

e-FILING REPORT COVER SHEET

REPORT NAME: Annual Report Form B - Results of Operations

COMPANY NAME: Running Y Utilities, LLC

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: RE (Electric) RG (Gas) RW (Water)
 RO (Other)

Report is required by: OAR Enter Rule number; e.g., 860-039-0070
 Statute ORS 757.125 and 757.135
 Order Enter Commission Order No.; e.g., 95-1335
 Other Enter reason; e.g., at Request of Lee Sparling

Is this report associated with a specific docket/case? No Yes
If Yes, enter docket number: Enter docket number; e.g.; UM 1484

Key words: Water Utility Annual Report B

If known, please select the PUC Section to which the report should be directed:

- Corporate Analysis and Water Regulation
- Economic and Policy Analysis
- Electric and Natural Gas Revenue Requirements
- Electric Rates and Planning
- Natural Gas Rates and Planning
- Utility Safety, Reliability & Security
- Administrative Hearings Division
- Consumer Services Section

PLEASE NOTE: Do NOT use this form or e-filing with the PUC Filing Center for:

- Annual Fee Statement form and payment remittance or
- OUS or RSPF Surcharge form or surcharge remittance or
- Any other Telecommunications Reporting or
- Any daily safety or safety incident reports or
- Accident reports required by ORS 654.715.

FOR THE YEAR ENDING DECEMBER 31, 2011

RESULTS OF OPERATIONS

FOR WATER UTILITIES REPORTING GROSS REVENUES OF
\$200,000 to 999,999

ANNUAL REPORT FORM B

Running Y Utilities, LLC

5115 Running Y Road, Klamath Falls, OR 97601

541-850-5566

OREGON PUBLIC UTILITY COMMISSION
PO BOX 2148
SALEM OR 97308-2148

WATER UTILITY ANNUAL REPORT B **PUBLIC UTILITY COMMISSION OF OREGON**

MAILING ADDRESS

PO BOX 2148
SALEM OR 97308-2148

LOCATION ADDRESS

550 CAPITOL ST. NE STE 215
SALEM OR 97301-2551

GENERAL INSTRUCTIONS

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 with the PUC on or before April 1st of the year following that for which the report is made. Attach the completed report and any supplementary pages to an email addressed to the following address: puc.filingcenter@state.or.us.

- Interpret all accounting words and phrases in accordance with the USOA.
 - You may round off reported figures to the nearest dollar, if desired.
 - Entries indicating deficits of a "minus amount" should be enclosed in parentheses ().
 - Where statistical information asked for is not reported, state a reason for the omission.
 - If the words "none or "not applicable" truly state the facts, they should be given as the answer. The answer "same as last year" is not acceptable. Do not omit any pages.
 - Special or unusual entries and all discrepancies should be fully explained. If necessary, attach 8 ½" X 11" supplementary sheets prepared in a MS Office Suite program (Word, Excel) to provide space required for making answers full and complete.
 - If the utility has one, or intends to file, a separate rate schedule in its tariff for noncontiguous 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 previous year's figures or the balance at the beginning of the year should reflect as a beginning balance the same end of the year's figures **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.
- report to the PUC. This will facilitate our review of your report and reduce the need for future correspondence.

378-4362.

COMPANY PROFILE

Provide a brief narrative that covers the following areas:

- a. Brief company history
- b. Public services rendered
- c. Major goals and objectives
- d. Major operating divisions and functions
- e. Current and projected growth patterns
- f. Major transactions having a material effect on operations

Running Y Utilities, LLC formerly Running Y Utilities, Inc. was formed in 1996 to provide residential, commercial and irrigation water services to all properties within the Running Y Resort, as well as to Ridgewater, a development near the resort. At year end 2011 the utility was serving 601 residential, commercial and irrigation customers.

PLANT ACCOUNTS 101 - 105			
ACCT. NO.	ACCOUNT NAME		AMOUNT
	Utility Plant	+	1,981,466
	Deduct: Contributions in Aid of Construction (CIAC)	-	
	Deduct: Nonused & Nonuseful Plant	-	
101	Equals: Utility plant in Service	=	\$1,981,466
102	Add: Utility Plant Leased to Others	+	
103	Add: Property Held for Future Use	+	
104	Add: Utility Plant Purchased or sold (net) Use () to indicate a negative number	+	
105	Add: Construction Work in Progress (cwip approved by Commission)	+	
	Total Utility Plant	=	\$1,981,466

ACCUMULATED DEPRECIATION - ACCOUNT 108			
ACCT.NO.	CREDITS		Total
	BALANCE FIRST OF YEAR		3,759,081
	Credit during year:		
	Accruals charged other accounts (specify)		
108.1	Accumulated depreciation of utility plant in service		160,329
108.2	Accumulated depreciation of utility plant leased to others		
108.3	Accumulated depreciation of property held for future use		
	Salvage		
	Other credits (specify) Adjustments to depreciation based on new fair market plant values		(3,759,081)
	Total Credits		\$160,329
	DEBITS		
	Debits during year:		
	Book cost of plant retired		
	Cost of removal market values		
	Total Debits		\$0
	BALANCE END OF YEAR		(\$160,329)

(Total Debits minus Total Credits)

ACCUMULATED AMORTIZATION - ACCOUNT 110		Total
	ACCUMULATED AMORTIZATION - ACCOUNT 110	
	BALANCE FIRST OF YEAR	None - N/A
	Credit during year:	
	Accruals charged to Account 110	
110.1	Accumulated amortization of utility plant in service	
110.2	Accumulated amortization of utility plant leased to others	
	Other	
	Total Credits	None - N/A
	Debits during year:	
	Book cost of plant retired	
	Other debits (specify)	
	Total Debits	None - N/A
	BALANCE END OF YEAR	None - N/A

UTILITY PLANT ACQUISITION ADJUSTMENTS - ACCOUNTS 114 - 115			
Report each acquisition adjustment and related accumulated amortization separately. For any acquisition adjustment approved by the Commission, include the Order Number.			
ACCT. NO.	ACCOUNT NAME	AMOUNT	ORDER NO.
114	Acquisition adjustments (See attached plant asset and depreciation report)		
115	Accumulated amortization & Plant adjustments		
	Net Acquisition Adjustments		

Running Y Utilities, LLC - Water Operations
 2011 update Total Plant and Depreciation by PUC Account No.

PUC	ACCT #	Date In Service	Original Cost	Fair Market Value	Asset Life	2011 Depreciation	2011 Accumulated Depreciation
	304	Fencing: Well Pump House	2,300	630.44	15	42.03	49.03
	304	Roadway: Well House	3,300	904.55	15	60.3	70.35
	304	Well #3 Pump House	43,600	4205.05	40	105.13	140.17
	304	Building: Well House	1,477	142.46	40	3.56	4.75
	304	RW: Com Well Pump House	92,768	8,947.43	40	223.68	298.23
	304	Pump House	4,955	475.53	10	47.55	55.48
	304	Phase 1 Land Improvements	285	78.12	15	5.21	6.08
			148,685	15383.58		487.46	624.09
	307	Well #1	258,501	24,809.90	10	2,480.99	2,894.49
	307	Well #2	149,430	14,341.67	10	1,434.17	1,673.19
	307	Well #1 Additional	10,530	1,010.61	10	101.06	117.9
	307	Well #1 Additional Hour Meter	1,329	127.51	10	12.75	14.88
	307	Well #3	157,786	15,143.66	10	1,514.37	1,766.76
	307	Well #3 Additional Costs	47,653	4,573.57	10	457.36	533.58
	307	Well #1 Addition	15,160	1,511.75	15	100.78	117.58
	307	Well #2	16,520	1,647.40	15	109.83	128.13
	307	Well #3 Additional Costs	18,205	1,815.42	15	121.03	141.2
	307	RW: Com Well	330,603	32,967.83	15	2,197.86	2,564.16
			1,005,717	97,949.32		8,530.20	9,951.87
	309	Supply Mains	1,100,636	105,634.65	10	10,563.47	12,324.04
	309	RW Supply Mains Ph. 1 Div. 2	80,555	8,032.98	15	535.53	624.79
			1,181,191	113,667.63		11,099.00	12,948.83
	311	RW: Com Booster Pump Station	380,583	36,705.39	40	917.64	1,223.52
	311	Reservoir Booster Pump	5,364	514.78	10	51.48	60.06
	311	Synctroflow Pump Station	72,000	6,910.27	10	691.03	806.2
	311	RW: Com Booster Pump Interface	196,663	19,611.28	15	1,307.42	1,525.32

331	Pump: Merganser Hydromatic	3/1/2006	5,105	489.91	10	48.99	57.16
311	RW: Com Well Pump	8/1/2007	19,586	1,879.03	10	187.9	219.22
311	RW: Com Booster Pump	8/1/2007	53,929	5,175.92	10	517.59	603.86
311	RYR: Booster Control Upgrade	10/1/2007	83,964	8,372.90	15	558.19	651.23
			817,194	79,659.48		4280.24	5,146.57
330	Reservoir	1/1/1997	147,337	14,140.83	10	1,414.08	1,649.76
330	RW Reservoir	8/1/2007	464,486	46,318.69	15	3,087.91	3,602.56
			611,823	60,459.52		4,501.99	5,252.32
331	Phase 1 Water Distribution	1/1/1997	474,179	129,975.39	15	8,665.03	10,109.20
331	Phase 3 Lots Water Distribution	1/1/1999	228,415	62,609.82	15	4,173.99	4,869.65
331	Phase V Water Distribution	1/1/2002	506	138.78	15	9.25	10.79
331	Phase V Water Distribution	7/1/1999	427,011	117,046.41	15	7,803.09	9,103.61
331	Sun Forest Ph. VI Water Dist.	7/1/1999	112,233	30,763.74	15	2,050.92	2,392.74
331	Common Water Dist. Applied Cost	1/1/2001	1,720	471.47	15	31.43	36.67
331	Common Water Distribution	1/1/2002	213	58.32	15	3.89	4.54
331	Common Water Distribution	5/1/1999	231,444	63,440.20	15	4,229.35	4,934.24
331	Phase VII Water Dist. ECVC	1/1/2002	6,223	1,705.83	15	113.72	132.68
331	Phase IX Payne Canyon Water Dist.	1/1/2002	152,425	41,780.73	15	2,785.38	3,249.61
331	Phase VIII Ranch View Water Dist.	1/1/2002	83,571	22,907.26	15	1,527.15	1,781.68
331	Phase X Water Distribution	1/1/2002	120,889	33,136.38	15	2,209.09	2,577.27
331	Phase 12 Water Infrastructure	9/1/2004	508,481	139,377.60	15	9,291.84	10,840.48
331	Phase 11 Water Infrastructure	12/1/2003	646,664	177,254.56	15	11,816.97	13,786.47
331	Phase 13 Water Infrastructure	6/1/2006	923,085	253,023.28	15	16,868.22	19,679.59
331	Sun Forest Water Distribution	1/1/2002	1,976	197.01	15	13.13	15.32
331	Phase VII Water Distribution	1/1/2002	2,039	203.36	15	13.56	15.82
331	RW Water Dist. Ph. 1 Div. 1	8/1/2007	1,216,223	121,282.19	15	8,085.48	9,433.06
331	RW Water Dist. Ph. 1 Div. 2	8/1/2007	498,424	49,702.96	15	3,313.53	3,865.79
331	RW Water Distribution Ph. 1 Div. 2	11/1/2007	1,324,301	132,059.72	15	8,803.98	10,271.31
331	RW Water Distribution Ph. 1 Div. 5	11/1/2007	97,893	9,761.97	15	650.8	759.26
331	Phase 8 Ranch View 2nd	12/1/2004	146,752	40,225.59	15	2,681.71	3,128.66
331	Sun Forest Phase 6 3rd	9/1/2005	171,670	47,055.83	15	3,137.06	3,659.90
331	Aspen Run Water Distribution	1/1/2008	77,400	7,718.35	15	514.56	600.32
			7,453,737	1,481,896.75		98,793.13	115,258.66
333	Pennbrook Water	5/1/1999	25,584	7,012.78	15	467.52	545.44

333	Water Infrastructure - Lots	1/1/2001	28,594	7,837.79	15	522.52	609.61
333	Pennbrok Water Equipment	1/1/2002	1,042	285.63	15	19.04	22.22
333	Services Phase I and II	11/30/1997	76,187	7,312.10	10	731.21	853.08
333	Services Phase III	1/1/1999	139,130	13,353.14	10	1,335.31	1,557.87
333	Service Phase V	7/1/1999	59,304	5,691.74	10	569.17	664.04
333	Sun Forest Phase VI Water Service	1/1/1999	17,207	1,651.44	10	165.14	192.67
333	RW Services Ph. 1 Div. 1	8/1/2007	155,539	15,510.39	15	1,034.03	1,206.36
333	RW Com Services	8/1/2007	7,676	765.47	15	51.03	59.54
333	RW Services Ph. 1 Div. 2	11/1/2007	295,552	29,472.58	15	1,964.84	2,292.31
333	RW Services Ph. 1 Div. 5	11/1/2007	60,886	6,071.58	15	404.77	472.23
			866,701	94,964.64		7264.58	8475.37
335	Fire Hydrants	3/1/2004	3,608	346.25	10	34.62	40.4
335	Hydrants	11/30/1997	35,119	3,370.57	10	337.06	393.23
335	RW Hydrants Ph. 1 Div. 1	8/1/2007	131,189	13,082.25	15	872.15	1,017.51
335	RW: Com Hydrants	8/1/2007	5,297	528.26	15	35.22	41.09
335	RW Hydrants Ph. 1 Div. 2	11/1/2007	141,880	14,148.35	15	943.22	1,100.43
335	RW Hydrants Ph. 1 Div. 5	11/1/2007	10,127	1,009.82	15	67.32	78.54
			327,220	32485.5		2289.59	2671.2
347	Software: Utility Billings	12/1/1999	3,163	0		0	0
347	Computer: 512M XP Pro	10/1/2004	956				
347	Computer: Monitor	1/1/2005	414				
347	Computer @50%	9/1/2010	1,345				
			5,878				
	Total Water Utility Plant		12,418,146	1,976,466.42		137,246.19	160,328.91
	Land		5,000	5,000			
	Total with land		12,423,146	1,981,466.42			

NONUTILITY PROPERTY & INVESTMENT ACCOUNTS 121, 123, 124, & 125

Report separately each item of property with a book cost of \$10,000 or more. Other items may be grouped by classes of property.

DESCRIPTION	BEGINNING YEAR BALANCE	ADDITIONS	RETIREMENT	YEAR END BALANCE
ACCOUNT 121 - Nonutility Property				
None - Not Applicable				None - N/A
TOTAL				N/A
ACCOUNT 123 - Investment in Associated Companies				
None - Not Applicable				None - N/A
TOTAL				N/A
ACCOUNT 124 - Nonassociated Company Investment used in Provision of Water, i.e., Water Supply				
None - Not Applicable				None - N/A
TOTAL				N/A
ACCOUNT 125 - Nonassociated Company Investment				
None - Not Applicable				None - N/A
TOTAL				N/A

SPECIAL DEPOSITS - ACCOUNT 132

Do Not Include Customer Deposits	BOOK YEAR END
Description of Special Deposits	
None - Not Applicable	None - N/A
Total Account 132	N/A

ACCOUNTS & NOTES RECEIVABLE & UNCOLLECTIBLES ACCOUNTS 141 - 144

ACCT. NO.	DESCRIPTION	TOTAL
141	Customer Accounts Receivable	38,451
	TOTAL CUSTOMER ACCOUNTS RECEIVABLE - ACCOUNT 141	\$38,451
142	Other Accounts Receivable	
	TOTAL OTHER ACCOUNTS RECEIVABLE - ACCOUNT 142	\$0
143	Accumulated Provision for Uncollectible Accounts	(1,900)
	TOTAL ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS - ACCOUNT 143	(\$1,900)
144	Notes Receivable	
	TOTAL NOTES RECEIVABLE - ACCOUNT 144	\$0
	TOTAL ACCOUNTS 141 - 144	\$36,551

ACCOUNTS & NOTES RECEIVABLE FROM ASSOCIATED COMPANIES ACCOUNTS 145 - 146

Report each note and account receivable from associated companies separately.

DESCRIPTION	% INTEREST RATE	ACCOUNTS RECEIVABLE ACCOUNT 145	NOTES RECEIVABLE ACCOUNT 146
None - N/A			
Total Accounts 145 - 146		\$0	\$0

PREPAYMENTS - ACCOUNT 162

ACCT. NO.	DESCRIPTION	TOTAL
162	Prepaid insurance	
162	Prepaid rents	
162	Prepaid interest	
162	Prepaid taxes	
162	Other prepayments (specify) Trade	306
162		
Total Account 162		\$306

**UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT
ACCOUNTS 181 & 251**

Report the net discount & expense or premium separately for each security issue.

ACCT. NO.	DESCRIPTION	AMOUNT WRITTEN OFF DURING YEAR	YEAR END BALANCE
181	Unamortized debt discount & expense		
181			
181			
181			
181			
Total Account 181		\$0	N/A
251	Unamortized premium on debt		
251			
251			
251			
251			
251			
Total Account 251		\$0	N/A

OTHER DEFERRED EXPENSES & DEBITS - ACCOUNT 186

DESCRIPTION		TOTAL
186.1	Deferred rate case expense	
186.2	Other deferred debits	
Total Account 186		N/A

ACCUMULATED DEFERRED INCOME TAXES - ACCOUNT 190

DESCRIPTION		TOTAL
190.1	Deferred accumulated federal income taxes	
190.2	Deferred accumulated state income taxes	
Total Account 190		\$0

DESCRIPTION	NOMINAL DATE OF ISSUE	DATE OF MATURITY	% INTEREST RATE	FREQUENCY OF PAYMENTS	PRINCIPAL AMOUNT PER BALANCE SHEET	PRINCIPAL AMOUNT
Total Account 232					None	None

ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES - ACCOUNT 233

DESCRIPTION	TOTAL
Total Account 233	None - N/A

NOTES PAYABLE TO ASSOCIATED COMPANIES - ACCOUNT 234

DESCRIPTION	NOMINAL DATE OF ISSUE	DATE OF MATURITY	% INTEREST RATE	FREQUENCY OF PAYMENTS	PRINCIPAL AMOUNT PER BALANCE SHEET	PRINCIPAL AMOUNT
Oregon Resorts Acquisition Partnership						692,337
Open line of credit, non interest bearing						
Total Account 234					\$0	\$692,337

ACCRUED TAXES & ACCRUED INTEREST - ACCOUNTS 236 - 237				
DESCRIPTION OF TAXES	FIRST OF YEAR BALANCE	TAXES ACCRUED	TAXES PAID	END OF YEAR BALANCE
TOTAL ACCOUNTS 408 - 409	\$0	\$0	\$0	\$0

ACCOUNT 237.1 ACCRUED INTEREST ON LONG TERM DEBT - List each separately.	FIRST OF YEAR BALANCE	INTEREST ACCRUED		INTEREST PAID DURING YEAR	END OF YEAR BALANCE
		% INTEREST ACCRUED RATE	AMOUNT		
None - Not Applicable					
TOTAL ACCOUNT 237.1	None		\$0	\$0	None - N/A

ACCOUNT 237.2 ACCRUED INTEREST ON OTHER LIABILITIES List each separately.	FIRST OF YEAR BALANCE	INTEREST ACCRUED		INTEREST PAID DURING YEAR	END OF YEAR BALANCE
		% INTEREST ACCRUED RATE	AMOUNT		
None - Not Applicable					
TOTAL ACCOUNT 237.2	None		\$0	\$0	None - N/A

MISCELLANEOUS CURRENT & ACCRUED LIABILITIES - ACCOUNT 241	
DESCRIPTION	BALANCE END OF YEAR
Payroll	104
TOTAL ACCOUNT 237.2	\$104

ADVANCES FOR CONSTRUCTION - ACCOUNT 252			
NAME OF PERSON MAKING ADVANCE	AMOUNT OF ADVANCE	DEBIT ACCOUNT NO.	INTEREST ACCRUED
BALANCE FIRST OF YEAR			
Add advances during year:			
None - Not Applicable			
TOTAL ACCOUNT 252	\$0		None - N/A

CONTRIBUTIONS IN AID OF CONSTRUCTION - CIAC - ACCOUNT 271			
DESCRIPTION	WATER	OTHER THAN WATER	TOTAL
BALANCE FIRST OF YEAR	None		None - N/A
Add CIAC during year:			\$0
Deduct charges during the year			\$0
			\$0
None - Not Applicable			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
BALANCE END OF YEAR - ACCOUNT 271	None	\$0	None - N/A

DETAIL - CIAC RECEIVED DURING THE YEAR			
DESCRIPTION OF CHARGE	NUMBER OF UNITS	CHARGE PER UNIT	TOTAL AMOUNT
Capacity Charge			None - N/A
Main Line Extension Charges			
Customer Connection Charges			
Other			
Developer's property			
TOTAL CREDITS		\$0	None - N/A

ACCUMULATED AMORTIZATION OF CIAC - ACCOUNT 272

DESCRIPTION	WATER	OTHER THAN WATER	TOTAL
BALANCE FIRST OF YEAR			None - N/A
Add TOTAL AMOUNT of Amortization of CIAC during year:			\$0
BALANCE END OF YEAR ACCOUNT 272	\$0	\$0	None - N/A

ACCUMULATED DEFERRED INCOME TAX ACCOUNTS 281 - 283

281	Accumulated Deferred Income Tax - Accelerated Amortization	
282	Accumulated Deferred Income Tax - Liberalized Depreciation	
283	Accumulated Deferred Income Taxes - Other	
TOTAL ACCOUNTS 281 - 283		None - N/A

AMORTIZATION EXPENSE - ACCOUNTS 406 - 407

DO NOT INCLUDE AMORTIZATION OF CIAC

ACCT. NO.	DESCRIPTION	AMOUNT
406	Amortization of Utility Plant Acquisition Adjustments	
407.1	Amortization of Limited Term Plant	
407.2	Amortization of Property Losses	
407.3	Amortization of Other Utility Plant	
407.4	Amortization of Regulatory Assets	
407.5	Amortization of Regulatory Liabilities	
	Other	
TOTAL ACCOUNTS 406 - 407		None - N/A

TAX EXPENSE - ACCOUNTS 408 - 409

NO.	TAXES OTHER THAN INCOME TAX	Amount
408.11	Property Tax	221
408.12	Payroll Tax	3,908
408.13	Other Tax Other Than Income Tax	
408.2	Nonutility Taxes Other Than Income Tax	
TOTAL TAX OTHER THAN INCOME TAXES ACCOUNT 408		\$4,129
INCOME TAXES		
409.1	Federal Income Tax	
409.11	State Income Tax	
409.13	Other Income Tax	
409.2	Nonutility Income Tax	
TOTAL INCOME TAX ACCOUNT 409		N/A

PROVISION FOR DEFERRED INCOME TAXES - ACCOUNTS 410 - 411

	Description	Amount
410.1	Deferred Federal Income Taxes – Utility Operations	
410.11	Deferred State Income Taxes – Utility Operations	
411.1	Provision for Deferred Income Taxes – Credit – Utility Operations	
TOTAL DEFERRED TAXES UTILITY OPERATIONS		N/A
410.2	Provision for Deferred Income Taxes – Other Income and Deductions	
411.2	Provision for Deferred Income Taxes – Credit – Other income & Deductions	
TOTAL DEFERRED TAXES OTHER INCOME & DEDUCTIONS - ACCOUNTS 410 - 411		N/A

GAINS/LOSSES FROM UTILITY PROPERTY SALE - ACCOUNT 414

GAINS	Description	Amount
	TOTAL GAINS	None
LOSSES	Description	Amount
	TOTAL LOSSES	None
TOTAL ACCOUNT 414 (NET- subtract losses from gains)		None - N/A

**OPERATING REVENUE
 WATER SALES REVENUE**

LINE NO.	ACCT. NO.	ACCOUNT NAME	BEGINNING OF YEAR # OF CUSTOMERS	YEAR END # OF CUSTOMERS	AMOUNT OF WATER SOLD	CF OR GALS	OPERATING REVENUES
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	460	Unmetered water sales					
2	461.1	Metered sales to RESIDENTIAL customers	498	505	5,945,929	hcf	262,341
3	461.2	Metered sales to COMMERCIAL customers	23	23	1,274,516	hcf	60,140
4	461.3	Metered sales to INDUSTRIAL customers					
5	461.4	Other metered sales to public authorities					
6	461.5	Metered sales to multiple family dwellings					
7	462.1	Public fire protection revenue					
8	462.2	Private fire protection revenue					
9	464	Other Sales to public authorities					
10	465	Sales to irrigation customers	49	51	4,582,187	hcf	52,485
11	466	Sales for resale					
12	467	Water Sales to golf course/recreation revenue	1	1	10,485,695	hcf	64,948
13	468	Special contract/agreement revenue					
14		TOTALS	571	580	22,288,327		\$439,914

MISCELLANEOUS & OTHER REVENUE ACCOUNTS

LINE NO.	ACCT. NO.	MISCELLANEOUS REVENUE	# OF OCCURRENCES	TOTAL YEAR REVENUE
1	471	Connection Charge for New Service Revenues	3	3,300
2	471	Meter Testing Revenues		
3	471	Pressure Testing Revenues		
4	471	Late Payment Charge Revenues		
5	471	Return Check Charge Revenues		
6	471	Trouble Call Charge Revenues		
7	471	Disconnection Charge Revenues		
8	471	Reconnection Charge Revenues		
9	471	Unauthorized Restoration of Service Charge Revenues		
10	471	Damage/Tampering Charge Revenues		
11	471	Disconnect Visit Charge Revenues		
12				
13				
14	471			
15	471	MISCELLANEOUS CHARGES REVENUE	Total Lines 1-12	\$3,300

OTHER REVENUE

16	472	Rents from Water Property		
17		Including Income from Leased Plant		
18	474	Other Water Revenue - customer requested services		6,547
19	475	Cross Connection Control Revenue		13,804
20				
21				
22				
23		TOTAL OTHER REVENUE	Total Lines 16-22	\$20,351
24	400	TOTAL MISCELLANEOUS AND OTHER REVENUE	Add Lines 15 + 23	\$23,651

WATER UTILITY EXPENSE ACCOUNTS				
LINE NO.	ACCT. NO.	ITEM	REPORTING YEAR	PRECEDING YEAR
(a)	(b)	(c)	(d)	(e)
1	601	Salaries and Wages - employees	36,027	57,731
2	603	Salaries and Wages – officers, directors, and majority stockholders		
3	604	Employee Pensions & Benefits	4,014	12,089
4	610	Purchased Water		
5	611	Telephone/Communications	687	550
6	615	Purchased Power	57,852	61,384
8	616	Fuel for Power Production		
8	617	Utilities - Other		
9	618	Chemicals		
		Office Supplies	814	134
10	619	(619.1 Postage)	1,160	575
11	620	Materials & Supplies (O&M)	5,860	12,939
12	621	Repairs to Water Plant - included in O&M above		
13	631	Contractual Services - engineering	19,687	5,095
14	632	Contractual Services - accounting	12,024	31,663
15	633	Contractual Services - legal		
16	634	Contractual Services - management	13,830	
17	635	Contractual Services – testing / sampling	300	0
18	636	Contractual Services – labor	6,049	
19	637	Contractual Services - billing/collections		
20	638	Contractual Services - meter reading		
21	639	Contractual Services - other		
22	641	Rental of Building / Real Property	1,800	1,800
23	642	Rental of Equipment		430
24	643	Small Tools		14
25	648	Computer Expenses		
26	650	Transportation Expenses	1,825	1,253
27	656	Insurance - Vehicle		2,120
28	657	Insurance – General Liability	12,994	3,346
29	658	Insurance – Workman's Compensation	771	254
30	659	Insurance – Other		3,902
31	660	Public Relation / Advertising Expense		187
32	666	Amortization of Rate Case Expense		
33	667	Regulatory Commission Fee (Gross Rev Fee)	1,201	714
34	668	Water Resource Conservation Expense		10,508
35	670	Bad Debt Expense		
36	671.1	Cross Connection Control Program Expense		
37	671.2	Cross Connection Testing & Maint Services		
38	672	System Capacity Development Program Exp		
39	673	Training & Certification Expense	575	2,081
40	674	Consumer Confidence Report		
41	675	Miscellaneous Expense	6,361	4,301
42		TOTAL OPERATING EXPENSE	\$183,831	\$213,070

UTILITY PLANT ACCOUNTS

ACCT. NO.	ACCOUNT NAME	BALANCE @ FIRST OF YEAR	ADDITIONS	RETIREMENTS	ADJUSTMENTS	BALANCE @ END OF YEAR
(a)	(b)	(c)	(d)	(e)	(f)	(g)
301	Organization					0
302	Franchises					0
303	Land & land rights	5,000				5,000
304	Structures & improvements	148,685			(133,301)	15,384
305	Collecting & impounding reservoirs					0
306	Lake, river & other intakes					0
307	Wells & springs	1,005,717			(907,768)	97,949
308	Infiltration galleries & tunnels					0
309	Supply mains	1,181,191			(1,067,523)	113,668
310	Power generation equipment					0
311	Pumping equipment	817,194			(737,535)	79,659
320	Water treatment equipment					0
330	Distribution reservoirs & standpipes	611,823			(551,364)	60,459
331	Transmission & distribution mains	7,453,737			(5,971,840)	1,481,897
333	Services	866,701			(771,736)	94,965
334	Meters & meter installations					0
335	Hydrants	327,220			(294,735)	32,485
336	Backflow prevention devices (utility owned)					0
339	Other plant & miscellaneous equipment (SPECIFY)					0
340	Office furniture & equipment					0
341	Transportation equipment					0
343	Tools, shop & garage equipment					0
344	Laboratory equipment					0
345	Power operated equipment					0
346	Communication equip					0
347	Electronic & computer Equipment	5,878		5,878		0
348	Miscellaneous Equipment					0
TOTAL PLANT		\$12,423,146	\$0	\$5,878	(\$10,435,802)	\$1,981,466

ANALYSIS OF ENTRIES IN WATER DEPRECIATION RESERVE (ACCUMULATED DEPRECIATION)

LINE NO.	ACCT. NO.	ACCOUNT NAME	ACCUMULATED DEPRECIATION BEGINNING OF YEAR	ACCRUALS BOOKED TO ACCUMULATED DEPRECIATION	PLANT RETIRED CHARGED TO ACCUMULATED DEPRECIATION	ACCUMULATED DEPRECIATION BALANCE END OF YEAR
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	304	Structures & improvements	18,747	(18,123)		624
2	305	Collecting & impounding reservoirs				0
3	306	Lake, river, & other intakes				0
4	307	Wells and & springs	393,133	(383,181)		9,952
5	308	Infiltration galleries & tunnels				0
6	309	Supply mains	724,140	(711,191)		12,949
7	310	Power generation equipment				0
8	311	Pumping equipment	142,224	(137,077)		5,147
9	320	Water treatment equipment				0
10	330	Distribution reservoirs & standpipes	151,894	(146,642)		5,252
11	331	Transmission & distribution mains	1,947,256	(1,831,997)		115,259
12	333	Services	320,576	(312,101)		8,475
13	334	Meters & meter installations				0
14	335	Hydrants	56,077	(53,406)		2,671
15	336	Cross connection prevention devices (utility-owned)				0
16	339	Other				0
17	340	Office furniture & equipment				0
18	341	Transportation equipment				0
19	343	Tools, shop & garage equipment				0
20	344	Laboratory equipment				0
21	345	Power operated equipment				0
22	346	Communication equipment				0
23	347	Electronic/computer equipment	5,034		5,034	0
24	348	Miscellaneous Equipment*				0
25	Total Accumulated Depreciation		\$3,759,081	(\$3,593,718)	\$5,034	\$160,329

Use () to denote reversal entries.

*Specify nature of transaction.

26	Miscellaneous Equipment DETAIL				0
27					0
28					0
29					0
30					0
31					0
32					0
33					0
34					0
35					0
36					0
37					0
38	TOTAL MISCELLANEOUS EQUIPMENT	\$0	\$0	\$0	\$0

BASIS FOR WATER DEPRECIATION CHARGES

LINE NO.	ACCT. NO.	ACCOUNT NAME	AVERAGE SERVICE LIFE IN YEARS	AVERAGE NET SALVAGE PERCENTAGE	DEPRECIATION RATE APPLIED	ANNUAL DEPRECIATION EXPENSE
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	304	Structures & Improvements	10 to 40	0%	2.9%	487
2	305	Collecting & Impounding Reservoirs		0%	2.0%	
3	306	Lake, River & Other Intakes	35	0%	2.9%	
4	307	Wells & Springs	10 to 15	0%	4.0%	8,530
5	308	Infiltration Galleries & Tunnels	25	0%	4.0%	
6	309	Supply Mains	10 to 15	0%	2.0%	11,099
7	310	Power Generation Equipment	30	0%	3.3%	
8	311	Pumping Equipment	10 to 40	0%	5.0%	4,280
9	320	Water Treatment Equipment	20	0%	5.0%	
10	330	Distribution Reservoirs & Standpipes	10 to 15	0%	3.3%	4,502
11	331	Transmission & Distribution Mains	10 to 15	0%	2.0%	98,793
12	333	Services	10 to 15	0%	3.3%	7,265
13	334	Meters & Meter Installations	20	0%	5.0%	
14	335	Hydrants	10 to 15	0%	2.5%	2,290
15	336	Backflow Prevention Devices (utility-owned)	15	0%	6.7%	
16	339	Other Plant	15	0%	6.7%	
17	340	Office Furniture & Equipment	20	0%	5.0%	
18	341	Transportation Equipment	7	0%	14.3%	
19	343	Tools, Shop & Garage Equipment	15	0%	5.0%	
20	344	Laboratory Equipment	15	0%	5.0%	
21	345	Power Operated Equipment	10	0%	10.0%	
22	346	Communication Equipment	10	0%	10.0%	
23	347	Electronic/Computer Equipment	6	0%	20.0%	0
24	348	Miscellaneous Equipment	10	0%	10.0%	
25						
26						
27		*Water Plant Composite Depreciation Rate				
28	403	TOTAL PLANT DEPRECIATION				\$137,246

* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

OFFICERS COMPENSATION

For each officer, list the time spent as an officer compared to time spent on total business activities and the compensation received as an officer from the company for the reporting year.

NAME	TITLE	% OF TIME SPENT AS OFFICER OF UTILITY	OFFICER'S ANNUAL SALARY	OFFICER'S BONUSES
None - Not Applicable				
TOTAL OFFICERS' COMPENSATION			N/A	N/A

DIRECTORS COMPENSATION

For each director, list the number of director meetings attended by each director and the compensation received as a director from the company for the reporting year.

NAME	TITLE	NUMBER OF DIRECTORS' MEETINGS ATTENDED ANNUALLY	DIRECTOR'S YEARLY SALARY	DIRECTOR'S YEARLY BONUS
None - Not Applicable				
TOTAL DIRECTORS' COMPENSATION			N/A	N/A

INCOME SUMMARY				
LINE NO.	ACCT. NO.	ACCOUNT NAME		AMOUNT FOR REPORTING YEAR
(a)	(b)	(c)		(e)
1	400	Total Gross Operating Revenue		463,565
2	401	Total Operating Expense		183,831
	403	Depreciation Expense		137,246
	406	Amortization of plant acquisition adjustments		
3	407	Amortization expenses		
4	408	Taxes Other Than Income (property tax, payroll tax, other)		4,129
	409.1	Tax Expense (federal income tax)		
	409.11	Tax Expense (state income tax)		
5	409.2	Other income taxes and deductions		
	410	Provision for Deferred Income Taxes		
6	411	Provision for Deferred Income Taxes - credit		
	413	Income from Utility Plant Leased To Others		
7	414	Gains & Losses from Property Disposition		
	433	Extraordinary Income		
8	434	Extraordinary Deductions		
9		Net Income		\$138,359

UTILITY PLANT SUMMARY				
10	101	Utility Plant in Service		1,981,466
11	108	Deduct Accumulated Depreciation		160,329
12	110	Deduct Accumulated Amortization		
13	271	Deduct Contributions In Aid of Construction (CIAC)		
14	252	Deduct Advances for Construction		
15		Subtotal		\$1,821,137
		Add: Construction Work In Progress (CWIP) Commission Approved		
16	105			
17	103	Add Plant Held for Future Use		
18	272	Add Accumulated Amortization of CIAC		
19	151	Add Materials and Supplies in Inventory		
21	114	Add Utility Plant Acquisition Adjustments (2)		
		Deduct Accumulated Amortization of Acquisition Adjustments (2)		
22	115			
23	190	Add Accumulated Deferred Income Taxes (asset)		
	281-			
24	283	Deduct Accumulated Deferred Income Taxes (liability)		
25		Net Utility Plant		\$1,821,137
26		Working Capital Allowance (1/12 of total operating expense)		15,319

Note: (1) Estimate if not known. Indicate if estimated.

(2) Include only those acquisition adjustments that have been approved by the Commission.

PARENT/AFFILIATE ORGANIZATION DESCRIPTION BUSINESS TRANSACTIONS WITH RELATED PARTIES

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any one year, entered into between the company and an affiliated business or financial organization, firm, partnership, or individual. For a definition of affiliated, see ORS 757.015.

Part 1. Specific instructions: Services and Products Received or Provided

1. Enter in this part all transactions involving services and products received or provided.
2. Some types of transactions to include are: management, legal and accounting services; computer services; engineering and construction services; repairing and servicing of equipment; material and supplies furnished; leasing of structures, land and equipment; all rental transactions; sale, purchase or transfer of various products.

NAME OF COMPANY OR RELATED PARTY	DESCRIPTION OF SERVICE AND NAME OF PRODUCT	CONTRACT OR AGREEMENT EFFECTIVE DATE	(P) Purchase (S) Sold	ANNUAL CHARGE
Oregon Resorts, LLC	Management Fees			13,830
Oregon Resorts, LLC	Office Lease			1,800
TOTAL				\$15,630

STATEMENT OF RETAINED EARNINGS

Dividends should be shown for each class and series of capital stock. Show amounts of dividends per share. Show separately the state and federal income tax effect of items shown in Account 439.

LINE NO.	ACCT. NO.	ACCOUNT NAME	AMOUNTS
(a)	(b)	(c)	(d)
1	215	Unappropriated retained earnings (balance @ beginning of year)	(3,120,295)
2		Credits:	4,243,623
3		Debits	
4	435	Balance transferred from income	138,359
5	436	Appropriations of retained earnings	
6		SUBTOTAL (add lines 1-5)	\$1,261,687
7		Dividends declared:	
8	437	Preferred stock dividends declared	
9	438	Common stock dividends declared	
10	439	Changes to account: Adjustments to retained earnings	
11		TOTAL DIVIDENDS DECLARED (add lines 7, 8, 9, & 10)	\$0
12		BALANCE @ END OF YEAR (line 6 minus line 12)	\$1,261,687

APPROPRIATED RETAINED EARNINGS

(state balance & purpose of each appropriated amount at year end)

13	214		
14	214		
15	214		
16	214		
17	214		
18	214		
19	214		
20	214		
21		TOTAL APPROPRIATED RETAINED EARNINGS	\$0
22		TOTAL RETAINED EARNINGS (total lines 12 & 22)	\$1,261,687

COMPARATIVE OPERATING STATEMENT

ACCOUNTING METHOD:			ACCRUAL BASIS <input type="checkbox"/> Check Box 1	CASH BASIS <input type="checkbox"/> Check Box 2
UTILITY OPERATING INCOME & DEDUCTIONS				
LINE NO.	ACCT. NO.	ACCOUNT NAME	REPORTING YEAR	PREVIOUS YEAR
(a)	(b)	(c)	(e)	(f)
1	400	TOTAL OPERATING UTILITY REVENUE	463,565	479,471
2	401	Total Operating Expenses	183,831	213,070
3	403	Annual Depreciation Expense	137,246	621,925
4	406	Amortization of Utility Plant Acquisition Adjustment		
5	407	Amortization Expense		
6	408	Taxes Other Than Income Taxes (total)	4,129	4,005
7	409	Income Taxes		
8	410.1	Provision for Deferred Income Taxes (utility operations)		
9	411.1	Provision for Deferred Income Taxes (utility credit)		
10		TOTAL OPERATING EXPENSES	\$325,206	\$839,000
11	413	Income From Utility Plant Leased to Others		
12	419	Interest & Dividend Income		
13		TOTAL OTHER INCOME	\$0	\$0
14	427	Interest Expense		103,867
15	414	Gains/Losses From Utility Property Disposition (net)		
16	433 & 434	Extraordinary Income/deductions (net)	N/A	
17		TOTAL OTHER DEDUCTIONS	\$0	\$103,867
18		TOTAL NET UTILITY OPERATING INCOME	\$138,359	(\$463,396)
NONUTILITY INCOME, TAXES & DEDUCTIONS				
19	421	Nonutility Income		0
20	415	Revenue From Merchandising, Jobbing, & Contracts		
21		Nonutility Extraordinary Income		
22		TOTAL NONUTILITY INCOME	\$0	\$0
23	426	Nonutility Expense		
24	408.2	Nonutility Taxes Other Than Income Tax		
25	409.2	Nonutility Income Taxes		
26	410.2	Nonutility Deferred Income Taxes (nonutility)		
27	411.2	Nonutility Provision for Deferred Income Taxes (nonutility) Credit		
28		Nonutility Interest Expense		
29	416	Cost & Expense of Merchandising, Jobbing, Contracts		
30		Nonutility Extraordinary Deductions		
31		TOTAL NONUTILITY DEDUCTIONS	\$0	\$0
32		TOTAL NET NONUTILITY INCOME	\$0	\$0

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

LINE NO.	ACCT. NO.	ACCOUNT NAME	BEGINNING OF YEAR BALANCE	ENDING YEAR BALANCE
(a)	(b)	(c)	(e)	(f)
1		NET UTILITY PLANT	\$8,664,065	\$1,821,137
NONUTILITY PROPERTY & INVESTMENT				
2	121	Nonutility Property		
3	122	Less: Accumulated Depreciation & Amortization of Nonutility Plant		
4		Net Nonutility Property	\$0	\$0
5	123	Investment in Associated Companies		
6	124	Investment in Nonassociated Companies (in providing water service, i.e. water supply)		
7	125	Other Investments in Nonassociated Companies		
8		TOTAL NONUTILITY PROPERTY & INVESTMENT	N/A	N/A

CURRENT & ACCRUED ASSETS

9	131	Cash	0	
10	132	Special Deposits		
11	141	Customer Account Receivables	53,726	38,451
12	142	Other Accounts Receivable	(3,237)	
13	143	Accumulated Provisions for Uncollectible Accounts		1,900
14	144	Notes Receivable		
15	145 & 146	Accounts & Notes Receivable From Associated Companies		
16	151	Inventory: Plant Material & Supplies		
17	162	Prepayments	306	306
18	171	Accrued Interest & Dividends Receivable		
19	172	Rents Receivable & Accrued		
20	174	Miscellaneous Current & Accrued Assets (Trademarks)		97,530
21		TOTAL CURRENT AND ACCRUED ASSETS	\$50,795	\$134,387

DEFERRED DEBITS

22	181	Unamortized Debt Discount & Expense		
23	182	Extraordinary Property Losses		
24	186	Miscellaneous Deferred Debits		
25	190	Accumulated Deferred Income Taxes (asset)		
26		Total Deferred Debits	\$0	\$0
27		TOTAL ASSETS AND OTHER DEBITS	\$8,714,860	\$1,955,524

Note: (1) Estimate if not known. Indicate if estimated.

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

LINE NO.	ACCT. NO.	ACCOUNT NAME	BEGINNING YEAR BALANCE	ENDING YEAR BALANCE
(a)	(b)	(c)	(e)	(f)
EQUITY CAPITAL				
1	201	Common stock issued	100	0
2	204	Preferred stock issued		
3	207	Premium on capital stock		
4	211	Other paid-in capital	8,473,000	500
5	212	Discount on capital stock	(2,559,000)	
6	213	Capital stock expense		
7	214	Appropriated retained earnings		
8	215	Unappropriated retained earnings	(3,120,295)	1,261,687
9	216	Reacquired capital stock		
10	218	Proprietary capital (proprietorship & partnership only)		
11		Total equity capital	\$2,793,805	\$1,262,187
CURRENT AND ACCRUED LIABILITIES				
12	224	Long-term debt		
13	231	Accounts payable	0	
14	232	Notes payable		
15	233	Accounts payable to associated companies		
16	234	Notes payable to associated companies	5,918,568	692,337
17	235	Customer deposits		1,000
18	236	Accrued taxes		
19	237	Accrued interest		
20	238	Accrued dividends		
21	241	Miscellaneous current and accrued liabilities	2,487	
22		Total current and accrued liabilities	\$5,921,055	\$693,337
DEFERRED CREDITS				
23	251	Premium on unamortized debt		
24	252	Advances for construction		
25	253	Other deferred credit		
26		Total deferred credits	\$0	\$0
CONTRIBUTIONS IN AID OF CONSTRUCTION - CIAC				
27	271	Contributions in aid of construction (ciac)		
28	272	Deduct: accumulated amortization of CIAC		
29		Total net CIAC	\$0	\$0
ACCUMULATED DEFERRED INCOME TAXES				
30	281	Accumulated deferred income taxes-accelerated amortization		
31	282	Accumulated deferred income taxes-Liberalized Depreciation		
32	283	Accumulated deferred income taxes-other		
33		Total accumulated deferred income taxes	\$0	\$0
34		TOTAL EQUITY CAPITAL AND LIABILITIES	\$8,714,860	\$1,955,524


RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (UTILITY OPERATIONS)

The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computation of all tax accruals.

If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

DESCRIPTION	REFERENCE	AMOUNT
Net income for the year:		138,359
Reconciling items for the year		
Taxable income not reported on books:		
Deductions recorded on books not deducted for return:		
Interest expense - tax effect		
Difference in book/tax depreciation		
Difference in book/tax loss on disposal		
Current year tax accruals		
Income recorded on books not included in return:		
CIAC write off kper UW 79		
Deferred tax adjustment		
Deduction on return not charged against book income:		
Federal tax net income		\$138,359

VERIFICATION: I DECLARE UNDER PENALTIES OF FALSE SWEARING THAT THIS REPORT, INCLUDING ANY ACCOMPANYING SCHEDULES AND STATEMENTS, HAS BEEN EXAMINED BY ME AND, TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS A TRUE, CORRECT AND COMPLETE REPORT OF OPERATIONS

OREGON RESORTS, LLC 	TITLE: Authorized Signatory
PRINT NAME: Simon Hallgarten	DATE: 7/5/12
FULL NAME OF REPORTING UTILITY RUNNING Y UTILITIES, LLC	TELEPHONE NUMBER 541 850-5566