



e-FILING REPORT COVER SHEET

COMPANY NAME: OREGON WATER UTILITIES - CLINE BUTTE, INC.

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION?  No  Yes If yes, submit a redacted public version (or a cover letter) by email. Submit the confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

Select report type:  RE (Electric)  RG (Gas)  RW (Water)  RT (Telecommunications)  
 RO (Other, for example, industry safety information)

Did you previously file a similar report?  No  Yes, report docket number: RW 35

Report is required by:  OAR 860-036-2350

Statute

Order

Note: A one-time submission required by an order is a compliance filing and not a report (file compliance in the applicable docket)

Other

(For example, federal regulations, or requested by Staff)

Is this report associated with a specific docket/case?  No  Yes, docket number:

List Key Words for this report. We use these to improve search results.

2018 Annual Report of Results of Operations

Send the completed Cover Sheet and the Report in an email addressed to [PUC.FilingCenter@state.or.us](mailto:PUC.FilingCenter@state.or.us)

Send confidential information, voluminous reports, or energy utility Results of Operations Reports to PUC Filing Center, PO Box 1088, Salem, OR 97308-1088 or by delivery service to 201 High Street SE Suite 100, Salem, OR 97301.



# ANNUAL RESULTS OF OPERATIONS REPORT

## COMPANY SIZE (based on Annual Revenue)

Class A Water Utility  
(Annual Gross Revenue of \$1,000,000 or more)

## FOR THE CALENDAR YEAR

2018

## COMPANY NAME

Oregon Water Utilities - Cline Butte, Inc.

## INSTRUCTIONS

Oregon Water Utilities - Cline Butte, Inc.

The Annual Results of Operations Report, required by the Public Utility Commission (PUC or Commission) under the authority of the Oregon Revised Statutes (ORS) 757.125 and 757.135, is based on the utility's operations for a calendar or fiscal year and is a convenient method for the Commission's staff to monitor the utility's results of operations. It must be filed electronically with the PUC on or before April 1<sup>st</sup> of the year following that for which the report is made. Attach the completed report **in Excel ONLY with formulae intact** and any supplementary pages to an email addressed to the following address: [puc.filingcenter@state.or.us](mailto:puc.filingcenter@state.or.us).

- Interpret all accounting words and phrases in accordance with the USOA.
- Special or unusual entries and all discrepancies must be fully explained. Describe fully any unusual entries and discrepancies in a narrative explanation in the tab titled "Notes."
- If the utility has filed, or intends to file, a separate rate schedule in its tariff for non-contiguous portions of its water system, separate accounting for Operating Revenues, Operating Expense, Plant Investments, and related Reserve for Depreciation must be maintained by the utility for each portion of the water system relating to each separate rate schedule. This annual report, however, should include the combined financial data for the utility.
- Each incorporated utility is requested to file with this report a copy of its most recent annual report to stockholders, if one is prepared.
- All schedules that call for the balance at the beginning of the year should reflect the same end of year balance **exactly** as shown in the prior year's annual report. Any adjustments to the ending balances shown in the report for the previous year should be reflected in the current year's activity and reported along with an explanation in the annual report.

**FOR QUESTIONS CONTACT RUSS BEITZEL AT 503-378-6628 OR EMAIL AT [RUSSELL.BEITZEL@STATE.OR.US](mailto:RUSSELL.BEITZEL@STATE.OR.US)**

**OATH**

Oregon Water Utilities - Cline Butte, Inc.

**Complete Address of Reporting Utility**

Line 1:	Oregon Water Utilities - Cline Butte, Inc
Line 2:	1230 Golden Pheasant Dr
City:	Redmond
State:	OR
Zip:	97756
phone:	(626) 543 - 2552
email:	bbahr@swwc.com
fax:	626-331-4848
website:	

**Name and title of person responsible for report**

Name:	Brian Bahr
Title:	Director, Regulatory Affairs
Phone:	(626) 543 - 2552
Email:	bbahr@swwc.com

**Oath & Signature**

THIS REPORT, INCLUDING ANY ACCOMPANYING SCHEDULES AND STATEMENTS, HAS BEEN EXAMINED BY ME, AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IS TRUE, CORRECT AND COMPLETE.

<input checked="" type="checkbox"/> By clicking this box I affirm the above statement.
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**INFORMATION**

Oregon Water Utilities - Cline Butte, Inc.

**Provide the following information for the contact person regarding this report**

Name:	Brian Bahr
Address:	1325 N. Grand Ave., Ste 100, Covina, CA 91724
Phone:	626-543-2552
Email:	bbahr@swwc.com

**Provide the following information for where the utility's books and records are located**

Name:	Brian Bahr
Address:	1325 N. Grand Ave., Ste 100, Covina, CA 91724
Phone:	626-543-2552
Email:	bbahr@swwc.com

**Provide the following information of any audit group reviewing records and/or operations**

Name:	Pricewaterhouse Coopers LLP
Address:	1000 Louisiana Street, Suite 5800, Houston, TX 77002
Phone:	713-356-4000
Email:	

**Date of original organization of the utility (month, day, year):** 12/27/1996

**Provide the following information for all utility officers and directors**

Name	Title	Phone #	Email
Rob Maclean	President & CEO	626-543-2500	rmaclean@swwc.com
Kirk B. Michael	CFO, VP Fianance & Treasurer	626-543-2500	kmichael@swwc.com
William K. Dix	VP Gen Counsel & Secretary	626-543-2500	kdix@swwc.com

**Provide the following information for legal counsel, accountants, and others not on utility's general payroll**

Name	Title	Phone #	Email
Irion Sanger	Legal Counsel	503-756-7533	irion@sanger-law.com
Mark Thompson	Legal Counsel	503-706-0434	mark@sanger-law.com

**ORGANIZATION**

Oregon Water Utilities - Cline Butte, Inc.

**Select business type**

Private/Investor Owned

**Select ownership type**

Corporation

**Select accounting method**

accrual

INSTRUCTIONS: IF THE UTILITY IS A SOLE PROPRIETORSHIP OR PARTNERSHIP, COMPLETE PART A AND PROVIDE THE NAMES AND ADDRESSES OF ALL PERSONS HAVING ANY INTEREST OR EQUITY IN THE UTILITY AND THE AMOUNT OF SUCH EQUITY. IF THE UTILITY IS A CORPORATION, COMPLETE PARTS B AND C, AND PROVIDE THE NAMES AND ADDRESSES OF THE THREE LARGEST STOCKHOLDERS AND ALL OFFICERS AND DIRECTORS. STATE THE NUMBER OF SHARES HELD BY EACH.

**Part A: Sole Proprietorship or Partnership**

1	Name of owner or partner		
	Address		
	% interest or equity		
	Principal duty (if employed by company)		
2	Name of owner or partner		
	Address		
	% interest or equity		
	Principal duty (if employed by company)		
3	Name of owner or partner		
	Address		
	% interest or equity		
	Principal duty (if employed by company)		
4	Name of owner or partner		
	Address		
	% interest or equity		
	Principal duty (if employed by company)		

**Part B: Corporation**

1	Name of stockholder/director/officer		Southwest Water Company
	Title		
	Address		12535 Reed Road, Sugar Land, TX 77478
	# shares owned		
2	Name of stockholder/director/officer		
	Title		
	Address		
	# shares owned		
3	Name of stockholder/director/officer		
	Title		
	Address		
	# shares owned		
4	Name of stockholder/director/officer		
	Title		
	Address		
	# shares owned		

**Part C: Corporation - Shares Outstanding**

	Common Stock	Preferred Stock
# shares authorized		
# shares issued at year end		
Par or stated value per share:		
Dividends declared per share during the year:		

**AFFILIATED INTERESTS**

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500.00 in any one year, entered into between the company and an affiliated business or financial organization, firm, partnership, or individual. An Affiliated Interest is defined, in part, as every corporation and/or person owning or holding directly or indirectly **5 percent** or more of the voting securities of the utility. For a complete definition of affiliated interest, see ORS 757.015.

**Products or Services SOLD to Affiliated Interests**

Name of Affiliate	Description of product or service	Contract or Agreement effective date	Revenue
			\$ -

**Products or Services PURCHASED from Affiliated Interests**

Name of Affiliate	Description of product or service	Contract or Agreement effective date	Cost
Southwest Water Company (excludes NWUS)	Administrative, Goods & Services	2-Jun-17	\$ 156,508
Northwest Utility Systems, Inc. (NWUS)	Operational, Goods & Services	2-Jun-17	\$ 820,613
			\$ 977,121

TOTAL \$ (977,121)

Explanations or Notes

**REVENUES**

Oregon Water Utilities - Cline Butte, Inc.

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**Consumption and Revenue**

	Act #	# customers at year beginning	# customers at year end	Total Quantity water sold	revenues
Unmetered (flat rate) water sales	460				
Metered sales to RESIDENTIAL customers	461.1	1,540	1,563	205,411	\$ 759,724
Metered sales to COMMERCIAL customers	461.2	25	25	9,521	\$ 54,008
Metered sales to INDUSTRIAL customers	461.3				
Other metered sales to public authorities	461.4				
Metered sales to multiple family dwellings	461.5				
Public fire protection revenue	462.1				
Private fire protection revenue	462.2				
Other Sales to public authorities	464				
Sales to irrigation customers	465	138	139	126,185	\$ 108,020
Sales for resale	466				
Water Sales to golf course/recreation revenue	467	3	3	259,446	\$ 144,782
Special contract/agreement revenue	468	1		494	\$ 1,800
<b>TOTAL</b>		<b>1,707</b>	<b>1,730</b>	<b>601,057</b>	<b>\$ 1,068,334</b>

**Revenue other than water sales**

	Act #	revenues
Forfeited discounts	470	
Miscellaneous service revenues	471	\$ 762
Rents from water property	472	\$ 900
Interdepartmental rents	473	
Other	474	\$ 54,421
Cross Connection sales & services revenues	475	\$ 66,838
<b>Total</b>		<b>\$ 122,921</b>

Total Operating Revenue

\$ 1,191,255

**Average Monthly Consumption and Bill**

	Act #	Average Monthly Consumption per customer	Average Monthly Revenue per customer
Unmetered (flat rate) water sales	460		
Metered sales to RESIDENTIAL customers	461.1	11.03292513	40.80588678
Metered sales to COMMERCIAL customers	461.2	31.73666667	180.0266667
Metered sales to INDUSTRIAL customers	461.3		
Other metered sales to public authorities	461.4		
Metered sales to multiple family dwellings	461.5		
Public fire protection revenue	462.1		
Private fire protection revenue	462.2		
Other Sales to public authorities	464		
Sales to irrigation customers	465	75.92358604	64.99398315
Sales for resale	466		
Water Sales to golf course/recreation revenue	467	7206.833333	4021.722222
Special contract/agreement revenue	468	41.16666667	150



**TAXES AND PROPERTY SALES**

Act #	TAXES OTHER THAN INCOME TAX		
408.11	Property Tax	\$	15,313
408.12	Payroll Tax	\$	20,978
408.13	Other Tax Other Than Income Tax		
408.2	Nonutility Taxes Other Than Income Tax		
TOTAL		\$	36,291

Act #	INCOME TAXES		
409.1	Federal Income Tax	\$	53,416
409.11	State Income Tax	\$	19,292
409.13	Other Income Tax		
409.2	Nonutility Income Tax		
TOTAL		\$	72,708

Act #	DEFERRED AND PROVISION FOR DEFERRED INCOME TAXES		
410.1	Deferred Federal Income Taxes – Utility Operations	\$	3,296
410.11	Deferred State Income Taxes – Utility Operations	\$	(209)
410.2	Provision for Deferred Income Taxes – Other Income and Deductions		
411.1	Provision for Deferred Income Taxes – Credit – Utility Operations		
411.2	Provision for Deferred Income Taxes – Credit – Other income & Deductions		
TOTAL		\$	3,087

**GAINS AND LOSSES FROM UTILITY PROPERTY SALE - ACCOUNT 414 (enter losses as negative amounts)**

Description	Amount
Total	\$ -

## EXPENSES

Act #		Expense amount
601	Salaries and Wages - employees	\$ 206,571
603	Salaries and Wages – officers, directors, and majority stockholders	\$ -
604	Employee Pensions & Benefits	\$ 36,095
610	Purchased Water	\$ -
611	Telephone/Communications	\$ 5,023
615	Purchased Power	\$ 151,634
616	Fuel for Power Production	\$ -
617	Utilities - Other (garbage, natural gas)	\$ 879
618	Chemicals & testing	\$ -
619	Office Supplies (excluding postage)	\$ 11,890
619.1	Postage	\$ 6,233
620	Materials & Supplies (O&M)	\$ 15,753
621	Repairs of Water Plant	\$ 14,779
631	Contractual Services - engineering	\$ -
632	Contractual Services - accounting	\$ 5,285
633	Contractual Services - legal	\$ 4,242
634	Contractual Services - management	\$ 245,529
635	Contractual Services – testing / sampling	\$ 4,834
636	Contractual Services – labor	\$ -
637	Contractual Services - billing/collections	\$ -
638	Contractual Services - meter reading	\$ -
639	Contractual Services - other	\$ 6,798
641	Rental of Building / Real Property	\$ 204
642	Rental of Equipment	\$ -
643	Small Tools	\$ 1,978
648	Computer and electronic Expenses	\$ 3,568
650	Transportation Expenses	\$ 18,679
656	Insurance - Vehicle	\$ 1,796
657	Insurance – General Liability	\$ 2,093
658	Insurance – Workman’s Compensation	\$ (2,032)
659	Insurance – Other	\$ 9,425
660	Public Relation / Advertising Expense	\$ 255
666	Amortization of Rate Case Expense	\$ -
667	Regulatory Commission Fee (Gross Rev Fee)	\$ 3,358
668	Conservation Expense	\$ -
670	Bad Debt Expense	\$ -
671.1	Cross Connection Control Program Expense	\$ -
671.2	Cross Connection Testing & Maintenance Services	\$ -
673	Training & Certification Expense	\$ 2,579
674	Consumer Confidence Report	\$ -
675	Miscellaneous Expense	\$ 27,313
	TOTAL	\$ 784,761

**PLANT**

Oregon Water Utilities - Cline Butte, Inc.

NOTE: Do **NOT** include any donated capital or contributions in aid of construction (CIAC) on this page.

Act #		Beg Year Balance	Added during year	Retired during year	Adjustments	End of year balance
301	Organization	\$ -				\$ -
302	Franchises	\$ -				\$ -
303	Land & land rights	\$ 20,101				\$ 20,101
304	Structures & improvements	\$ 10,198				\$ 10,198
305	Collecting & impounding reservoirs	\$ -				\$ -
306	Lake, river & other intakes	\$ -				\$ -
307	Wells & springs	\$ 1,015,404	\$ 388			\$ 1,015,792
308	Infiltration galleries & tunnels	\$ -				\$ -
309	Supply mains	\$ 170,310	\$ 223			\$ 170,533
310	Power generation equipment	\$ -				\$ -
311	Pumping equipment	\$ 207,646	\$ 106			\$ 207,752
320	Water treatment equipment	\$ -				\$ -
330	Distribution reservoirs & standpipes	\$ 256,208				\$ 256,208
331	Transmission & distribution mains	\$ 3,769,316				\$ 3,769,316
333	Services	\$ 893,464			\$ (25,568)	\$ 867,896
334	Meters & meter installations	\$ 12,098	\$ 84			\$ 12,182
335	Hydrants	\$ 378,392				\$ 378,392
336	Backflow prevention devices (utility owned)	\$ -				\$ -
339	Other plant & miscellaneous equipment	\$ -				\$ -
340	Office furniture & equipment	\$ 767	\$ 14,084			\$ 14,851
341	Transportation equipment	\$ 28,889				\$ 28,889
343	Tools, shop & garage equipment	\$ -				\$ -
344	Laboratory equipment	\$ -				\$ -
345	Power operated equipment	\$ 48,350	\$ 2,397			\$ 50,747
346	Communication equipment	\$ 4,195	\$ -	\$ 1,675		\$ 2,520
347	Electronic & computer equipment	\$ 22,153		\$ 14,085		\$ 8,068
348	Miscellaneous equipment	\$ 54,183				\$ 54,183
	<b>TOTAL</b>	\$ 6,891,674	\$ 17,282	\$ 15,760	\$ (25,568)	\$ 6,867,628

Explanation of unusual changes in utility plant during the year:

Adj to Acct 333 reflects reduction to balance due to change in accumulated amortization of CIAC

**CIAC AND ADVANCES**

NOTE: Include ALL donated capital or contributions in aid of construction (CIAC) on this page.

**Advances for Construction**

Beg of year balance	
Additions during year	
Subtractions during year	
End of year balance	\$ -

**Contributions in Aid of Construction**

Beg of year balance	\$ 479,785
Added during the year:	
Capacity charge	
Main line extension charges	
Customer connection charges	
Developer's property	
Other	
Retired during the year	
End of year balance	\$ 479,785

**Accumulated Amortization of CIAC**

Beg of year balance	\$ 49,001
Add CIAC amortized during year	\$ 25,568
Subtract effects of CIAC disposals	
+/- other adjustments*	
Change in Accumulated Amortization during the year	\$ 25,568
End of year balance	\$ 74,569

\* Explain any adjustments:

**DEPRECIATION**

Oregon Water Utilities - Cline Butte, Inc.

NOTE: Do **NOT** include any contributions in aid of construction (CIAC) on this page.

<u>Act #</u>	<u>annual depreciation expense</u>	<u>acc dep balance beg of year</u>	<u>accruals booked to acc dep</u>	<u>plant retired charged to acc dep</u>	<u>Adjustments*</u>	<u>acc dep balance end of year</u>
301	Organization					
302	Franchises					
303	Land & land rights					
304	Structures & improvements	\$ 291	\$ 6,218	\$ 291		\$ 6,509
305	Collecting & impounding reservoirs		\$ -	\$ -		\$ -
306	Lake, river & other intakes		\$ -	\$ -		\$ -
307	Wells & springs	\$ 40,700	\$ 711,616	\$ 40,700		\$ 752,316
308	Infiltration galleries & tunnels		\$ -	\$ -		\$ -
309	Supply mains	\$ 3,429	\$ 73,848	\$ 3,429		\$ 77,277
310	Power generation equipment		\$ -	\$ -		\$ -
311	Pumping equipment	\$ 5,470	\$ 135,096	\$ 5,470		\$ 140,566
320	Water treatment equipment		\$ -	\$ -		\$ -
330	Distribution reservoirs & standpipes	\$ 5,124	\$ 91,607	\$ 5,124		\$ 96,731
331	Transmission & distribution mains	\$ 75,373	\$ 1,227,025	\$ 75,373		\$ 1,302,398
333	Services	\$ 5,816	\$ 433,127	\$ 5,816		\$ 438,943
334	Meters & meter installations	\$ 630	\$ 9,378	\$ 630		\$ 10,008
335	Hydrants	\$ 9,460	\$ 142,748	\$ 9,460		\$ 152,208
336	Backflow prevention devices (utility owned)		\$ -	\$ -		\$ -
339	Other plant & miscellaneous equipment		\$ -	\$ -		\$ -
340	Office furniture & equipment	\$ 3,791	\$ -	\$ 3,791		\$ 3,791
341	Transportation equipment	\$ 1,529	\$ 21,695	\$ 1,529		\$ 23,224
343	Tools, shop & garage equipment		\$ -	\$ -		\$ -
344	Laboratory equipment		\$ -	\$ -		\$ -
345	Power operated equipment	\$ 1,169	\$ 42,000	\$ 1,169		\$ 43,169
346	Communication equip	\$ -	\$ 2,520	\$ -		\$ 2,520
347	Electronic & computer Equipment	\$ 455	\$ 7,613	\$ 455		\$ 8,068
348	Miscellaneous Equipment	\$ 2,836	\$ 51,347	\$ 2,836		\$ 54,183
	<b>TOTAL</b>	<b>\$ 156,073</b>	<b>\$ 2,955,838</b>	<b>\$ 156,073</b>	<b>\$ -</b>	<b>\$ 3,111,911</b>

\*Explanation of any adjustments made:

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## RETAINED EARNINGS

Oregon Water Utilities - Cline Butte, Inc.

215	Unappropriated Retained Earnings (beginning of year balance)	\$	80,604
435	Balance transferred from income	\$	163,903
436	Appropriations of Retained Earnings	\$	-
437	Preferred Stock dividends declared	\$	-
438	Common Stock dividends declared	\$	-
439	Adjustments to Retained Earnings*		
215	Unappropriated Retained Earnings (as of year end)	\$	244,507

\* Explanation of any adjustments made to Retained Earnings

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**OTHER ACCOUNTS**

Oregon Water Utilities - Cline Butte, Inc.

For account information not already entered, please enter amounts below, if applicable.

Category Act # Act Name

ASSETS AND OTHER DEBITS (101-190)

Utility Plant		
101	Utility Plant in Service	\$ 6,867,628
102	Utility Plant Leased to Others	
103	Property Held for Future Use	
104	Utility Plant Purchased or Sold	
105	Construction Work in Progress - Commission Approved	\$ 594,130
108	Accumulated Depreciation of Utility Plant in Service	\$ 3,111,911
110	Accumulated Amortization of Utility Plant in Service	
114	Utility Plant Acquisition Adjustments	
115	Accumulated Amortization of Utility Plant Acquisition Adjustments	
Other Property & Investments		
121	Nonutility Property	
122	Accumulated Depreciation and Amortization of Nonutility Property	
123	Investment in Associated Companies	
124	Utility Investments	
125	Other Investments	
127	Other Special Funds	
Current & Accrued Assets		
131	Cash	\$ 790,614
132	Special Deposits	
134	Working Funds	
135	Temporary Cash Investments	
141	Customer Accounts Receivable	\$ 52,689
142	Other Accounts Receivable	\$ 21
143	Allowance for Uncollectible Accounts (Enter positive)	\$ 1,562
144	Notes Receivable	
145	Accounts Receivable from Associated Companies	
146	Notes Receivable from Associated Companies	
151	Plant Materials and Supplies	\$ 858
162	Prepayments	\$ 2,958
171	Accrued Interest Receivable	
174	Miscellaneous Current and Accrued Assets	\$ 25,203
Deferred Debits		
181	Unamortized Debt Discount and Expense	
182	Extraordinary Property Losses	
186	Miscellaneous Deferred Debits	
190	Accumulated Deferred Income Taxes	
EQUITY, LIABILITIES, AND OTHER CREDITS (201-283)		
Equity		
201	Common Stock Issued	\$ -
204	Preferred Stock Issued	\$ -
207	Premium on Capital Stock	
211	Paid in Capital	
212	Discount on Capital Stock	
213	Capital Stock Expense	
214	Appropriated Retained Earnings	
215	Unappropriated Retained Earnings	\$ 244,507
216	Reacquired Capital Stock	
218	Proprietary Capital	
Long Term Debt		
221	Bonds	
223	Advances from Associated Companies	
224	Other Long-Term Debt	
Current and Accrued Liabilities		
231	Accounts Payable	\$ 9,021
232	Notes Payable	
233	Accounts Payable to Associated Companies	\$ 4,323,319
234	Notes Payable to Associated Companies	
235	Customer Deposits	\$ 1,500
236	Accrued Taxes	\$ 199,859
237	Accrued Interest	
238	Accrued Dividends	
239	Matured Long-Term Debt	
240	Matured Interest	
241	Miscellaneous Current and Accrued Liabilities	\$ 32,424
Deferred Credits		
251	Unamortized Premium on Debt	
252	Advances for Construction	\$ -
253	Other Deferred Credits	
Operating Reserves		
261	Property Insurance Reserve	
262	Injuries and Damages Reserve	
263	Pensions and Benefits Reserve	
265	Miscellaneous Operating Reserves	
Contributions in Aid of Construction		
271	Contributions in Aid of Construction	\$ 479,785
272	Accumulated Amortization of CIAC	\$ 74,569
Accumulated Deferred Income Taxes		
281	Accumulated Deferred Income Taxes - Accelerated Depreciation	
282	Accumulated Deferred Income Taxes - Liberalized Depreciation	\$ 4,782
283	Accumulated Deferred Income Taxes - Other	
WATER UTILITY PLANT ACCOUNTS (301-348)		
301	Organization	\$ -
302	Franchises	\$ -
303	Land and Land Rights	\$ 20,101
304	Structures and Improvements	\$ 10,198
305	Collecting and Impounding Reservoirs	\$ -
306	Lakes, River and Other Intakes	\$ -
307	Wells and Springs	\$ 1,015,792
308	Infiltration Galleries and Tunnels	\$ -
309	Supply Mains	\$ 170,533
310	Power Generation Equipment	\$ -
311	Pumping Equipment	\$ 207,752
320	Water Treatment Equipment	\$ -
330	Distribution Reservoirs and Standpipes	\$ 256,208
331	Transmission and Distribution Mains	\$ 3,769,316
333	Services	\$ 867,896
334	Meters and Meter Installations	\$ 12,182
335	Hydrants	\$ 378,392
336	Backflow Prevention Devices	\$ -
339	Other Plant and Miscellaneous Equipment	\$ -
340	Office Furniture and Equipment	\$ 14,851
341	Transportation Equipment	\$ 28,889
343	Tools, Shop and Garage Equipment	\$ -
344	Laboratory Equipment	\$ -

INCOME ACCOUNTS (404-434)

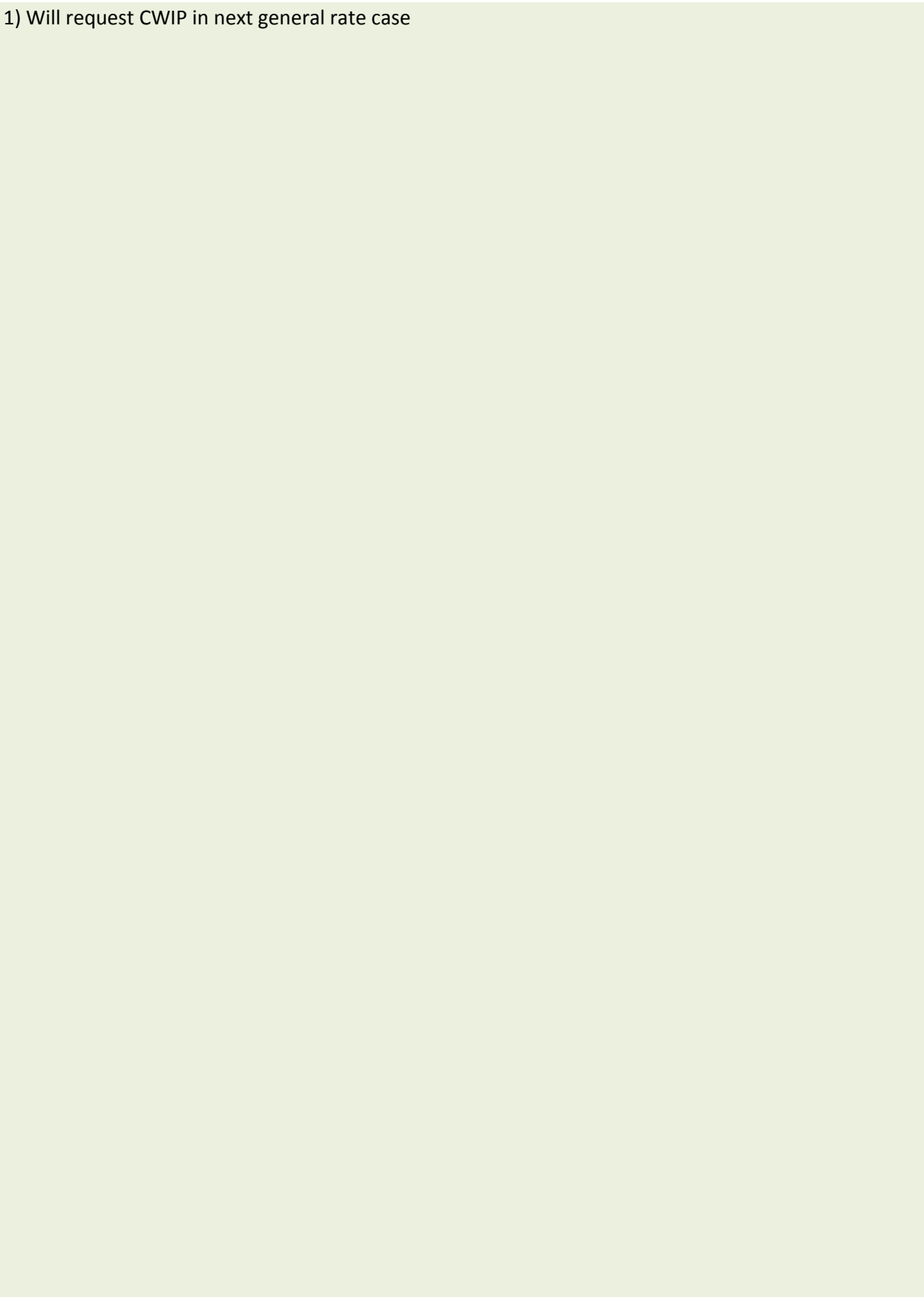
Utility Operating Income		
400	Operating Revenue	\$ 1,191,255
401	Operating Expenses	\$ 784,761
403	Depreciation Expense	\$ 156,073
406	Amortization of Utility Plant Acquisition Adjustment	
407	Amortization Expense (no CIAC)	
408	Taxes Other than Income	\$ 36,291
409	Income Taxes	\$ 72,708
410	Provision for Deferred Income Taxes - Debit	\$ 3,087
411	Provision for Deferred Income Taxes - Credit	\$ -
412	Investment Tax Credit	
413	Income from Utility Plant Leased to Others	
414	Gain/Loss from Utility Property Sales	\$ -
415	Revenues from Merchandising, Jobbing, and Contract Work	
416	Cost and Expenses of Merchandising, Jobbing, and Contract Work	
419	Interest and Dividend Income	
421	Nonutility Income	
426	Nonutility Expenses	
433	Extraordinary Income	
434	Extraordinary Deductions	
Taxes Applicable to Nonutility Income and Deductions		
408.2	Taxes Other than Income - Nonutility	\$ -
409.2	Income Taxes - Nonutility	\$ -
410.2	Provision for Deferred Income Taxes - Debit - Nonutility	\$ -
411.2	Provision for Deferred Income Taxes - Credit - Nonutility	\$ -
Interest Expense		
427	Interest Expense	
428	Amortization of Debt Discount and Expense	
429	Amortization of Premium on Debt	
Retained Earnings Account (435-439)		
435	Balance Transferred from Income	\$ 163,903
436	Appropriations of Retained Earnings	
437	Preferred Stock Dividends Declared	\$ -
438	Common Stock Dividends Declared	\$ -
439	Adjustment to Retained Earnings	\$ -
OPERATING REVENUE ACCOUNTS (460-475)		
460	Unmetered Water Revenue	\$ -
461.1	Metered Sales to Residential Customers	\$ 759,724
461.2	Metered Sales to Commercial Customers	\$ 54,008
461.3	Metered Sales to Industrial Customers	\$ -
461.4	Metered Sales to Public Authorities	\$ -
461.5	Metered Sales to Multiple Family Dwellings	\$ -
462.1	Public Fire Protection	\$ -
462.2	Private Fire Protection	\$ -
464	Other Sales to Public Authorities	\$ -
465	Sales to Irrigation Customers	\$ 108,020
466	Sales for Resale	\$ -
467	Interdepartmental Sales	\$ 144,782
468	Special Contract/Agreement Revenue	\$ 1,800
470	Forfeited Discounts	\$ -
471	Miscellaneous Service Revenues	\$ 762
472	Rents From Water Property	\$ 900
473	Interdepartmental Rents	\$ -
474	Other Water Revenues	\$ 54,421
475	Cross Connection Sales & Services Revenues	\$ 66,838
OPERATION AND MAINTENANCE EXPENSE ACCOUNTS (601-675)		
Source of Supply and Expenses		
601	Salaries and Wages - Employees	\$ 206,571
603	Salaries and Wages - Officers, Directors and Majority Stockholders	\$ -
604	Employee Pensions and Benefits	\$ 36,095
610	Purchased Water	\$ -
611	Telephone/Communications	\$ 5,023
615	Purchased Power	\$ 151,634
616	Fuel for Power Production	\$ -
617	Utilities - Other	\$ 879
618	Chemicals & testing	\$ -
619	Office Supplies (excluding postage)	\$ 11,890
619.1	Postage	\$ 6,233
620	Materials and Supplies	\$ 15,753
621	Repairs to Water Plant	\$ 14,779
631	Contractual Services - Engineering	\$ -
632	Contractual Services - Accounting	\$ 5,285
633	Contractual Services - Legal	\$ 4,242
634	Contractual Services - Management Fees	\$ 245,529
635	Contractual Services - Testing/Sampling	\$ 4,834
636	Contractual Services - Other	\$ -
637	Contractual Services - Billing/Collections	\$ -
638	Contractual Services - Meter Reading	\$ -
639	Contractual Services - Other	\$ 6,798
641	Rental of Building/Real Property	\$ 204
642	Rental of Equipment	\$ -
643	Small Tools	\$ 1,978
648	Computer & Electronic Expenses	\$ 3,568
650	Transportation Expenses	\$ 18,679
656	Insurance - Vehicle	\$ 1,796
657	Insurance - General Liability	\$ 2,093
658	Insurance - Workman's Compensation	\$ (2,032)
659	Insurance - Other	\$ 9,425
660	Public Relations / Advertising Expense	\$ 255
666	Regulatory Commission Expense - Amortization of Rate Case Expense	\$ -
667	Regulatory Commission Expense - Other	\$ 3,358
668	Water Resource Conservation Expense	\$ -
670	Bad Debt Expense	\$ -
671.1	Cross Connection Control Program Expense	\$ -
671.2	Cross Connection Testin & Maintenance Services	\$ -
672	System Capacity Development Program Expense	
673	Training & Certification Expense	\$ 2,579
674	Consumer Confidence Report	\$ -
675	Miscellaneous Expenses	\$ 27,313

**NOTES**

Oregon Water Utilities - Cline Butte, Inc.

Notes and explanations:

- 1) Will request CWIP in next general rate case





## INCOME STATEMENT

Oregon Water Utilities - Cline Butte, Inc.

400 Operating Revenue	\$ 1,191,255
401 Operating Expenses	\$ 784,761
403 Depreciation Expense	\$ 130,505
406 Amortization of Utility Plant Acquisition Adjustment	\$ -
407 Amortization Expense	\$ -
408 Taxes Other Than Income Taxes (total)	\$ 36,291
409 Income Taxes	\$ 72,708
410.1 Provision for Deferred Income Taxes - debit	\$ 3,087
411.1 Provision for Deferred Income Taxes - credit	\$ -
412 Investment Tax Credit	\$ -
413 Income From Utility Plant Leased to Others	\$ -
419 Interest & Dividend Income	\$ -
427 Interest Expense	\$ -
428-429 Amortization of Premium/Discount on Debt	\$ -
414 Gains/Losses From Utility Property Disposition (net)	\$ -
433-434 Extraordinary Income/deductions (net)	\$ -
NET UTILITY OPERATING INCOME	\$ 163,903
421 Nonutility Income	\$ -
415 Revenue From Merchandising, Jobbing, & Contracts	\$ -
426 Nonutility Expense	\$ -
408.2 Nonutility Taxes Other Than Income Tax	\$ -
409.2 Nonutility Income Taxes	\$ -
410.2 Nonutility Deferred Income Taxes	\$ -
411.2 Nonutility Provision for Deferred Income Taxes Credit	\$ -
416 Cost & Expense of Merchandising, Jobbing, Contracts	\$ -
Net Income	\$ 163,903

**BALANCE SHEET**

Oregon Water Utilit

**Please do not submit to PUC until figures are balanced.**

101 Utility Plant in Service (excluding CIAC)	\$	6,867,628
108-110 Accumulated Depreciation & Amortization	\$	3,111,911
Subtotal	\$	3,755,717
102-104 Other Utility Plant	\$	-
105 Commission Approved Construction Work in Progress (CWIP)	\$	594,130
114 Commission Approved Utility Plant Acquisition Adjustments	\$	-
115 Accumulated Amortization of Commission Approved Acquisition Adjustments	\$	-
190 Accumulated Deferred Income Taxes (asset)	\$	-
Subtotal	\$	594,130
Net Utility Plant	\$	4,349,847
131 Cash	\$	790,614
132 Special Deposits	\$	-
141-142 Accounts Receivable	\$	52,710
143 Accumulated Provision for Uncollectible Accounts	\$	1,562
144 Notes Receivable	\$	-
145-146 Accounts & Notes Receivable from Associated Companies	\$	-
151 Materials & Supplies Inventory	\$	858
133-135 & 162-174 Miscellaneous Current & Accrued Assets & Prepayments	\$	28,161
Net Current & Accrued Assets	\$	870,781
181-186 Deferred Debits	\$	-
Total Assets	\$	5,220,628
252 Advances for Construction	\$	-
271 CIAC	\$	479,785
272 Accumulated Amortization of CIAC	\$	74,569
Net CIAC & Advances for Construction	\$	405,216
121 Nonutility Property	\$	-
122 Accumulated Depreciation & Amortization (Nonutility)	\$	-
123-127 Miscellaneous Nonutility Investments	\$	-
Nonutility Plant & Investment	\$	-
221-224 Long-Term Debt	\$	-
231 Accounts Payable	\$	9,021
232 Notes Payable	\$	-
233 Accounts Payable to Affiliated Companies	\$	4,323,319
234 Notes Payable to Affiliated companies	\$	-
235 Customer Deposits	\$	1,500
236 Accrued Taxes	\$	199,859
237 Accrued Interest	\$	-
238-241 Miscellaneous Current and Accrued Liabilities	\$	32,424
Liabilities	\$	4,566,123
251 Premium on Unamortized Debt	\$	-
253 Other Deferred Credit	\$	-
261-265 Reserves	\$	-
Other	\$	-
281 Accumulated Deferred Income Taxes-Accelerated Amortization	\$	-
282 Accumulated Deferred Income Taxes-Liberalized Depreciation	\$	4,782
283 Accumulated Deferred Income Taxes-Other	\$	-
Total Liabilities	\$	4,570,905
201 Common Stock Issued	\$	-
204 Preferred Stock Issued	\$	-
207 Premium on Capital Stock	\$	-
211 Other Paid in Capital	\$	-
212 Discount on Capital Stock	\$	-
213 Capital Stock Expense	\$	-
214 Appropriated Retained Earnings	\$	-
215 Unappropriated Retained Earnings	\$	244,507
216 Reacquired Capital Stock	\$	-
218 Proprietary Capital (Proprietorships & Partnerships Only)	\$	-
Total Equity	\$	244,507
Total Liabilities and Equity	\$	5,220,628

**STATS**

Oregon Water Utilities - Cline Butte, Inc.

<b>Operating Revenues</b>		<b>Assets &amp; Other Debits</b>	
Flat Rate	\$ -	Utility Plant	\$ 7,347,413
Metered - Residential	\$ 759,724	Less: Depreciation & Amortization Reserve	\$ 3,186,480
Metered - Commercial	\$ 54,008	Other Property & Investments	\$ 790,614
Irrigation (including golf courses)	\$ 252,802	Materials and Supplies	\$ 858
Fire Protection	\$ -	Other Current & Accrued Assets	\$ 673,439
Other Sales of Water	\$ 1,800	Deferred Debits	\$ -
Other Operating Revenue	\$ 122,921	<b>Total Assets &amp; Other Debits</b>	\$ 5,625,844
<b>Total Operating Revenues</b>	\$ 1,191,255		
<b>Operating Expenses</b>		<b>Liabilities &amp; Other Credits</b>	
Purchased Water	\$ -	Capital/Common Stock	\$ -
Purchased Power	\$ 151,634	Retained Earnings	\$ 244,507
Water Treatment	\$ 4,834	Long-Term Debt	\$ -
Supplies and Expenses	\$ 108,994	Customer Deposits	\$ 1,500
Repairs of Plant	\$ 14,779	Other Current & Accrued Liabilities	\$ 4,564,623
Administrative & General	\$ 504,520	Advances for Construction	\$ -
<b>Total Operating Expenses</b>	\$ 784,761	Other Deferred Credits	\$ -
		Contributions in Aid of Construction	\$ 405,216
<b>Other Revenue Deductions</b>		Accumulated Deferred Income Taxes	\$ 4,782
Depreciation & Amortization	\$ 130,505	<b>Total Liabilities &amp; Other Credits</b>	\$ 5,220,628
Operating Income Taxes	\$ 75,795		
Other Operating Taxes	\$ 36,291	<b>Average Number of Customers</b>	
Uncollectible Revenue/Bad Debt Expense	\$ -	Flat Rate	-
<b>Total Revenue Deductions</b>	\$ 242,591	Metered - Residential	1,563
<b>Total Expenses and Deductions</b>	\$ 1,027,352	Metered - Commercial	25
		Irrigation (including golf courses)	142
Other Income	\$ -	Fire Protection	-
Interest on Long-Term Debt		Other	-
Other Interest Charges	\$ -	<b>Total Customers</b>	1,730
Other Income Deductions	\$ (3,087)		
<b>Net Operating Income (or Loss)</b>	\$ 166,990		