,532,505.
3 Q Please explain Exhibit 5, Schedule 5, Page 1 of 1.
4 A. Exhibit 5, Schedule 5, Page 1 of 1 summarizes change to advances for
5 construction during the test year. Since the issuance of Order No. 28505 in case
6 UWI-W-00-1, the Company does not depreciate advanced property. This requires
7 the Company to accurately track, by associated plant account, all additions and
8 refunds impacting the advance account. The 13-month average balance of
9 advances for construction is $6,257,596. No "backcasting" was necessary on this
10 account as refunds occurred on schedule in the normal course of business and
11 there have been no additions to the advance account since the prior rate case.
12 Q. Please explain Exhibit 5, Schedule 6, Page 1 and 2 of 2.
13 A. Exhibit 5, Schedule 6, Page 1 and 2 of 2 indicates activity in Contributions in Aid
14 of Construction (CIAC) during the test period. Due to the fact that developers are
15 responsible for the cost of installing subdivision water distribution facilities and
16 the large number of new developments, this account grows rapidly. Like advances
17 for construction, CIAC funded assets are not depreciated for rate- making
18 purposes. The 13-month average balance of net CIAC is $50,076,347. As with
19 advances, no backcasting was necessary with regard to CIAC.
20 Q. Please explain Exhibit 5, Schedule 7, Page 1 of 1.
21 A. Exhibit 5, Schedule 7, Page 1 of 1 indicates the net change to the balance of
22 Utility Plant Acquisition Adjustment (UPAA). The UPAA gross balance is
23 comprised of both debit and credit balances. The gross value of the six individual

1 UPAA, all approved by the Commission in various proceedings, is a positive
2 $600,762. As of April 30, 2006 the net balance will be $570,451; the 13-month
3 average balance is $575,114.
4 Q. Please explain Exhibit 5, Schedule 8, Page 1 of 1.
5 A. Exhibit 5, Schedule 8, Page 1 of 1 indicates the composition of Accumulated
6 Deferred Federal Income Taxes (ADFIT) at the end of the test period. The tax
7 depreciation portion of this account was adjusted for assets in service as of April
8 30, 2006. The balance of ADFIT excludable from rate base for rate-making
9 purposes is $12,500,000.
10 Q. Please explain Exhibit 5, Schedule 9, Page 1 of 1.
11 A. Exhibit 5, Schedule 9, Page 1 of 1, represents the activity related to the pre-1971
12 investment tax credits that are deducted from rate base and amortized at a rate of
13 $750 annually. The balance at April 30, 2006 will be $12,079. The 13-month
14 average balance is $12,722.
15 Q. Please explain Exhibit 5, Schedule 10, Page 1 of 1.
16 A. Exhibit 5, Schedule 10, Page 1 of 1, identifies the deferred items the Company has
17 included in rate base. The total balance is $1,882,314. Of this balance, $1,067,804
18 is the net unamortized balance of deferred items included in rate base from the
19 prior case. The $814,510 of new deferred charges requested for inclusion in rate
20 base in this proceeding is first comprised of $432,168 of deferred rate case
21 expense. Of this total, $182,618 is expense carried over from Case UWI-W-04-04
22 and represents expenditures the Commission did not rule on in Order No. 29838.
23 Most of these costs were incurred and or billed after the hearings in that case. The

1 remaining $250,000 is the estimated cost of preparing and presenting the current
2 case. Also, the Company will spend $150,000 before April 30, 2006 to paint the
3 Federal Reservoir facility. The Company has also requested a twenty year
4 amortization of this expenditure, in line with the amortization of tank paintings
5 granted in case UWI-W-04-04. Finally, the Company moved from plant-in-service
6 to a deferred debit account an additional $232,342 representing that portion of the
7 2005 AFUDC equity tax gross-up that was not previously moved out of plant-in-
8 service pursuant to Order No. 29838 in Case UWI-W-04-04.
9 Q. Please explain Exhibit 5, Schedule 11, Page 1 through 5.
10 A. Exhibit 5, Schedule 11, Page 1 through 5 indicates the calculation of the
11 allowance for working capital prepared by the Company using the balance sheet
12 dated December 31, 2005. The same methodology used in Case UWI-W-04-04
13 was employed in the instant case. The working capital allowance included in rate
14 base is $2,328,675.
15 Q. Does this conclude your testimony with regard to United Water Idaho's rate base?
16 A. Yes.

**UNITED WATER IDAHO**
**STATEMENT OF OPERATING INCOME PER BOOKS AND PROFORMA UNDER**
**PRESENT AND PROPOSED RATES FOR THE YEAR ENDED APRIL 30, 2006**

| Line No. | Description | Column (1) Adjustment Shown on | Column (2) Per Books 04/30/06 | Column (3) Test Year Adjustment | Column (4) Adjusted Test Year | Column (5) Under Proposed Rates Adjustments | Column (6) Under Proposed Rates Proforma | |
|---|---|---|---|---|---|---|---|---|
| 1. | **Operating Revenues** | | **$ 30,244,372** | $ 2,815,155 | **$ 33,059,527** | $ 5,921,691 | **$ 38,981,218** | 17.91% |
| 2. | **Operating Expenses** | | | | | | | |
| 3. | Operation & Maintenance | Exh No.4, Sch 1 | **$ 14,058,713** | **$ 459,092** | **14,517,805** | **31,274** | **$ 14,549,079** | |
| 4. | Depreciation | Exh No.4, Sch 2 | 6,387,206 | 156,721 | 6,543,927 | - | 6,543,927 | |
| 5. | Amortization Of PHFU | Exh No.4, Sch 2 | 29,420 | (29,420) | - | - | - | |
| 6. | Amortization Of UPAA | Exh No.4, Sch 2 | 9,329 | - | 9,329 | - | 9,329 | |
| 7. | **Total Depreciation and Amortization** | | **6,425,955** | **127,301** | **6,553,256** | **-** | **6,553,256** | |
| | **Taxes Other Than Income** | | | | | | | |
| 8. | Ad Valorem | Exh No.4, Sch 3 | 1,422,431 | 12,568 | 1,434,999 | - | 1,434,999 | |
| 9. | Payroll Taxes | Exh No.4, Sch 3 | 342,779 | 28,949 | 371,728 | - | 371,728 | |
| 10. | **Total Taxes Other** | | **1,765,210** | **41,517** | **1,806,727** | **-** | **1,806,727** | |
| 11. | **Total Operating Expenses Excluding Income Taxes** | | **$ 22,249,878** | **$ 627,910** | **$ 22,877,788** | **$ 31,274** | **$ 22,909,062** | |
| 12. | **Op Income Before Income Taxes** | | **$ 7,994,494** | **$ 2,187,245** | **$ 10,181,739** | **$ 5,890,417** | **$ 16,072,156** | |
| | **Income Taxes** | | | | | | | |
| 13. | State Income Taxes | Exh No.4, Sch 4 | $ 446,418 | $ (294,998) | $ 151,420 | $ 471,233 | $ 622,653 | |
| 14. | Federal Income Taxes | Exh No.4, Sch 4 | 3,005,942 | $ (1,336,482) | $ 1,669,460 | $ 1,896,714 | $ 3,566,174 | |
| 15. | **Total Income Taxes** | | **$ 3,452,360** | **$ (1,631,481)** | **$ 1,820,879** | **$ 2,367,948** | **$ 4,188,827** | |
| 16. | **Utility Operating Income** | | **$ 4,542,134** | **$ 3,818,726** | **$ 8,360,860** | **$ 3,522,470** | **$ 11,883,329** | |
| 17. | **Adjusted Rate Base** | | | | **$ 141,015,147** | | **$ 141,015,147** | |
| 18. | **Rate of Return on Rate Base** | | | | **5.929%** | | **8.427%** | |

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**Exhibit No. 3**
**J.Healy**

**UNITED WATER IDAHO**
**Details of Adjustments to**
**Operating Expenses**
**At Present Rates**
**Summary**
**April 30, 2006 Test Year**

| Line No. | Adjustment No. (1) | Description (2) | Income Statement Account Reference (3) | Six Act & Six Fcst. Months Ended April 30,2006 (4) | Adjustments (5) | Pro Forma Expense at April 30,2006 (6) |
|---|---|---|---|---|---|---|
| | Summary Schedule 1 | **Adjusted O&M:** | | | | |
| 1 | 1 | Payroll to O&M | Cost Types 1 & 2 | $ 3,228,604 | 282,315 | $ 3,510,919 |
| 2 | 2 | Health Care | 91700 | 584,963 | 115,679 | 700,642 |
| 3 | 3 | Pension | 91500 | 648,644 | 1,185,356 | 1,834,000 |
| 4 | 4 | PEBOP | 91550 & 92056 | 638,896 | (21,596) | 617,300 |
| 5 | 5 | Payroll Overheads | | (766,641) | (225,753) | (992,394) |
| 6 | 6 | Purchased Water | 50605 | 229,427 | (23,657) | 205,770 |
| 7 | 7 | Purchased Power | 50610 | 1,447,928 | 202,644 | 1,650,572 |
| 8 | 8 | Water Treatment Chemicals | 50635 | 298,647 | (3,249) | 295,398 |
| 9 | 9 | Transportation Expense | 50645 | 409,061 | 46,195 | 455,256 |
| 10 | 10 | Business Insurance | 91400;91450;91460 | 625,844 | 298,000 | 923,844 |
| 11 | 11 | Eliminate Dues, Lobbying, Charitable Giving, Holiday Parties, Sponserships | Various | - | (51,131) | (51,131) |
| 12 | 12 | Annualization and Normalization of Amortizations Granted in UWI-W-04-04: Rate Case; Relocation, Tank Painting, Legal, Power, WQ Testing | 92000;92952;92053;92054 ;92058;92062 | 445,685 | 130,171 | 575,856 |
| 13 | 13 | Tank Painting Amortization- New | | - | 7,500 | 7,500 |
| 14 | 14 | Rate Case Amortization- New | | - | 108,042 | 108,042 |
| 15 | 15 | Normalizize Deferred ERP/ESP Amortization | 92060 | 50,016 | (50,016) | - |
| 16 | 16 | Normalize Deferred ERP/ESP Write Off | 91860 | 1,537,422 | (1,537,422) | - |
| 17 | 17 | Normalize Deferred Relocation Write Off | 92250 | 50,093 | (50,093) | - |
| 18 | 18 | Adjustment to Variable Expense Due To Weather Normalization | | | 57,297 | 57,297 |
| 19 | | IPUC Annual Assessment | 91900 | 76,828 | - | 76,828 |
| 20 | | Thrift Plan | 91800 | 88,486 | - | 88,486 |
| 21 | | Water Quality Testing: Outside Laboratory | 50420 | 84,275 | - | 84,275 |
| 22 | | Customer Postage | 90450 (Partial) | 185,124 | - | 185,124 |
| 23 | | Customer Billing, Collection, Cash Mgt, Itron Expenses | 50400 (partial) | 440,494 | - | 440,494 |
| 24 | | Uncollectibles | 90400 | 97,766 | - | 97,766 |
| 25 | | **Total Adjusted O&M** | | 10,401,562 | 470,282 | 10,871,844 |

**Exhibit No. 4**
**Summary**
**Page 1 of 2**
**J. Healy**

**UNITED WATER IDAHO**
**Details of Adjustments to**
**Operating Expenses**
**At Present Rates**
**Summary**
**April 30, 2006 Test Year**

| | | | | | | |
|---|---|---|---|---|---|---|
| | | **Unadjusted O&M:** | | | | |
| 26 | 26 | M & S Fees | 90850;90851 & 90852 | **1,932,835** | (11,190) | **1,921,645** |
| 27 | | Other Operation and Maintenance Expense | Various | **1,724,316** | - | **1,724,316** |
| 28 | | **Total Unadjusted O&M** | | **3,657,151** | **(11,190)** | **3,645,961** |
| 29 | | **Total Operation and Maintenance Adjustments** | | **$ 14,058,713** | **$ 459,092** | **$ 14,517,805** |
| | **Schedule 2** | | | | | |
| 30 | 1 | Depreciation | 70100 | **$ 6,387,206** | 156,721 | **$ 6,543,927** |
| 31 | 2 | Amortization of Plant Held for Future Use | 70105 | **29,420** | (29,420) | **-** |
| 32 | | Amortization of Utility Plant Acquisition Adjustments | 92100 | **9,329** | - | **9,329** |
| 33 | | **Total Depreciation and Amortization** | | **$ 6,425,955** | **$ 127,301** | **$ 6,553,256** |
| | **Schedule 3** | | | | | |
| 34 | 1 | Ad Valorem Taxes | 70200 | **1,422,431** | $ 12,568 | **$ 1,434,999** |
| 35 | 2,3,4 | Payroll Taxes | 70251;70252;70253 | **342,779** | $ 28,949 | **371,728** |
| 36 | | **Total Taxes Other** | | **$ 1,765,210** | **$ 41,517** | **$ 1,806,727** |
| 37 | | **Total Operating Expenses** | | **$ 22,249,878** | **$ 627,910** | **$ 22,877,788** |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 1**

| Line No. | Description | Adjustment Amount |
|---|---|---|
| 1. | Adjustment of Payroll Chargable to Operations & Maintenance | |
| 2. | To adjust labor chargable to operation and maintenance expense based upon pay rates at April 1, 2006 and the level of employees at that time | $ 242,441 |

| | Details | Employees | Amount |
|---|---|---|---|
| 3. | Admin, Eng, Accounting, Inside Customer Service | 34 | $ 1,645,388 |
| 4. | Production Department | 20 | $ 979,972 |
| 5. | Transmission and Distribution Employees | 28 | $ 1,265,149 |
| 6. | Outside Customer Service Employees | 10 | $ 409,656 |
| 7. | Subtotal | 92 | $ 4,300,165 |
| 7a. | Overtime based on 12 months Actual October 2005 | $ 104,799 | |
| 7b. | Temporary Employees | $ 57,110 | |
| 7c. | Plant Standby Pay | $ 28,549 | |
| 7d. | Management Incentive Plan (STIP) | $ 145,294 | |
| 7e. | Non-Union Incentive Plan | $ 22,696 | |
| 7f. | Union Incentive Plan | $ 15,300 | |
| 7g. | Union Lump Sum Payments | $ 29,600 | |
| 8. | Subtotal | | $ 403,348 |
| 9. | Pro Forma Payroll at April 1, 2006 Pay Rates | | $ 4,703,513 |
| 10. | % Applicable to Operations and Maintenance | | 74.6446% |
| 11. | Pro Forma O&M Payroll at April 1, 2006 Rates | | $ 3,510,919 |
| 12. | Test Year Expense | | $ 3,268,478 |
| 13. | Adjustment | | $ 242,441 |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 2**

| Line No. | Description | | | Adjustment Amount |
|---|---|---|---|---|
| 1. | Adjustment of Employee Health Care Expense, Long Term Disability and Group Term Life Insurance | | | |
| 2. | To adjust health care, LTD and GTL expense to the current cost level and to the pro forma headcount of 92 employees | | | $ 115,679 |
| 3. | Gross HMO Blue Expense | $ | 459,809 | |
| 4. | Gross United Health Care Choice Plus Plans | $ | 294,451 | |
| 5. | Gross Dental & Vision Coverage | $ | 74,664 | |
| 6. | Group Term Life Insurance Coverage | $ | 18,000 | |
| 7. | Long Term Disability Coverage | $ | 23,300 | |
| 8. | Employee Incentivized Opt Out Payments | $ | 11,371 | |
| 9. | **Total Coverage Cost** | **$** | **881,595** | |
| 10. | Less: Employee Cost Sharing | $ | 180,953 | |
| 11. | **Net Pro Forma Health Care, LTD and GTL Expense** | **$** | **700,642** | |
| 12. | Test Year Expense | $ | 584,963 | |
| 13. | **Adjustment** | **$** | **115,679** | |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 3**

| Line No. | Description | | | Adjustment Amount |
|---|---|---|---|---|
| 1. | Adjustment of Employee Pension Expense | | | |
| 2. | To adjust Employee Pension Expense fron a FAS 87 test year accrual to the 2006 Plan Year ERISA Funding Requirement | | | **$ 1,185,356** |
| 3. | Idaho Non Bargaining Contribution | $ | 1,074,000 | |
| 4. | Idaho Bargaining Contribution | $ | 760,000 | |
| 5. | **Total 2006 ERISA Funding Requirement** | **$** | **1,834,000** | |
| 6. | Test Year FAS 87 Accrual | $ | 648,644 | |
| 7. | **Adjustment** | **$** | **1,185,356** | |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 4**

| Line No. | Description | | | Adjustment Amount |
|---|---|---|---|---|
| 1. | Adjustment of FAS 106 Post Retirement Health Care Expense | | | $ (21,596) |
| 2. | To Adjust Post Retirement Health Care Cost to the current level per the latest actuarial data in accord with FAS 106 | | | |
| 3. | Idaho Bargaining Unit | $ | 191,200 | |
| 4. | Idaho Non Bargaining Unit | $ | 333,400 | |
| 5. | Annual ITO Amortization Expense | $ | 52,100 | |
| 6. | PEBOP Amortization | $ | 40,600 | |
| 7. | **Total Pro Forma Expense** | **$** | **617,300** | |
| 8. | Test Year Expense | $ | 638,896 | |
| 9. | **Adjustment** | **$** | **(21,596)** | |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 5**

| Line No. | Description | | | Adjustment Amount |
|---|---|---|---|---|
| 1. | Adjust Payroll Overheads Charged to Construction and other non Operations & Maintenance Accounts | | | |
| 2. | To normalize the payroll overhead percentage charged to non Operations & Maintenance Accounts based on pro Forma Labor and Benefit Calculation and current non-wokday information | | | $ (225,717) |
| | **Details** | | | |
| 3. | Pro Forma Payroll at April 1, 2006 Rates | | $ 4,703,514 | |
| 4. | % Chargable to Other than O&M Expense | | 25.3554% | |
| 5. | Payroll Other Than O&M | | $ 1,192,595 | |
| 6. | Overhead Rate | | 83.21% | |
| 7. | **Pro Forma Overhead Credit** | | **$ (992,358)** | |
| 8. | Test Year Expense | | $ (766,641) | |
| 9. | **Adjustment** | | **$ (225,717)** | |
| | **Payroll Related Expenses** | | | |
| 10. | FICA Taxes | | $ 353,229 | |
| 11. | Federal Unemployment Taxes | | 5,488 | |
| 12. | State Unemployment Taxes | | 13,010 | |
| 13. | Group Health, Life & LTD | | 700,642 | |
| 14. | Workers Compesation | | 180,469 | |
| 15. | Pension (FAS 87) | | 648,300 | |
| 16. | PEBOP (FAS106) | | 617,300 | |
| 17. | Tuition Aid | | 11,772 | |
| 18. | Thrift Plan Expenses | | 88,486 | |
| 19. | Total Payroll Related Expenses | | $ 2,618,696 | |
| 20. | Total Payroll Related Expenses | $ 2,618,696 | | |
| 21. | Total Payroll | $ 4,703,514 | | |
| 22. | Payroll Overhead Percentage | | 66.69% | |
| 23. | Payroll OH % = Total Benefits/ (Gross Payroll -(Gross Payroll* Workday Additive)) | | 66.69% | |
| 24. | Additive for Non Workdays | | 16.52% | |
| 25. | **Overhead Rate to be Applied to Payroll** | | **83.21%** | |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 6**

| Line No. | Description | | Adjustment Amount |
|---|---|---|---|
| 1. | Adjustment to normalize Purchased Water Expense | | |
| 2. | Adjust Purchased Water Expense to a normal year for rented and leased natural flow rights, shares owned in canal company's and contracts/leases for storage water | | $ (23,657) |
| | **Details** | **Annual Expense** | |
| 3. | Anderson Ranch Bureau of Reclamation Contract | $ 25,770 | |
| 4. | Basin 63 Rental: Boise Vallet Ditch Company | 7,000 | |
| 5. | Basin 63 Rental: Farmer's Co-op | 4,818 | |
| 6. | Basin 63 Rental Pool | 56,000 | |
| 7. | Boise City Canal Company Leased Shares | 28,000 | |
| 8. | Boise City Canal Company Owned Shares | 3,150 | |
| 9. | Boise Valley Irrigation District Owned Shares | 455 | |
| 10. | Lucky Peak Bureau of Reclamation Repayment Contract | 16,674 | |
| 11. | Lucky Peak Bureau of Reclamation Maintenance Levy | 2,200 | |
| 12. | District 63 and Thurman Mill Dues | 3,000 | |
| 13. | Simplot or Other Rentor | 9,800 | |
| 14. | South Boise Water: Idaho State Water Bank | 44,700 | |
| 15. | Thurman Mill Canal Company | 703 | |
| 16. | Trinity Springs or Other Rentor | 3,500 | |
| 17. | **Total Purchased Water Expense for Normalized Year** | **$ 205,770** | |
| 18. | Test Year Expenditures for Surface Water | $ 277,541 | |
| 19. | Less: Test Year Credit for partial lease of Initial Butte water right by Idaho Ground Water Appropriators | 48,114 | |
| 20. | **Net Test Year Expense** | **$ 229,427** | |
| 21. | **Adjustment** | **$ (23,657)** | |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 7**

| Line No. | Description | Adjustment Amount |
|---|---|---|
| 1. | Adjust Purchased Power Expense | |
| 2. | To adjust purchased power expense based on pricing at Idaho Power rates effective June 1, 2005; normalize for a full year usage of CWTP/RWPS and annualize redundant power supply expense | $ 202,644 |

| | Details | Tariff | | Amount |
|---|---|---|---|---|
| 3. | Marden Water Treatment Plant Annual Expense | 19P | $ | 171,468 |
| 4. | Less: Light Allowance | 19P | | (18,100) |
| 5. | Columbia Water Treatment Plant | 9P | | 54,025 |
| 6. | Less: Light Allowance | 9P | | (8,000) |
| 7. | Boise River Raw Water Pump Station | 9P | | 139,514 |
| 8. | Redundant Power and Reserve Capacity: CWTP/RWPS | 9 & 19 & 46 | | 72,980 |
| 9. | Wells | 9S & 7 | | 1,035,416 |
| 10. | Boosters | 9S & 7 | | 203,269 |
| 11. | **Total Pro Forma Purchased Power Expense** | | **$** | **1,650,572** |
| 12. | **Test Year Purchased Power Expense** | | **$** | **1,447,928** |
| 13. | **Adjustment** | | **$** | **202,644** |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 8**

| Line No. | Description | Adjustment Amount |
|---|---|---|
| 1. | Adjust Chemical Expense | |
| 2. | To adjust chemical expense using test year quantities priced at current price | $ (3,249) |

| | Details | | Amount |
|---|---|---|---|
| 3. | Marden Water Treatment Plant Chemical Usage | $ | 103,996 |
| 4. | Columbia Water Treatment Plant Chemical Usage | | 10,318 |
| 5. | Source of Supply Wells Chemical Usage | | 181,084 |
| 6. | **Test Year Usage at Current Prices** | **$** | **295,398** |
| 7. | Test Year Expense | $ | 298,647 |
| 8. | **Adjustment** | **$** | **(3,249)** |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 9**

| Line No. | Description | Adjustment Amount |
|---|---|---|
| 1. | Adjust Tranportation Expense | |
| 2. | To adjust transportation expense including vehicle lease expense, fuel, maintenance, mechanic labor and overheads, insurance & lease disposal proceeds | **$ 46,195** |

| | **Details** | | **Amount** |
|---|---|---|---|
| 3. | Lease Expense | $ | 304,346 |
| 4. | Fuel 60,500 gallons at $2.37 | | 143,385 |
| 5. | Outside Maintenance, Registration Fees, Emissions Testing, Excise Taxes, United Oil | | 60,000 |
| 6. | Mechanic Labor per Labor Schedule | | 46,476 |
| 7. | Overheads at 57.27% | | 26,617 |
| 8. | Transportation Insurance | | 51,300 |
| 9. | Depreciation Expense per Depreciation Schedule | | 15,976 |
| 10. | Lease Rebates Anticipated | | (4,356) |
| 11. | **Gross Vehicle Allocation Bucket** | **$** | **643,744** |
| 12. | Operating Expense Allocation Ratio Based on 2005 Calender Year | | 68.72% |
| 13. | **Total Pro Forma Transportation Bucket to Expense** | $ | 442,381 |
| 14. | Add: 2 Vehicle Allowances & Expense Reports | | 12,875 |
| 15. | **Total Pro Forma Expense** | **$** | **455,256** |
| 16. | Test Year Expense | | 409,061 |
| 17. | **Adjustment** | **$** | **46,195** |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 10**

| Line No. | Description | Adjustment Amount |
|---|---|---|
| 1. | To Adjust Business Insurance Expense | |
| 2. | Adjust General Liability,Workers Compensation and Property Insurance Expense to adjusted test year level | $ 298,000 |

| | Details | | Amount |
|---|---|---|---|
| 3. | Test Year Property Insurance | $ | 59,300 |
| 4. | Test Year General Liability Insurance | | 386,075 |
| 5. | Test Year Workers Compensation Insurance | | 180,469 |
| 6. | **Total Unadjusted Test Year Expense** | **$** | **625,844** |
| 7. | Test Year Adjustment for Non-Recurring Credit to General Corporate Insurance | | 298,000 |
| 8. | **Total Adjusted Test Year Expense** | **$** | **923,844** |
| 9. | Test Year Expense | $ | 625,844 |
| 10. | **Adjustment** | **$** | **298,000** |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 11**

| Line No. | Description | Adjustment Amount |
|---|---|---|
| 1. | To Eliminate from the Test Period expenses that do not qualify for ratemaking treatment under Commission precedent | |
| 2. | Adjust Test Year for Country Club Dues, Charitable Giving, Employee Events, Lobbying Portion of Business Dues and certain Sponsorships | $ 51,131 |

| | Details | | Amount |
|---|---|---|---|
| 3. | Hillcrest Country Club Dues | $ | 4,409 |
| 4. | Sponsorships for Earth Day,ID. Water Education, Idaho Water Education Foundation, Boise Advertising Federation | | 3,000 |
| 5. | Annual Company Christmas Party and Summer Picnic | | 11,978 |
| 6. | Boise Watershed Exhibits Inc Contribution | | 10,000 |
| 7. | Boise Valley Economic Partnership | | 10,000 |
| 8. | NAWC and IACI Lobbying Portion of Dues | | 4,300 |
| 9. | Charitable Donations & Misc | | 2,507 |
| 10. | Company Funding Of Low Income Customer Assistance | | 4,937 |
| 11. | **Total Test Year Elimination** | **$** | **51,131** |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 12**

| Line No. | Description | Adjustment Amount |
|---|---|---|
| 1. | To Annualize and Normalize Test Year Amortizations | |
| 2. | To annualize and normalize amortizations granted in IPUC Order No. 29838 and reflected on the Company's books from August 2005 through April 2006 for rate case expense, deferred power, relocation, legal, tank painting, water quality testing | **$ 130,171.00** |

| | Details | Account | Monthly | Annualized |
|---|---|---|---|---|
| 3. | Rate Case Expense Annualized | 18680/92000 | $ 4,926.40 | $ 59,116.80 |
| 4. | Relocation Expense Annualized | 18621/92052 | $ 1,333.33 | $ 15,999.96 |
| 5. | Tank Painting Expense Annualized | 18620/92055 | $ 511.79 | $ 6,141.48 |
| 6. | LT2ESWTR WQ Testing Annualized | 18620/92054 | $ 200.00 | $ 2,400.00 |
| 7. | Def. Power Expense Annualized | 18625/92061 | $ 40,813.66 | $ 489,763.92 |
| 8. | Def. Terra Grande Legal Annualized | 18620/92058 | $ 64.62 | $ 775.44 |
| 9. | Def. Legal Danskin Sub Annualized | 18620/92058 | $ 139.57 | $ 1,674.84 |
| 10. | Rounding | | | $ (16.44) |
| 11. | **Total Annual Expense** | | | **$ 575,856.00** |
| 12. | Test Year Expense | | | $ 445,685.00 |
| 13. | **Adjustment** | | | **$ 130,171.00** |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 13**

| Line No. | Description | Adjustment Amount |
|---|---|---|
| 1. | Amortization of Deferred Tank Painting Expense | |
| 2. | Federal Reservoir, a 2,000,000 gallon distribution system facility will be painted in the Spring of 2006 for an estimated $150,000 | $ 7,500.00 |

| Details | Adjustment |
|---|---|
| 3. Anticipated Painting Expense | $ 150,000.00 |
| 4. Amortization Period | 20 Years |
| 5. **Total Annual Pro Forma Expense** | **$ 7,500.00** |
| 6. Test Year Expense | $ - |
| 7. **Adjustment** | **$ 7,500.00** |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 14**

| Line No. | Description | Adjustment Amount |
|---|---|---|
| 1. | Amortization of Deferred Rate Case Expense | |
| 2. | To adjust operating expense for amortization of deferred rate case expense carried over from Case UWI-W-04-04 and for Case UWI-W-06-06 | $ 108,042.00 |

| | Details | | Adjustment |
|---|---|---|---|
| 3. | Deferred Expense carryover from Case UWI-W-04-04 | $ | 182,168.00 |
| 4. | Deferred Expense estimated for Case UWI-W-06-02 | $ | 250,000.00 |
| 5. | **Total Deferred Expense to be Amortized** | **$** | **432,168.00** |
| 6. | Amortization Period | | 4 Years |
| 7. | **Total Annual Pro Forma Expense** | **$** | **108,042.00** |
| | Test Year Expense | $ | - |
| 9. | **Adjustment** | **$** | **108,042.00** |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 15**

| Line No. | Description | Adjustment Amount |
|---|---|---|
| 1. | Normalize Test Year for Amortization of Deferred ERP | |
| 2. | The Test Year Contains four months of Amortization Expense for Deferred ERP Expense approved in Case UWI-W-00-1 | $ (50,016.00) |

| | Details | | Adjustment |
|---|---|---|---|
| 3. | Amortization of Deferred ERP Expense in Test Year | $ | 50,016.00 |
| 4. | Amortization of Deferred ERP in Pro Forma Period | $ | - |
| 5. | **Total Annual Pro Forma Expense** | $ | - |
| 6. | Test Year Expense | $ | 50,016.00 |
| 7. | **Adjustment** | **$** | **(50,016.00)** |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 16**

| Line No. | Description | Adjustment Amount |
|---|---|---|
| 1. | Normalize Test Year for Write Off of Deferred ERP/ESP Expense | |
| 2. | In Case UWI-W-04-04 the Company was Denied Amortization of Deferred ERP and ESP expense. The Entire amount was written off in the test year. | **$ (1,537,422.00)** |

| | Details | Adjustment |
|---|---|---|
| 3. | Write Off of Deferred ERP/ESP Expense in Test Year | $ 1,537,422.00 |
| 4. | Write Off of Deferred ERP in Pro Forma Period | $ - |
| 5. | **Total Annual Pro Forma Expense** | $ - |
| 6. | Test Year Expense | $ 1,537,422.00 |
| 7. | **Adjustment** | **$ (1,537,422.00)** |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 17**

| Line No. | Description | Adjustment Amount |
|---|---|---|
| 1. | Normalize Test Year for Write Off of Excess Deferred Relocation Expense | |
| 2. | In Case UWI-W-04-04 the Company was Denied Amortization on $50,106 of excess deferred relocation expense. This amount was written off in the test period | $ (50,093.00) |

| Details | | Adjustment |
|---|---|---|
| 3. Write Off of Excess Deferred Relocation Expense | $ | 50,093.00 |
| 4. Write Off Def. Relocation Expense in Pro Forma Period | $ | - |
| 5. **Total Annual Pro Forma Expense** | $ | - |
| 6. Test Year Expense | $ | 50,093.00 |
| 7. **Adjustment** | **$** | **(50,093.00)** |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 18**

| Line No. | Description | Adjustment Amount |
|---|---|---|
| 1. | Adjust Expenses Related to Volume Normalization | |
| 2. | To adjust purchased power expense and chemical expense for the upward volume normalization expense made by Witness Gradilone | $ 57,297 |

| | Details | | Adjustment |
|---|---|---|---|
| 3. | Test Year Purchased Power Expense | | $ 1,447,928 |
| 4. | Test Year Chemical Expense | | $ 298,647 |
| 5. | Total Variable Cost Related to Volume Normalization | | $ 1,746,575 |
| 6. | Total Variable Expense | $ 1,746,575.00 | |
| 7. | Test Year Revenue | $ 30,244,372.00 | |
| 8. | Ratio of Variable Cost to Revenue | | 5.77% |
| 9. | Volume Adjustment per Witness Gradilone | | $ 992,184 |
| 10. | Variable Expense associated with Volume Normalization | | **$ 57,297** |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 26**

| Line No. | Description | Adjustment Amount |
|---|---|---|
| 1. | To Adjust the Test Year Level of Management & Service Fees | |
| 2. | The test year contains a component of M&S Fee expense that was adjusted out of Case UWI-W-04-04 by Staff Witness Stockton. The same adjustment is made in Case UWI-W-06-02 | $ (11,190) |

| | Details | Account | Adjustment |
|---|---|---|---|
| 3. | Test Year Level of Corporate M&S Fees | 90850 | $ 1,204,824 |
| 4. | Test Year Level of Regulated M&S Fees | 90851 | 724,764 |
| 5. | Test Year Level of Non-Regulated M&S Fees | 90852 | 11,190 |
| 6. | Overheads Capitalized | 91000 | (7,943) |
| 7. | **Total M&S Fees Included in Test Year** | | **$ 1,932,835** |
| 8. | Elimination of Account 90852 Non-Regulated M&S Fees | 90852 | 11,190 |
| 9. | **Adjusted Test Year Level of M&S Fees** | | **$ 1,921,645** |
| 10. | **Total M&S Fees Included in Test Year** | | **$ 1,932,835** |
| 11. | **Adjustment** | | **$ (11,190)** |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 1**

| Line No. | Description | Adjustment Amount |
|---|---|---|
| 1. | Adjust Depreciation Expense | |
| 2. | To adjust the test year level of depreciation expense to the pro forma level based on Plant in Service, CIAC and Advances as of April 30, 2006 | |

| | Details | | Adjustment |
|---|---|---|---|
| 3. | Pro Forma Depreciation Expense per Exhibit 4, Schedule 2, Page 2 of 2 | $ | 6,543,927 |
| 4. | Test Year Depreciation Expense | $ | 6,387,206 |
| 5. | Adjustment | **$** | **156,721** |

**United Water Idaho**
**Pro Forma Annual Depreciation Provision**
**Test Year Ended April 30, 2006**

| Line No. | Plant Account Number | Plant Account Description | Forecasted as of April 30, 2006 | Gross CIAC per General Ledger Forecasted | Pro Forma Advance Total | Net Depreciable | Depreciation Rate | Annual Depreciation Expense |
|---|---|---|---|---|---|---|---|---|
| | | | Plant In Service 04/30/2006 | 271000 04/30/2006 | 252000 04/30/2006 | Utility Plant 04/30/2006 | | |
| 1 | 301-10 | Organization | 107,048 | - | (6,986) | 100,062 | 0.00% | - |
| 2 | 302-30 | | 955 | - | - | 955 | 0.00% | - |
| 3 | 303-20 | Land & Land Rights - Source of Supply | 1,810,391 | (327,290) | (279,094) | 1,204,007 | 0.00% | - |
| 4 | 303-20 | Water Rights - Source of Supply | 4,206,331 | - | - | 4,206,331 | 0.00% | - |
| 5 | 303-30 | Land & Land Rights - Water Treatment | 889,034 | - | - | 889,034 | 0.00% | - |
| 6 | 303-40 | Land & Land Rights - Trans. & Distrib. | 447,807 | - | (40,440) | 407,367 | 0.00% | - |
| 7 | 303-50 | Land & Land Rights - General Plant | 213,383 | - | - | 213,383 | 0.00% | - |
| 8 | | **Total Non-Depreciable Plant** | $ 7,674,949 | $ (327,290) | $ (326,520) | $ 7,021,139 | | |
| 9 | 304-20 | Structures and Improvements - Source of Supply | 5,632,015 | (263,585) | (81,647) | 5,286,783 | 2.00% | 105,736 |
| 10 | 304-30 | Structures and Improvements - Water Treatment | 15,348,937 | - | - | 15,348,937 | 2.00% | 306,979 |
| 11 | 304-40 | Structures and Improvements - Trans. & Distrib. | 106,691 | - | - | 106,691 | 2.00% | 2,134 |
| 12 | 304-50 | Structures and Improvements - General Plant | 3,229,969 | - | - | 3,229,969 | 2.50% | 80,749 |
| 13 | 305-20 | Collecting & Impounding Reservoirs - Source of Supply | 83,217 | (24,461) | 20,430 | 79,186 | 2.00% | 1,584 |
| 14 | 306-20 | Lake, River & Other Intakes | 2,009,019 | (68,216) | - | 1,940,803 | 2.00% | 38,816 |
| 15 | 307-20 | Wells & Springs | 9,267,299 | (1,397,625) | (406,886) | 7,462,788 | 2.86% | 213,436 |
| 16 | 308-20 | Infiltration Galleries & Tunnels | 60,351 | | - | 60,351 | 2.00% | 1,207 |
| 17 | 309-20 | Supply Mains | 2,271,116 | (9,391) | (328,995) | 1,932,730 | 2.00% | 38,655 |
| 18 | 310-20 | Power Generation Equipment | 600,541 | | - | 600,541 | 5.00% | 30,027 |
| 19 | 311-20 | Power Electric Pumping Equipment - Source of Supply | 15,912,477 | (1,815,317) | (466,550) | 13,630,610 | 5.00% | 681,531 |
| 20 | 311-20 | Power Diesel Pumping Equipment - Source of Supply | - | | - | - | 0.00% | - |
| 21 | 311-30 | Power Pumping Equipment - Water Treatment | 899,234 | | - | 899,234 | 5.00% | 44,962 |
| 22 | 311-40 | Power Pumping Equipment - Trans. & Distrib. | 1,071,633 | | (129,574) | 942,059 | 5.00% | 47,103 |
| 23 | 320-30 | Water Treatment Equipment | 22,441,747 | (36,860) | (3,384) | 22,401,503 | 5.00% | 1,120,075 |
| 24 | 320-30 | Water Treatment Equipment - Membranes | 746,683 | | - | 746,683 | 14.00% | 104,536 |
| 25 | 330-40 | Distribution Reservoirs & Standpipes | 8,861,991 | (1,163,794) | (904,482) | 6,793,715 | 2.00% | 135,874 |
| 26 | 331-10 | Trans. & Distrib. Mains & Accessories - Intangible | 145 | | - | 145 | 2.00% | 3 |
| 27 | 331-20 | Trans. & Distrib. Mains & Accessories - SOS | 144 | | - | 144 | 2.00% | 3 |
| 28 | 331-40 | Trans. & Distrib. Mains & Accessories | 112,206,800 | (47,515,594) | (2,854,151) | 61,837,055 | 2.00% | 1,236,741 |
| 29 | 333-40 | Services | 41,801,283 | (8,313,694) | (536,610) | 32,950,979 | 2.50% | 823,774 |
| 30 | 334-40 | Meters and Meter Installations | 12,640,616 | (191,517) | - | 12,449,099 | 2.50% | 311,227 |
| 31 | 335-40 | Hydrants | 1,427,742 | (1,327,432) | (6,986) | 93,324 | 2.50% | 2,333 |
| 32 | 336-40 | Backflow Prevention Devices | - | | - | - | 0.00% | - |
| 33 | 339-10 | Other Plant & Misc. Equipment - Intangible | - | | - | - | 0.00% | - |
| 34 | 339-20 | Other Plant & Misc. Equipment - Source of Supply | 21,913 | | - | 21,913 | 2.00% | 438 |
| 35 | 339-30 | Other Plant & Misc. Equipment - Water Treatment | 49,296 | | - | 49,296 | 2.00% | 986 |
| 36 | 339-40 | Other Plant & Misc. Equipment - Trans. & Distrib. | 98,535 | | - | 98,535 | 2.00% | 1,971 |
| 37 | 339-50 | Other Plant & Misc. Equipment - General Plant | 15,798 | | - | 15,798 | 2.00% | 316 |
| 38 | 340-50 | Office Furniture and Equipment | 706,998 | (1,131) | - | 705,867 | 6.67% | 47,081 |
| 39 | 340-50 | AM / FM System - Mapping | 552,910 | | - | 552,910 | 10.00% | 55,291 |
| 40 | 340-5A | Computer Hardware & Software | 1,560,719 | | - | 1,560,719 | 20.00% | 312,144 |
| 41 | 340-5A | IFMS / WAN / PeopleSoft | 2,870,105 | | - | 2,870,105 | 10.00% | 287,011 |
| 42 | 340-5A | Update to PS 8.4 | 1,664,445 | | - | 1,664,445 | 10.00% | 166,445 |
| 43 | 340-5A | Customer Information System | 1,795,069 | | - | 1,795,069 | 10.00% | 179,507 |
| 44 | 341-50 | Transportation Equipment | 139,042 | | - | 139,042 | 11.49% | 15,976 |
| 45 | 342-50 | Stores Equipment | 26,492 | | - | 26,492 | 6.67% | 1,767 |
| 46 | 343-50 | Tools, Shop and Garage Equipment | 479,663 | | - | 479,663 | 6.67% | 31,994 |
| 47 | 343-50 | Confined Space Monitor, Generator, Trench Shield | 42,642 | | - | 42,642 | 14.50% | 6,183 |
| 48 | 344-50 | Laboratory Equipment | 116,643 | (16,729) | - | 99,914 | 6.67% | 6,664 |
| 49 | 345-50 | Power Operated Equipment | 58,817 | | - | 58,817 | 14.50% | 8,528 |
| 50 | 345-50 | Power Operated Equipment | 62,882 | | - | 62,882 | 14.50% | 9,118 |
| 51 | 346-50 | Communications Equipment | 1,509,702 | | (67,915) | 1,441,787 | 6.67% | 96,167 |
| 52 | 347-50 | Miscellaneous Equipment | 110,351 | | - | 110,351 | 6.67% | 7,360 |
| 53 | 348-50 | Other Tangible Property | - | | - | - | 2.00% | - |
| 54 | 348-50 | Master Plan | 589,443 | | - | 589,443 | 10.00% | 58,944 |
| 55 | OFFSET | AFUDC Equity Tax Gross Up Component | (928,687) | | - | (928,687) | 3.10% | (28,789) |
| 56 | | Rounding | (1,054,261) | | - | (1,054,261) | 3.10% | (32,682) |
| 57 | | **Total Depreciable Plant** | 267,108,167 | (62,145,346) | (5,766,750) | 199,196,071 | | |
| 57 | | **Total Plant in Service, CIAC and CAC** | 274,783,116 | (62,472,636) | (6,093,270) | 206,217,210 | | 6,559,903 |
| 58 | | | | Less: Depreciation reported in Transportation Exhibit | | | | (15,976.00) |
| 59 | | | | **Pro Forma Depreciation Expense** | | | | 6,543,927 |

**Exhibit No. 4**
**J.Healy**
**Schedule 2**
**Page 2 of 3**

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 2**

| Line No. | Description | Adjustment Amount |
|---|---|---|
| 1. | To adjust Amortization of Plant Held for Future Use | |
| 2. | To adjust the test year level of PHFU Amortization to the Pro Forma level based on the transfer of expenditures related to the Raw Water Pump Station to Plant in Service | $ (29,420) |

| | Details | Adjustment |
|---|---|---|
| 3. | Pro Forma PHFU Amortization | $ - |
| 4. | Test Year PHFU Amortization Expense | $ 29,420 |
| 5. | Adjustment | $ (29,420) |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 1**

| Line No. | Description | Adjustment Amount |
|---|---|---|
| 1. | Adjust Property Tax Expense | |
| 2. | To adjust the amount of Property Tax expense to the level based on the billings received from Ada County & Canyon County in November 2005 | $ 12,568 |

| | Details | Adjustment |
|---|---|---|
| 3. | Ada County Property Tax Bill November 2005 | $ 1,431,946 |
| 4. | Canyon County Property Tax Bill November 2005 | 3,053 |
| 5. | **Total Property Tax Expense** | **$ 1,434,999** |
| 6. | Test Year Expense | 1,422,431 |
| 7. | **Adjustment** | **$ 12,568** |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 2**

| Line No. | Description | | | | | Adjustment Amount |
|---|---|---|---|---|---|---|
| 1. | To adjust Employer FICA Tax Liability | | | | | $ 22,407 |
| | **Details** | | **FICA Amount** | | **Medicare Amount** | **Combined** |
| 2. | FICA Base for 2006 | $ | 94,200 | | No Limit | |
| 3. | FICA Rate for 2006 | | 6.20% | | 1.45% | |
| 4. | Pro Forma Payroll at 2006 Rates | $ | 4,703,514 | $ | 4,703,514 | |
| 5. | Wages in Excess of FICA base | $ | 106,280 | | 0 | |
| 6. | Taxable Wages | $ | 4,597,234 | $ | 4,703,514 | |
| 7. | FICA Tax Rates | | 6.20% | | 1.45% | |
| 8. | **Pro Forma FICA Tax** | $ | 285,029 | $ | 68,201 | $ 353,229 |
| 9. | **Test Year Expense** | | | | | $ 330,822 |
| 10. | **Adjustment** | | | | | $ 22,407 |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 3**

| Line No. | Description | | | Adjustment Amount |
|---|---|---|---|---|
| 1. | To adjust Federal Unemployment Insurance Tax | | | $ 139 |
| | **Details** | | | |
| 2. | Federal Taxable Base | $ | 7,000 | |
| 3. | Federal Tax Rate | | 0.80% | |
| 4. | Employees covered by Federal Unemployment Tax (92 Full Time and 6 Temps @ $7,000 limit ) | | | |
| 5. | Taxable Base | $ | 686,000 | |
| 6. | Taxable Wages | **$** | **686,000** | |
| 7. | Tax Rate | | 0.80% | |
| 8. | **Pro Forma Federal Unemployment Tax** | **$** | **5,489** | |
| 9. | **Test Year Expense** | **$** | **5,350** | |
| 10. | **Adjustment** | **$** | **139** | |

**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Details of Adjustments to**
**Operations and Maintenance Expense at Present Rates**

**Adjustment No. 4**

| Line No. | Description | | | Adjustment Amount |
|---|---|---|---|---|
| 1. | To adjust State Unemployment Insurance Tax | | | $ 6,403 |
| | **Details** | | | |
| 2. | 2006 Idaho Taxable Base | $ | 29,200 | |
| 3. | 2006 Idaho U C Tax Rate for UWID | | 0.477% | |
| 4. | Employees covered by U.C. Tax (92 Regular Employees & 6 Temps) | | | |
| 5. | Taxable Base | $ | 2,727,561 | |
| 6. | Taxable Wages | $ | 2,727,561 | |
| 7. | Tax Rate | | 0.477% | |
| 8. | **Pro Forma Idaho Unemployment Tax** | **$** | **13,010** | |
| 9. | **Test Year Expense** | **$** | **6,607** | |
| 10. | **Adjustment** | **$** | **6,403** | |

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 | $ 10,181,739 | $ 16,072,156 |
| 2. | LESS: TAX DEDUCTIONS | | |
| 3. | Interest Expense (A) | $ 4,832,922 | $ 4,832,922 |
| 4. | Excess Tax Over Book Depreciation (B) | $ 3,456,073 | $ 3,456,073 |
| 5. | TOTAL TAX DEDUCTIONS | $ 8,288,995 | $ 8,288,995 |
| 6. | Taxable Income-State | $ 1,892,744 | $ 7,783,161 |
| 7. | State Income Tax at 8% | $ 151,420 | $ 622,653 |
| 8. | Federal Taxable Income (L.1-L.3-L.7) | $ 5,197,398 | $ 10,616,581 |
| 9. | Federal Income Tax at 35% | $ 1,819,089 | $ 3,715,804 |
| 10. | Less: Amortization of ITC | $ (47,160) | $ (47,160) |
| 11. | Less" AJCA Production Credit | $ (102,470) | $ (102,470) |
| 12. | NET FEDERAL INCOME TAX EXPENSE | $ 1,669,460 | $ 3,566,174 |
| 13. | (A) CALCULATION OF INTEREST EXPENSE DEDUCTION: | | |
| 14. | Pro Forma Rate Base | | $ 141,015,147 |
| 15. | Debt Percentage of Capitalization | | 51.460% |
| 16. | Debt Portion of Rate Base | | 72,566,395 |
| 17. | Debt Rate | | 6.66% |
| 18. | INTEREST EXPENSE | | $ 4,832,922 |
| 19. | (B) EXCESS TAX OVER BOOK DEPRECIATION: | | |
| 20. | Pro Forma Tax Depreciation | | $ 10,000,000 |
| 21. | Pro Forma Book Depreciation | | $ 6,543,927 |
| 22. | EXCESS TAX OVER BOOK DEPRECIATION (B) | | $ 3,456,073 |

**United Water Idaho**
**Plant In Service with Rate Case Timing Adjustments**
**For Purpose of Calculating American Jobs Creation Act Production Credit**

| Plant Account Number | Plant Account Description | April 2006 Plant in Service | 13 Month Average | Production & Water Treatment Plant |
|---|---|---|---|---|
| 301-10 | Organization | 107,048 | 107,048 | |
| 302-10 | | - | - | |
| 302-30 | Land and Land Rights | 955 | 955 | |
| 303-20 | Land & Land Rights - Source of Supply | 1,810,391 | 1,798,027 | 1,798,027 |
| 303-2W | Water Rights - Source of Supply | 4,206,331 | 4,169,158 | 4,169,158 |
| 303-30 | Land & Land Rights - Water Treatment | 889,034 | 889,034 | |
| 303-40 | Land & Land Rights - Trans. & Distrib. | 447,807 | 444,692 | |
| 303-50 | Land & Land Rights - General Plant | 213,383 | 213,383 | |
| 304-20 | Structures and Improvements - Source of Supply | 5,632,015 | 5,286,835 | 5,286,835 |
| 304-30 | Structures and Improvements - Water Treatment | 15,348,937 | 15,306,497 | 15,306,497 |
| 304-40 | Structures and Improvements - Trans. & Distrib. | 106,691 | 106,691 | |
| 304-50 | Structures and Improvements - General Plant | 3,229,969 | 3,229,969 | |
| 305-20 | Collecting & Impounding Reservoirs - Source of Supply | 83,217 | 83,217 | 83,217 |
| 306-20 | Lake, River & Other Intakes | 2,009,019 | 2,009,019 | |
| 307-20 | Wells & Springs | 9,267,299 | 9,229,369 | |
| 308-20 | Infiltration Galleries & Tunnels | 60,351 | 60,351 | |
| 309-20 | Supply Mains | 2,271,116 | 2,272,774 | 2,272,774 |
| 310-20 | Power Generation Equipment | 600,541 | 495,357 | |
| 311-20 | Power Electric Pumping Equipment - Source of Supply | 15,912,477 | 15,392,193 | 15,392,193 |
| 311-20 | Power Diesel Pumping Equipment - Source of Supply | - | - | |
| 311-30 | Power Pumping Equipment - Water Treatment | 899,234 | 836,904 | 836,904 |
| 311-40 | Power Pumping Equipment - Trans. & Distrib. | 1,071,633 | 1,071,633 | |
| 320-30 | Water Treatment Equipment | 22,441,447 | 22,879,360 | 22,879,360 |
| 320-30 | Water Treatment Equipment - Membranes | 746,683 | 206,861 | 206,861 |
| 330-40 | Distribution Reservoirs & Standpipes | 8,861,991 | 8,836,902 | |
| 331-10 | Trans. & Distrib. Mains & Accessories - Intangible | 145 | 145 | |
| 331-20 | Trans. & Distrib. Mains & Accessories - SOS | 144 | 144 | |
| 331-40 | Trans. & Distrib. Mains & Accessories | 112,206,800 | 108,461,120 | |
| 333-40 | Services | 41,801,283 | 40,417,983 | |
| 334-40 | Meters and Meter Installations | 12,640,616 | 12,373,069 | |
| 335-40 | Hydrants | 1,427,742 | 1,362,641 | |
| 336-40 | Backflow Prevention Devices | - | - | |
| 339-10 | Other Plant & Misc. Equipment - Intangible | - | - | |
| 339-20 | Other Plant & Misc. Equipment - Source of Supply | 21,913 | 32,467 | 32,467 |
| 339-30 | Other Plant & Misc. Equipment - Water Treatment | 49,296 | 49,296 | 49,296 |
| 339-40 | Other Plant & Misc. Equipment - Trans. & Distrib. | 98,535 | 98,535 | |
| 339-50 | Other Plant & Misc. Equipment - General Plant | 15,798 | 15,798 | |
| 340-50 | Office Furniture and Equipment | 706,998 | 691,928 | |
| 340-50 | AM / FM System - Mapping | 552,910 | 552,910 | |
| 340-5A | Computer Hardware & Software | 1,560,719 | 1,557,855 | |
| 340-5A | IFMS / WAN / PeopleSoft | 2,870,105 | 2,870,105 | |
| 340-5A | Update of People Soft to Version 8.4 | 1,664,445 | 1,664,290 | |
| 340-5A | Customer Information System | 1,795,069 | 1,795,069 | |
| 341-50 | Transportation Equipment | 139,042 | 136,827 | |
| 342-50 | Stores Equipment | 26,492 | 26,492 | |
| 343-50 | Tools, Shop and Garage Equipment | 479,663 | 478,679 | |
| 343-50 | Confined Space Monitor, Generator, Trench Shield | 42,642 | 42,642 | |
| 344-50 | Laboratory Equipment | 116,643 | 116,643 | |
| 345-50 | Power Operated Equipment | 58,817 | 58,817 | |
| 345-50 | Power Operated Equipment | 62,882 | 62,882 | |
| 346-50 | Communications Equipment | 1,509,702 | 1,473,420 | |
| 347-50 | Miscellaneous Equipment | 110,351 | 110,351 | |
| 348-50 | Other Tangible Property | - | - | |
| 348-50 | Master Plan | 589,443 | 576,918 | |
| | AFUDC Equity Tax Gross Up Component | (928,687) | (785,708) | |
| | Temporary Holding Area | (1,054,261) | (559,331) | |
| | Rounding | - | | |
| | **TOTAL** | $ 274,782,814 | | |

| | | |
|---|---|---|
| Total Plant In Service 13 Month Average | $ 268,608,214 | |
| Total Production & Water Treatment Plant | | $ 68,313,587 |
| Equity Portion of Overall Rate of Return as Proposed by Company | | 4.99996% |
| Net Income Attributable to Production and Water Treatment Plant | | $ 3,415,652 |
| Production Credit Percentage | | 3.00% |
| Production Credit Reduction to Federal Income Taxes | | $ 102,470 |

United Water Idaho
Calculation of Revenue Requirement & Net to Gross Multiplier

| Line No. | | | |
|---|---|---|---|
| | Rate Base | $ | 141,015,147 |
| 1 | Required Rate of Return | | 8.427% |
| 2 | Required Net Operating Income | $ | 11,883,143 |
| 3 | Adjusted Net Operating Income Realized | $ | 8,360,860 |
| 4 | Net Operating Income Deficiency | $ | 3,522,284 |
| 5 | Net To Gross Multiplier | | 1.6723291 |
| 6 | Gross Revenue Increase | $ | 5,890,417 |
| | | | 31,274.00 |
| | | $ | 5,921,691 |
| 7 | Net Operating Income Requirement | | 100.00000% |
| 8 | Less: IPUC Assessment Rate | | 0.0023239% |
| 9 | Less: Uncollectible Accounts Expense | | 0.0029573% |
| 10 | State Taxable Income Residual | | 99.99472% |
| 11 | State Tax Rate | | 8.000% |
| 12 | Effective Net State Tax Rate | | 7.99958% |
| 13 | Federal Income Tax Residual | | 91.995% |
| 14 | Incremental Federal Income Tax Rate | | 35.00% |
| 15 | Effective Federal Tax Rate | | 32.1983% |
| 16 | Composite:IPUC Fees, Uncollectibles & Income Taxes | | 40.203158 |
| 17 | Composite Residual | | 59.796842 |
| 18 | Net to Gross Multiplier | | 1.6723291 |

United Water Idaho
Rate Case UWI-W-06-02
Rate Base Summary
Using 13 Month Average Methodology
Backcasted for the Year Ending April 30, 2006

| Line No. | Rate Base Element | Exhibit 5 Schedule Reference | Basis of Calculation | | Amount |
|---|---|---|---|---|---|
| 1. | Gross Plant in Service | Schedule 3 | 13 Month Average | $ | 268,608,214 |
| 2. | Total Accumulated Depreciation and CIAC Amortization | Schedule 4 | 13 Month Average | $ | (63,532,505) |
| 3. | Net Utility Plant in Service | | | $ | 205,075,709 |
| 4. | Customer Advances for Construction | Schedule 5 | 13 Month Average | $ | (6,257,596) |
| 5. | Contributions in Aid of Construction (net of amortization) | Schedule 6 | 13 Month Average | $ | (50,076,347) |
| 6. | Utility Plant Acquistion Adjustment Net | Schedule 7 | 13 Month Average | $ | 575,114 |
| 7. | Accumulated Deferred Federal Income Taxes | Schedule 8 | Test Year End | $ | (12,500,000) |
| 8. | Pre-1971 Investment Tax Credits | Schedule 9 | 13 Month Average | $ | (12,722) |
| 9. | Deferred Charges Included in Rate Base | Schedule 10 | Test Year End | $ | 1,882,314 |
| 10. | Working Capital Allowance | Schedule 11 | Per December 31, 2005 Balance Sheet Method | $ | 2,328,675 |
| 11. | Total Rate Base | | | $ | 141,015,147 |

2006 FEB 10 PM 2:20
UTILITIES COMMISSION

Exhibit No. 5
J.Healy
Schedule 1
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United Water Idaho
Summary Rate Base Calculation
Case UWI-W-06-02

| Line No. | Rate Base Element | | April 2005 Actual | May 2005 Actual | June 2005 Actual | July 2005 Actual | August 2005 Actual | September 2005 Actual | October 2005 Actual | November 2005 Projected | December 2005 Projected | January 2006 Projected | February 2006 Projected | March 2006 Projected | April 2006 Projected | 13 Month Average | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Gross Plant in Service Per Books: | | | | | | | | | | | | | | | | |
| | Utility Plant in Service Pre Plant in Service | | | | | | | | | | | | | | | | |
| 2 | Adjustments | 13 Month Average | 247,407,401 | 246,840,975 | 247,764,988 | 247,884,806 | 264,378,874 | 264,614,037 | 268,523,281 | 271,616,594 | 270,477,766 | 269,326,359 | 272,172,514 | 273,042,914 | 274,225,614 | | |
| 3 | PHFU | | 2,555,658 | 2,555,658 | 2,555,658 | 2,555,658 | 2,555,658 | 2,555,658 | 2,555,658 | | | | | | | | |
| 4 | Projected Gross Spend | | | | | | | | | | | 2,422,700 | 870,400 | 1,182,700 | 732,200 | | |
| 5 | Reduce Project Spend | | | | | | | | | | | 696,346 | | | | | |
| 6 | Correction of double booking of $696,346 | | | | | | | | | | | | | | | | |
| 7 | Retirements | | | | | | | (784,908) | (784,908) | (836,419) | (1,151,407) | (272,891) | | | | | |
| 8 | Gross Plant in Service | | 249,963,060 | 249,396,633 | 250,320,647 | 250,440,465 | 266,934,533 | 266,384,787 | 270,294,032 | 270,780,175 | 269,326,359 | 272,172,514 | 273,042,914 | 274,225,614 | 274,957,814 | 264,479,965 | Not Used |
| 9 | | Monthly Change | 11,787,333 | (566,426) | 924,013 | 119,818 | 16,494,068 | (549,745) | 3,909,245 | 486,143 | (1,453,816) | 2,846,155 | 870,400 | 1,182,700 | 732,200 | | |
| 10 | CWIP | | 14,820,801 | 17,679,826 | 17,405,334 | 18,400,257 | 2,967,741 | 4,619,745 | 1,919,865 | 666,685 | 4,045,922 | | | | | | |
| 11 | Adjusted Plant in Service for 13 Month Averaging | | 260,929,220 | 263,940,466 | 264,415,816 | 265,662,341 | 266,309,628 | 268,013,112 | 268,904,038 | 270,185,601 | 269,847,705 | 271,997,514 | 272,867,914 | 274,050,614 | 274,782,814 | 268,608,214 | Used |
| 11.5 | Difference | | 10,966,160 | 14,543,833 | 14,095,169 | 15,221,876 | (624,905) | 1,628,325 | (1,389,994) | (594,574) | 521,346 | (175,000) | (175,000) | (175,000) | (175,000) | 4,128,249 | |
| 12 | Accumulated Depreciation and Amortization Per Books: | | | | | | | | | | | | | | | | |
| 13 | Accumulated Depreciation | Account 108-00, 108-04 | (50,657,671) | (51,254,908) | (51,760,545) | (52,176,881) | (52,724,318) | (52,454,233) | (52,851,804) | (53,886,390) | (54,142,620) | (54,420,729) | (54,973,729) | (55,527,729) | (56,083,729) | | |
| 14 | Accumulated Depreciation PHFU | Account 113-00 | (318,831) | (323,091) | (327,350) | (331,610) | (335,869) | (340,128) | (344,388) | - | - | - | - | - | - | | |
| 15 | Accumulated Amortization CIAC | Account 111-00 | (9,135,958) | (9,229,582) | (9,323,205) | (9,416,829) | (9,510,453) | (9,604,076) | (9,743,722) | (9,847,623) | (9,952,853) | (10,058,982) | (10,166,011) | (10,273,940) | (10,382,769) | | |
| 16 | Total Accumulated Depr & Amort | | (60,112,460) | (60,807,580) | (61,411,100) | (61,925,320) | (62,570,640) | (62,398,438) | (62,939,914) | (63,734,014) | (64,095,473) | (64,479,711) | (65,139,740) | (65,801,669) | (66,466,498) | (63,221,735) | Not Used |
| 17 | | Monthly Change | (489,869) | (597,237) | (505,637) | (416,336) | (547,437) | 270,085 | (397,571) | (1,034,587) | (256,230) | (278,109) | (553,000) | (554,000) | (556,000) | | |
| 18 | | Monthly Change | (4,259) | (4,259) | (4,259) | (4,259) | (4,259) | (4,259) | (4,259) | 344,388 | - | - | - | - | - | | |
| 19 | | Monthly Change | (93,624) | (93,624) | (93,624) | (93,624) | (93,624) | (93,624) | (139,646) | (103,901) | (105,230) | (106,129) | (107,029) | (107,929) | (108,829) | | |
| 20 | Adjusted Accumulated Depreciation and Amortization for 13 Month Averaging: | | | | | | | | | | | | | | | | |
| 21 | Accumulated Depreciation | Account 108-00, 108-04 | (50,957,671) | (51,554,908) | (52,060,545) | (52,476,881) | (53,024,318) | (52,754,233) | (53,151,804) | (54,186,390) | (54,442,620) | (54,720,729) | (55,273,729) | (55,827,729) | (56,383,729) | | |
| 22 | Accumulated Depreciation PHFU | Account 113-00 | (318,831) | (323,091) | (327,350) | (331,610) | (335,869) | (340,128) | (344,388) | - | (1,932) | - | - | - | - | | |
| 23 | Accumulated Amortization CIAC | Account 111-00 | (9,142,533) | (9,242,731) | (9,342,930) | (9,443,129) | (9,543,328) | (9,643,526) | (9,743,722) | (9,847,623) | (9,952,853) | (10,058,982) | (10,166,011) | (10,273,940) | (10,382,769) | | |
| 24 | Total Adjusted Accumulated Depreciation and Amortization | | (60,419,035) | (61,120,729) | (61,730,825) | (62,251,620) | (62,903,515) | (62,737,888) | (63,239,914) | (64,034,014) | (64,397,405) | (64,779,711) | (65,439,740) | (66,101,669) | (66,766,498) | (63,532,505) | Used |
| 25 | Net Utility Plant Based on Adjusted Books: | | 200,816,760 | 203,132,886 | 203,004,716 | 203,737,021 | 203,738,988 | 205,614,674 | 205,964,124 | 206,451,587 | 205,752,232 | 207,517,803 | 207,728,174 | 208,248,945 | 208,316,316 | 205,075,709 | Used |
| 26 | Customer Advances for Construction | | (6,461,375) | (6,429,414) | (6,380,589) | (6,331,259) | (6,281,537) | (6,281,537) | (6,276,737) | (6,276,737) | (6,071,289) | (6,185,864) | (6,154,999) | (6,124,134) | (6,093,269) | (6,257,596) | Used |
| 27 | | Monthly Change | 6,700 | 31,962 | 48,825 | 49,329 | 49,722 | - | 4,800 | - | 205,448 | (114,575) | 30,865 | 30,865 | 30,865 | | |
| 28 | Contributions in Aid of Construction | | (57,080,881) | (57,750,860) | (57,980,914) | (58,450,795) | (58,725,019) | (59,855,375) | (60,487,845) | (60,731,601) | (60,152,008) | (60,661,180) | (61,264,998) | (61,868,817) | (62,472,635) | (59,806,379) | Used |
| 29 | | Monthly Change | (96,543) | (669,978) | (230,054) | (469,881) | (274,224) | (1,130,356) | (632,470) | (243,756) | 579,593 | (509,172) | (603,818) | (603,819) | (603,818) | | |
| 30 | Amortization of CIAC | | 9,123,990 | 9,217,614 | 9,311,237 | 9,404,861 | 9,498,485 | 9,592,108 | 9,731,754 | 9,835,656 | 9,940,885 | 10,047,014 | 10,154,043 | 10,261,972 | 10,370,801 | 9,730,032 | |
| 31 | | Monthly Change | 93,624 | 93,624 | 93,624 | 93,624 | 93,624 | 93,624 | 139,646 | 103,901 | 105,229 | 106,129 | 107,029 | 107,929 | 108,829 | | |
| 32 | Net CIAC | | (47,956,891) | (48,533,246) | (48,669,676) | (49,045,933) | (49,226,534) | (50,263,266) | (50,756,091) | (50,895,945) | (50,211,123) | (50,614,166) | (51,110,955) | (51,606,845) | (52,101,834) | (50,076,347) | Used |
| 33 | Utility Plant Acquisition Adjustment (Gross) | | 600,761 | 600,761 | 600,761 | 600,761 | 600,761 | 600,761 | 600,761 | 600,761 | 600,761 | 600,761 | 600,761 | 600,761 | 600,761 | | |
| 34 | UPAA Amortization | | (20,983) | (21,761) | (22,538) | (23,316) | (24,093) | (24,871) | (25,646) | (26,423) | (27,201) | (27,978) | (28,755) | (29,533) | (30,310) | | |
| 35 | Monthly Change | | (778) | (778) | (777) | (778) | (777) | (778) | (775) | (777) | (777) | (777) | (777) | (777) | (777) | | |
| 36 | UPAA Net | | 579,778 | 579,000 | 578,223 | 577,445 | 576,668 | 575,890 | 575,115 | 574,338 | 573,561 | 572,783 | 572,006 | 571,228 | 570,451 | 575,114 | Used |
| 37 | Accumulated Deferred Federal Income Taxes | | | | | | | | | | | | | | | (12,500,000) | Used |
| 38 | Pre 1971 Investment Tax Credits | | (13,364) | (13,257) | (13,150) | (13,043) | (12,936) | (12,829) | (12,722) | (12,615) | (12,508) | (12,401) | (12,293) | (12,186) | (12,079) | (12,722) | Used |
| 39 | Deferred Charges | | | | | | | | | | | | | | | 1,882,314 | Used |
| 40 | Working Capital | | 2,328,675 | 2,328,675 | 2,328,675 | 2,328,675 | 2,328,675 | 2,328,675 | 2,328,675 | 2,328,675 | 2,328,675 | 2,328,675 | 2,328,675 | 2,328,675 | 2,328,675 | 2,328,675 | Used |
| 41 | Total Rate Base | | | | | | | | | | | | | | 153,008,260 | 141,015,149 | Used |
| | | | | | | | | | | | | | | | Adjusted | 141,015,149 | |

Exhibit No. 5
J.Healy
Schedule 2
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**United Water Idaho**
**Plant In Service with Rate Case Timing Adjustments**

| Plant Account Number | Plant Account Description | April 2005 Plant In Service | May 2005 Developer Mains & Hydrants: Labor In Lieu | May 2005 Blankets | Plant In Service Retired | Actual CWTP Per D. Brown through May 2005 | Additional Projects Not Included 2004 Rate Case Less Blankets and Developer Projects | UWI-W-04-04 Exhibit 8 Projects In Service | May 2005 Plant In Service | June 2005 Developer Mains & Hydrants: Labor In Lieu | June 2005 Blankets | Plant In Service Retired | Additional Projects Not Included 2004 Rate Case Less Blankets and Developer Projects | Actual CWTP Per D. Brown through June 2005 | UWI-W-04-04 Exhibit 8 Projects In Service | June 2005 Plant In Service |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 301-10 | Organization | 107,048 | | | | | | | 107,048 | | | | | | | 107,048 |
| 302-10 | | - | | | | | | | - | | | | | | | - |
| 302-30 | Land and Land Rights | 955 | | | | | | | 955 | | | | | | | 955 |
| 303-20 | Land & Land Rights - Source of Supply | 1,756,812 | | | | | | | 1,756,812 | | | | | | | 1,756,812 |
| 303-2W | Water Rights - Source of Supply | 4,135,830 | | | | | | 8,116 | 4,143,946 | | | | | | 6,846 | 4,150,792 |
| 303-30 | Land & Land Rights - Water Treatment | 889,034 | | | | | | | 889,034 | | | | | | | 889,034 |
| 303-40 | Land & Land Rights - Trans. & Distrib. | 443,307 | | | | | | | 443,307 | | | | | | | 443,307 |
| 303-50 | Land & Land Rights - General Plant | 213,383 | | | | | | | 213,383 | | | | | | | 213,383 |
| 304-20 | Structures and Improvements - Source of Supply | 5,103,665 | | | (9,212) | | | 23,885 | 5,118,339 | | | | | | 8,038 | 5,126,377 |
| 304-30 | Structures and Improvements - Water Treatment | 14,909,585 | | | (21,300) | 190,482 | | 242,406 | 15,321,173 | | | | | 3,338 | 1,841 | 15,326,352 |
| 304-40 | Structures and Improvements - Trans. & Distrib. | 106,691 | | | | | | | 106,691 | | | | | | | 106,691 |
| 304-50 | Structures and Improvements - General Plant | 3,229,969 | | | | | | | 3,229,969 | | | | | | | 3,229,969 |
| 305-20 | Collecting & Impounding Reservoirs - Source of Supply | 83,217 | | | | | | | 83,217 | | | | | | | 83,217 |
| 306-20 | Lake, River & Other Intakes | 2,009,019 | | | | | | | 2,009,019 | | | | | | | 2,009,019 |
| 307-20 | Wells & Springs | 9,116,804 | | | (17,750) | | | | 9,099,054 | | | | | | | 9,099,054 |
| 308-20 | Infiltration Galleries & Tunnels | 60,351 | | | | | | | 60,351 | | | | | | | 60,351 |
| 309-20 | Supply Mains | 2,292,668 | | | | (21,552) | | | 2,271,116 | | | | | | | 2,271,116 |
| 310-20 | Power Generation Equipment | 381,125 | | | | | | 32,918 | 414,043 | | | | | | 267 | 414,310 |
| 311-20 | Power Electric Pumping Equipment - Source of Supply | 14,719,576 | | | (32,497) | 378,768 | 16,327 | | 15,082,174 | | | (3,854) | 50,633 | 11,455 | | 15,140,408 |
| 311-20 | Power Diesel Pumping Equipment - Source of Supply | - | | | | | | | - | | | | | | | - |
| 311-30 | Power Pumping Equipment - Water Treatment | 368,299 | | | | | | 400,194 | 768,492 | | | (18,000) | | | 5,214 | 755,706 |
| 311-40 | Power Pumping Equipment - Trans. & Distrib. | 1,071,633 | | | | | | | 1,071,633 | | | | | | | 1,071,633 |
| 320-30 | Water Treatment Equipment | 22,692,959 | | | (189,710) | 183,204 | | 640,795 | 23,327,247 | | | (2,197) | | | 6,307 | 23,331,357 |
| 320-30 | Water Treatment Equipment - Membranes | (258,772) | | | | | | | (258,772) | | | | | 4,155 | | (254,617) |
| 330-40 | Distribution Reservoirs & Standpipes | 8,734,819 | | | | | | 77,960 | 8,812,779 | | | | | | 13,190 | 8,825,969 |
| 331-10 | Trans. & Distrib. Mains & Accessories - Intangible | 145 | | | | | | | 145 | | | | | | | 145 |
| 331-20 | Trans. & Distrib. Mains & Accessories - SOS | 144 | | | | | | | 144 | | | | | | | 144 |
| 331-40 | Trans. & Distrib. Mains & Accessories | 104,939,814 | 487,529 | 4,521 | (16,864) | 4,414 | 95,334 | 160,534 | 105,675,282 | 58,343 | 7,201 | | 75,966 | 409 | 43,092 | 105,860,293 |
| 333-40 | Services | 38,905,118 | | 274,205 | (36,797) | | | | 39,142,526 | | 174,997 | (675) | | | | 39,316,848 |
| 334-40 | Meters and Meter Installations | 12,024,302 | | 75,283 | | | | | 12,099,586 | | 24,429 | | | | | 12,124,015 |
| 335-40 | Hydrants | 1,232,084 | 25,900 | | | | | | 1,257,984 | 11,750 | | | | | | 1,269,734 |
| 336-40 | Backflow Prevention Devices | - | | | | | | | - | | | | | | | - |
| 339-10 | Other Plant & Misc. Equipment - Intangible | - | | | | | | | - | | | | | | | - |
| 339-20 | Other Plant & Misc. Equipment - Source of Supply | 37,157 | | | | | | | 37,157 | | | | | | | 37,157 |
| 339-30 | Other Plant & Misc. Equipment - Water Treatment | 49,296 | | | | | | | 49,296 | | | | | | | 49,296 |
| 339-40 | Other Plant & Misc. Equipment - Trans. & Distrib. | 98,535 | | | | | | | 98,535 | | | | | | | 98,535 |
| 339-50 | Other Plant & Misc. Equipment - General Plant | 15,798 | | | | | | | 15,798 | | | | | | | 15,798 |
| 340-50 | Office Furniture and Equipment | 688,902 | | | | | | | 688,902 | | | | | | | 688,902 |
| 340-50 | AM / FM System - Mapping | 552,910 | | | | | | | 552,910 | | | | | | | 552,910 |
| 340-5A | Computer Hardware & Software | 1,578,870 | | | | | | (536) | 1,578,334 | | | (17,345) | 1,932 | | | 1,562,921 |
| 340-5A | IFMS / WAN / PeopleSoft | 2,870,105 | | | | | | | 2,870,105 | | | | | | | 2,870,105 |
| 340-5A | Update of People Soft to Version 8.4 | 1,664,043 | | | | | | | 1,664,043 | | | | | | | 1,664,043 |
| 340-5A | Customer Information System | 1,795,069 | | | | | | | 1,795,069 | | | | | | | 1,795,069 |
| 341-50 | Transportation Equipment | 135,842 | | | | | | | 135,842 | | | | | | | 135,842 |
| 342-50 | Stores Equipment | 26,492 | | | | | | | 26,492 | | | | | | | 26,492 |
| 343-50 | Tools, Shop and Garage Equipment | 481,258 | | | | | | 79 | 481,337 | | | | | | | 481,337 |
| 343-50 | Confined Space Monitor, Generator, Trench Shield | 42,642 | | | | | | | 42,642 | | | | | | | 42,642 |
| 344-50 | Laboratory Equipment | 116,643 | | | | | | | 116,643 | | | | | | | 116,643 |
| 345-50 | Power Operated Equipment | 58,817 | | | | | | | 58,817 | | | | | | | 58,817 |
| 345-50 | Power Operated Equipment | 62,882 | | | | | | | 62,882 | | | | | | | 62,882 |
| 346-50 | Communications Equipment | 1,440,840 | | | | | | 7,581 | 1,448,422 | | | | | | 985 | 1,449,406 |
| 347-50 | Miscellaneous Equipment | 110,351 | | | | | | | 110,351 | | | | | | | 110,351 |
| 348-50 | Other Tangible Property | - | | | | | | | - | | | | | | | - |
| 348-50 | Master Plan | 529,529 | | | | | | 27,031 | 556,560 | | | | | | 7,033 | 563,593 |
| | AFUDC Equity Tax Gross Up Component | (696,346) | | | | | | | (696,346) | | | | | | | (696,346) |
| | Temporary Holding Area | - | | | | | | | - | | | | | | | - |
| | Rounding | - | | | | | | | - | | | | | | | - |
| | **TOTAL** | 260,929,220 | 513,429 | 354,009 | (324,130) | 735,316 | 111,661 | 1,620,960 | 263,940,466 | 70,093 | 206,628 | (42,071) | 128,531 | 19,357 | 92,814 | 264,415,816 |
| | | 264,378,613 | | | | | | | | | | | | | | |

**Exhibit No. 5**
**J.Healy**
**Schedule 3**
**Page 1 of 6**

United Water Idaho
Plant In Service with Rate Case Timing Adjustments

| Plant Account Number | Plant Account Description | July 2005 Developer Mains & Hydrants: Labor In Lieu | July 2005 Blankets | Plant In Service Retired | Additional Projects Not Included 2004 Rate Case Less Blankets and Developer Projects | Actual CWTP Per D. Brown through July 2005 | UWI-W-04-04 Exhibit 8 Projects In Service | July 2005 Plant In Service | August 2005 Developer Mains & Hydrants: Labor In Lieu | UWI-W-04-04 Exhibit 8 Projects In Service | Additional Projects Not Included 2004 Rate Case Less Blankets and Developer Projects | Plant In Service Retired | Actual CWTP Per D. Brown through August 2005 | August 2005 Blankets | August 2005 Plant In Service |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 301-10 | Organization | | | | | | | 107,048 | | | | | | | 107,048 |
| 302-10 | | | | | | | | - | | | | | | | - |
| 302-30 | Land and Land Rights | | | | | | | 955 | | | | | | | 955 |
| 303-20 | Land & Land Rights - Source of Supply | | | | | | 53,579 | 1,810,391 | | | | | | | 1,810,391 |
| 303-2W | Water Rights - Source of Supply | | | | | | 4,027 | 4,154,819 | | 233 | | | | | 4,155,053 |
| 303-30 | Land & Land Rights - Water Treatment | | | | | | | 889,034 | | | | | | | 889,034 |
| 303-40 | Land & Land Rights - Trans. & Distrib. | | | | | | | 443,307 | | | | | | | 443,307 |
| 303-50 | Land & Land Rights - General Plant | | | | | | | 213,383 | | | | | | | 213,383 |
| 304-20 | Structures and Improvements - Source of Supply | | | | 2,978.00 | | 10,060 | 5,139,415 | | 1,947 | | | | | 5,141,362 |
| 304-30 | Structures and Improvements - Water Treatment | | | | | (17,211) | 9,933 | 15,319,074 | | 5 | | | 12,334 | | 15,331,413 |
| 304-40 | Structures and Improvements - Trans. & Distrib. | | | | | | | 106,691 | | | | | | | 106,691 |
| 304-50 | Structures and Improvements - General Plant | | | | | | | 3,229,969 | | | | | | | 3,229,969 |
| 305-20 | Collecting & Impounding Reservoirs - Source of Supply | | | | | | | 83,217 | | | | | | | 83,217 |
| 306-20 | Lake, River & Other Intakes | | | | | | | 2,009,019 | | | | | | | 2,009,019 |
| 307-20 | Wells & Springs | | | | | | 165,192 | 9,264,247 | | | | | | | 9,264,247 |
| 308-20 | Infiltration Galleries & Tunnels | | | | | | | 60,351 | | | | | | | 60,351 |
| 309-20 | Supply Mains | | | | | | | 2,271,116 | | | | | | | 2,271,116 |
| 310-20 | Power Generation Equipment | | | | | | (27) | 414,282 | | (33) | | | | | 414,250 |
| 311-20 | Power Electric Pumping Equipment - Source of Supply | | | | 4,752.00 | 7,786 | 28,658 | 15,181,605 | | | 76,371 | | 25,038 | | 15,283,014 |
| 311-20 | Power Diesel Pumping Equipment - Source of Supply | | | | | | | - | | | | | | | - |
| 311-30 | Power Pumping Equipment - Water Treatment | | | | | | 138,710 | 894,416 | | 4,474 | | | | | 898,889 |
| 311-40 | Power Pumping Equipment - Trans. & Distrib. | | | | | | | 1,071,633 | | | | | | | 1,071,633 |
| 320-30 | Water Treatment Equipment | | | | | | 18,082 | 23,349,439 | | 7,675 | 21,330 | | 12,904 | | 23,391,348 |
| 320-30 | Water Treatment Equipment - Membranes | | | | | (2,240) | | (256,857) | | | | | | | (256,857) |
| 330-40 | Distribution Reservoirs & Standpipes | | | | | | 18,587 | 8,844,556 | | 4,223 | | | | | 8,848,779 |
| 331-10 | Trans. & Distrib. Mains & Accessories - Intangible | | | | | | | 145 | | | | | | | 145 |
| 331-20 | Trans. & Distrib. Mains & Accessories - SOS | | | | | | | 144 | | | | | | | 144 |
| 331-40 | Trans. & Distrib. Mains & Accessories | 224,415 | 14,074 | (35,188) | 200,543.00 | 27,296 | (1,153) | 106,290,279 | 116,752 | 1,951 | 239,673 | | 406 | 20,633 | 106,669,694 |
| 333-40 | Services | | 276,879 | | | | | 39,593,727 | | | | | | 246,134 | 39,839,860 |
| 334-40 | Meters and Meter Installations | | 93,566 | | | | | 12,217,581 | | | | | | 32,293 | 12,249,874 |
| 335-40 | Hydrants | - | | | | | | 1,269,734 | 28,954 | | | | | | 1,298,688 |
| 336-40 | Backflow Prevention Devices | | | | | | | - | | | | | | | - |
| 339-10 | Other Plant & Misc. Equipment - Intangible | | | | | | | - | | | | | | | - |
| 339-20 | Other Plant & Misc. Equipment - Source of Supply | | | | | | | 37,157 | | | | | | | 37,157 |
| 339-30 | Other Plant & Misc. Equipment - Water Treatment | | | | | | | 49,296 | | | | | | - | 49,296 |
| 339-40 | Other Plant & Misc. Equipment - Trans. & Distrib. | | | | | | | 98,535 | | | | | | | 98,535 |
| 339-50 | Other Plant & Misc. Equipment - General Plant | | | | | | | 15,798 | | | | | | | 15,798 |
| 340-50 | Office Furniture and Equipment | | | | | | 424 | 689,325 | | | | | | | 689,325 |
| 340-50 | AM / FM System - Mapping | | | | | | | 552,910 | | | | | | | 552,910 |
| 340-5A | Computer Hardware & Software | | | (10,702) | | | | 1,552,219 | | | | | | | 1,552,219 |
| 340-5A | IFMS / WAN / PeopleSoft | | | | | | | 2,870,105 | | | | | | | 2,870,105 |
| 340-5A | Update of People Soft to Version 8.4 | | | | | | | 1,664,043 | | | | | | | 1,664,043 |
| 340-5A | Customer Information System | | | | | | | 1,795,069 | | | | | | | 1,795,069 |
| 341-50 | Transportation Equipment | | | | | | | 135,842 | | | | | | | 135,842 |
| 342-50 | Stores Equipment | | | | | | | 26,492 | | | | | | | 26,492 |
| 343-50 | Tools, Shop and Garage Equipment | | | | | | | 481,337 | | | | | | | 481,337 |
| 343-50 | Confined Space Monitor, Generator, Trench Shield | | | | | | | 42,642 | | | | | | | 42,642 |
| 344-50 | Laboratory Equipment | | | | | | | 116,643 | | | | | | | 116,643 |
| 345-50 | Power Operated Equipment | | | | | | | 58,817 | | | | | | | 58,817 |
| 345-50 | Power Operated Equipment | | | | | | | 62,882 | | | | | | | 62,882 |
| 346-50 | Communications Equipment | | | | | | 6,752 | 1,456,158 | | (14,482) | | | | | 1,441,677 |
| 347-50 | Miscellaneous Equipment | | | | | | | 110,351 | | | | | | | 110,351 |
| 348-50 | Other Tangible Property | | | | | | | - | | | | | | | - |
| 348-50 | Master Plan | | | | | | 6,753 | 570,346 | | 8,472 | | | | | 578,817 |
| | AFUDC Equity Tax Gross Up Component | | | | | | | (696,346) | | | | | | | (696,346) |
| | Temporary Holding Area | | | | | | | - | | | | | | (200,000) | (200,000) |
| | Rounding | | | | | | | - | | | | | | | - |
| | TOTAL | 224,415 | 384,518 | (45,890) | 208,273 | 15,631 | 459,577 | 265,662,341 | 145,706 | 14,466 | 337,374 | - | 50,682 | 99,060 | 266,309,628 |

United Water Idaho
Plant In Service with Rate Case Timing Adjustments

| Plant Account Number | Plant Account Description | September 2005 Developer Mains & Hydrants: Labor In Lieu | UWI-W-04-04 Exhibit 8 Projects In Service | Additional Projects Not Included 2004 Rate Case Less Blankets and Developer Projects | Plant In Service Retired | Actual CWTP Per D. Brown through September 2005 | September 2005 Blankets | September 2005 Plant In Service | October 2005 Developer Mains & Hydrants: Labor In Lieu | Additional Projects Not Included 2004 Rate Case Less Blankets and Developer Projects | UWI-W-04-04 Exhibit 8 Projects In Service | Plant In Service Retired | Actual CWTP Per D. Brown through October 2005 | October 2005 Blankets | October 2005 Plant In Service |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 301-10 | Organization | | | | | | | 107,048 | | | | | | | 107,048 |
| 302-10 | | | | | | | | - | | | | | | | - |
| 302-30 | Land and Land Rights | | | | | | | 955 | | | | | | | 955 |
| 303-20 | Land & Land Rights - Source of Supply | | | | | | | 1,810,391 | | | | | | | 1,810,391 |
| 303-2W | Water Rights - Source of Supply | | 3,244 | | | | | 4,158,297 | | | 234 | | | | 4,158,531 |
| 303-30 | Land & Land Rights - Water Treatment | | | | | | | 889,034 | | | | | | | 889,034 |
| 303-40 | Land & Land Rights - Trans. & Distrib. | | | | | | | 443,307 | | | | | | | 443,307 |
| 303-50 | Land & Land Rights - General Plant | | | | | | | 213,383 | | | | | | | 213,383 |
| 304-20 | Structures and Improvements - Source of Supply | | 1,945 | | | | | 5,143,306 | | | 99,752 | | | | 5,243,058 |
| 304-30 | Structures and Improvements - Water Treatment | | 198 | | | 5,594 | | 15,337,205 | | | 5,953 | | 79 | | 15,343,237 |
| 304-40 | Structures and Improvements - Trans. & Distrib. | | | | | | | 106,691 | | | | | | | 106,691 |
| 304-50 | Structures and Improvements - General Plant | | | | | | | 3,229,969 | | | | | | | 3,229,969 |
| 305-20 | Collecting & Impounding Reservoirs - Source of Supply | | | | | | | 83,217 | | | | | | | 83,217 |
| 306-20 | Lake, River & Other Intakes | | | | | | | 2,009,019 | | | | | | | 2,009,019 |
| 307-20 | Wells & Springs | | 3,052 | | | | | 9,267,299 | | | | | | | 9,267,299 |
| 308-20 | Infiltration Galleries & Tunnels | | | | | | | 60,351 | | | | | | | 60,351 |
| 309-20 | Supply Mains | | | | | | | 2,271,116 | | | | | | | 2,271,116 |
| 310-20 | Power Generation Equipment | | | | | | | 414,250 | | | 112,091 | | | | 526,341 |
| 311-20 | Power Electric Pumping Equipment - Source of Supply | | | 2,224 | | 3,290 | | 15,288,528 | | 3 | | | 175 | | 15,288,706 |
| 311-20 | Power Diesel Pumping Equipment - Source of Supply | | | | | | | - | | | | | | | - |
| 311-30 | Power Pumping Equipment - Water Treatment | | 427 | | | | | 899,316 | | | (83) | | | | 899,234 |
| 311-40 | Power Pumping Equipment - Trans. & Distrib. | | | | | | | 1,071,633 | | | | | | | 1,071,633 |
| 320-30 | Water Treatment Equipment | | 749 | | | | | 23,392,097 | | 49 | 1,490 | | 210 | | 23,393,846 |
| 320-30 | Water Treatment Equipment - Membranes | | | | | 7,843 | | (249,014) | | | | | | | (249,014) |
| 330-40 | Distribution Reservoirs & Standpipes | | 165 | 340 | | | | 8,849,284 | | | (2,494) | | | | 8,846,791 |
| 331-10 | Trans. & Distrib. Mains & Accessories - Intangible | | | | | | | 145 | | | | | | | 145 |
| 331-20 | Trans. & Distrib. Mains & Accessories - SOS | | | | | | | 144 | | | | | | | 144 |
| 331-40 | Trans. & Distrib. Mains & Accessories | 651,138 | 319,067 | 244,067 | | 247 | 1,813 | 107,886,026 | 339,696 | 109,763 | 343 | | 179 | 7,264 | 108,343,271 |
| 333-40 | Services | | | | | | 448,158 | 40,288,018 | | | | | | 322,623 | 40,610,641 |
| 334-40 | Meters and Meter Installations | | | | | | 112,555 | 12,362,429 | | | | | | 35,188 | 12,397,617 |
| 335-40 | Hydrants | 93,233 | | | | | | 1,391,922 | 35,820 | | | | | | 1,427,742 |
| 336-40 | Backflow Prevention Devices | | | | | | | - | | | | | | | - |
| 339-10 | Other Plant & Misc. Equipment - Intangible | | | | | | | - | | | | | | | - |
| 339-20 | Other Plant & Misc. Equipment - Source of Supply | | | | | | | 37,157 | | | | | | | 37,157 |
| 339-30 | Other Plant & Misc. Equipment - Water Treatment | | | | | | | 49,296 | | | | | | | 49,296 |
| 339-40 | Other Plant & Misc. Equipment - Trans. & Distrib. | | | | | | | 98,535 | | | | | | | 98,535 |
| 339-50 | Other Plant & Misc. Equipment - General Plant | | | | | | | 15,798 | | | | | | | 15,798 |
| 340-50 | Office Furniture and Equipment | | | | | | | 689,325 | | | 72 | | | | 689,398 |
| 340-50 | AM / FM System - Mapping | | | | | | | 552,910 | | | | | | | 552,910 |
| 340-5A | Computer Hardware & Software | | | | | | | 1,552,219 | | | | | | | 1,552,219 |
| 340-5A | IFMS / WAN / PeopleSoft | | | | | | | 2,870,105 | | | | | | | 2,870,105 |
| 340-5A | Update of People Soft to Version 8.4 | | 403 | | | | | 1,664,445 | | | | | | | 1,664,445 |
| 340-5A | Customer Information System | | | | | | | 1,795,069 | | | | | | | 1,795,069 |
| 341-50 | Transportation Equipment | | | | | | | 135,842 | | | | | | | 135,842 |
| 342-50 | Stores Equipment | | | | | | | 26,492 | | | | | | | 26,492 |
| 343-50 | Tools, Shop and Garage Equipment | | | | | | | 481,337 | | | | | | | 481,337 |
| 343-50 | Confined Space Monitor, Generator, Trench Shield | | | | | | | 42,642 | | | | | | | 42,642 |
| 344-50 | Laboratory Equipment | | | | | | | 116,643 | | | | | | | 116,643 |
| 345-50 | Power Operated Equipment | | | | | | | 58,817 | | | | | | | 58,817 |
| 345-50 | Power Operated Equipment | | | | | | | 62,882 | | | | | | | 62,882 |
| 346-50 | Communications Equipment | | (334) | | | | | 1,441,343 | | | 21,960 | | | | 1,463,302 |
| 347-50 | Miscellaneous Equipment | | | | | | | 110,351 | | | | | | | 110,351 |
| 348-50 | Other Tangible Property | | | | | | | - | | | | | | | - |
| 348-50 | Master Plan | | 4,066 | | | | | 582,883 | | | 559 | | | | 583,443 |
| | AFUDC Equity Tax Gross Up Component | | | | | | | (696,346) | | | | | | | (696,346) |
| | Temporary Holding Area | | | | | | (200,000) | (400,000) | | | | | | (200,000) | (600,000) |
| | Rounding | | | | | | | - | | | | | | | - |
| | TOTAL | 744,371 | 332,981 | 246,631.00 | - | 16,974 | 362,527 | 268,013,112 | 375,516 | 109,815 | 239,878 | - | 643 | 165,075 | 268,904,038 |

**United Water Idaho**
**Plant In Service with Rate Case Timing Adjustments**

| Plant Account Number | Plant Account Description | November 2005 Developer Mains & Hydrants: Labor in Lieu | UWI-W-04-04 Exhibit 8 Projects In Service | Additional Projects Not Included 2004 Rate Case Less Blankets and Developer Projects | Reclass CWTP Membranes to Isolated PA for Depr Purposes | Plant In Service Retired | Forecasted Additions Per D. Brown | November 2005 Blankets | November 2005 Plant In Service | December 2005 Developer Mains & Hydrants: Labor in Lieu ( None) | Forecasted Additions Per D. Brown | Additional Projects Not Included 2004 Rate Case Less Blankets and Developer Projects | Plant In Service Retired | Actual CWTP Per D. Brown through December 2005 | AFUDC Equity Gross Plant Adjustment to Deferred Debits | December 2005 Blankets | December 2005 Plant In Service |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 301-10 | Organization | | | | | | | | 107,048 | | | | | | | | 107,048 |
| 302-10 | | | | | | | | | - | | | | | | | | - |
| 302-30 | Land and Land Rights | | | | | | | | 955 | | | | | | | | 955 |
| 303-20 | Land & Land Rights - Source of Supply | | | | | | | | 1,810,391 | | | | | | | | 1,810,391 |
| 303-2W | Water Rights - Source of Supply | | | | | | (300) | | 4,158,231 | | | | | | | | 4,158,231 |
| 303-30 | Land & Land Rights - Water Treatment | | | | | | | | 889,034 | | | | | | | | 889,034 |
| 303-40 | Land & Land Rights - Trans. & Distrib. | | | | | | | | 443,307 | | | | | | | | 443,307 |
| 303-50 | Land & Land Rights - General Plant | | | | | | | | 213,383 | | | | | | | | 213,383 |
| 304-20 | Structures and Improvements - Source of Supply | | | | | | 1,500 | | 5,244,558 | | 8,400 | | (9,243) | | | | 5,243,715 |
| 304-30 | Structures and Improvements - Water Treatment | | | | | | 8,500 | | 15,351,737 | | (2,800) | | | | | | 15,348,937 |
| 304-40 | Structures and Improvements - Trans. & Distrib. | | | | | | | | 106,691 | | | | | | | | 106,691 |
| 304-50 | Structures and Improvements - General Plant | | | | | | | | 3,229,969 | | | | | | | | 3,229,969 |
| 305-20 | Collecting & Impounding Reservoirs - Source of Supply | | | | | | | | 83,217 | | | | | | | | 83,217 |
| 306-20 | Lake, River & Other Intakes | | | | | | | | 2,009,019 | | | | | | | | 2,009,019 |
| 307-20 | Wells & Springs | | | | | | | | 9,267,299 | | | | | | | | 9,267,299 |
| 308-20 | Infiltration Galleries & Tunnels | | | | | | | | 60,351 | | | | | | | | 60,351 |
| 309-20 | Supply Mains | | | | | | | | 2,271,116 | | | | | | | | 2,271,116 |
| 310-20 | Power Generation Equipment | | | | | | 1,300 | | 527,641 | | 3,600 | | | | | | 531,241 |
| 311-20 | Power Electric Pumping Equipment - Source of Supply | | | | | | 4,100 | | 15,292,806 | | 47,700 | | (80,029) | | | | 15,260,477 |
| 311-20 | Power Diesel Pumping Equipment - Source of Supply | | | | | | | | - | | | | | | | | - |
| 311-30 | Power Pumping Equipment - Water Treatment | | | | | | | | 899,234 | | | | | | | | 899,234 |
| 311-40 | Power Pumping Equipment - Trans. & Distrib. | | | | | | | | 1,071,633 | | | | | | | | 1,071,633 |
| 320-30 | Water Treatment Equipment | | | (2) | (992,097.28) | | 4,500 | | 22,406,247 | | 100 | | | | | | 22,406,347 |
| 320-30 | Water Treatment Equipment - Membranes | | | | 992,097.28 | | 100 | | 743,183 | | | | | | | | 743,183 |
| 330-40 | Distribution Reservoirs & Standpipes | | | | | | (3,200) | | 8,843,591 | | | | | | | | 8,843,591 |
| 331-10 | Trans. & Distrib. Mains & Accessories - Intangible | | | | | | | | 145 | | | | | | | | 145 |
| 331-20 | Trans. & Distrib. Mains & Accessories - SOS | | | | | | | | 144 | | | | | | | | 144 |
| 331-40 | Trans. & Distrib. Mains & Accessories | | | 247,965 | | | 882,600 | | 109,473,836 | | 206,200 | | (27,376) | | | | 109,652,660 |
| 333-40 | Services | | | | | | 250,700 | | 40,861,341 | | 158,000 | | (90,372) | | | | 40,928,969 |
| 334-40 | Meters and Meter Installations | | | | | | 41,600 | | 12,439,217 | | 11,600 | | | | | | 12,450,817 |
| 335-40 | Hydrants | | | | | | | | 1,427,742 | | | | | | | | 1,427,742 |
| 336-40 | Backflow Prevention Devices | | | | | | | | - | | | | | | | | - |
| 339-10 | Other Plant & Misc. Equipment - Intangible | | | | | | | | - | | | | | | | | - |
| 339-20 | Other Plant & Misc. Equipment - Source of Supply | | | | | | | | 37,157 | | | | | | | | 37,157 |
| 339-30 | Other Plant & Misc. Equipment - Water Treatment | | | | | | | | 49,296 | | | | | | | | 49,296 |
| 339-40 | Other Plant & Misc. Equipment - Trans. & Distrib. | | | | | | | | 98,535 | | | | | | | | 98,535 |
| 339-50 | Other Plant & Misc. Equipment - General Plant | | | | | | | | 15,798 | | | | | | | | 15,798 |
| 340-50 | Office Furniture and Equipment | | | | | | | | 689,398 | | | | (12,500) | | | | 676,898 |
| 340-50 | AM / FM System - Mapping | | | | | | | | 552,910 | | | | | | | | 552,910 |
| 340-5A | Computer Hardware & Software | | | | | | 15,100 | | 1,567,319 | | (1,600) | | (39,000) | | | | 1,526,719 |
| 340-5A | IFMS / WAN / PeopleSoft | | | | | | | | 2,870,105 | | | | | | | | 2,870,105 |
| 340-5A | Update of People Soft to Version 8.4 | | | | | | | | 1,664,445 | | | | | | | | 1,664,445 |
| 340-5A | Customer Information System | | | | | | | | 1,795,069 | | | | | | | | 1,795,069 |
| 341-50 | Transportation Equipment | | | | | | | | 135,842 | | | | | | | | 135,842 |
| 342-50 | Stores Equipment | | | | | | | | 26,492 | | | | | | | | 26,492 |
| 343-50 | Tools, Shop and Garage Equipment | | | | | | | | 481,337 | | | | (27,774) | | | | 453,563 |
| 343-50 | Confined Space Monitor, Generator, Trench Shield | | | | | | | | 42,642 | | | | | | | | 42,642 |
| 344-50 | Laboratory Equipment | | | | | | | | 116,643 | | | | | | | | 116,643 |
| 345-50 | Power Operated Equipment | | | | | | | | 58,817 | | | | | | | | 58,817 |
| 345-50 | Power Operated Equipment | | | | | | | | 62,882 | | | | | | | | 62,882 |
| 346-50 | Communications Equipment | | | | | | 23,000 | | 1,486,302 | | 8,400 | | (6,500) | | | | 1,488,202 |
| 347-50 | Miscellaneous Equipment | | | | | | | | 110,351 | | | | | | | | 110,351 |
| 348-50 | Other Tangible Property | | | | | | | | - | | | | | | | | - |
| 348-50 | Master Plan | | | | | | 4,100 | | 587,543 | | 1,900 | | | | | | 589,443 |
| | AFUDC Equity Tax Gross Up Component | | | | | | | | (696,346) | | | | | | (232,341) | | (928,687) |
| | Temporary Holding Area | | | | | | | (200,000) | (800,000) | | | | | | | (254,261) | (1,054,261) |
| | Rounding | | | | | | | | - | | | | | | | | - |
| | | | | | | | | | - | | | | | | | | - |
| | TOTAL | - | - | 247,963.00 | - | - | 1,233,600 | (200,000) | 270,185,601 | - | 441,500 | - | (292,794) | - | (232,341) | (254,261) | 269,847,705 |

Exhibit No. 5
J.Healy
Schedule 3
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**United Water Idaho**
**Plant In Service with Rate Case Timing Adjustments**

| Plant Account Number | Plant Account Description | January 2006 Developer Mains & Hydrants: Labor in Lieu | UWI-W-04-04 Exhibit 8 Projects in Service | Plant In Service Retired | Actual CWTP Per D. Brown through January 2006 | Forecasted Additions Per D. Brown | January 2006 Plant In Service | February 2006 Developer Mains & Hydrants: Labor in Lieu | UWI-W-04-04 Exhibit 8 Projects in Service | Plant In Service Retired | Actual CWTP Per D. Brown through February 2006 | Forecasted Additions Per D. Brown | February 2006 Plant In Service |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 301-10 | Organization | | | | | | 107,048 | | | | | | 107,048 |
| 302-10 | | | | | | | - | | | | | | - |
| 302-30 | Land and Land Rights | | | | | | 955 | | | | | | 955 |
| 303-20 | Land & Land Rights - Source of Supply | | | | | | 1,810,391 | | | | | | 1,810,391 |
| 303-2W | Water Rights - Source of Supply | | | | | 48,100 | 4,206,331 | | | | | | 4,206,331 |
| 303-30 | Land & Land Rights - Water Treatment | | | | | | 889,034 | | | | | | 889,034 |
| 303-40 | Land & Land Rights - Trans. & Distrib. | | | | | 4,500 | 447,807 | | | | | | 447,807 |
| 303-50 | Land & Land Rights - General Plant | | | | | | 213,383 | | | | | | 213,383 |
| 304-20 | Structures and Improvements - Source of Supply | | | | | 236,900 | 5,480,615 | | | | | 60,200 | 5,540,815 |
| 304-30 | Structures and Improvements - Water Treatment | | | | | | 15,348,937 | | | | | | 15,348,937 |
| 304-40 | Structures and Improvements - Trans. & Distrib. | | | | | | 106,691 | | | | | | 106,691 |
| 304-50 | Structures and Improvements - General Plant | | | | | | 3,229,969 | | | | | | 3,229,969 |
| 305-20 | Collecting & Impounding Reservoirs - Source of Supply | | | | | | 83,217 | | | | | | 83,217 |
| 306-20 | Lake, River & Other Intakes | | | | | | 2,009,019 | | | | | | 2,009,019 |
| 307-20 | Wells & Springs | | | | | | 9,267,299 | | | | | | 9,267,299 |
| 308-20 | Infiltration Galleries & Tunnels | | | | | | 60,351 | | | | | | 60,351 |
| 309-20 | Supply Mains | | | | | | 2,271,116 | | | | | | 2,271,116 |
| 310-20 | Power Generation Equipment | | | | | 69,300 | 600,541 | | | | | | 600,541 |
| 311-20 | Power Electric Pumping Equipment - Source of Supply | | | (22,000) | | 605,700 | 15,844,177 | | | | | 47,900 | 15,892,077 |
| 311-20 | Power Diesel Pumping Equipment - Source of Supply | | | | | | - | | | | | | - |
| 311-30 | Power Pumping Equipment - Water Treatment | | | | | | 899,234 | | | | | | 899,234 |
| 311-40 | Power Pumping Equipment - Trans. & Distrib. | | | | | | 1,071,633 | | | | | | 1,071,633 |
| 320-30 | Water Treatment Equipment | | | | | 10,100 | 22,416,447 | | | | | 25,000 | 22,441,447 |
| 320-30 | Water Treatment Equipment - Membranes | | | | | 3,500 | 746,683 | | | | | | 746,683 |
| 330-40 | Distribution Reservoirs & Standpipes | | | | | | 8,843,591 | | | | | 18,400 | 8,861,991 |
| 331-10 | Trans. & Distrib. Mains & Accessories - Intangible | | | | | | 145 | | | | | | 145 |
| 331-20 | Trans. & Distrib. Mains & Accessories - SOS | | | | | | 144 | | | | | | 144 |
| 331-40 | Trans. & Distrib. Mains & Accessories | | | (3,060) | | 727,800 | 110,377,400 | | | | | 479,900 | 110,857,300 |
| 333-40 | Services | | | (41,186) | | 296,800 | 41,184,583 | | | | | 188,900 | 41,373,483 |
| 334-40 | Meters and Meter Installations | | | (179,601) | | 330,400 | 12,601,616 | | | | | 13,000 | 12,614,616 |
| 335-40 | Hydrants | | | | | | 1,427,742 | | | | | | 1,427,742 |
| 336-40 | Backflow Prevention Devices | | | | | | - | | | | | | - |
| 339-10 | Other Plant & Misc. Equipment - Intangible | | | | | | - | | | | | | - |
| 339-20 | Other Plant & Misc. Equipment - Source of Supply | | | (15,244) | | | 21,913 | | | | | | 21,913 |
| 339-30 | Other Plant & Misc. Equipment - Water Treatment | | | | | | 49,296 | | | | | | 49,296 |
| 339-40 | Other Plant & Misc. Equipment - Trans. & Distrib. | | | | | | 98,535 | | | | | | 98,535 |
| 339-50 | Other Plant & Misc. Equipment - General Plant | | | | | | 15,798 | | | | | | 15,798 |
| 340-50 | Office Furniture and Equipment | | | (2,800) | | 9,600 | 683,698 | | | | | 23,300 | 706,998 |
| 340-50 | AM / FM System - Mapping | | | | | | 552,910 | | | | | | 552,910 |
| 340-5A | Computer Hardware & Software | | | | | 20,200 | 1,546,919 | | | | | 13,800 | 1,560,719 |
| 340-5A | IFMS / WAN / PeopleSoft | | | | | | 2,870,105 | | | | | | 2,870,105 |
| 340-5A | Update of People Soft to Version 8.4 | | | | | | 1,664,445 | | | | | | 1,664,445 |
| 340-5A | Customer Information System | | | | | | 1,795,069 | | | | | | 1,795,069 |
| 341-50 | Transportation Equipment | | | | | 3,200 | 139,042 | | | | | | 139,042 |
| 342-50 | Stores Equipment | | | | | | 26,492 | | | | | | 26,492 |
| 343-50 | Tools, Shop and Garage Equipment | | | | | 26,100 | 479,663 | | | | | | 479,663 |
| 343-50 | Confined Space Monitor, Generator, Trench Shield | | | | | | 42,642 | | | | | | 42,642 |
| 344-50 | Laboratory Equipment | | | | | | 116,643 | | | | | | 116,643 |
| 345-50 | Power Operated Equipment | | | | | | 58,817 | | | | | | 58,817 |
| 345-50 | Power Operated Equipment | | | | | | 62,882 | | | | | | 62,882 |
| 346-50 | Communications Equipment | | | (9,000) | | 30,500 | 1,509,702 | | | | | | 1,509,702 |
| 347-50 | Miscellaneous Equipment | | | | | | 110,351 | | | | | | 110,351 |
| 348-50 | Other Tangible Property | | | | | | - | | | | | | - |
| 348-50 | Master Plan | | | | | | 589,443 | | | | | | 589,443 |
| | AFUDC Equity Tax Gross Up Component | | | | | | (928,687) | | | | | | (928,687) |
| | Temporary Holding Area | | | | | | (1,054,261) | | | | | | (1,054,261) |
| | Rounding | | | | | | - | | | | | | - |
| | | | | | | | - | | | | | | - |
| | **TOTAL** | - | - | (272,891) | - | 2,422,700 | 271,997,514 | - | - | - | - | 870,400 | 272,867,914 |

United Water Idaho
Plant In Service with Rate Case Timing Adjustments

| Plant Account Number | Plant Account Description | March 2006 Developer Mains & Hydrants: Labor in Lieu | UWI-W-04-04 Exhibit 8 Projects In Service | Plant In Service Retired | Actual CWTP Per D. Brown through March 2006 | Forecasted Additions Per D. Brown | March 2006 Plant In Service | April 2006 Developer Mains & Hydrants: Labor in Lieu | UWI-W-04-04 Exhibit 8 Projects In Service | Plant In Service Retired | Actual CWTP Per D. Brown through April 2006 | Forecasted Additions Per D. Brown | April 2006 Plant In Service |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 301-10 | Organization | | | | | | 107,048 | | | | | | 107,048 |
| 302-10 | | | | | | | - | | | | | | - |
| 302-30 | Land and Land Rights | | | | | | 955 | | | | | | 955 |
| 303-20 | Land & Land Rights - Source of Supply | | | | | | 1,810,391 | | | | | | 1,810,391 |
| 303-2W | Water Rights - Source of Supply | | | | | | 4,206,331 | | | | | | 4,206,331 |
| 303-30 | Land & Land Rights - Water Treatment | | | | | | 889,034 | | | | | | 889,034 |
| 303-40 | Land & Land Rights - Trans. & Distrib. | | | | | | 447,807 | | | | | | 447,807 |
| 303-50 | Land & Land Rights - General Plant | | | | | | 213,383 | | | | | | 213,383 |
| 304-20 | Structures and Improvements - Source of Supply | | | | | 30,800 | 5,571,615 | | | | | 60,400 | 5,632,015 |
| 304-30 | Structures and Improvements - Water Treatment | | | | | | 15,348,937 | | | | | | 15,348,937 |
| 304-40 | Structures and Improvements - Trans. & Distrib. | | | | | | 106,691 | | | | | | 106,691 |
| 304-50 | Structures and Improvements - General Plant | | | | | | 3,229,969 | | | | | | 3,229,969 |
| 305-20 | Collecting & Impounding Reservoirs - Source of Supply | | | | | | 83,217 | | | | | | 83,217 |
| 306-20 | Lake, River & Other Intakes | | | | | | 2,009,019 | | | | | | 2,009,019 |
| 307-20 | Wells & Springs | | | | | | 9,267,299 | | | | | | 9,267,299 |
| 308-20 | Infiltration Galleries & Tunnels | | | | | | 60,351 | | | | | | 60,351 |
| 309-20 | Supply Mains | | | | | | 2,271,116 | | | | | | 2,271,116 |
| 310-20 | Power Generation Equipment | | | | | | 600,541 | | | | | | 600,541 |
| 311-20 | Power Electric Pumping Equipment - Source of Supply | | | | | 20,400 | 15,912,477 | | | | | | 15,912,477 |
| 311-20 | Power Diesel Pumping Equipment - Source of Supply | | | | | | - | | | | | | - |
| 311-30 | Power Pumping Equipment - Water Treatment | | | | | | 899,234 | | | | | | 899,234 |
| 311-40 | Power Pumping Equipment - Trans. & Distrib. | | | | | | 1,071,633 | | | | | | 1,071,633 |
| 320-30 | Water Treatment Equipment | | | | | | 22,441,447 | | | | | | 22,441,447 |
| 320-30 | Water Treatment Equipment - Membranes | | | | | | 746,683 | | | | | | 746,683 |
| 330-40 | Distribution Reservoirs & Standpipes | | | | | | 8,861,991 | | | | | | 8,861,991 |
| 331-10 | Trans. & Distrib. Mains & Accessories - Intangible | | | | | | 145 | | | | | | 145 |
| 331-20 | Trans. & Distrib. Mains & Accessories - SOS | | | | | | 144 | | | | | | 144 |
| 331-40 | Trans. & Distrib. Mains & Accessories | | | | | 904,600 | 111,761,900 | | | | | 444,900 | 112,206,800 |
| 333-40 | Services | | | | | 213,900 | 41,587,383 | | | | | 213,900 | 41,801,283 |
| 334-40 | Meters and Meter Installations | | | | | 13,000 | 12,627,616 | | | | | 13,000 | 12,640,616 |
| 335-40 | Hydrants | | | | | | 1,427,742 | | | | | | 1,427,742 |
| 336-40 | Backflow Prevention Devices | | | | | | - | | | | | | - |
| 339-10 | Other Plant & Misc. Equipment - Intangible | | | | | | - | | | | | | - |
| 339-20 | Other Plant & Misc. Equipment - Source of Supply | | | | | | 21,913 | | | | | | 21,913 |
| 339-30 | Other Plant & Misc. Equipment - Water Treatment | | | | | | 49,296 | | | | | | 49,296 |
| 339-40 | Other Plant & Misc. Equipment - Trans. & Distrib. | | | | | | 98,535 | | | | | | 98,535 |
| 339-50 | Other Plant & Misc. Equipment - General Plant | | | | | | 15,798 | | | | | | 15,798 |
| 340-50 | Office Furniture and Equipment | | | | | | 706,998 | | | | | | 706,998 |
| 340-50 | AM / FM System - Mapping | | | | | | 552,910 | | | | | | 552,910 |
| 340-5A | Computer Hardware & Software | | | | | | 1,560,719 | | | | | | 1,560,719 |
| 340-5A | IFMS / WAN / PeopleSoft | | | | | | 2,870,105 | | | | | | 2,870,105 |
| 340-5A | Update of People Soft to Version 8.4 | | | | | | 1,664,445 | | | | | | 1,664,445 |
| 340-5A | Customer Information System | | | | | | 1,795,069 | | | | | | 1,795,069 |
| 341-50 | Transportation Equipment | | | | | | 139,042 | | | | | | 139,042 |
| 342-50 | Stores Equipment | | | | | | 26,492 | | | | | | 26,492 |
| 343-50 | Tools, Shop and Garage Equipment | | | | | | 479,663 | | | | | | 479,663 |
| 343-50 | Confined Space Monitor, Generator, Trench Shield | | | | | | 42,642 | | | | | | 42,642 |
| 344-50 | Laboratory Equipment | | | | | | 116,643 | | | | | | 116,643 |
| 345-50 | Power Operated Equipment | | | | | | 58,817 | | | | | | 58,817 |
| 345-50 | Power Operated Equipment | | | | | | 62,882 | | | | | | 62,882 |
| 346-50 | Communications Equipment | | | | | | 1,509,702 | | | | | | 1,509,702 |
| 347-50 | Miscellaneous Equipment | | | | | | 110,351 | | | | | | 110,351 |
| 348-50 | Other Tangible Property | | | | | | - | | | | | | - |
| 348-50 | Master Plan | | | | | | 589,443 | | | | | | 589,443 |
| | AFUDC Equity Tax Gross Up Component | | | | | | (928,687) | | | | | | (928,687) |
| | Temporary Holding Area | | | | | | (1,054,261) | | | | | | (1,054,261) |
| | Rounding | | | | | | - | | | | | | - |
| | | | | | | | - | | | | | | - |
| | TOTAL | - | - | - | - | 1,182,700 | 274,050,614 | - | - | - | - | 732,200 | 274,782,814 |

Exhibit No. 5
J.Healy
Schedule 3
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**United Water Idaho**
**2006 Rate Case UWI-W-06-02**
**Test Year Filed 6 Actual & 6 Forecasted Months Ended April 2006**
**Accumulated Depreciation And Accumulated CIAC Amortization**

| Line No. | Month | Accumulated Depreciation | Accumulated Amortization of PHFU | Accumlated CIAC Amortization | Grand Total |
|---|---|---|---|---|---|
| 1. | April-05 | 50,957,671 | 318,831 | 9,142,533 | $ 60,419,035 |
| 2. | May-05 | 51,554,908 | 323,091 | 9,242,731 | $ 61,120,730 |
| 3. | June-05 | 52,060,545 | 327,350 | 9,342,930 | $ 61,730,825 |
| 4. | July-05 | 52,476,881 | 331,610 | 9,443,129 | $ 62,251,620 |
| 5. | August-05 | 53,024,318 | 335,869 | 9,543,328 | $ 62,903,515 |
| 6. | September-05 | 52,754,233 | 340,128 | 9,643,526 | $ 62,737,887 |
| 7. | October-05 | 53,151,804 | 344,388 | 9,743,722 | $ 63,239,914 |
| 8. | November-05 | 54,186,390 | | 9,847,623 | $ 64,034,013 |
| 9. | December-05 | 54,442,620 | 1,932 | 9,952,853 | $ 64,397,405 |
| 10. | January-06 | 54,720,729 | | 10,058,982 | $ 64,779,711 |
| 11. | February-06 | 55,273,729 | | 10,166,011 | $ 65,439,740 |
| 12. | March-06 | 55,827,729 | | 10,273,940 | $ 66,101,669 |
| 13. | April-06 | 56,383,729 | | 10,382,769 | $ 66,766,498 |
| 14. | | $ 696,815,286 | $ 2,323,199 | $ 126,784,077 | $ 825,922,562 |
| 15. | | 13 Month Average | | | $ 63,532,505 |

**Exhibit No. 5**
**J.Healy**
**Schedule 4**
**Page 1 of 1**

United Water Idaho
Rate Case UWI-W-06-02
Developer Advances for Construction
Subject to Refund

| Line No. | Month | Plant Account 30110 Organization | Plant Account 30320 Source of Supply and Pumping Plant: Land & Land Rights | Plant Account 30340 T&D Plant: Land & Land Rights | Plant Account 30420 Source of Supply and Pumping Plant: Structures & Improvements | Plant Account 30520 Source of Supply and Pumping Plant: Collecting & Impounding Reservoirs | Plant Account 30720 Source of Supply and Pumping Plant: Wells & Springs | Plant Account 30920 Source of Supply and Pumping Plant: Supply Mains | Plant Account 31120 Source of Supply and Pumping Plant: Pumping Equipment | Plant Account 31140 T & D Plant: Pumping Equipment | Plant Account 32030 Water Treatment Plant: Water Treatment Equipment | Plant Account 33040 T & D Plant: Distribution Reservoirs & Standpipes | Plant Account 33140 T & D Plant: Mains | Plant Account 33340 T & D Plant: Services | Plant Account 33540 T & D Plant: Hydrants | Plant Account 34650 General Plant: Communication Equipment | Round | Monthly Activity | Monthly Balance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | | | | | | | | | | | | | | | | | | |
| 2 | Beginning Balance | $ 6,986.00 | $ 379,254.78 | $ 49,446.25 | $ 125,479.77 | $ - | $ 583,201.45 | $ 378,894.90 | $ 603,942.60 | $ 129,574.00 | $ 3,384.00 | $ 982,665.16 | $ 3,142,381.72 | $ 602,740.14 | $ 6,986.00 | $ 77,399.83 | $ 0.44 | | |
| 3 | July 31, 2004 | | | | | | | | | | | | | | | | | $ 7,072,337.04 | |
| 4 | Aug-04 | $ - | $ (1,086.00) | $ - | $ (90.00) | $ (1,449.00) | $ (185.00) | $ - | $ (634.00) | $ - | $ - | $ (9,895.98) | $ (39,707.02) | $ (11,801.68) | $ - | $ - | | $ (64,848.68) | $ 7,007,488.36 |
| 5 | Sep-04 | $ - | $ (195.00) | $ - | $ (17.00) | $ (259.00) | $ (32.00) | $ - | $ (113.00) | $ - | $ - | $ - | $ (1,005.00) | $ - | $ - | $ - | | $ (1,621.00) | $ 7,005,867.36 |
| 6 | Oct-04 | $ - | $ (1,322.97) | $ (841.50) | $ (1,431.94) | $ - | $ (4,732.02) | $ (5,584.50) | $ (6,553.01) | $ - | $ - | $ (4,896.00) | $ (56,007.18) | $ (11,466.82) | $ - | $ (338.06) | | $ (93,174.00) | $ 6,912,693.36 |
| 7 | Nov-04 | $ - | $ (2,190.00) | $ (396.00) | $ (661.82) | $ (1,901.42) | $ (2,297.70) | $ (2,628.00) | $ (3,798.88) | $ - | $ - | $ (2,304.00) | $ (7,366.32) | $ - | $ - | $ (338.06) | | $ (23,882.20) | $ 6,888,811.16 |
| 8 | CH Sale Dec-04 | $ - | $ (74,187.00) | $ - | $ (33,134.00) | $ - | $ (142,743.00) | $ - | $ (75,844.00) | $ - | $ - | $ - | $ - | $ - | $ - | $ (4,998.00) | | $ (330,906.00) | $ 6,557,905.16 |
| 9 | Dec-04 | $ - | $ (1,990.79) | $ - | $ (1,713.97) | $ - | $ (5,301.34) | $ - | $ (2,701.80) | $ - | $ - | $ - | $ - | $ - | $ - | $ (1,091.84) | | $ (12,799.74) | $ 6,545,105.42 |
| 10 | Jan-05 | $ - | $ (352.00) | $ (149.04) | $ (448.00) | $ - | $ (1,536.00) | $ (986.04) | $ (1,566.00) | $ - | $ - | $ (5,654.07) | $ (1,058.85) | $ - | $ - | $ - | | $ (11,750.00) | $ 6,533,355.42 |
| 11 | Feb-05 | $ - | $ (1,061.73) | $ (1,296.87) | $ (278.27) | $ (1,060.98) | $ (770.58) | $ (8,605.33) | $ (6,908.93) | $ - | $ - | $ (7,541.08) | $ (15,839.97) | $ (4,338.36) | $ - | $ (168.05) | | $ (47,870.15) | $ 6,485,485.27 |
| 12 | Mar-05 | $ - | $ (920.07) | $ (872.65) | $ (337.96) | $ - | $ (1,381.02) | $ (1,807.25) | $ (2,465.19) | $ - | $ - | $ (9,239.98) | $ - | $ - | $ - | $ (385.94) | | $ (17,410.06) | $ 6,468,075.21 |
| 13 | Apr-05 | $ - | $ (575.01) | $ (149.04) | $ (541.94) | $ - | $ (1,726.02) | $ (986.04) | $ (1,608.04) | $ - | $ - | $ (862.92) | $ - | $ - | $ - | $ (250.99) | | $ (6,700.00) | $ 6,461,375.21 |
| 14 | May-05 | $ - | $ (1,524.74) | $ (420.98) | $ (316.86) | $ (1,678.32) | $ (847.75) | $ (2,790.93) | $ (3,038.26) | $ - | $ - | $ (2,446.13) | $ (15,634.05) | $ (3,095.60) | $ - | $ (168.05) | | $ (31,961.67) | $ 6,429,413.54 |
| 15 | Jun-05 | $ - | $ (221.00) | $ (397.96) | $ (218.00) | $ - | $ (703.00) | $ (1,314.00) | $ (1,333.06) | $ - | $ - | $ (4,916.10) | $ (27,631.10) | $ (11,961.80) | $ - | $ (128.98) | | $ (48,825.00) | $ 6,380,588.54 |
| 16 | Jul-05 | $ - | $ (266.00) | $ (674.00) | $ (212.00) | $ - | $ (638.00) | $ (1,807.00) | $ (1,648.00) | $ - | $ - | $ (3,361.00) | $ (29,594.99) | $ (10,870.16) | $ - | $ (258.00) | | $ (49,329.15) | $ 6,331,259.39 |
| 17 | Aug-05 | $ - | $ (5,738.03) | $ (149.00) | $ (971.98) | $ (6,883.97) | $ (2,584.01) | $ (986.00) | $ (4,619.98) | $ - | $ - | $ (863.00) | $ (26,672.99) | $ - | $ - | $ (253.00) | | $ (49,721.96) | $ 6,281,537.43 |
| 18 | Sep-05 | $ - | | | | | | | | | | | | | | | | $ - | $ 6,281,537.43 |
| 19 | Oct-05 | $ - | $ (528.00) | $ - | $ (672.00) | $ - | $ (2,304.00) | $ - | $ (1,296.00) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | $ (4,800.00) | $ 6,276,737.43 |
| 20 | Total Activity | $ - | $ (92,158.34) | $ (5,347.04) | $ (41,045.74) | $ (13,232.69) | $ (167,781.44) | $ (27,495.09) | $ (114,128.15) | $ - | $ - | $ (51,980.26) | $ (220,517.47) | $ (53,534.42) | $ - | $ (8,378.97) | $ - | $ (795,599.61) | |
| 21 | Refunds Only | $ - | $ (17,971.34) | $ (5,347.04) | $ (7,911.74) | $ (13,232.69) | $ (25,038.44) | $ (27,495.09) | $ (38,284.15) | $ - | $ - | $ (51,980.26) | $ (220,517.47) | $ (53,534.42) | $ - | $ (3,380.97) | $ - | $ (464,693.61) | |
| 22 | Total October 2005 | $ 6,986.00 | $ 287,096.44 | $ 44,099.21 | $ 84,434.03 | $ (13,232.69) | $ 415,420.01 | $ 351,399.81 | $ 489,814.45 | $ 129,574.00 | $ 3,384.00 | $ 930,684.90 | $ 2,921,864.25 | $ 549,205.72 | $ 6,986.00 | $ 69,020.86 | $ 0.44 | $ 6,276,737.43 | |
| 23 | Nov-05 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 6,276,737.43 |
| 24 | Dec-05 | $ - | $ (3,054.99) | $ (1,944.00) | $ (748.99) | $ (3,306.01) | $ (2,139.01) | $ (12,900.00) | $ (11,541.00) | $ - | $ - | $ (11,311.00) | $ (12,812.00) | $ - | $ - | $ (251.00) | $(145,440.00) | $ (205,448.00) | $ 6,071,289.43 |
| 25 | Jan-06 | $ - | $ (1,236.84) | $ (428.88) | $ (509.45) | $ (972.86) | $ (1,598.67) | $ (2,376.18) | $ (2,930.89) | $ - | $ - | $ (3,723.02) | $ (13,725.26) | $ (3,149.08) | $ - | $ (213.65) | $ 145,440.00 | $ 114,575.20 | $ 6,185,864.63 |
| 26 | Feb-06 | $ - | $ (1,236.84) | $ (428.88) | $ (509.45) | $ (972.86) | $ (1,598.67) | $ (2,376.18) | $ (2,930.89) | $ - | $ - | $ (3,723.02) | $ (13,725.26) | $ (3,149.08) | $ - | $ (213.65) | $ - | $ (30,864.80) | $ 6,154,999.83 |
| 27 | Mar-06 | $ - | $ (1,236.84) | $ (428.88) | $ (509.45) | $ (972.86) | $ (1,598.67) | $ (2,376.18) | $ (2,930.89) | $ - | $ - | $ (3,723.02) | $ (13,725.26) | $ (3,149.08) | $ - | $ (213.65) | $ - | $ (30,864.80) | $ 6,124,135.03 |
| 28 | Apr-06 | $ - | $ (1,236.84) | $ (428.88) | $ (509.45) | $ (972.86) | $ (1,598.67) | $ (2,376.18) | $ (2,930.89) | $ - | $ - | $ (3,723.02) | $ (13,725.26) | $ (3,149.08) | $ - | $ (213.65) | $ - | $ (30,864.80) | $ 6,093,270.23 |
| 29 | Total by Plant Account as of April 30, 2006 | 6,986.00 | 279,094.08 | 40,439.67 | 81,647.22 | (20,430.16) | 406,886.31 | 328,995.08 | 466,549.89 | 129,574.00 | 3,384.00 | 904,481.84 | 2,854,151.20 | 536,609.39 | 6,986.00 | 67,915.28 | 0.44 | $ 6,093,270.23 | |
| 30 | Refunds Per Month | $ - | $ (1,236.84) | $ (428.88) | $ (509.45) | $ (972.86) | $ (1,598.67) | $ (2,376.18) | $ (2,930.89) | $ - | $ - | $ (3,723.02) | $ (13,725.26) | $ (3,149.08) | $ - | $ (213.65) | $ - | $ (30,864.80) | |
| 31 | Sum of 13 Monthly Balances | | | | | | | | | | | | | | | | | | $ 81,348,745.54 |
| 32 | 13 Month Average Balance | | | | | | | | | | | | | | | | | | $ 6,257,595.81 |

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United Water Idaho
Rate Case UWI-W-06-02
Contributions In Aid of Construction

| Line No 1 | Month | Plant Account 30110 Organization | Plant Account 30320 & 40 Source of Supply and Pumping Plant and T&D Plant: Land & Land Rights | Plant Account 30420 Source of Supply and Pumping Plant: Structures & Improvements | Plant Account 30520 Source of Supply and Pumping Plant: Collecting & Impounding Reservoirs | Plant Account 30620 Source of Supply and Pumping Plant: Lake, River & Other Intakes | Plant Account 30720 Source of Supply and Pumping Plant: Wells & Springs | Plant Account 30920 Source of Supply and Pumping Plant: Supply Mains | Plant Account 31120 Source of Supply and Pumping Plant: Pumping Equipment | Plant Account 32030 Water Treatment Plant: Water Treatment Equipment | Plant Account 33040 T & D Plant: Distribution Reservoirs & Standpipes | Plant Account 33140 T & D Plant: Mains | Plant Account 33340 T & D Plant: Services |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2 | Beginning Balance July 31, 2004 | $ 9,877.84 | $ 325,405.00 | $ 263,428.00 | $ 21,950.00 | $ 68,216.46 | $ 1,397,309.90 | $ 9,391.00 | $ 1,814,218.08 | $ 36,860.00 | $ 1,163,793.56 | $ 40,243,811.74 | $ 6,281,825.21 |
| 3 | | | | | | | | | | | | | |
| 4 | August-04 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,085,075.77 | $ 186,963.00 |
| 5 | September-04 | $ - | $ 195.00 | $ 17.00 | $ 259.00 | $ - | $ 32.00 | $ - | $ 113.00 | $ - | $ - | $ 630,658.89 | $ 196,266.76 |
| 6 | October-04 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 395,162.59 | $ 138,241.82 |
| 7 | November-04 | $ - | $ 217.00 | $ 18.00 | $ 289.00 | $ - | $ 36.00 | $ - | $ 126.00 | $ - | $ - | $ 31,877.00 | $ 17,839.47 |
| 8 | CH Sale Dec-04 | $ (9,877.84) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ (89,727.55) | $ (18,342.50) |
| 9 | December-04 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 269,924.07 | $ 117,939.00 |
| 10 | January-05 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 388,874.32 | $ 109,847.41 |
| 11 | February-05 | $ - | $ 121.00 | $ 10.00 | $ 161.00 | $ - | $ 20.00 | $ - | $ 71.00 | $ - | $ - | $ 269,192.48 | $ 78,032.57 |
| 12 | March-05 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 309,212.66 | $ 75,983.81 |
| 13 | April-05 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 72,668.00 | $ 23,875.00 |
| 14 | May-05 | $ - | $ 191.00 | $ 16.00 | $ 255.00 | $ - | $ 32.00 | $ - | $ 112.00 | $ - | $ - | $ 542,204.43 | $ 101,267.90 |
| 15 | June-05 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 176,115.18 | $ 42,188.80 |
| 16 | July-05 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 356,751.75 | $ 113,129.00 |
| 17 | August-05 | $ - | $ 784.00 | $ 65.00 | $ 1,045.00 | $ - | $ 132.00 | $ - | $ 457.00 | $ - | $ - | $ 183,419.00 | $ 59,368.00 |
| 18 | September-05 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 813,667.46 | $ 223,455.62 |
| 19 | October-05 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 433,122.98 | $ 163,527.32 |
| 20 | Total Activity | $ (9,877.84) | $ 1,508.00 | $ 126.00 | $ 2,009.00 | $ - | $ 252.00 | $ - | $ 879.00 | $ - | $ - | $ 5,868,199.03 | $ 1,629,582.98 |
| | | | | | | | | | | | | 72.68% | 20.18% |
| 21 | Total October 2005 | $ - | $ 326,913.00 | $ 263,554.00 | $ 23,959.00 | $ 68,216.46 | $ 1,397,561.90 | $ 9,391.00 | $ 1,815,097.08 | $ 36,860.00 | $ 1,163,793.56 | $46,112,010.77 | $ 7,911,408.19 |
| 22 | November-05 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 199,209.24 | $ 44,546.74 |
| 23 | December-05 | $ - | $ 377.00 | $ 31.00 | $ 502.00 | $ - | $ 63.00 | $ - | $ 220.00 | $ - | $ - | $ (427,988.08) | $ (152,797.00) |
| 24 | January-06 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 315,746.00 | $ 144,915.00 |
| 25 | February-06 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 438,871.92 | $ 121,873.54 |
| 26 | March-06 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 438,871.92 | $ 121,873.54 |
| 27 | April-06 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 438,871.92 | $ 121,873.54 |
| 28 | Total by Plant Account as of April 30, 2006 | | 327,290.00 | 263,585.00 | 24,461.00 | 68,216.46 | 1,397,624.90 | 9,391.00 | 1,815,317.08 | 36,860.00 | 1,163,793.56 | 47,515,593.69 | 8,313,693.56 |
| 29 | Sum of 13 Monthly Balances | | | | | | | | | | | | |
| 30 | 13 Month Average | | | | | | | | | | | | |
| 31 | 13 Month CIAC net of Amortization Monthly Average | | | | | | | | | | | | |

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United Water Idaho
Rate Case UWI-W-06-02
Contributions In Aid of Construction

| Line No | Month | Plant Account 33440 T & D Plant: Meters & Meter Installation | Plant Account 33540 T & D Plant: Hydrants | Plant Account 34050 General Plant: Office Furniture & Equipment | Plant Account 34450 General Plant: Laboratory Equipment | Plant Account CIAC IN CWIP | Monthly Activity Subtotal | Monthly Balance Gross CIAC | Monthly Balance Amortization |
|---|---|---|---|---|---|---|---|---|---|
| 1 | | | | | | | | | |
| 2 | Beginning Balance July 31, 2004 | $ 191,517.14 | $ 573,768.95 | $ 1,131.00 | $ 16,729.00 | $ 544,627.02 | $ 52,963,859.90 | | |
| 4 | August-04 | $ - | $ 160,816.75 | | $ - | $ (544,627.02) | $ 888,228.50 | $ 53,852,088.40 | |
| 5 | September-04 | $ - | $ 58,740.00 | | $ - | | $ 886,281.65 | $ 54,738,370.05 | |
| 6 | October-04 | | $ 50,014.00 | | $ - | | $ 583,418.41 | $ 55,321,788.46 | |
| 7 | November-04 | $ - | $ - | | $ - | | $ 50,402.47 | $ 55,372,190.93 | |
| 8 | CH Sale Dec-04 | $ - | $ (9,062.90) | | $ - | | $ (127,010.79) | $ 55,245,180.14 | |
| 9 | December-04 | $ - | $ 29,652.00 | | $ - | | $ 417,515.07 | $ 55,662,695.21 | |
| 10 | January-05 | $ - | $ 52,427.00 | | $ - | | $ 551,148.73 | $ 56,213,843.94 | |
| 11 | February-05 | $ - | $ 17,120.00 | | $ - | | $ 364,728.05 | $ 56,578,571.99 | |
| 12 | March-05 | $ - | $ 20,570.00 | | $ - | | $ 405,766.47 | $ 56,984,338.46 | |
| 13 | April-05 | $ - | $ - | | $ - | | $ 96,543.00 | $ 57,080,881.46 | $ (9,123,990.00) |
| 14 | May-05 | $ - | $ 25,900.00 | | $ - | | $ 669,978.33 | $ 57,750,859.79 | $ (9,217,614.00) |
| 15 | June-05 | $ - | $ 11,750.00 | | $ - | | $ 230,053.98 | $ 57,980,913.77 | $ (9,311,237.00) |
| 16 | July-05 | $ - | $ - | | $ - | | $ 469,880.75 | $ 58,450,794.52 | $ (9,404,861.00) |
| 17 | August-05 | $ - | $ 28,954.00 | | $ - | | $ 274,224.00 | $ 58,725,018.52 | $ (9,498,485.00) |
| 18 | September-05 | $ - | $ 93,233.00 | | $ - | | $ 1,130,356.08 | $ 59,855,374.60 | $ (9,592,108.00) |
| 19 | October-05 | $ - | $ 35,820.00 | | $ - | | $ 632,470.30 | $ 60,487,844.90 | $ (9,731,754.00) |
| 20 | Total Activity | $ - | $ 575,933.85 | | $ - | $ (544,627.02) | $ 7,523,985.00 | | |
| | | | 7.13% | $ 8,073,715.86 | | | | | |
| 21 | Total October 2005 | $ 191,517.14 | $ 1,149,702.80 | $ 1,131.00 | $ 16,729.00 | $ - | $ 60,487,844.90 | | |
| 22 | November-05 | | $ - | | $ - | | $ 243,755.98 | $ 60,731,600.88 | $ (9,835,656.00) |
| 23 | December-05 | $ - | $ - | $ - | $ - | $ - | $ (579,592.08) | $ 60,152,008.80 | $ (9,940,885.00) |
| 24 | January-06 | $ - | $ 48,510.00 | $ - | $ - | $ - | $ 509,171.00 | $ 60,661,179.80 | $ (10,047,014.00) |
| 25 | February-06 | $ - | $ 43,073.04 | $ - | $ - | $ - | $ 603,818.51 | $ 61,264,998.31 | $ (10,154,043.00) |
| 26 | March-06 | $ - | $ 43,073.04 | $ - | $ - | $ - | $ 603,818.51 | $ 61,868,816.82 | $ (10,261,972.00) |
| 27 | April-06 | $ - | $ 43,073.04 | $ - | $ - | $ - | $ 603,818.51 | $ 62,472,635.32 | $ (10,370,801.00) |
| 28 | Total by Plant Account as of April 30, 2006 | 191,517.14 | 1,327,431.93 | 1,131.00 | 16,729.00 | - | $ 62,472,635.32 | | |
| 29 | Sum of 13 Monthly Balances | | | | | | | $ 777,482,927 | $ (126,490,420) |
| 30 | 13 Month Average | | | | | | | $ 59,806,379 | $ (9,730,032) |
| 31 | 13 Month CIAC net of Amortization Monthly Average | | | | | | | $ 50,076,347 | |

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**United Water Idaho Inc**
**Case UWI-W-06-02**
**Summary of Net Utility Plant Acquisition Adjustments**
**Test Year Ended April 2006**

| Line No. | Acquistion Description | Company Project ID | IPUC Order Month | Amortzation Period | Original UPAA Account 114000 | Amortization Through October 2005 Account 115000 | Net Unamortized Balance at October, 2005 | Monthly Amortization Amount | Pro Forma Months August through April 2006 | Pro Forma Amortization | Consolidated Net UPAA At April 30, 2006 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Warm Springs Mesa | X00009 | August 1996 | 20 Years | 62,302.18 | (28,554.03) | 33,748.15 | (259.59) | 6 | (1,557.54) | 32,190.61 |
| 2. | Redwood Creek | X00010 | May 1995 | 20 Years | (110,249.00) | 58,340.55 | (51,908.45) | 459.37 | 6 | 2,756.22 | (49,152.23) |
| 3. | Island Woods | X00011 | April 1995 | 20 Years | (179,675.00) | 94,328.75 | (85,346.25) | 748.65 | 6 | 4,491.90 | (80,854.35) |
| 4. | Raintree | X00014 | September 2000 | 40 Years | (227,594.00) | 29,463.00 | (198,131.00) | 474.00 | 6 | 2,844.00 | (195,287.00) |
| 5. | South County Water | X00020 | January 1999 | 40 Years | 1,009,011.00 | (172,374.00) | 836,637.00 | (2,102.00) | 6 | (12,612.00) | 824,025.00 |
| 6. | Barber Water | X00027 | January 1999 | 40 Years | 46,966.00 | (6,849.75) | 40,116.25 | (97.85) | 6 | (587.10) | 39,529.15 |
| 7. | | | | | **600,761.18** | **(25,645.48)** | **575,115.70** | (777.42) | | **(4,664.52)** | **570,451.18** |
| 8. | | | | | | **Total Accumulated Amortization** | | | | **$ (30,310.00)** | |

| | Month | Net UPAA Balance |
|---|---|---|
| 9. | | |
| 10. | April-05 | $ 579,778 |
| 11. | May-05 | 579,000 |
| 12. | June-05 | 578,223 |
| 13. | July-05 | 577,445 |
| 14. | August-05 | 576,668 |
| 15. | September-05 | 575,890 |
| 16. | October-05 | 575,115 |
| 17. | November-05 | 574,338 |
| 18. | December-05 | 573,561 |
| 19. | January-06 | 572,783 |
| 20. | February-06 | 572,006 |
| 21. | March-06 | 571,228 |
| 22. | April-06 | 570,451 |
| 23. | **Total of 13 Month Balances** | **$ 7,476,486** |
| 24. | **13 Month Average** | **$ 575,114** |

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**United Water Idaho**
**Case UWI-W-06-02**

**Accumulated Deferred Federal Income Taxes as of April 30, 2006**

| Line No. | Account & Description | Balance at January 31, 2006 | Pro Forma Balance at April 30, 2006 |
|---|---|---|---|
| 1 | 28202 Accumulated Deferred FIT ACRS | $ 1,840,790 | |
| 2 | 28203 Accumulated Deferred FIT MACRS | 6,832,852 | |
| 3 | 28204 Deferred FIT ADR | 416,607 | |
| 4 | 25387 Deferred Advances and Contributions Gross Up | 2,470,159 | |
| 5 | Adjustment | (270,034) | |
| 6 | | | |
| 7 | **Deferred Federal FIT at July 31, 2004** | **$ 11,290,374** | |
| 8 | Pro Forma Tax Depreciation | | **$ 10,000,000** |
| 9 | Pro Forma Book Depreciation | | 6,543,927 |
| 10 | **Excess Tax Over Book Depreciation** | | **$ 3,456,073** |
| 11 | Federal Income Tax Rate | | 35.00% |
| 12 | **Incremental Deferred Federal Income Tax** | | **$ 1,209,626** |
| 13 | **Total Deferred FIT (Line 7 plus line 12)** | | **$ 12,500,000** |

**United Water Idaho**
**Case No UWI-W-06-02**
**Pre-1971 Investment Tax Credit**
**Test Year Ended April 30, 2006 (6 Months Actual/ 6 Months FC)**

| Line No | Year | Book Life | Book Balance at July 31, 2004 | Annual Expense | Ten Months Expense | Balance at May 31, 2005 | Eleven Months Expense | Balance at April 30, 2006 |
|---|---|---|---|---|---|---|---|---|
| 1 | 1962 | 50 Years | 1,364 | 182 | 152 | 1,212 | 167 | 1,046 |
| 2 | 1963 | 50 Years | 1,131 | 134 | 112 | 1,019 | 123 | 897 |
| 3 | 1964 | 50 Years | 905 | 99 | 83 | 823 | 91 | 732 |
| 4 | 1965 | 50 Years | 1,841 | 176 | 147 | 1,694 | 161 | 1,533 |
| 5 | 1966 | 50 Years | 1,540 | 136 | 113 | 1,427 | 125 | 1,302 |
| 6 | 1967 | 50 Years | 1,554 | 124 | 103 | 1,451 | 114 | 1,337 |
| 7 | 1968 | 50 Years | 3,468 | 258 | 215 | 3,253 | 237 | 3,017 |
| 8 | 1969 | 50 Years | 2,525 | 176 | 147 | 2,378 | 161 | 2,217 |
| 9 | | | 14,328 | 1285 | 1,071 | 13,257 | 1,178 | 12,079 |

| 10 | Month | Monthly Balance |
|---|---|---|
| 11 | Apr-05 | $ 13,364 |
| 12 | May-05 | $ 13,257 |
| 13 | Jun-05 | $ 13,150 |
| 14 | Jul-05 | $ 13,043 |
| 15 | Aug-05 | $ 12,936 |
| 16 | Sep-05 | $ 12,829 |
| 17 | Oct-05 | $ 12,722 |
| 18 | Nov-05 | $ 12,614 |
| 19 | Dec-05 | $ 12,507 |
| 20 | Jan-06 | $ 12,400 |
| 21 | Feb-06 | $ 12,293 |
| 22 | Mar-06 | $ 12,186 |
| 23 | Apr-06 | $ 12,079 |
| 24 | Sum of 13 Monthly Balances | $ 165,380 |
| 25 | 13 Month Average | $ 12,722 |

**United Water Idaho**
**Case UWI-W-06-02**
**Deferred Debits Balance Allowed in Rate Base for the Test Year ended April 30, 2006**

| Line No. | Approved In Prior Case: Account Number | Description | Balance Per IPUC Order 29838 Case UWI-W-04-04 | Interim Activity Debit | Interim Activity Credit | Unamortized Balance at April 30, 2006 | Amortization Period in Months | Monthly Expense | Annual Expense |
|---|---|---|---|---|---|---|---|---|---|
| 2 | 18680 (Partial) | Deferred Rate Case Expense UWI-W-04-04 | 236,467.00 | | (44,337.56) | **192,129.44** | 48 Months | 4,926.40 | 59,116.75 |
| 3 | 18621 | Deferred Relocation Cost | 80,000.00 | | (11,999.97) | **68,000.03** | 60 Months | 1,333.33 | 16,000.00 |
| 4 | 18690 (Partial) | Deferred Rents ( Lakewood Well Lease) | 19,090.00 | | (414.00) | **18,676.00** | 600 months | 46.00 | 552.00 |
| 5 | 18690 (Partial) | Deferred LT2ESWTR | 12,000.00 | | (1,800.00) | **10,200.00** | 60 Months | 200.00 | 2,400.00 |
| 6 | 18690 (Partial) | Deferred Terra Grande Cost | 3,877.00 | | (581.58) | **3,295.42** | 60 Months | 64.62 | 775.40 |
| 7 | 18625 (Partial) | Deferred Legal Expense IPCO Rate Case | 8,374.00 | | (1,256.13) | **7,117.87** | 60 Months | 139.57 | 1,674.80 |
| 8 | 18620 | Deferred Tank Painting- Existing | 15,548.00 | | (2,132.20) | **13,415.80** | 120 Months | 258.00 | 3,096.00 |
| 9 | 18620 | Deferred Tank Painting- New | 60,908.00 | | (2,284.11) | **58,623.89** | 240 Months | 253.78 | 3,045.40 |
| 10 | 18623 | Deferred AFUDC Equity Income | 696,346.00 | | | **696,346.00** | N/A | N/A | N/A |
| 11 | | **Sub Total** | **$ 1,132,610.00** | **-** | **(64,805.55)** | **$ 1,067,804.45** | | **$ 7,221.70** | **$ 86,660.35** |
| 12 | | Explicity Allowed in IPUC Order (IPUC inadvertently excluded previously approved Lake Well Lease Deferred Expense | 416,505.00 | | | | | | |
| 13 | | Deferred AFUDC Equity Income | 696,346.00 | | | | | | |
| | | Deferred Debits Allowed In RB per UWI-W-04-04 | **$ 1,112,851.00** | | | | | | |

| 14 | Account Number | Description | Items Presented in Current Case | Debit | Credit | Unamortized Balance at April 30, 2006 | Amortization Period in Months | Monthly Expense | Annual Expense |
|---|---|---|---|---|---|---|---|---|---|
| 15 | 18680 (Partial) | Deferred RC Expense from UWI-W-04-04 Not addressed in Order | 182,168.00 | | | **182,168.00** | 48 Months | 3,795.17 | 45,542.00 |
| 16 | 18680 (Partial) | Deferred RC Expense from UWI-W-06-?? | 250,000.00 | | | **250,000.00** | 48 Months | 5,208.33 | 62,500.00 |
| 17 | 18620 | Deferred Tank Painting- New | 150,000.00 | | | **150,000.00** | 240 Months | 625.00 | 7,500.00 |
| 18 | 18623 | Deferred AFUDC Equity Income | 232,342.00 | | | **232,342.00** | N/A | N/A | N/A |
| 19 | | **Sub Total** | **$ 814,510.00** | **$ -** | **$ -** | **$ 814,510.00** | | **$ 9,628.50** | **$ 115,542.00** |
| 20 | | **Grand Total** | **$ 1,947,120.00** | **$ -** | **$ (64,805.55)** | **$ 1,882,314.45** | | **$ 16,850.20** | **$ 202,202.35** |

**Exhibit No. 5**
**J.Healy**
**Schedule 10**
**Page 1 of 1**

**United Water Idaho**
**Working Capital Calculation**
**Case UWI-W-06-02**

**Exhibit No. 5**
**J.Healy**
**Schedule 11**
**Five Pages**

| | ***BALANCE AT 12/31/05*** | ***Investor*** | ***Non-Cash Other*** | ***Plant and Rate Base*** | ***Inventory, Supplies & Cash*** | ***Cash Other*** |
|---|---|---|---|---|---|---|
| 101000 | Water Plant in Service | | | 270,477,765.94 | | |
| 101001 | WPIS-Retirements | | | (1,151,406.52) | | |
| 108900 | RWIP | | | 247,398.46 | | |
| 108010 | Acc.Depr.Util.Plt.Ser.-Water | | | (54,142,619.65) | | |
| 111003 | Reserve for Deprec.-CIAC | | | (9,952,853.35) | | |
| 113000 | Amort.of Prop.Held Fut.Use | | | (1,931.98) | | |
| 107000 | CWIP | | | 4,045,922.23 | | |
| 105000 | Plt.Held for Fut.Use/Dev. | | | | | |
| 114000 | UPAA-Adjustment-Water | | | 600,761.18 | | |
| 115000 | Amort.UPAA Adj.-Water | | | (27,200.54) | | |
| 124000 | Other Investments | 1,250.00 | | | | |
| 121000 | Non-Utility Property | 13,090.04 | | | | |
| 131000 | Cash | | | | 1,240,520.53 | |
| 131070 | Cash: Collections | | | | 41,000.00 | |
| 131092 | Cash: Dividends | | | | 100.00 | |
| 135001 | Working Fund - MGRS Fund | | | | 9,000.00 | |
| 135002 | Working Fund - Petty Cash | | | | 400.00 | |
| 135003 | Working Fund - Cashiers Drawer | | | | 550.00 | |
| 142000 | Customer Accounts Rec. | | | | | 1,283,095.05 |
| 142001 | Cust. A/R-Local Billing | | | | | (701.52) |
| 142003 | Cust. A/R-Refunds Clearing | | | | | |
| 142004 | Accrued Customer Credits | | | | | |
| 142005 | NSF Clearing Account | | | | | |
| 173000 | Unbilled Revenues-Water | | 2,027,828.00 | | | |
| 143000 | Other Accounts Receivable | | | | | 107,502.65 |
| 143005 | A/R-Employees | | | | | |
| 143006 | A/R Employee - Spring Program | | | | | |
| 143020 | A/R-Merchandise & Jobbing | | | | | 280,125.43 |
| 143050 | A/R-Developers Advances | | | | | |
| 143090 | A/R-Advance Offset | | | | | |
| 143102 | A/R-UWR/LDE Partnership | | | | | 0.00 |
| 144000 | Prov.Uncollectible Accounts | | | | | (28,000.00) |
| 146000 | Interco. Accts. Receivable | | | | | (1,113,796.46) |
| 154000 | Plant Mat.& Oper. Supplies | | | | 72,073.34 | |
| 154104 | Inventory-Chemicals | | | | 44,527.10 | |
| 154105 | Inventory-Exempt | | | | 124,596.76 | |
| 165400 | Prepaid Regulatory Assess. | | | | | |
| 165800 | Prepaid Pension | | | | | (2,697,957.00) |

| | | | | | |
|---|---|---|---|---|---|
| 165912 | Prepaid-Dues | | | | (22,686.29) |
| 183000 | Prelim. Surv.& Invest.Charges | | | 0.00 | |
| 18711 | Def.Legal Expenses | | | 17,804.44 | |
| 18714 | Deferred Power Costs Pending | | | 78,241.65 | |
| 18625 | RA-Deferred Power Costs | | | 1,293,331.46 | |
| 18710 | Other Deferred Charges Utility | | | 54,427.46 | |
| 18790 | Other Deferred Charges Non-Utility | | | (1,659.84) | |
| 186292 | Util/DD-En Sev costs Spr 2003 | | | | |
| 186294 | Util/DD-Def ESP Costs | | | | |
| 186296 | Def Pens Early Ret Prog-2000 | | | | |
| 186297 | Def PBOP-Erly Retire Prog-2000 | | | | |
| 186298 | Def Pens Early Ret Prog-1999 | | | | |
| 186299 | Def PBOP-Erly Retire Prog-1999 | | | | |
| 18624 | RA-Deferred Legal | | | 13,498.80 | |
| 18690 | RA-Other Reg Assets | | | 28,195.08 | |
| 18621 | RA-Deferred Relocation | | | 73,333.35 | |
| 18680 | RA-Deferred Rate Case | | | 407,837.34 | |
| 186601 | RA-Deferred Tank Painting | | | 74,086.85 | |
| 186603 | RA-Deferred AFUDC Equity Income | | | 928,687.61 | |
| 186730 | RA-Deferred Studies | | | | |
| 186750 | RA-Def Post Retirement Ben-NB | 440,171.00 | | | |
| 18600 | Regulatory Deferred Taxes | | (3,255,902.00) | | |
| 186801 | RA-Deferred FAS 109-Plant | | | | |
| 186802 | RA-Deferred FAS 109-Rate | | | | |
| 186803 | RA-Deferred FAS 109:Tank Paint | | | | |
| 186804 | RA-Deferred FAS 109-Pensions | | | | |
| 186805 | RA-Deferred FAS 109-DefCharges | | | | |
| 186806 | RA-Deferred FAS 109-OtherTaxes | | | | |
| 186831 | RA-Deferred FAS 109-StatePlant | | | | |
| 186832 | RA-Deferred FAS 109-StateRate | | | | |
| 186833 | RA-Def FAS 109-StateTankPaint | | | | |
| 186834 | RA-Def FAS 109-StatePensions | | | | |
| 186835 | RA-Def FAS 109-StateDefCharges | | | | |
| 186836 | RA-Def FAS 109-StateOtherTaxes | | | | |
| 186851 | RA-Def G/U-FAS 109-Plant | | | | |
| 186852 | RA-Def G/U-FAS 109-Rate | | | | |
| 186853 | RA-Def G/U-FAS 109-TankPaint | | | | |
| 186854 | RA-Def G/U-FAS 109-Pensions | | | | |
| 186855 | RA-Def G/U-FAS 109-DefCharges | | | | |
| 186856 | RA-Def G/U-FAS 109-OtherTaxes | | | | |
| 186872 | RA-Def G/U-FAS 109-State:Plant | | | | |
| 186873 | RA-Def G/U-FAS 109-State:Rate | | | | |
| 186874 | RA-Def G/U-FAS 109-State:TnkPt | | | | |
| 186875 | RA-Def G/U-FAS 109-StatePensio | | | | |
| 186876 | RA-Def G/U-FAS 109-StateDefChg | | | | |
| 186877 | RA-Def G/U-FAS 109-StateOthTax | | | | |
| 18714 | Clearing - Capital | | | | |
| 18400 | Clearing Accounts | | | 6,390.74 | |
| 184110 | Clearing Trans.-Large | | | | |
| 184111 | Clearing Trans.-Small | | | | |
| 184400 | Clearing-Misc Construction | | | | |
| 184401 | Clearing - Blocks and Posts | | | | |
| 184500 | Clearing Payroll | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 201000 | Common Stock Issued | (1,261,750.00) | | | | |
| 211000 | Misc. Paid-In Capital | (76,704,330.21) | | | | |
| 204000 | Preferred Stock Issued | | | | | |
| 216000 | Retained Earnings | (56,263,389.13) | | | | |
| | Current year earnings | (3,153,062.33) | | | | |
| 216950 | Minimum Liability Adjustment | 1,148,110.00 | | | | |
| 238800 | Preferred Stock Div. Dec. | 6,942.41 | (14,425.03) | | | |
| 232000 | Accounts Payable-Sys Generated | (597,690.42) | | | | |
| 23220 | A/P Inventory Accrual | 202.55 | | | | |
| 23290 | A/P-Other | (199,313.40) | | | | |
| 232010 | Offsite Funds Payable | | | | | |
| 232053 | Acct Payable-Mth End Accrual | (1,155,456.49) | | | | |
| 23400 | A/P-Associated Companies | (269,108.74) | | | | |
| 24275 | Preferred Stock Due Within 1 Year | (680,200.00) | | | | |
| 235000 | Customer Deposits | | | | (36.00) | |
| 236001 | Accrued Real Estate Taxes | | | | | (795,061.28) |
| 236002 | Accrued Franchise Taxes | | | | | (47,427.90) |
| 236006 | Sales and Use Tax-State | | (2,790.47) | | | |
| 236200 | Accrued FIT | | | | | 550,377.08 |
| 236306 | Accrued FIT-Gross Up | | | | | |
| 236307 | Accrued SIT | | | | | (195,114.55) |
| 236313 | Accrued SIT-Gross Up | | | | | |
| 236402 | FICA-Employer | | | | | (24,907.77) |
| 242001 | Accrued Payroll | | | | | (175,336.64) |
| 242005 | Employee:United Way | | (31,832.19) | | | |
| 242006 | Employee:PAC-Federal | | | | | |
| 242008 | Employee:401K Withholding | | | | | 35,641.34 |
| 242009 | Employee:Garnishments | | | | | |
| 242012 | Accident Insur. Withheld | | | | | |
| 242013 | Health Plan Costs Withheld | | | | | |
| 242015 | Life Insurance Withheld | | | | | |
| 242019 | Misc.Employee Withholdings | | | | | |
| 242020 | Employee: Met Life Withheld | | | | | |
| 242030 | Accrued MIP Dividend | | | | | |
| 242032 | Accrued Vanguard Clearing | | | | | |
| 242033 | Accrued Stock Options | | | | | |
| 242100 | Accrued Insurance | | | | | |
| 24260 | Accrued Other | | | | | (61,027.84) |
| 242201 | Accrued Power | | | | | (124,037.00) |
| 242205 | Accrued Computer Services | | | | | |
| 242225 | Accrued Vacation | | | | | (45,782.45) |
| 242310 | Accrued ESP Costs | | | | | |
| 19000 | Def.FIT | | | (1,581.00) | | |
| 19001 | Def.FIT-FAS 109 ITC | | 980,651.00 | | | |
| 190102 | Def.FIT-FAS 109 G/U ITC | | | | | |
| 190103 | Def.FIT-FAS 109 OtDed. | | | | | |
| 190104 | Def FIT-FAS 109 G/U OtDed. | | | | | |
| 190201 | Def.SIT-FAS 109 ITC | | | | | |
| 190202 | Def.SIT-FAS 109 G/U ITC | | | | | |
| 190203 | Def.SIT-FAS 109 OtDed. | | | | | |
| 190204 | Def.SIT-FAS 109 G/U OtDed. | | | | | |
| 190603 | Val.Allow DSIT-FAS 109 OtDed. | | | | | |
| 25500 | Deferred Invest.Tax Credits | | | (1,243,762.00) | | |
| 282001 | Accum.DFIT-ACRS | | | (7,607,831.62) | | |

| | | | | |
|---|---|---|---|---|
| 282002 | Accum.DFIT-MACRS | | | |
| 282010 | DFIT - ADR | | | |
| 282013 | Accum DFIT Benefit on DSIT | | (33,244.00) | |
| 282101 | Def FIT-FAS 109-Plant | | 3,255,902.00 | |
| 282102 | Def FIT-FAS 109-Rate Exp. | | | |
| 282103 | Def FIT-FAS 109-Tank Paint | | | |
| 282104 | Def FIT-FAS 109-Pension | | | |
| 282106 | Def FIT-FAS 109-Def Chg | | | |
| 282107 | Def FIT-FAS 109-OthTax | | | |
| 282121 | Def FIT-FAS 109 GU-Plant | | | |
| 282122 | Def FIT-FAS 109 GU Rate Ex | | | |
| 282123 | Def FIT-FAS 109 GU Tank Paint | | | |
| 282124 | Def FIT-FAS 109 GU Pensions | | | |
| 282126 | Def FIT-FAS 109 GU Def Charges | | | |
| 282127 | Def FIT-FAS 109 GU OtTaxes | | | |
| 282141 | Def SIT-FAS 109-Plant | | 15,729.58 | |
| 282142 | Def SIT-FAS 109-Rate Expen | | | |
| 282143 | Def SIT-FAS 109-Tank Paint | | | |
| 282144 | Def SIT-FAS 109-Pension | | | |
| 282146 | Def SIT-FAS 109-Def Charges | | | |
| 282147 | Def SIT-FAS 109-Oth Tax | | | |
| 282161 | Def SIT-FAS 109 GU-Plant | | | |
| 282162 | Def SIT-FAS 109 GU Rate Ex | | | |
| 282163 | Def SIT-FAS 109 GU Tank Paint | | | |
| 282164 | Def SIT-FAS 109 GU Pensions | | | |
| 282166 | Def SIT-FAS 109 GU DefChar | | | |
| 282167 | Def SIT-FAS 109 GU Ot.Tax. | | | |
| 283300 | Def.Federal Income Taxes | | | |
| 283306 | Def FIT-Def. Comp. | | | |
| 283603 | DFIT-Cost of Removal | | | |
| 283610 | Def FIT-Tank Painting | | | |
| 283700 | Def FIT-Pensions | | | |
| 283702 | Def FIT-PEBOP | | | |
| 283710 | Def FIT-Other Taxes | | | |
| 283725 | Def FIT-Def. Charges | | | |
| 283727 | Def FIT-CIAC | | | |
| 283729 | Def FIT-M&S Fees | | | |
| 283731 | Defer.FIT-Relocation Expense | | | |
| 283800 | Def. SIT | | | |
| 283805 | Def. SIT-Dir.Fee Benef | | | |
| 283811 | Def. SIT-Excess Deprec. | | | |
| 283813 | Def. SIT-Pensions | | | |
| 283821 | Def. SIT-Property | | | |
| 283822 | Def State Inc Tax-AFUDC Equity | | | |
| 283831 | Def. SIT - Power | | | |
| 283833 | Def. SIT - Legal | | | |
| 283838 | Def. SIT-Post Retirement Bnfts | | | |
| 283991 | Def. FIT-AFUDC Equity | | | |
| 252000 | Advances for Construction | | | (6,071,289.49) |
| 271000 | CIAC | | | (60,152,008.82) |
| 272000 | Accum. Amort. of CIAC | | | 9,940,885.49 |
| 263000 | Pensions &Benefits Reserve | (145,880.00) | | |
| 263012 | Pension - Minimum Liability | (1,847,618.00) | | |
| 26390 | Other Long Term Liabilities | | (91,243.40) | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 253103 | Def Vacation | | | | | |
| 253104 | Escheats Payable | (3,086.22) | | | | |
| 253108 | Def Advances & Contrib G/U | | | (2,470,159.00) | | |
| 253109 | Def. M&J | | (451,523.11) | | | |
| 25380 | Other Deferred Credits | | (664,028.00) | | | |
| 253610 | PBOP-NB-Liab-Trustee | (4,006,834.20) | | | | |
| 253905 | DfReg.Liab.FAS109-Fed:ITC | | (979,070.00) | | | |
| 253908 | DfRgLiab.FAS109-Fed:Oth De | | | | | |
| 253915 | DfReg.Liab.FAS109-St:ITC | | | | | |
| 253918 | DfRgLiab.FAS109-St:Oth Ded | | | | | |
| 253925 | Def Reg.Liab.GU FAS109-Fed:ITC | | | | | |
| 253928 | DfRegLiab.GU FAS109-Fed:ODe | | | | | |
| 253935 | DfRgLiab.GU FAS109-St:ITC | | | | | |
| 253938 | DfRgLiab.GU FAS109-St:ODed | | | | | |
| | 2006 Case Workpaper | **(144,677,953.14)** | **756,052.38** | **145,464,264.27** | **1,532,731.73** | **(3,075,095.15)** |

**Dec 2005 Working Capital Requirement** **(2,328,674.55)**

=(-C221-E221)+F221+G221
=($144,677,953-$145,464,264)+$1,532,732+($3,075,095)
= ($786,311)+$1,532,732+ ($3,075,095)
**=$2,328,674**

**Exhibit No. 5**
**J.Healy**
**Schedule 11**
**Five Pages**

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UTILITIES COMMISSION

**UNITED WATER IDAHO**

**Balance Sheet Per Books**
**October 31, 2005**

| Line No. | | |
|---|---|---|
| | **ASSETS** | |
| 1. | **Utility Plant** | |
| 2. | Water Plant in Service | $ 268,523,281 |
| 3. | Retirement Work in Progress | (784,908) |
| 4. | Less: Accumulated Depreciation and Amortization | (62,901,594) |
| 5. | Construction Work in Progress | 1,919,865 |
| 6. | Plant Held for Future Use | 2,555,658 |
| 7. | **Total Utility Plant** | **$ 209,312,302** |
| 8. | Utility Plant Acquisition Adjustment | **$ 575,115** |
| 9. | **Other Property and Investments** | |
| 10. | Investment in Associated Companies | $ - |
| 11. | Other Investments | 1,250 |
| 12. | Non-Utility Property | 13,090 |
| 13. | **Total Other Property and Investments** | **$ 14,340** |
| 14. | **Current and Accrued Assets** | |
| 15. | Cash | $ (2,292,135) |
| 16. | Net Accounts Receivable Customers | 3,048,990 |
| 17. | Unbilled Utility Revenue | 3,230,999 |
| 18. | Other Accounts Receivable | 268,995 |
| 19. | Reserve for Uncollectibles | (25,800) |
| 20. | Intercompany Accounts Receivable | - |
| 21. | Materials & Supplies | 237,511 |
| 22. | Prepaid Expenses | (2,567,665) |
| 23. | **Total Current and Accrued Assets** | **$ 1,900,895** |
| 24. | **Deferred Debits** | |
| 25. | Preliminary Survey and Investigation Expenses | $ - |
| 26. | Deferred Rate Case Expenses | 405,386 |
| 27. | Deferred Power Expense | 1,454,884 |
| 28. | Deferred Legal Expenses (inc. Terra Grande) | 11,638 |
| 29. | Deferred Relocation Expenses | 76,000 |
| 30. | Deferred Rents | 18,768 |
| 31. | Deferred LT Testing | 8,195 |
| 32. | Deferred Tank Painting | 75,110 |
| 33. | Deferred Merchandising and Jobbing Cost | 72,232 |
| 34. | Deferred ERP & ESP | - |
| 35. | Deferred Post Retirement Benefits | 446,931 |
| 36. | Deferred Regulatory Assets | (3,256,290) |
| 37. | Deferred VA Clearing | (1,114) |
| 38. | Clearing Accounts | 11,440 |
| 39. | **Total Deferred Debits** | **$ (676,819)** |
| 40. | **Total Assets** | **$ 211,125,833** |

**UNITED WATER IDAHO**

**Balance Sheet Per Books**
**October 31, 2005**

| Line No. | | |
|---|---|---|
| | **LIABILITIES AND STOCKHOLDER'S EQUITY** | |
| 1. | **Stockholder's Equity** | |
| 2. | Preferred Shares-at stated par value $100 per share<br>Authorized 25,000 shares, outstanding 6,965 | $ 680,200 |
| 3. | Common Shares-at stated par value $500 per share<br>Authorized 50,000 shares, outstanding --------- | 1,261,750 |
| 4. | Paid in Capital | 75,304,330 |
| 5. | Retained Earnings | 59,124,838 |
| 6. | **Total Stockholders Equity** | **$ 136,371,118** |
| 7. | **Current and Accrued Liabilities** | |
| 8. | Accounts Payable | $ 337,034 |
| 9. | Notes Payable to Associated Companies | - |
| 10. | Customer Deposits | - |
| 11. | Accrued Real Estate Taxes | 1,260,836 |
| 12. | Accrued Income Taxes | 269,225 |
| 13. | Other Accrued Taxes | 121,014 |
| 14. | Dividends Declared | - |
| 15. | Accrued Payroll | 258,861 |
| 16. | Accrued Power | 216,970 |
| 17. | Other Current Liabilities | 161,000 |
| 18. | **Total Current and Accrued Liabilities** | **$ 2,624,940** |
| 19. | **Deferred Credits and Other Liabilities** | |
| 20. | Deferred Income Taxes and ITC | $ 4,756,232 |
| 21. | Advances for Construction | 6,276,737 |
| 22. | Contributions in Aid of Construction | 50,756,091 |
| 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 | 3,985,248 |
| 27. | Other | 752,810 |
| 28. | **Total Deferred Credits and Other Liabilities** | **$ 72,129,776** |
| 29. | **Total Liabilities and Stockholder's Equity** | **$ 211,125,833** |

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**UNITED WATER IDAHO**

**Statement of Operating Income**
**For the Year Ended October 31, 2005**

| Line No. | | |
|---|---|---|
| 1. | **Operating Revenues** | $ 30,244,372 |
| 2. | **Operating Expenses and Taxes** | |
| 3. | Operation and Maintenance Expenses | 13,202,272 |
| 4. | Depreciation Expenses | 5,771,817 |
| 5. | Amortization of Other Utility Plant | 55,213 |
| 6. | Amortization of Utility Plant Acquisition Adjustment | 9,545 |
| 7. | **Taxes Other than Income Taxes** | |
| 8. | Real and Personal Property | 1,438,991 |
| 9. | Payroll Taxes | 341,663 |
| 10. | **Income Taxes** | |
| 11. | State | 403,090 |
| 12. | Federal | 2,445,724 |
| 13. | **Total Operating Expenses and Taxes** | 23,668,315 |
| 14. | **Utility Operating Income** | $ 6,576,057 |

**Exhibit No. 7**
**J. Healy**