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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF UNITED WATER IDAHO INC. FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR WATER SERVICE IN THE STATE OF IDAHO	**Case No. UWI-W-11-02**

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

DIRECT TESTIMONY OF KEVIN H. DOHERTY

1 Q. Please state your name and business address.

2 A. Kevin Doherty. My business address is 200 Old Hook Road, Harrington Park,
3 New Jersey 07640.

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

5 A. I am employed by United Water Management and Services Inc. (UWM&S) as
6 Director of Rates.

7 Q. Please describe your work experience.

8 A. Prior to joining United Water, from 1987 to 1989, I was employed by Arthur
9 Young and Company as a Staff Auditor. I participated in audits for clients in the
10 manufacturing, energy, and defense industries. I was employed by Citizens
11 Communications Company beginning in 1989. From 1989 until 1994, I held the
12 position of Senior Capital Asset Accountant, responsible for preparation of
13 various plant in service and depreciation reports, and I provided data for rate
14 proceedings and certain bond indenture requirements. In 1994, I was promoted to
15 Senior Regulatory Accountant and participated in rate proceedings in the states of
16 Ohio and Illinois. In 1995, I was promoted to Regulatory Specialist, and testified
17 on rate base in rate proceedings in the states of Pennsylvania and Arizona. In
18 1999, I accepted a position as Manager of Regulatory Accounting and testified on
19 rate base and certain operating expenses in the states of Vermont and Arizona. I
20 joined United Water in 2003 and have filed testimony on behalf of United Water
21 in the states of Idaho, Arkansas, Delaware, New Jersey, New York and
22 Pennsylvania.

23

1 Q. Please summarize your educational background.

2 A. I graduated from Pace University in 1987 with a Bachelor of Business
3 Administration degree in Accounting, and have completed Pace University's
4 MBA program in Financial Management. I have attended seminars and
5 presentations that addressed accounting, rates and other financial matters.

6 Q. What is the purpose of your testimony?

7 A. The purpose of my testimony is to describe and present the calculation of the
8 revenue deficiency and the resulting request for rate relief, and sponsor the
9 calculation of Rate Base for the test year ending April 30, 2011 with proforma
10 adjustments through November 30, 2011 for United Water Idaho ("United Water"
11 or "The Company"). Additionally, I am sponsoring the calculation of the
12 Company's Depreciation Expense for the test year ending April 30, 2011 with
13 proforma adjustments through November 30, 2011.

14 Q. What level of increase is being sought by the Company in this proceeding?

15 A. United Water is seeking a revenue increase of $7,616,015 or 19.9% over current
16 rates for the proforma period ending November 30, 2011. Company witness
17 Wyatt will be discussing the drivers of this increase.

18 Q. What rate of return on rate base is this rate increase based upon?

19 A. It is based on an overall rate of return of 8.43% with a return on equity of 10.50%.
20 The Company has requested the 10.50% return on equity even though the
21 Company's cost of capital witness has recommended a rate of 11.05%. While the
22 Company believes that the 11.05% is a fair rate of return, it is mindful of the
23 economic burdens placed on its customers during these difficult economic times.

1 Q. Have you prepared an Exhibit that shows the calculation of the Company's
2 proposed overall Rate of Return of 8.43%?
3 A. Yes. Exhibit 7, page 1 shows the capital structure of United Waterworks along
4 with the cost of debt as well as the return on equity of 10.50%. The weighted
5 average of these components is the 8.43% overall requested rate of return.
6 Q. Has the Commission previously approved the use of United Waterworks' capital
7 structure and cost of debt by the Company in its rate case filings?
8 A. Yes it has. The Commission found the use of United Waterworks' capital
9 structure and cost of debt to be reasonable for ratemaking purposes with its Order
10 No. 28505 in Case No. UWI-W-00-1.
11 Q. Have you prepared from the Company's books and records a series of exhibits
12 depicting the Company's balance sheet and operating income statement for the
13 twelve months ended April 30, 2011?
14 A. I have prepared Exhibits Numbered 8 and 9 illustrating the Company's Balance
15 Sheet (Exhibit No. 8) and Operating Income Statement Per Books (Exhibit No. 9)
16 as of April 30, 2011.
17 Q. Have you prepared an exhibit that indicates the pro forma operating income for
18 the Company at existing and proposed rates?
19 A. Yes. I have prepared Exhibit No. 10, which is titled "Statement of Operating
20 Income Per Books and Pro Forma under Present and Proposed Rates For The
21 Twelve Months Ending November 30, 2011".
22 Column 1 of Exhibit No. 10 identifies the schedule on Exhibit Numbers 5, 7, 11
23 and 12 that detail the adjustments to the test year results indicated in aggregate

fashion on Exhibit No. 10. Column 2 of Exhibit No. 10 indicates the elements of operating income: operations and maintenance expense, depreciation and amortization expense, taxes other than income and income taxes. The amounts therein are per books, as shown on Exhibit No. 11. Column 3 of Exhibit No. 10 shows a summary of test year adjustments made to revenues and expenses. The adjustment to operating revenue shown on line 1 is detailed on Exhibit 5 and will be explained by Witness Herbert. The adjustments to operation and maintenance expenses, summarized on line 2, are detailed on Exhibit No. 11, Schedule 1 and they will be explained by Witnesses Healy and Cary. The adjustments to depreciation expense and amortization of utility plant acquisition adjustments summarized on lines 3 and 4 are detailed in Exhibit No. 11, Schedule 2, pages 1 and 2, and will be explained later in my testimony. The adjustments to operating taxes summarized on lines 6 and 7 are detailed in Exhibit No. 11, Schedule 3, pages 1 to 3, and will be explained by Witnesses Healy and Cary. Column 4 of Exhibit No. 10 shows the adjusted operating income at existing rates for the test period. Column 4 also indicates that based on the test year adjustments made, the Company will earn a 5.64% overall rate of return on its rate base investment as of November 30, 2011 with known and measurable adjustments taken into consideration. Column 5 of Exhibit No. 10 indicates the adjustments to operating revenue, operation and maintenance expenses, and income taxes under the increased rates proposed by the Company herein. The adjustment to operating revenues of $7,616,015 was computed using an 8.43% rate of return on rate base. Column 6 of Exhibit No. 10 illustrates the adjusted operating income necessary to

1 produce the requested rate of return, 8.43%. The income taxes shown on lines 11
2 and 12 were computed as indicated on Exhibit No. 11, Schedule 4, and will be
3 explained in conjunction therewith.
4 Q. Returning to Column 3 of Exhibit No. 10, please explain the adjustments to
5 operating expenses?
6 A. Operation and maintenance expenses have been increased by $810,038 (Exhibit
7 10, line 2). Depreciation and amortization expense have been increased by
8 $242,573 (Exhibit 10, line 5). Property Taxes have been increased $307,837
9 (Exhibit 10, line 6). Payroll taxes have been increased $21,299 (Exhibit 10, line
10 7). Federal income taxes have been decreased by $563,547 and State income taxes
11 have been decreased by $169,835 (Exhibit No. 10, lines 11 & 12).
12 The detailed support for the operating expense adjustments are shown on the four
13 Schedules following the Exhibit 11 Summary. Schedule 1, pages 1 to 30, provides
14 detail for adjustments made to operation and maintenance expenses that are
15 explained by Witnesses Healy and Cary. Schedule 2, pages 1 and 2, provides
16 detail for adjustments to depreciation and amortization expense. Schedule 3,
17 pages 1 to 4, provides detail for adjustments to property and payroll taxes.
18 Schedule 4, page 1 provides detail for adjustment of State and Federal income tax
19 expense. Page 2 of Schedule 4 shows the methodology I employed to compute the
20 "Net to Gross Multiplier" utilized in this case to gross up the Net Operating
21 Income deficiency
22
23

1 Q. Please explain Exhibit No. 11, Schedule 2.

2 A. Exhibit No. 11, Schedule 2 consists of two pages indicating the depreciable basis
3 of Utility Plant by primary account, net of contributions and advances (advances
4 for construction are classified as non-depreciable property until the Company
5 acquires an investment in the property through the payment of refunds on
6 advances as required by Order No. 28505 in Case UWI-W-00-1), the depreciation
7 rate for each plant account and the annual depreciation expense by primary
8 account. The depreciation rates utilized are the same as those used in prior rate
9 case filings except for Account 340-5A0 New CIS System. This account
10 represents costs that are being allocated to United Water Idaho as part of a United
11 Water-Wide initiative to implement a new Customer Care and Billing system.
12 Company Witness Hawthorne explains this initiative in his direct testimony. The
13 Company is proposing a seven-year life for these assets, equivalent to a 14.29%
14 depreciation rate. Pro forma annual depreciation expense of $7,684,358 is
15 summarized at the bottom of the schedule, and the amortization of certain utility
16 plant acquisition adjustments that have previously been approved by the IPUC of
17 $9,366 (the calculation of this amortization is shown on Exhibit 12, Schedule 7) is
18 added. The total depreciation and amortization of $7,693,724 is then compared to
19 depreciation and amortization expense recorded in the test year of $7,451,151.
20 The difference between the proforma and recorded amounts yields an adjustment
21 of $242,573.
22
23

1 Q. Please explain Exhibit No.11, Schedule 3.

2 A. Exhibit No. 11, Schedule 3, shows the adjustments to both test year property and
3 payroll taxes and is explained by Witnesses Healy and Cary.

4 Q. Please explain Exhibit No. 11, Schedule 4.

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

11 The first deduction is interest expense and it is deductible in the computation of
12 both state and federal taxable income. The calculation for the interest deduction is
13 shown in Note A on lines 11 through 15. The deduction of interest expense is
14 shown on line 2.

15 The second deduction is the excess of pro forma tax depreciation over pro forma
16 book depreciation. The excess tax depreciation is deducted from state taxable
17 income only since state income taxes are calculated on the basis of flow-through
18 accounting while federal income taxes are calculated on the basis of
19 normalization accounting. Lines 17, 18 and 19 indicate the amounts used in
20 determining excess tax depreciation.

21 The remaining calculations are self-explanatory except for the amortization of
22 investment tax credit shown on Line 9. Federal income tax expense was reduced

1 by the amortization of ITC that is amortized ratably over the lives of the assets
2 and represents 2% of the ITC claimed from 1971 through 1999.
3 Q. Please explain the adjustment shown on line 2, Column 5 of Exhibit No. 10.
4 A. The adjustment shown on line 2, Column 5 of Exhibit No. 10 represents
5 additional uncollectible expense and IPUC assessment as a result of the pro forma
6 adjustment to operating revenue shown on line 1, Column 5 of Exhibit No. 10.
7 Q. Does this conclude your testimony regarding operating expenses?
8 A. Yes.
9 Q. Please address your rate base testimony.
10 A. The Company was directed by the Commission in Case UWI-W-04-04, Order
11 Nos. 29838 and 29871, to file future rate cases utilizing a thirteen-month average
12 rate base methodology.
13 Q. Has the Company complied with the Commission directive stated above?
14 A. Yes. The Company has computed rate base using essentially the same
15 methodology as was used by the IPUC Staff and approved by the Commission in
16 Case No. UWI-W-04-04. Major elements of rate base, namely: plant in service,
17 accumulated depreciation, contributions in aid of construction, advances for
18 construction and utility plant acquisition adjustments are all thirteen-month
19 averaged. Working capital is computed as of the Company's April 30, 2011
20 balance sheet. Deferred debits are not averaged but are included in rate base at
21 their anticipated balance as of November 30, 2011 the end of the proforma period.
22
23

1 Q. What is the level of rate base the Company is requesting in this proceeding?

2 A. The rate base is $162,931,956. Company Witness Rhead discusses the plant in
3 service additions that are a part of the reason for the increase in his direct
4 testimony.

5 Q. Please explain Exhibit 12, Schedule 1, Page 1 of 1.

6 A. Exhibit 12, Schedule 1, Page 1 of 1, Rate Base Summary, shows the elements of
7 the Company's rate base as of November 30, 2011, using the thirteen-month
8 average methodology. The elements of rate base are as follows: Utility Plant in
9 Service; Accumulated Depreciation; Customer Advances for Construction;
10 Contributions In Aid of Construction; Net Utility Plant Acquisition Adjustments;
11 Accumulated Deferred Income Taxes; Pre-1971 Investment Tax Credits; Deferred
12 Charges and Working Capital.

13 Q. Please explain Exhibit 12, Schedule 2, Page 1 of 1.

14 A. Exhibit 12, Schedule 2, Page 1 of 1, Thirteen-Month Average Worksheet, shows
15 the monthly balances from November 30, 2010 to November 30, 2011 for those
16 rate base components that are thirteen-month averaged. Monthly balances are
17 carried forward to this schedule from the supporting schedules for Plant in Service
18 (Schedule 3), Accumulated Depreciation and Amortization (Schedule 4),
19 Customer Advances for Construction (Schedule 5), Contributions in Aid of
20 Construction (Schedule 6), Utility Plant Acquisition Adjustment (Schedule 7) and
21 Pre-1971 Investment Tax Credits (Schedule 8). Schedule 2 shows the thirteen-
22 month average calculation of the balances from the respective schedules.

23

1 Q. Please explain Exhibit 12, Schedule 3, Pages 1 through 3.

2 A. Exhibit 12, Schedule 3, Pages 1 through 3 shows the Company's Utility Plant
3 balance as of April 30, 2011 by plant account. Schedule 3 then summarizes the
4 forecast plant additions and retirements by plant account from May through
5 November 2011. Witness Rheads' Exhibit 3 forms the basis for the plant activity
6 shown on this schedule. The thirteen-month average of Utility Plant in Service is
7 $340,915,165.

8 Q. Please explain Exhibit 12, Schedule 4, Page 1 of 1.

9 A. Exhibit 12, Schedule 4, Page 1 of 1 shows the Company's Accumulated
10 Depreciation and CIAC Amortization. The schedule shows the recorded amounts
11 for these rate base components for the months of November 2010 through June
12 2011. For the months beginning in July 2011, I calculated a monthly incremental
13 amount for both accumulated depreciation and amortization of CIAC. To these
14 monthly amounts, I added any retirement, cost of removal or salvage information
15 provided by Witness Rhead, forming a balance for accumulated depreciation and
16 amortization of CIAC for the months of July through November 2011. The
17 thirteen-month average of accumulated depreciation is $81,545,625, while the
18 thirteen-month average for amortization of CIAC is $18,865,007.

19 Q. Please explain Exhibit 12, Schedule 5, Page 1 of 1.

20 A. Exhibit 12, Schedule 5, Page 1 of 1 summarizes change to advances for
21 construction for the test year. Since the issuance of Order No. 28505 in case UWI-
22 W-00-1, the Company does not depreciate advanced property. This requires the
23 Company to accurately track, by associated plant account, all additions and

1 refunds impacting the advance account. The thirteen-month average balance of
2 advances for construction is $6,608,145.
3 Q. Please explain Exhibit 12, Schedule 6, Page 1 of 1.
4 A. Exhibit 12, Schedule 6, Page 1 of 1 indicates activity in Contributions in Aid of
5 Construction (CIAC) during the test period. Like advances for construction,
6 CIAC funded assets are not depreciated for rate- making purposes. The thirteen-
7 month average balance of net CIAC is $70,654,205.
8 Q. Please explain Exhibit 12, Schedule 7, Page 1 of 1.
9 A. Exhibit 12, Schedule 7, Page 1 of 1 indicates the net change to the balance of
10 Utility Plant Acquisition Adjustment (UPAA). The UPAA gross balance is
11 comprised of both debit and credit balances. The gross value of the six individual
12 UPAA, all approved by the Commission in various proceedings, is a positive
13 $600,762. As of November 30, 2011, the net balance will be $519,343; the
14 thirteen-month average balance is $524,008.
15 Q. Please explain Exhibit 12, Schedule 8, Page 1 of 1.
16 A. Exhibit 12, Schedule 8, Page 1 of 1 indicates the composition of Accumulated
17 Deferred Income Taxes (ADIT) at the end of the test period. The tax depreciation
18 portion of this account was adjusted for assets in service as of November 30,
19 2011. The balance of ADIT excludable from rate base for rate-making purposes is
20 $8,186,615.
21 Q. Please explain Exhibit 12, Schedule 9, Page 1 of 1.
22 A. Exhibit 12, Schedule 9, Page 1 of 1, represents the activity related to the pre-1971
23 investment tax credits that are deducted from rate base and amortized at a rate of

1 $1.285 annually. The balance at November 30, 2011 will be $4,925. The thirteen-
2 month average balance is $5,568.
3 Q. Please explain Exhibit 12, Schedule 10, Page 1 of 1.
4 A. Exhibit 12, Schedule 10, Page 1 of 1, identifies the deferred items the Company
5 has included in rate base. The total balance is $2,540,930. Of this balance,
6 $1,652,093 is the net unamortized balance of deferred items included in rate base
7 from the Company's three previous rate cases. The $888,837 of new deferred
8 charges requested for inclusion in rate base in this proceeding is comprised of
9 four line items. First is the estimated cost of preparing and presenting the current
10 case of $252,500. Next is the cost incurred by the Company to paint the Hillcrest
11 tank. The cost of this project was $230,134. As explained by Witness Cary, the
12 Company is requesting a twenty year amortization of this expenditure, in line with
13 the amortization of tank paintings granted in case UWI-W-04-04 as well as in the
14 stipulations for the 2006 and 2009 rate cases. Also included is the Company's
15 request to earn a return on costs associated with the termination of the Idaho
16 Power Company Alternate Distribution Agreement. Those costs are expected to
17 be $74,272. Witness Rhead explains these costs in his direct testimony and
18 Witness Cary reflects the requested amortization of these costs in her Operating
19 Expense exhibits. Finally, the Company is reflecting a $331,931 increase to its
20 deferred debit account that represents additional AFUDC equity tax gross-up for
21 the period between the 2006 rate case and the end of the test year in this case.
22 These dollar amounts have been moved out of plant-in-service pursuant to Order
23 No. 29838 in Case UWI-W-04-04.

1 Q. Please explain Exhibit 12, Schedule 11, Pages 1 through 6.

2 A. Exhibit 12, Schedule 11, Pages 1 through 6 indicates the calculation of the
3 allowance for working capital prepared by the Company using the balance sheet
4 dated April 30, 2011. The same methodology used in Case UWI-W-09-01 was
5 employed in the instant case. The working capital allowance included in rate base
6 is $4,817,018.

7 Q. Does this conclude your direct testimony?

8 A. Yes.

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF UNITED WATER IDAHO INC. FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR WATER SERVICE IN THE STATE OF IDAHO	Case No. UWI-W-11-02

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

EXHIBIT TO ACCOMPANY THE
DIRECT TESTIMONY OF KEVIN H. DOHERTY

United Waterworks Inc
Proforma Consolidated Capital Structure
30-Apr-11

Item	Amount	Percentage	Cost	Weighted
Long-term Debt	$ 325,345,000	47.49%	6.15%	2.92%
Common Equity	359,707,235	52.51%	10.50%	5.51%
Total	$ 685,052,235	100.00%		8.43%

Common Equity	
Common Stock	1,164
Paid in Capital	159,411,374
Retained Earnings	200,294,698
Total	359,707,235

Case No. UWI-W-11-02
Exhibit No. 7
Page 1 of 2
K.Doherty

UNITED WATERWORKS
30-Apr-11
COMPOSITE COST RATE OF DEBT

Line #	[1] Description of Debt	[2] Issue Date	[3] Maturity Date	[4] [a] Amount Outstanding	[5] Unamortized Net Discount, Premium and Expense	[6] Net Proceeds (C.4+/-C.5)	[7] Stated Interest Rate	[8] Annual Interest Expense (C.4xC.7)	[9] Amortization of Net Discount Premium and Expense	[10] Annual Cost (C.8+C.9)	[11] Effective Cost Rate	[12] Weighted Embedded Cost Rate
1	Medium Term Note Series A 1998	2/98	2/23	25,000,000	1,142,241	23,857,759	6.97%	1,742,500	97,212	1,839,712	7.71%	0.59%
2	Medium Term Note Series A 1998	12/98	12/17	5,000,000	26,880	4,973,120	6.90%	345,000	4,032	349,032	7.02%	0.11%
3	Medium Term Note Series A 1998	2/98	2/28	15,000,000	134,268	14,865,732	7.10%	1,065,000	8,016	1,073,016	7.22%	0.34%
4	Tax Exempt-Dauphin 92 TEF Series B	6/92	6/17	4,185,000	25,039	4,159,961	6.70%	280,395	4,116	284,511	6.84%	0.09%
5	Tax Exempt-Boise 2001 TEF	9/01	9/31	26,100,000	2,686,641	23,413,359	5.00%	1,305,000	132,132	1,437,132	6.14%	0.46%
6	Tax Exempt-DE 2002 TEF	3/02	3/33	16,260,000	1,636,850	14,623,150	5.15%	837,390	74,964	912,354	6.24%	0.29%
7	Tax Exempt NY (NR) 2002 TEF	3/02	3/34	11,390,000	1,219,026	10,170,974	5.15%	586,585	53,388	639,973	6.29%	0.21%
8	Tax Exempt-Dauphin 92 TEF Series A	6/92	6/24	10,000,000	241,669	9,758,331	6.90%	690,000	18,480	708,480	7.26%	0.23%
9	Tax Exempt-Boise 05 TEF	5/05	5/35	18,585,000	1,652,865	16,932,135	4.55%	845,618	65,460	911,078	5.38%	0.29%
10	Tax Exempt-Boise 97 $20MTEF Series 1997	8/97	8/27	19,725,000	695,175	19,029,825	5.30%	1,045,425	42,780	1,088,205	5.72%	0.35%
11	Tax Exempt-Pennsylvania Series 2007	2/07	2/37	24,100,000	1,126,614	22,973,386	4.50%	1,084,500	43,760	1,128,260	4.91%	0.36%
12	Senior Note Series 2010	1/10	1/25	45,000,000	1,215,453	43,784,547	4.92%	2,214,000	88,800	2,302,800	5.26%	0.74%
13	Senior Note Series A	11/07	11/17	15,000,000	100,488	14,899,512	5.66%	849,000	15,269	864,269	5.80%	0.28%
14	Senior Note Series B	11/07	11/28	15,000,000	127,866	14,872,134	6.13%	919,500	7,271	926,771	6.23%	0.30%
15	Medium Term Note Mutual of Omaha A	10/08	10/29	7,500,000	45,526	7,454,474	6.54%	490,500	2,473	492,973	6.61%	0.16%
16	Medium Term Note Mutual of Omaha B	12/08	12/29	7,500,000	45,938	7,454,062	6.59%	494,250	2,478	496,728	6.66%	0.16%
17	Medium Term Note NY Life A	10/08	12/18	12,500,000	64,080	12,435,920	6.21%	776,250	8,646	784,896	6.31%	0.25%
18	Medium Term Note NY Life B	12/08	12/18	12,500,000	65,884	12,434,116	6.31%	788,750	8,684	797,434	6.41%	0.26%
19	Tax-Exempt-NY Series 2010A	09/10	09/40	35,000,000	1,059,872	33,940,128	4.88%	1,706,250	36,132	1,742,382	5.13%	0.56%
20	Total Long-Term Debt			325,345,000	13,312,375	312,032,625		18,065,913	714,094	18,780,007		6.02%
21	Additional Debt Costs											
22	Unamortized Costs Associated With Retired Medium Term Note ($10M@8.84%)				77,220				5,616	5,616	0.002%	0.002%
23	Premium on Retirement of Medium Term Note				303,765				22,092	22,092	0.01%	0.01%
24	Premium on Retirement of Prudential Capital Corp.Debt ($20M @10.05%, and $15M @ 9.57%)				4,432,896				340,992	340,992	0.11%	0.11%
25	Unamortized Costs Associated With Retired Jacksonville Debt ($12M @ 6.75%)				288,830				24,924	24,924	0.01%	0.01%
26	Unamortized Costs Associated With Retired UW Westchester TEF ($2.25M @ 8.85%)				42,008				8,554	8,554	0.003%	0.003%
27	Totals				18,457,094				1,116,272	19,182,184		6.15%

Case No. UWI-W-11-02
Exhibit No. 7
Page 2 of 2
K.Doherty

United Water Idaho
Balance Sheet Per Books
April 30, 2011
Case No. UWI-W-11-02

Line No.			
	Assets		
	Utility Plant		
1	Water Plant in Service	$	340,766,446
2	Retirement Work in Progress		(735,987)
3	Plant Held for Future Use		0
4	Construction Work in Progress		6,214,074
5	Utility Plant Acquisition Adjustment		600,761
6	Less: Accumulated Depreciation and Amortization		(101,354,243)
7	**Net Utility Plant**		245,491,051
	Investments		
8	Other Investments		11,054
9	Equity Earnings Non-Consolidated Companies		100,693
10	**Total Investments**		111,747
	Current Assets		
11	Cash		(1,940,370)
12	Accts/Notes Receivable - Customers		736,606
13	Other Receivables		71,834
14	Provision for Uncollectable Accounts		(28,200)
15	Material & Supplies Inventory		281,238
16	Prepaid Expenses		19,880
17	Accrued Utility Revenue		2,533,056
18	**Total Current Assets**		1,674,044
	Deferred Debits		
19	Deferred Rate Case Expense		90,869
20	Other Deferred Charges		3,162,345
21	**Total Deferred Debits**		3,253,214
22	**Total Assets**	$	250,530,056
	Capitalization and Liabilities		
	Capital		
23	Common Stock Issued	$	1,261,750
24	Additional Paid-in Capital		76,704,330
25	Retained Earnings		75,227,722
26	**Total Equity Capital**		153,193,803
	Liabilities		
27	Accounts Payable		233,261
28	Notes Payable		0
29	Customer Deposits		0
30	Accrued Other Taxes Payable		1,302,957
31	Accrued Income Taxes Payable		1,795,548
32	Misc Current & Accrued Liabilities		769,114
33	Advances for Construction		6,589,413
34	Other Deferred Liabilities		5,213,951
35	Accumulated Investment Tax Credits		985,586
36	Operating Reserves (Pension & Benefits)		9,084,481
37	Contributions in Aid of Construction		89,326,558
38	Accumulated Amortization of CIAC		(18,706,393)
39	Accumulated Deferred Income Tax		741,778
40	**Total Liabilities**		97,336,253
41	**Total Liabilities & Capital**	$	250,530,056

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United Water Idaho
Statement of Income
For the Twelve Months Ended April 30, 2011
Case No. UWI-W-11-02

Line No.			
1	**Operating Revenues**	$	37,668,307
	Operating Expenses		
2	Operation and Maintenance Expense		15,480,462
3	Depreciation Expense		7,441,785
4	Amortization, Utility Plant Acquisition Adjustment		9,366
5	Taxes Other Than Income Taxes		1,977,830
6	Income Taxes		3,543,253
7	**Total Operating Expenses**		28,452,697
8	**Net Operating Revenues**		9,215,610
9	Gains (Losses) from Disposition of Utility Plant		62,659
10	**Utility Operating Income**		$9,278,269

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UNITED WATER IDAHO
STATEMENT OF OPERATING INCOME PER BOOKS AND PROFORMA UNDER
PRESENT AND PROPOSED RATES FOR THE TWELVE MONTHS ENDING NOVEMBER 30, 2011

Line No.	Description	Column (1) Adjustment Reference	Column (2) Per Books 04/30/11	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	Exh No.5, Sch 1	$37,668,308	$628,295	$38,296,603	$7,616,015	$45,912,618	19.89%
	Operating Expenses							
2	Operation & Maintenance	Exh No.11, Sch 1	15,480,463	810,038	16,290,500	57,539	16,348,039	
3	Depreciation	Exh No.11, Sch 2	7,441,785	242,573	7,684,358	-	7,684,358	
4	Amortization Of UPAA	Exh No.11, Sch 2	9,366	-	9,366	-	9,366	
5	Total Depreciation and Amortization		7,451,151	242,573	7,693,724	-	7,693,724	
	Taxes Other Than Income							
6	Ad Valorem	Exh No.11, Sch 3	1,530,163	307,837	1,838,000	-	1,838,000	
7	Payroll Taxes	Exh No.11, Sch 3	447,666	21,299	468,965	-	468,965	
8	Total Taxes Other Than Income		1,977,829	329,136	2,306,965	-	2,306,965	
9	Total Operating Expenses Excluding Income Taxes		24,909,443	1,381,747	26,291,189	57,539	26,348,728	
10	Operating Income Before Income Taxes		12,758,865	(753,452)	12,005,414	7,558,476	19,563,891	
	Income Taxes							
11	State Income Taxes	Exh No.11, Sch 4	665,190	(169,835)	495,355	574,444	1,069,800	
12	Federal Income Taxes	Exh No.11, Sch 4	2,878,063	(563,547)	2,314,516	2,444,411	4,758,927	
13	Total Income Taxes		3,543,253	(733,382)	2,809,871	3,018,855	5,828,727	
14	Utility Operating Income		$9,215,612	($20,070)	$9,195,543	$4,539,621	$13,735,164	
15	Adjusted Rate Base	Exh No.12, Sch 1			$162,931,956		$162,931,956	
16	Rate of Return on Rate Base				5.64%		8.43%	
17	Required Rate of Return	Exh No.7, Page 1			8.43%			
18	Required Net Operating Income				$13,735,164			
19	Operating Income Deficiency				$4,539,621			
20	Gross Revenue Conversion Factor	Exh No.11, Sch 4			1.6777			
21	Revenue Deficiency				$7,616,015			

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United Water Idaho
Calculation of Depreciation Expense and Amortization of UPAA
Case UWI-W-11-02

Plant Account Number	Plant Account Description	Gross Plant In Service 11/30/2011	CIAC 11/30/2011	Advances 11/30/2011	Net Depreciable Plant 11/30/2011	Depreciation Rate	Depreciation Expense
301-10	Organization	104,548	-	(6,986)	97,562	0.00%	-
	Organization-CIAC		(9,878)	-	(9,878)	0.00%	-
303-20	Land & Land Rights - Source of Supply	2,658,353	-	(497,826)	2,160,527	0.00%	-
303-2W	Water Rights - Source of Supply	5,109,284	-	-	5,109,284	0.00%	-
303-30	Land & Land Rights - Water Treatment	889,034	-	-	889,034	0.00%	-
303-40	Land & Land Rights - Trans. & Distrib.	823,729	-	-	823,729	0.00%	-
303-50	Land & Land Rights - General Plant	213,383	-	-	213,383	0.00%	-
	Land and Land Rights-CIAC		(335,232)	-	(335,232)	0.00%	-
304-20	Structures and Improvements - Source of Supply	5,158,517	-	(592,343)	4,566,175	2.00%	91,323
	Str & Imprv.-Source of Supply-CIAC		(337,375)	-	(337,375)	2.00%	(6,748)
304-30	Structures and Improvements - Water Treatment	15,583,657	-	-	15,583,657	2.00%	311,673
304-40	Structures and Improvements - Trans. & Distrib.	2,283,568	-	-	2,283,568	2.00%	45,671
304-50	Structures and Improvements - General Plant	3,223,882	-	-	3,223,882	2.50%	80,597
305-20	Collecting & Impounding Reservoirs - Source of Supply	83,217	-	-	83,217	2.00%	1,664
	Coll. & Impound. Reservoirs-Source of Supply-CIAC		(37,366)	-	(37,366)	2.00%	(747)
306-20	Lake, River & Other Intakes	1,172,345	-	-	1,172,345	2.00%	23,447
307-20	Wells & Springs	8,769,129	-	(140,521)	8,628,608	2.86%	246,778
	Wells & Springs-CIAC		(1,399,504)	-	(1,399,504)	2.86%	(40,026)
308-20	Infiltration Galleries & Tunnels	60,351	-	-	60,351	2.00%	1,207
309-20	Supply Mains	2,203,583	-	(118,915)	2,084,668	2.00%	41,693
	Supply Mains-CIAC		(9,391)	-	(9,391)	2.00%	(188)
310-20	Power Generation Equipment	2,588,141	-	-	2,588,141	5.00%	129,407
311-20	Power Electric Pumping Equipment - Source of Supply	18,105,821	-	(599,665)	17,506,156	5.00%	875,308
	Electric Pump. Equip.-Source of Supply-CIAC		(1,789,112)	-	(1,789,112)	5.00%	(89,456)
311-20	Power Diesel Pumping Equipment - Source of Supply	-	-	-	-	0.00%	-
311-30	Power Pumping Equipment - Water Treatment	128,264	-	-	128,264	5.00%	6,413
311-40	Power Pumping Equipment - Trans. & Distrib.	3,853,474	-	-	3,853,474	5.00%	192,674
320-30	Water Treatment Equipment	24,931,973	-	(14,297)	24,917,676	5.00%	1,245,884
320-30	Water Treatment Equipment - Membranes	992,097	-	-	992,097	14.28%	141,671
	Water Treatment Equipment-CIAC		(34,570)	-	(34,570)	5.00%	(1,729)
330-40	Distribution Reservoirs & Standpipes	10,732,988	-	(1,395,049)	9,337,939	2.00%	186,759
	Distribution Reservoirs & Standpipes-CIAC		(1,163,794)	-	(1,163,794)	2.00%	(23,276)
331-10	Trans. & Distrib. Mains & Accessories - Intangible	-	-	-	-	0.00%	-
331-20	Trans. & Distrib. Mains & Accessories - SOS	-	-	-	-	0.00%	-
331-40	Trans. & Distrib. Mains & Accessories	149,167,949	-	(3,017,762)	146,150,187	2.00%	2,923,004
	T&D Mains & Accessories-CIAC		(71,703,009)	-	(71,703,009)	2.00%	(1,434,060)
333-40	Services	55,646,452	-	(298,061)	55,348,391	2.50%	1,383,710
	Services-CIAC		(12,398,296)	-	(12,398,296)	2.50%	(309,957)
334-40	Meters and Meter Installations	14,786,318	-	-	14,786,318	2.50%	369,658
	Meters-CIAC		(191,517)	-	(191,517)	2.50%	(4,788)
335-40	Hydrants	3,421,517	-	(6,986)	3,414,531	2.50%	85,363
	Hydrants-CIAC	-	(504,210)	-	(504,210)	2.50%	(12,605)

United Water Idaho
Calculation of Depreciation Expense and Amortization of UPAA
Case UWI-W-11-02

Plant Account Number	Plant Account Description	Gross Plant In Service 11/30/2011	CIAC 11/30/2011	Advances 11/30/2011	Net Depreciable Plant 11/30/2011	Depreciation Rate	Depreciation Expense
336-40	Backflow Prevention Devices	-	-	-	-	0.00%	-
339-10	Other Plant & Misc. Equipment - Intangible	-	-	-	-	0.00%	-
339-20	Other Plant & Misc. Equipment - Source of Supply	-	-	-	-	0.00%	-
339-30	Other Plant & Misc. Equipment - Water Treatment	-	-	-	-	0.00%	-
339-40	Other Plant & Misc. Equipment - Trans. & Distrib.	-	-	-	-	0.00%	-
339-50	Other Plant & Misc. Equipment - General Plant	-	-	-	-	0.00%	-
340-500	Office Furniture and Equipment	763,103	-	-	763,103	0.00%	-
340-5A0	New CIS System	5,572,900	-	-	5,572,900	14.29%	796,129
340-5A0	AM / FM System	92,441	-	-	92,441	10.00%	9,244
340-5H0	Computer Equipment - Hardware	1,020,394	-	-	1,020,394	0.00%	-
340-5I0	IT Initiatives & IFMS Costs	1,412,834	-	-	1,412,834	10.00%	141,283
340-5S0	Computer Equipment - Software	2,685,623	-	-	2,685,623	0.00%	-
	Office Furniture & Equipment-CIAC		(1,131)	-	(1,131)	0.00%	-
341-50	Transportation Equipment	47,193	-	-	47,193	0.00%	-
342-50	Stores Equipment	31,917	-	-	31,917	6.67%	2,129
343-50	Tools, Shop and Garage Equipment	739,568	-	-	739,568	6.67%	49,329
343-50	Confined Space Monitor, Generator, Trench Shield	-	-	-	-		-
344-50	Laboratory Equipment	246,856	-	-	246,856	6.67%	16,465
	Laboratory Equipment-CIAC		(16,729)	-	(16,729)	6.67%	(1,116)
345-50	Power Operated Equipment	95,184	-	-	95,184	0.00%	-
345-50	Power Operated Equipment	145,798	-	-	145,798	0.00%	-
346-50	Communications Equipment	2,486,374	-	(41,429)	2,444,945	6.67%	163,078
347-50	Miscellaneous Equipment	1,645	-	-	1,645	0.00%	-
347-50	Miscellaneous Equipment	154,653	-	-	154,653	0.00%	-
348-50	Other Tangible Property	1,258,687	-	-	1,258,687	2.00%	25,174
348-50	Master Plan	223,164	-	-	223,164	10.00%	22,316
	TOTAL	349,669,908	(89,931,114)	(6,729,840)	253,008,954		7,684,358

Proforma Depreciation Expense	$	7,684,358
Depreciation and Amortization Recorded at April 30, 2011		7,441,785
Proforma Adjustment	**$**	**242,573**
Amortization of Utility Plant Acquisition Adjustment (Exh 13, Sch7)	$	9,366
Total Depreciation and Amortization of UPAA	$	7,693,724

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UNITED WATER IDAHO
Case UWI-W-11-02
Computation of State and Federal Income Taxes
At Present and Proposed Rates

Line No.		PRESENT RATES (1)	PROPOSED RATES (2)
1.	OPERATING INCOME BEFORE INCOME TAXES	$ 12,005,414	$ 19,563,891
	LESS: TAX DEDUCTIONS		
2	Interest Expense (A)	4,758,848	4,758,848
3	Excess Tax Over Book Depreciation (B)	728,732	728,732
4	TOTAL TAX DEDUCTIONS	5,487,580	5,487,580
5	Taxable Income-State	6,517,834	14,076,310
6	**State Income Tax at 7.6%**	**$ 495,355**	**$ 1,069,800**
7	Federal Taxable Income (L.1-L.3-L.7)	$ 6,751,211	$ 13,735,243
8	Federal Income Tax at 35%	$ 2,362,924	$ 4,807,335
9	Less: Amortization of ITC	$ (48,408)	$ (48,408)
10	**NET FEDERAL INCOME TAX EXPENSE**	**$ 2,314,516**	**$ 4,758,927**
	(A) CALCULATION OF INTEREST EXPENSE DEDUCTION:		
11	Pro Forma Rate Base		$ 162,931,956
12	Debt Percentage of Capitalization		47.492%
13	Debt Portion of Rate Base		77,379,643
14	Debt Rate		6.15%
15	INTEREST EXPENSE		$ 4,758,848
16	(B) EXCESS TAX OVER BOOK DEPRECIATION:		
17	Pro Forma Tax Depreciation		$ 8,413,090
18	Pro Forma Book Depreciation		$ 7,684,358
19	EXCESS TAX OVER BOOK DEPRECIATION (B)		$ 728,732

United Water Idaho
Case UWI-W-11-02
Calculation of Revenue Requirement & Net to Gross Multiplier

Rate Base	$	162,931,956
Required Rate of Return		8.43%
Required Net Operating Income		13,735,164
Adjusted Net Operating Income Realized		9,195,543
Net Operating Income Deficiency		4,539,621
Net To Gross Multiplier		1.6777
Gross Revenue Increase	$	7,616,015

Net Operating Income Requirement	1.0000000	$	7,616,015
Less: IPUC Assessment Rate	0.0022970		
Less: Uncollectible Accounts Expense	0.0052580		
Rate Applicable to O&M Expense & IPUC Assessment	0.0075550	$	57,539
State Tax Rate	0.0760000		
Effective Net State Tax Rate	0.0754258	$	574,444
Federal Income Tax Residual	0.0829808		
Incremental Federal Income Tax Rate	0.3500000		
Effective Federal Tax Rate	0.3209567	$	2,444,411
Composite:IPUC Fees, Uncollectibles & Income Taxes	0.403938	$	3,076,394
Composite Residual	0.596062	$	4,539,621
Net to Gross Multiplier	1.6777	$	7,616,015

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United Water Idaho
Rate Case UWI-W-11-02
Rate Base Summary
Using 13 Month Average Methodology

Line No.	Rate Base Element	Exhibit 12 Schedule Reference	Basis of Calculation	Amount
1	Gross Utility Plant in Service	Schedule 3	13 Month Average	$ 340,915,165
2	Total Accumulated Depreciation and CIAC Amortization	Schedule 4	13 Month Average	(100,410,632)
3	Net Utility Plant in Service			240,504,533
4	Customer Advances for Construction	Schedule 5	13 Month Average	(6,608,145)
5	Contributions in Aid of Construction (net of amortization)	Schedule 6	13 Month Average	(70,654,205)
6	Utility Plant Acquistion Adjustment Net	Schedule 7	13 Month Average	524,008
7	Accumulated Deferred Income Taxes	Schedule 8	Test Year End	(8,186,615)
8	Pre-1971 Investment Tax Credits	Schedule 9	13 Month Average	(5,568)
9	Deferred Charges Included in Rate Base	Schedule 10	Test Year End	2,540,930
10	Working Capital Allowance	Schedule 11	At April 30, 2011 Balance Sheet Method	4,817,018
11	Total Rate Base			$ 162,931,956

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Schedule 1
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United Water Idaho
Summary Rate Base Calculation
Thirteen Month Average Worksheet
Case UWI-W-11-02

Line No.	Rate Base Element	Recorded Amounts													
		11/30/10	12/31/10	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11	13 Month Avg
1	Utility Plant in Service	336,489,905	338,411,961	339,144,092	340,487,745	339,992,768	340,030,459	340,296,483	340,241,991	338,900,776	340,110,476	341,164,276	346,956,308	349,669,908	
2															
3	Gross Plant In Service	336,489,905	338,411,961	339,144,092	340,487,745	339,992,768	340,030,459	340,296,483	340,241,991	338,900,776	340,110,476	341,164,276	346,956,308	349,669,908	340,915,165
4	Accumulated Depreciation-Utility Plant	(80,495,778)	(80,786,672)	(81,403,639)	(81,757,784)	(82,216,187)	(82,576,171)	(83,180,861)	(82,429,765)	(80,949,388)	(81,348,604)	(81,890,380)	(80,391,740)	(80,777,711)	(81,554,206)
5	Retirement Work In Progress	15,941	11,240	2,356	20,475	37,142	4,337	9,153	10,909						8,581
6															-
7	Accumulated Amortization CIAC	(17,912,524)	(18,071,112)	(18,230,313)	(18,388,973)	(18,547,683)	(18,706,392)	(18,865,264)	(19,024,144)	(19,182,321)	(19,340,770)	(19,499,481)	(19,658,448)	(19,817,670)	(18,865,007)
8	Total Accumulated Depreciation & Amortization	(98,392,361)	(98,846,544)	(99,631,596)	(100,126,282)	(100,726,728)	(101,278,226)	(102,036,972)	(101,443,000)	(100,131,710)	(100,689,374)	(101,389,861)	(100,050,188)	(100,595,381)	(100,410,632)
9	Customer Advances for Construction	(6,724,059)	(6,692,587)	(6,692,587)	(6,682,413)	(6,599,758)	(6,589,412)	(6,580,802)	(6,570,845)	(6,570,845)	(6,553,945)	(6,553,945)	(6,553,945)	(6,540,745)	(6,608,145)
10	Contributions in Aid of Construction-Net	(71,273,921)	(71,168,078)	(71,019,851)	(70,865,178)	(70,705,097)	(70,620,165)	(70,466,364)	(70,395,548)	(70,403,570)	(70,404,721)	(70,400,111)	(70,395,243)	(70,386,822)	(70,654,205)
11	Utility Plant Acquisition Adjustment (Net)	528,672	527,895	527,117	526,340	525,563	524,785	524,008	523,230	522,453	521,675	520,898	520,121	519,343	524,008
12	Accumulated Deferred Income Taxes													(8,186,615)	(8,186,615)
13	Pre 1971 Investment Tax Credits	(6,210)	(6,103)	(5,996)	(5,889)	(5,782)	(5,675)	(5,568)	(5,460)	(5,353)	(5,246)	(5,139)	(5,032)	(4,925)	(5,568)
14	Deferred Charges													2,540,930	2,540,930
15	Working Capital													4,817,018	4,817,018
16	CIS Project													-	-
17	Total Rate Base	160,622,026	162,226,544	162,321,180	163,334,323	162,480,966	162,061,766	161,730,786	162,350,368	162,311,750	162,978,864	163,336,118	170,472,020	171,832,712	162,931,956

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United Water Idaho
Utility Plant In Service with Forecast Additions and Retirements
Case UWI-W-11-02

Plant Account Number	Plant Account Description	Plant In Service 04/30/2011	Actual May 2011 Additions	Actual May 2011 Retirements	Plant In Service 05/31/2011	Actual June 2011 Additions	Actual June 2011 Retirements	Plant In Service 06/30/2011	Forecast July 2011 Additions	Forecast July 2011 Retirements	Plant In Service 07/31/2011
301-10	Organization	104,548			104,548			104,548			104,548
303-20	Land & Land Rights - Source of Supply	2,658,353			2,658,353			2,658,353			2,658,353
303-2W	Water Rights - Source of Supply	5,018,852	9,109		5,027,961	16,223		5,044,184	13,100		5,057,284
303-30	Land & Land Rights - Water Treatment	889,034			889,034			889,034			889,034
303-40	Land & Land Rights - Trans. & Distrib.	823,729			823,729			823,729			823,729
303-50	Land & Land Rights - General Plant	213,383			213,383			213,383			213,383
304-20	Structures and Improvements - Source of Supply	5,002,803	31		5,002,833	1,384		5,004,217	(1,700)		5,002,517
304-30	Structures and Improvements - Water Treatment	15,466,596			15,466,596	97,061		15,563,657	24,200	(25,000)	15,562,857
304-40	Structures and Improvements - Trans. & Distrib.	2,170,199	31		2,170,229	1,665		2,171,895		(27)	2,171,868
304-50	Structures and Improvements - General Plant	3,221,118			3,221,118	764		3,221,882			3,221,882
305-20	Collecting & Impounding Reservoirs - Source of Supply	83,217			83,217			83,217			83,217
306-20	Lake, River & Other Intakes	1,173,735	310		1,174,045			1,174,045	(1,700)		1,172,345
307-20	Wells & Springs	8,563,063	6,064		8,569,127	2		8,569,129		(62,800)	8,506,329
308-20	Infiltration Galleries & Tunnels	60,351			60,351			60,351			60,351
309-20	Supply Mains	2,203,583			2,203,583			2,203,583			2,203,583
310-20	Power Generation Equipment	2,408,858	319		2,409,177	64		2,409,241			2,409,241
311-20	Power Electric Pumping Equipment - Source of Supply	17,593,898	257		17,594,155	58,346	(9,300)	17,643,201	2,800	(7,580)	17,638,421
311-20	Power Diesel Pumping Equipment - Source of Supply	-			-			-			-
311-30	Power Pumping Equipment - Water Treatment	126,277	1,393		127,671	593		128,264			128,264
311-40	Power Pumping Equipment - Trans. & Distrib.	3,104,952	4,379		3,109,331	9,396	(1,553)	3,117,174	4,400	(1,100)	3,120,474
320-30	Water Treatment Equipment	24,883,216	6,261	(43,260)	24,846,218	21,555	(12,500)	24,855,273	38,500		24,893,773
320-30	Water Treatment Equipment - Membranes	992,097			992,097			992,097			992,097
330-40	Distribution Reservoirs & Standpipes	9,757,285			9,757,285	509,103		10,266,388	125,600		10,391,988
331-10	Trans. & Distrib. Mains & Accessories - Intangible				-			-			-
331-20	Trans. & Distrib. Mains & Accessories - SOS				-			-			-
331-40	Trans. & Distrib. Mains & Accessories	144,930,356	36,622		144,966,978	268,282	(10,417)	145,224,844	333,000	(36,495)	145,521,349
333-40	Services	54,410,825	206,604		54,617,428	229,024		54,846,452	100,900		54,947,352
334-40	Meters and Meter Installations	14,608,273	61,368		14,669,641	7,077		14,676,718	2,600		14,679,318
335-40	Hydrants	3,421,517			3,421,517			3,421,517			3,421,517
336-40	Backflow Prevention Devices	-			-			-			-
339-10	Other Plant & Misc. Equipment - Intangible	-			-			-			-
339-20	Other Plant & Misc. Equipment - Source of Supply				-			-			-
339-30	Other Plant & Misc. Equipment - Water Treatment				-			-			-
339-40	Other Plant & Misc. Equipment - Trans. & Distrib.				-			-			-
339-50	Other Plant & Misc. Equipment - General Plant				-			-			-
340-500	Office Furniture and Equipment	768,140	(163)		767,977			767,977		(4,873)	763,103
340-5A0	New CIS System	552,910			552,910			552,910		(552,910)	-
340-5A0	AM / FM System	1,377,294			1,377,294	22,518	(1,307,370)	92,441			92,441
340-5H0	Computer Equipment - Hardware	1,742,165			1,742,165			1,742,165	5,400	(808,371)	939,194
340-5I0	IT Initiatives & IFMS Costs	1,412,834			1,412,834			1,412,834			1,412,834
340-5S0	Computer Equipment - Software	4,460,235			4,460,235			4,460,235	2,800	(5,344)	4,457,691
341-50	Transportation Equipment	51,356			51,356			51,356		(4,163)	47,193
342-50	Stores Equipment	31,917			31,917			31,917			31,917
343-50	Tools, Shop and Garage Equipment	723,206	5,417		728,622	2,804		731,426	11,100	(11,158)	731,368
343-50	Confined Space Monitor, Generator, Trench Shield				-			-			-
344-50	Laboratory Equipment	243,956			243,956			243,956	8,000		251,956
345-50	Power Operated Equipment	95,184			95,184			95,184			95,184
345-50	Power Operated Equipment	145,798			145,798			145,798			145,798
346-50	Communications Equipment	2,470,174	(38,182)		2,431,992	29,582		2,461,574	1,900	(5,600)	2,457,874
347-50	Miscellaneous Equipment	239,713			239,713	1,645		241,358		(239,713)	1,645
347-50	Miscellaneous Equipment	154,653			154,653			154,653			154,653
348-50	Other Tangible Property	1,239,662	9,465		1,249,127	9,560		1,258,687			1,258,687
348-50	Master Plan	431,146			431,146			431,146	6,300	(253,281)	184,164
	TOTAL	340,030,459	309,284	(43,260)	340,296,483	1,286,648	(1,341,140)	340,241,991	677,200	(2,018,415)	338,900,776

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United Water Idaho
Utility Plant In Service with Forecast Additions and Retirements
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Plant Account Number	Plant Account Description	Forecast August 2011 Additions	Forecast August 2011 Retirements	Plant In Service 08/31/2011	Forecast September 2011 Additions	Forecast September 2011 Retirements	Plant In Service 9/30/2011	Forecast October 2011 Additions	Forecast October 2011 Retirements	Plant In Service 10/31/2011
301-10	Organization			104,548			104,548			104,548
303-20	Land & Land Rights - Source of Supply			2,658,353			2,658,353			2,658,353
303-2W	Water Rights - Source of Supply	13,000		5,070,284	13,000		5,083,284	13,000		5,096,284
303-30	Land & Land Rights - Water Treatment			889,034			889,034			889,034
303-40	Land & Land Rights - Trans. & Distrib.			823,729			823,729			823,729
303-50	Land & Land Rights - General Plant			213,383			213,383			213,383
304-20	Structures and Improvements - Source of Supply			5,002,517			5,002,517	107,100	(18,000)	5,091,617
304-30	Structures and Improvements - Water Treatment	11,900	(4,900)	15,569,857	5,700		15,575,557	20,100		15,595,657
304-40	Structures and Improvements - Trans. & Distrib.			2,171,868			2,171,868			2,171,868
304-50	Structures and Improvements - General Plant			3,221,882			3,221,882	10,000	(8,000)	3,223,882
305-20	Collecting & Impounding Reservoirs - Source of Supply			83,217			83,217			83,217
306-20	Lake, River & Other Intakes			1,172,345			1,172,345			1,172,345
307-20	Wells & Springs			8,506,329			8,506,329		(24,000)	8,482,329
308-20	Infiltration Galleries & Tunnels			60,351			60,351			60,351
309-20	Supply Mains			2,203,583			2,203,583			2,203,583
310-20	Power Generation Equipment			2,409,241			2,409,241			2,409,241
311-20	Power Electric Pumping Equipment - Source of Supply	69,000		17,707,421	69,000		17,776,421	113,900	(30,400)	17,859,921
311-20	Power Diesel Pumping Equipment - Source of Supply			-			-			-
311-30	Power Pumping Equipment - Water Treatment			128,264			128,264			128,264
311-40	Power Pumping Equipment - Trans. & Distrib.			3,120,474	14,500	(4,400)	3,130,574	16,400	(4,900)	3,142,074
320-30	Water Treatment Equipment	94,200	(82,700)	24,905,273	9,500	(1,600)	24,913,173	6,000		24,919,173
320-30	Water Treatment Equipment - Membranes			992,097			992,097			992,097
330-40	Distribution Reservoirs & Standpipes	163,500		10,555,488	76,800		10,632,288	100,700		10,732,988
331-10	Trans. & Distrib. Mains & Accessories - Intangible			-			-			-
331-20	Trans. & Distrib. Mains & Accessories - SOS			-			-			-
331-40	Trans. & Distrib. Mains & Accessories	531,600	(7,000)	146,045,949	599,000	(11,200)	146,633,749	1,715,800	(57,400)	148,292,149
333-40	Services	215,000		55,162,352	183,100		55,345,452	183,100		55,528,552
334-40	Meters and Meter Installations	44,100		14,723,418	24,300		14,747,718	24,300		14,772,018
335-40	Hydrants			3,421,517			3,421,517			3,421,517
336-40	Backflow Prevention Devices			-			-			-
339-10	Other Plant & Misc. Equipment - Intangible			-			-			-
339-20	Other Plant & Misc. Equipment - Source of Supply			-			-			-
339-30	Other Plant & Misc. Equipment - Water Treatment			-			-			-
339-40	Other Plant & Misc. Equipment - Trans. & Distrib.			-			-			-
339-50	Other Plant & Misc. Equipment - General Plant			-			-			-
340-500	Office Furniture and Equipment			763,103			763,103			763,103
340-5A0	New CIS System	133,800		133,800			133,800	5,439,100		5,572,900
340-5A0	AM / FM System			92,441			92,441			92,441
340-5H0	Computer Equipment - Hardware	7,600		946,794	56,600		1,003,394	17,100	(15,100)	1,005,394
340-5I0	IT Initiatives & IFMS Costs			1,412,834			1,412,834			1,412,834
340-5S0	Computer Equipment - Software			4,457,691			4,457,691		(1,795,068)	2,662,623
341-50	Transportation Equipment			47,193			47,193			47,193
342-50	Stores Equipment			31,917			31,917			31,917
343-50	Tools, Shop and Garage Equipment	8,200		739,568			739,568			739,568
343-50	Confined Space Monitor, Generator, Trench Shield			-			-			-
344-50	Laboratory Equipment		(5,100)	246,856			246,856			246,856
345-50	Power Operated Equipment			95,184			95,184			95,184
345-50	Power Operated Equipment			145,798			145,798			145,798
346-50	Communications Equipment	11,200	(3,600)	2,465,474	12,100	(2,300)	2,475,274	80,300	(111,700)	2,443,874
347-50	Miscellaneous Equipment			1,645			1,645			1,645
347-50	Miscellaneous Equipment			154,653			154,653			154,653
348-50	Other Tangible Property			1,258,687			1,258,687			1,258,687
348-50	Master Plan	9,900		194,064	9,700		203,764	9,700		213,464
	TOTAL	1,313,000	(103,300)	340,110,476	1,073,300	(19,500)	341,164,276	7,856,600	(2,064,568)	346,956,308

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Utility Plant In Service with Forecast Additions and Retirements
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Plant Account Number	Plant Account Description	Forecast November 2011 Additions	Forecast November 2011 Retirements	Plant In Service 11/30/2011
301-10	Organization			104,548
303-20	Land & Land Rights - Source of Supply			2,658,353
303-2W	Water Rights - Source of Supply	13,000		5,109,284
303-30	Land & Land Rights - Water Treatment			889,034
303-40	Land & Land Rights - Trans. & Distrib.			823,729
303-50	Land & Land Rights - General Plant			213,383
304-20	Structures and Improvements - Source of Supply	66,900		5,158,517
304-30	Structures and Improvements - Water Treatment		(12,000)	15,583,657
304-40	Structures and Improvements - Trans. & Distrib.	119,500	(7,800)	2,283,568
304-50	Structures and Improvements - General Plant			3,223,882
305-20	Collecting & Impounding Reservoirs - Source of Supply			83,217
306-20	Lake, River & Other Intakes			1,172,345
307-20	Wells & Springs	286,800		8,769,129
308-20	Infiltration Galleries & Tunnels			60,351
309-20	Supply Mains			2,203,583
310-20	Power Generation Equipment	178,900		2,588,141
311-20	Power Electric Pumping Equipment - Source of Supply	257,900	(12,000)	18,105,821
311-20	Power Diesel Pumping Equipment - Source of Supply			-
311-30	Power Pumping Equipment - Water Treatment			128,264
311-40	Power Pumping Equipment - Trans. & Distrib.	768,600	(57,200)	3,853,474
320-30	Water Treatment Equipment	12,800		24,931,973
320-30	Water Treatment Equipment - Membranes			992,097
330-40	Distribution Reservoirs & Standpipes			10,732,988
331-10	Trans. & Distrib. Mains & Accessories - Intangible			-
331-20	Trans. & Distrib. Mains & Accessories - SOS			-
331-40	Trans. & Distrib. Mains & Accessories	913,800	(38,000)	149,167,949
333-40	Services	186,400	(68,500)	55,646,452
334-40	Meters and Meter Installations	24,300	(10,000)	14,786,318
335-40	Hydrants			3,421,517
336-40	Backflow Prevention Devices			-
339-10	Other Plant & Misc. Equipment - Intangible			-
339-20	Other Plant & Misc. Equipment - Source of Supply			-
339-30	Other Plant & Misc. Equipment - Water Treatment			-
339-40	Other Plant & Misc. Equipment - Trans. & Distrib.			-
339-50	Other Plant & Misc. Equipment - General Plant			-
340-500	Office Furniture and Equipment			763,103
340-5A0	New CIS System			5,572,900
340-5A0	AM / FM System			92,441
340-5H0	Computer Equipment - Hardware	15,000		1,020,394
340-5I0	IT Initiatives & IFMS Costs			1,412,834
340-5S0	Computer Equipment - Software	23,000		2,685,623
341-50	Transportation Equipment			47,193
342-50	Stores Equipment			31,917
343-50	Tools, Shop and Garage Equipment			739,568
343-50	Confined Space Monitor, Generator, Trench Shield			-
344-50	Laboratory Equipment			246,856
345-50	Power Operated Equipment			95,184
345-50	Power Operated Equipment			145,798
346-50	Communications Equipment	62,200	(19,700)	2,486,374
347-50	Miscellaneous Equipment			1,645
347-50	Miscellaneous Equipment			154,653
348-50	Other Tangible Property			1,258,687
348-50	Master Plan	9,700		223,164
	TOTAL	2,938,800	(225,200)	349,669,908

United Water Idaho
Case UWI-W-11-02
Accumulated Depreciation And Accumulated CIAC Amortization

Line No.	Description	Recorded Amounts								Forecasted Amounts				
		11/30/10	12/31/10	1/31/11	2/28/11	3/31/11	4/30/11	5/31/11	6/30/11	7/31/11	8/31/11	9/30/11	10/31/11	11/30/11
1	Accumulated Depreciation-Recorded	(80,479,837)	(80,775,432)	(81,401,283)	(81,737,309)	(82,179,045)	(82,571,834)	(83,171,708)	(82,418,856)					
2	Incremental Depreciation									(559,848)	(560,915)	(563,576)	(598,628)	(636,571)
3	Retirements									2,018,415	103,300	19,500	2,064,568	225,200
4	Cost of Removal									10,900	58,400	7,300	32,900	26,800
5	Salvage											(5,000)	(200)	(1,400)
6	Total Accumulated Depreciation	(80,479,837)	(80,775,432)	(81,401,283)	(81,737,309)	(82,179,045)	(82,571,834)	(83,171,708)	(82,418,856)	(80,949,388)	(81,348,604)	(81,890,380)	(80,391,740)	(80,777,711)
7	CIAC Amortization -Recorded	(17,912,524)	(18,071,112)	(18,230,313)	(18,388,973)	(18,547,683)	(18,706,392)	(18,865,264)	(19,024,144)					
8	Incremental CIAC Amortization									(158,178)	(158,449)	(158,711)	(158,967)	(159,221)
9	Total CIAC Amortization	(17,912,524)	(18,071,112)	(18,230,313)	(18,388,973)	(18,547,683)	(18,706,392)	(18,865,264)	(19,024,144)	(19,182,321)	(19,340,770)	(19,499,481)	(19,658,448)	(19,817,670)

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United Water Idaho
Case UWI-W-11-02
Developer Advances for Construction Subject to Refund

Line No.	Month	Plant Account 30110 Organization	30320 Source of Supply and Pumping Plant: Land & Land Rights	30420 Source of Supply and Pumping Plant: Structures & Improvements	30720 Source of Supply and Pumping Plant: Wells & Springs	30920 Source of Supply and Pumping Plant: Supply Mains	31120 Source of Supply and Pumping Plant: Pumping Equipment	32030 Water Treatment Plant: Water Treatment Equipment	33040 T & D Plant: Distribution Reservoirs & Standpipes	33140 T & D Plant: Mains	33340 T & D Plant: Services	33540 T & D Plant: Hydrants	34650 General Plant: Communication Equipment	AIAC in CWIP	Monthly Activity	Monthly Balance
1	**Beginning Balance April 30, 2011**	$ 6,986	$ 505,243	$ 592,439	$ 140,712	$ 122,200	$ 602,675	$ 14,297	$ 1,389,162	$ 3,067,593	$ 298,061	$ 6,986	$ 41,429	$ (198,370)	$ 6,589,413	
2	May 11 Activity		(5,774)						8,767	(12,268)				664	(8,611)	
3	**May 11 Balance**	6,986	499,469	592,439	140,712	122,200	602,675	14,297	1,397,929	3,055,325	298,061	6,986	41,429	(197,706)		6,580,802
4	June 11 Activity		(1,643)	(96)	(191)	(3,285)	(3,010)		(2,880)	(7,463)				8,611	(9,957)	
5	**June 11 Balance**	6,986	497,826	592,343	140,521	118,915	599,665	14,297	1,395,049	3,047,862	298,061	6,986	41,429	(189,095)		6,570,845
6	July 11 Activity														-	
7	**July 11 Balance**	6,986	497,826	592,343	140,521	118,915	599,665	14,297	1,395,049	3,047,862	298,061	6,986	41,429	(189,095)		6,570,845
8	Aug 11 Activity									(16,900)					(16,900)	
9	**Aug 11 Balance**	6,986	497,826	592,343	140,521	118,915	599,665	14,297	1,395,049	3,030,962	298,061	6,986	41,429	(189,095)		6,553,945
10	Sept 11 Activity														-	
11	**Sept 11 Balance**	6,986	497,826	592,343	140,521	118,915	599,665	14,297	1,395,049	3,030,962	298,061	6,986	41,429	(189,095)		6,553,945
12	Oct 11 Activity														-	
13	**Oct 11 Balance**	6,986	497,826	592,343	140,521	118,915	599,665	14,297	1,395,049	3,030,962	298,061	6,986	41,429	(189,095)		6,553,945
14	Nov 11 Activity									(13,200)					(13,200)	
15	**Ending Balance- November 30, 2011**	$6,986	$497,826	$592,343	$140,521	$118,915	$599,665	$14,297	$1,395,049	$3,017,762	$298,061	$6,986	$41,429	($189,095)		$6,540,745
										(30,100)						

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United Water Idaho
Case UWI-W-11-02
Contributions In Aid of Construction

Line No	Month	Plant Account: 30110 Organization	30320 & 40 Source of Supply and Pumping Plant and T&D Plant: Land & Land Rights	30420 Source of Supply and Pumping Plant: Structures & Improvements	30520 Source of Supply and Pumping Plant: Collecting & Impounding Reservoirs	30720 Source of Supply and Pumping Plant: Wells & Springs	30920 Source of Supply and Pumping Plant: Supply Mains	31120 Source of Supply and Pumping Plant: Pumping Equipment	32030 Water Treatment Plant: Water Treatment Equipment	33040 T & D Plant: Distribution Reservoirs & Standpipes	33140 T & D Plant: Mains	33340 T & D Plant: Services	33440 T & D Plant: Meters & Meter Installation	33540 T & D Plant: Hydrants	34050 General Plant: Office Furniture & Equipment	34450 General Plant: Laboratory Equipment	CIAC IN CWIP	Monthly Balance Gross CIAC	Monthly Balance CIAC Amortization	Net CIAC
1	**Beginning Balance-April 30, 2011**	$ 9,878	$ 335,058	$ 337,360	$ 37,134	$ 1,399,475	$ 9,391	$ 1,789,010	$ 34,570	$ 1,163,794	$ 70,976,789	$ 12,275,950	$ 191,517	$ 497,309	$ 1,131	$ 16,729	$ 251,464	$ 89,326,559	$ (18,706,392)	$ 70,620,167
2	May 11 Activity										(58,580)	119,676		$ 6,000			$ (62,027)	5,069		
3	**May 11 Balance**	9,878	335,058	337,360	37,134	1,399,475	9,391	1,789,010	34,570	1,163,794	70,918,209	12,395,626	191,517	503,309	1,131	16,729	189,437	89,331,628	(18,865,264)	70,466,364
4	June 11 Activity		174	15	232	29		102				2,670		901			83,941	88,064		
5	**June 11 Balance**	9,878	335,232	337,375	37,366	1,399,504	9,391	1,789,112	34,570	1,163,794	70,918,209	12,398,296	191,517	504,210	1,131	16,729	273,378	89,419,692	(19,024,144)	70,395,548
6	July 11 Activity										166,200							166,200		
7	**July 11 Balance**	9,878	335,232	337,375	37,366	1,399,504	9,391	1,789,112	34,570	1,163,794	71,084,409	12,398,296	191,517	504,210	1,131	16,729	273,378	89,585,892	(19,182,321)	70,403,570
8	August 11 Activity										159,600							159,600		
9	**August 11 Balance**	9,878	335,232	337,375	37,366	1,399,504	9,391	1,789,112	34,570	1,163,794	71,244,009	12,398,296	191,517	504,210	1,131	16,729	273,378	89,745,492	(19,340,770)	70,404,721
10	Sept. 11 Activity										154,100							154,100		
11	**Sept. 11 Balance**	9,878	335,232	337,375	37,366	1,399,504	9,391	1,789,112	34,570	1,163,794	71,398,109	12,398,296	191,517	504,210	1,131	16,729	273,378	89,899,592	(19,499,481)	70,400,111
12	Oct 11 Activity										154,100							154,100		
13	**Oct 11 Balance**	9,878	335,232	337,375	37,366	1,399,504	9,391	1,789,112	34,570	1,163,794	71,552,209	12,398,296	191,517	504,210	1,131	16,729	273,378	90,053,692	(19,658,448)	70,395,243
14	Nov 11 Activity										150,800							150,800		
15	**Ending Balance-November 30, 2011**	9,878	335,232	337,375	37,366	1,399,504	9,391	1,789,112	34,570	1,163,794	71,703,009	12,398,296	191,517	504,210	1,131	16,729	273,378	$ 90,204,492	$ (19,817,670)	70,386,822
																		877,933		

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United Water Idaho
Case UWI-W-11-02
Summary of Net Utility Plant Acquisition Adjustments

Line No.	Acquistion Description	Company Project ID	IPUC Order Month	Amortization Period	Utility Plant Acquisition Adjustment Amount	Accumulated Amortization of UPAA Through 11/30/10	Unamortized Balance at 11/30/10	Monthly Amortization Amount
1	Warm Springs Mesa	X00009	Aug-96	20 Years	$62,302	($44,622)	$17,680	($260)
2	Redwood Creek	X00010	May-95	20 Years	(110,249)	86,789	(23,460)	459
3	Island Woods	X00011	Apr-95	20 Years	(179,675)	140,727	(38,948)	749
4	Raintree	X00014	Sep-00	40 Years	(227,594)	58,376	(169,218)	474
5	South County Water	X00020	Jan-99	40 Years	1,009,011	(300,595)	708,416	(2,102)
6	Barber Water	X00027	Jan-99	40 Years	46,966	(12,764)	34,202	(98)
					$600,762	($72,089)	$528,672	($777)
							Annual Amortization Amount	**$9,366**

	Month	Monthly Amortization	Ending Balance
7	November-10		$528,672
8	December-10	($777)	527,895
9	January-11	(777)	527,117
10	February-11	(777)	526,340
11	March-11	(777)	525,563
12	April-11	(777)	524,785
13	May-11	(777)	524,008
14	June-11	(777)	523,230
15	July-11	(777)	522,453
16	August-11	(777)	521,675
17	September-11	(777)	520,898
18	October-11	(777)	520,121
19	November-11	(777)	519,343

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United Water Idaho
Case UWI-W-11-02

Accumulated Deferred Income Taxes as of November 30, 2011

Line No.	Account & Description	Balance at Apr. 30, 2011	Pro Forma Balance at November 30, 2011
1	Accumulated Deferred FIT-MACRS	$ 5,900,077	
2	Accumulated Deferred FIT Cost of Removal	247,325	
3	Accumulated Deferred FIT AFUDC Equity	241,535	
4	Def. FIT-Tank Painting	270,342	
5	Def. SIT - Tank Painting	63,532	
6	Def. SIT-AFUDC Equity	55,216	
7	Def. SIT-Excess Deprec.	1,075,704	
8	Def. SIT- Cost of Removal	41,828	
9	**Accumulated Deferred Income Taxes at April 30, 2011**	$ 7,895,559	
10	Pro Forma Tax Depreciation		$ 8,413,090
11	Pro Forma Book Depreciation		7,684,358
12	Excess Tax Over Book Depreciation		$ 728,732
13	State Income Tax Rate		7.60%
14	Incremental State Deferred Income Tax		55,384
15	Excess Tax Over Book Depreciation		$ 728,732
16	Less: State Deferred Income Tax		55,384
17	Federal Amount		673,349
18	Federal Income Tax Rate		35.00%
19	Incremental Federal Deferred Income Tax		$ 235,672
20	Total Incremental Deferred Income Taxes		$ 291,056
21	**Total Deferred Income Tax (Line 9 + Line 20)**		**$ 8,186,615**

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United Water Idaho
Case No UWI-W-11-02
Pre-1971 Investment Tax Credit

Line No	Year	Book Life	Book Balance at 11/30/10	Annual Expense	Monthly Expense
1	1962	50 Years	$211	$182	$15
2	1963	50 Years	282	134	11
3	1964	50 Years	298	99	8
4	1965	50 Years	727	176	15
5	1966	50 Years	678	136	11
6	1967	50 Years	768	124	10
7	1968	50 Years	1,835	258	22
8	1969	50 Years	1,411	176	15
9			**$6,210**	**$1,285**	**$107**

10	**Month**	**Balance**
11	Nov-10	$ 6,210
12	Dec-10	6,103
13	Jan-11	5,996
14	Feb-11	5,889
15	Mar-11	5,782
16	Apr-11	5,675
17	May-11	5,568
18	Jun-11	5,460
19	Jul-11	5,353
20	Aug-11	5,246
21	Sep-11	5,139
22	Oct-11	5,032
23	Nov-11	4,925

United Water Idaho
Case UWI-W-11-02
Deferred Debits Balance Included in Rate Base

Line No.	Amounts Approved In Case UWI-W-04-04:						
	Description	**Approved Amounts**	**Unamortized Balance at April 30, 2011**	**Amortization Period in Months**	**Monthly Expense**	**Annual Expense**	**Unamortized Balance at November 30, 2011**
1	Deferred Rents (Lakewood Well Lease)	19,090	15,732	600	46	552	15,410
2	Deferred Tank Painting- Gowen & Aeronica	60,908	43,397	240	254	3,045	41,621
3	Deferred AFUDC Equity Income	696,346	696,346	N/A	N/A		696,346
			-				
4	**Sub Total**	**$776,344**	**$755,475**		**$300**	**$3,597**	**$753,377**
	Amounts Approved In Case UWI-W-06-02:						
5	Deferred Tank Painting-Federal Reservoir	162,895	124,208	240	679	8,145	119,457
6	Deferred AFUDC Equity Income	232,342	232,342	N/A	N/A		232,342
7	**Sub Total**	**$395,237**	**$356,550**		**$679**	**$8,145**	**$351,799**
	Amounts Approved In Case UWI-W-09-01:						
8	Deferred Tank Painting-Ustick		69,834	240	309	3,708	67,671
9	Deferred Tank Painting-Steelhead		295,382	240	1,307	15,684	286,233
10	Deferred Tank Painting-Crestline		61,698	240	273	3,276	59,787
11	Conservation Plan and Related Costs		117,304	36	5,332	63,984	79,980
12	Deferred Rate Case Expense		76,508	36	3,323	39,876	53,247
13	**Sub Total**		**$620,726**		**$10,544**	**$126,528**	**$546,918**
			New Items Proposed in Current Case	**Proposed Amortization Period in Months**	**Proposed Monthly Expense**	**Proposed Annual Expense**	**Unamortized Balance at November 30, 2011**
14	Deferred RC Expense from Current Filing		252,500	24	10,521	126,250	252,500
15	Deferred Tank Painting-Completed (Hillcrest)		230,134	240	959	11,507	230,134
16	Redundant Power		74,272	12	6,189	74,272	74,272
17	Deferred AFUDC Equity Income		331,931	N/A	N/A		331,931
18	**Sub Total**		**$888,837**		**$17,669**	**$212,029**	**$888,837**
19	**Grand Total**		**$2,621,588**		**$29,192**	**$350,299**	**$2,540,930**

United Water Idaho
Case No. UWI-W-11-02
Working Capital Calculation

Regulatory Balance Sheet

		At April 30, 2011	Investor	Non-Cash Other	Plant and Rate Base	Inventory, Supplies & Cash	Cash Other
Utility Plant							
	Utility Plant - Other	340,766,446			340,766,446		
	Utility Plant - Land	0					
	Utility Plant - Buildings	0					
	Utility Plant in Service - Transportation	0					
	Utility retirements	(735,987)			(735,987)		
	Construction work in progress	6,214,074			6,214,074		
	Utility plant acquisition adjustment	600,761			600,761		
	Utility Accum Deprec - Other Plant	(82,576,172)			(82,576,172)		
	Util Accum Deprec - Transportation	0					
	Retirement work in progress	4,338			4,338		
	Utility Accumulated Depreciation - CIAC	(18,706,393)			(18,706,393)		
	Am of utility plant acquisition adjustment	(76,016)	(76,016)				
Investments							
	Non-Utility Property - Other	11,054	11,054				
	Equity Earnings Non-Consolidated Companies	100,693	100,693				
Current Assets							
	Operations Cash Account Current	(1,991,420)				(1,991,420)	
	Collections	41,000					41,000
	Disbursements (local accounts)	100				100	
	Working Funds	9,950				9,950	
	Customer Accounts Receivable UBS	736,606					736,606
	Accounts Receivable-SpringProg	19,829	19,829				
	Accounts Receivable-Other	4,044					4,044
	Accounts receivable - M & J	40,366					40,366
	Accounts receivable - PS M&J A/R	7,595					7,595
	Provision for Uncollection Accounts (Cr)	(28,200)					(28,200)
	Capital & Maintenance Inventory Nonexempt	48,815				48,815	
	Small Repairs Inventory Exempt	110,759				110,759	
	Other Inventory	41,199				41,199	
	Chemical Inventory	80,465				80,465	
	Prepaid Dues	19,880				19,880	
	Unbilled Revenue	2,533,056					2,533,056

United Water Idaho
Case No. UWI-W-11-02
Working Capital Calculation

Regulatory Balance Sheet

		At April 30, 2011	Investor	Non-Cash Other	Plant and Rate Base	Inventory, Supplies & Cash	Cash Other
Deferred Debits							
	Deferred rate charges	90,869					90,869
	Clearing Expense-General	17,348					17,348
	Clearing Fringe Benefits	(90,491)					(90,491)
	Clearing - Payroll Accrual	94,288					94,288
	Deferred Pension/OPEB	223,851					223,851
	Deferred Tank Painting Expense	907,240			907,240		
	Reg Deferred Tank Painting-Amort	(82,589)			(82,589)		
	Deferred AFUDC Equity Income	1,193,997		1,193,997			
	Deferred AFUDC Equity Gross-Up Amort	(19,157)		(19,157)			
	Deferred Power Costs - Approved	618,353				618,353	
	Other Regulatory Assets	133,036					133,036
	Deferred Power Costs - Pending	168,837				168,837	
	Other Deferred Charges-Non Utility	(2,369)					(2,369)
18801							
Total Assets		**250,530,056**					
	Capitalization and Liabilities						
Capital							
	Common Stock Issued	1,261,750	(1,261,750)				
	Additional Paid-in Capital	76,704,330	(76,704,330)				
	Retained Earnings - Cumulated Income	79,791,348	(79,791,348)				
	OCI - Pension	(3,313,198)		3,313,198			
	OCI - PBOP	28,041		(28,041)			
	Metered Sales - Residential	5,111,345	(5,111,345)				
	Metered Sales - Commercial	2,050,175	(2,050,175)				
	Metered Sales - Public Authorities	6,535	(6,535)				
	Private Fire Protection	270,509	(270,509)				
	Miscellaneous Service Revenue	28,419	(28,419)				
	Rents from Water Property	1,900	(1,900)				
	Regulatory Unbilled Revenue	47,502	(47,502)				
	Supervisory Labor	(603,740)	603,740				
	Direct Labor	(1,147,342)	1,147,342				
	Supervisory Labor transferred in	(572)	572				
	Supervisory labor transferred out	243,774	(243,774)				
	Direct labor transferred out	209,527	(209,527)				
	Material	(83,835)	83,835				
	Equipment rental	0	0				
	Outside Contractors	(239,500)	239,500				
	Outside Professional Services	(22,323)	22,323				
	Lab Testing Fees	(10,376)	10,376				

United Water Idaho
Case No. UWI-W-11-02
Working Capital Calculation

Regulatory Balance Sheet

	At April 30, 2011	Investor	Non-Cash Other	Plant and Rate Base	Inventory, Supplies & Cash	Cash Other
Rents	(998)	998				
Purchased Water	(115,642)	115,642				
Purchased power	(403,678)	403,678				
Other Utilities	(18,100)	18,100				
Chemicals	(29,050)	29,050				
Transportation Cost - Other	(196,792)	196,792				
Meals	(3,222)	3,222				
Miscellaneous Expenses	(29,890)	29,890				
Depreciation	(2,583,116)	2,583,116				
Real Estate	(530,500)	530,500				
Payroll Taxes		0				
FICA Taxes	(154,202)	154,202				
Federal Unemployment Taxes	(5,631)	5,631				
State Unemployment Taxes	(18,271)	18,271				
Interest on Debt to Assoc Companies	(1,466,984)	1,466,984				
Other Interest	(7,088)	7,088				
AFUDC (Cr) Debt	42,534	(42,534)				
AFUDC (Cr) Equity	71,367	(71,367)				
AFUDC (Cr) Gross Up	46,488	(46,488)				
Merchandising & Jobbing	66,387	(66,387)				
Mdse & Jobbing - Expense	(57,524)	57,524				
Income on Disposition of Property	5,488	(5,488)				
Misc non operating income		0				
Misc non oper rental income	13,355	(13,355)				
Misc non operating deductions	(92)	92				
Charitable Contributions - Reg Companies	(9,786)	9,786				
Federal PAC Witholding	(55)	55				
Union Dues Witholding	(1,000)	1,000				
Equity Earnings of Affiliates	(490)	490				
Current - Federal	448,360	(448,360)				
Federal Tax Expense (CIAC GU)	(4,583)	4,583				
Current - State	0	0				
State Tax Expense (CIAC GU)	(560)	560				
Deferred - Federal Income Taxes	175,021	(175,021)				
Deferred - State Income Taxes	0	0				
Investment Tax Credit Amortization	16,136	(16,136)				
Office Supplies	(19,039)	19,039				
Office equipment rental	(5,585)	5,585				
Dues & Subscriptions	(51)	51				
Licenses and Fees	(865)	865				
Telephone	(49,925)	49,925				
Other Utilities G&A	(8,342)	8,342				
Bad Debt Expense-Write Off	(60,486)	60,486				
Advertising	(28,191)	28,191				
Postage & Air Freight	(93,803)	93,803				
Club and Professional Dues	(51,918)	51,918				
Travel Expense	(10,950)	10,950				

United Water Idaho
Case No. UWI-W-11-02
Working Capital Calculation

Regulatory Balance Sheet

	At April 30, 2011	Investor	Non-Cash Other	Plant and Rate Base	Inventory, Supplies & Cash	Cash Other
IT Supplies and Expense	(39,370)	39,370				
IT System Support	0	0				
Corporate M&S Fees	(470,254)	470,254				
Regulated M&S Fees	(392,389)	392,389				
Non-regulated M&S fees	(1,613)	1,613				
Fringe Benefits Transferred	180,568	(180,568)				
Outside Service - Accounting & Auditing	(17,673)	17,673				
Outside Service - Legal	(584)	584				
Outside Service - IS	(55,917)	55,917				
Outside Service - Temporary Help	0	0				
Outside services management fees Other	(48,758)	48,758				
Outside Service - Other	(17,581)	17,581				
Property Insurance	(12,061)	12,061				
General Corporate Insurance	(100,722)	100,722				
Injuries & Damages	(124)	124				
Worker compensation	(38,171)	38,171				
Employee Pension Cost	(329,636)	329,636				
Post Retirement Health Care Accrued	(156,908)	156,908				
Employee Group Health & Life	(272,428)	272,428				
Employee 401K	(38,467)	38,467				
Other Employee Benefits	(17,475)	17,475				
Other Awards	(990)	990				
Amortization of Rate Case Exp	(13,898)	13,898				
Amortization of Deferred Expenses	(21,328)	21,328				
Amortization of Tank Painting	(11,286)	11,286				
Misc amortization	0	0				
Amortization of OPEB Costs	(13,520)	13,520				
Amortization of AFUDC Equity GU	(11,089)	11,089				
Amortization of Power Costs	(112,348)	112,348				
Amortization of Goodwill	(3,150)	3,150				
Staff Meetings, Conferences & Seminars	(14,381)	14,381				
Clothing & Uniforms	(2,961)	2,961				
Contributions - Contract Ops	0	0				
Safety equipment	(9,870)	9,870				
Other misc G&A expenses	(14,811)	14,811				
215 Unappropriated Retained Earnings	**75,227,722**					
Total Equity Capital	**153,193,803**					

United Water Idaho
Case No. UWI-W-11-02
Working Capital Calculation

Regulatory Balance Sheet

	At April 30, 2011	Investor	Non-Cash Other	Plant and Rate Base	Inventory, Supplies & Cash	Cash Other
Liabilities						
Accounts Payable - System	196,868				(196,868)	
Accounts Payable Month End Accrual	22,117				(22,117)	
Accounts Payable - Inventory Accrued	2,583				(2,583)	
Accounts Payable- Retainage	11,693				(11,693)	
Customer Deposits - Other	0			0		
Property Taxes Accrued	1,237,088					(1,237,088)
Accrued Taxes - Franchise	48,013					(48,013)
FICA Tax Accrued	29,034					(29,034)
Federal Unemployment Tax Accrd	160					(160)
State Unemployment Tax Accrued	3,290					(3,290)
Accrued Taxes - Sales and Use	469					(469)
Other Accrued Taxes	(15,099)					15,099
Federal Income Tax Accrued	2,285,241					(2,285,241)
State Income Tax Accrued	(489,692)					489,692
Accrued - Payroll	419,781					(419,781)
Accrued - Power	150,010					(150,010)
Accrued UBS Charges	57,200					(57,200)
Accrued - Vacation	74,337					(74,337)
Accrued - Emp expense reimburs	4,465					(4,465)
Accrued 401K	4,400					(4,400)
Accrued LTIP	14,296					(14,296)
Accrued STIP	64,248		(64,248)			
Accrued Other	0		0			
Employee W/hg-401K	(20,086)					20,086
Employee W/hg-Hlth Plan/Care	0					0
Employee W/hg-Federal PAC	0	0				
Employee W/hg-Fund Raiser	464	(464)				
Employee Withholding- Met Life	0					0
Advances for Construction	6,681,731			(6,681,731)		
Taxable Advances/Serv Laterals	(92,318)			92,318		
Def. Reg. Liab.-Federal-Medicare Part D	25,310		(25,310)			
Def Reg Liab-State-Medicare Part D	3,865		(3,865)			
PBOP Liability - Trustee	4,628,956		(4,628,956)			
Other Deferred Credits	8,232		(8,232)			
Deferred Escheats	8,090					(8,090)
Deferred Developer Deposits	497,662			(497,662)		
Deferred M&J Costs	41,836		(41,836)			
Deferred ITC	985,586			(985,586)		
Accrued Pension	9,084,481		(9,084,481)			
Contribution in Aid of Construction	88,901,964			(88,901,964)		
Taxable CIAC - Serv Laterals	424,594			(424,594)		
Accumulated Amortization CIAC	(18,706,393)			18,706,393		
Def. Federal Inc Taxes- Other	(39,396)		39,396			
Def. State Income Taxes- Other	(9,257)		9,257			

United Water Idaho
Case No. UWI-W-11-02
Working Capital Calculation

Regulatory Balance Sheet

	At April 30, 2011	Investor	Non-Cash Other	Plant and Rate Base	Inventory, Supplies & Cash	Cash Other
Def. Federal Income Taxes-Medicare Part D	(15,201)		15,201			
Def. Federal Income Taxes-GU-Medicare Part D	(10,108)		10,108			
Def. State Income Taxes-Medicare Part D	(3,572)		3,572			
Def. State Income Taxes-GU-Medicare Part D	(294)		294			
Def.SIT-FAS109 Va. Allow-Othe	0		0			
Def. FIT-FAS109 ITC	(318,732)		318,732			
Def. FIT-F71/F109 G/U ITC	(211,953)		211,953			
Def. FIT-FAS109 Other Ded.	0		0			
Def.SIT-FAS109 ITC	(74,894)		74,894			
Def. SIT-F71/F109 G/U ITC	(49,809)		49,809			
Def.SIT-FAS109 Other Ded.	0		0			
DefRegLiab F71/F109-Fed:ITC	655,388		(655,388)			
Def. FIT-MACRS	5,900,077			(5,900,077)		
Def. FIT- OCI Pension/PBOP	(1,768,931)		1,768,931			
Def. FIT Benefit on DSIT	(382,157)		382,157			
Def. FIT-Other	(353,115)		353,115			
Def. FIT-Tank Painting	270,342		(270,342)			
Def. FIT-Rate Expenses	29,304		(29,304)			
Def. FIT-Def. Charges	79,579		(79,579)			
Def. FIT-Relocation Expense	2		(2)			
Def. FIT-M_S Fees	(837,025)		837,025			
Def. FIT-Pensions	(1,234,989)		1,234,989			
Def. FIT-PEBOP	(1,390,201)		1,390,201			
Def. FIT-Cost of Removal	247,325			(247,325)		
Def. FIT-Uncollect.	(4)		4			
Def. FIT - AFUDC Equity	241,535			(241,535)		
Def. FIT - AFUDC Equity GU	26,434			(26,434)		
Def. SIT- Other	(13,366)		13,366			
Def. SIT - Tank Painting	63,532		(63,532)			
Def. SIT-Pensions	(328,844)		328,844			
Def. SIT-Post Retirement Bnfts	(288,085)		288,085			
Def. SIT-AFUDC Equity	55,216			(55,216)		
Def. SIT-Excess Deprec.	1,075,704			(1,075,704)		
Def. SIT- Cost of Removal	41,828			(41,828)		
Def. SIT- Relocation	1		(1)			
Def. SIT- M&S Fees	(205,065)		205,065			
Def. SIT- AFUDC GU	6,212			(6,212)		
Def. SIT- OCI Pension/PBOP	(415,703)		415,703			
Total Liabilities	**97,336,253**	**(156,423,864)**	**(2,544,377)**	**160,104,562**	**(1,126,322)**	**(9,998)**
Total Liabilities & Capital	**250,530,055**					

Investor	**156,423,864**	
Plant and Rate Base	**160,104,562**	
Difference	**(3,680,698)**	
Plus: Inventory, Supplies and Cash	**(1,126,322)**	(4,807,021)
Plus: Cash-Other	**(9,998)**	(9,998)
WORKING CAPITAL	**(4,817,018)**	(4,817,018)

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K. Doherty