

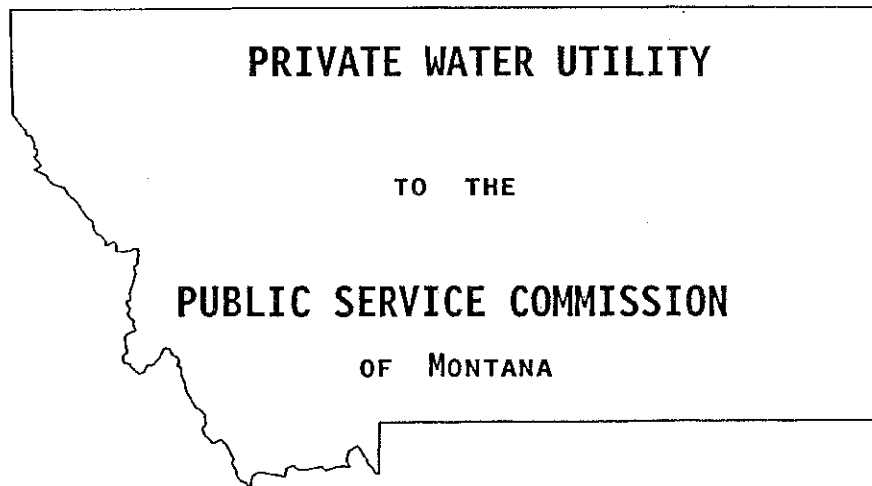
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PUBLIC SERVICE
COMMISSION

ANNUAL REPORT

OF THE

NAME Aquanet, Inc.

LOCATION P.O. Box 80445 Billings MT



FOR THE YEAR ENDING 2008

REPORT OF
Aquanet, Inc.

P.O. Box 80445 Billings MT 59106

(address)

(city, state, zip code)

For Year Ended 2008
 Date Utility First Organized 01-03-01
 Telephone Number 406-656-5545
 Location of books and records 4241 Cedarwood

Contacts			
Name	Title	Principal Business Address	Salary
Person to send correspondence:			
Julane Wells	Sec/treas.	4241 Cedarwood	
Person who prepared this report:			
Julane Wells	Sec/treas.	4241 Cedarwood	
Officers and Managers:			
Daniel Wells	president	4241 Cedarwood	0
Julane Wells	sec/treas.	4241 Cedarwood	0

Ownership			
Report every corporation or person owning interest or holding directly 5 percent or more of the voting securities of the reporting utility			
Name	Percent Ownership in Utility	Principle Business Address	Amt Pd by Utility
Daniel Wells	50%	4241 Cedarwood	0
Julane Wells	50%	4241 Cedarwood	0

INCOME STATEMENT			2008	2007
ACCOUNT NAME		Current Year	Previous Year	
OPERATING REVENUE:				
Metered				
Residential				
Commercial				
Industrial				
Other				
Unmetered				
Residential		87,515	75,260	
Commercial				
Industrial				
Fire Protection				
Bulk Sales				
Sale of Materials				
Other	hook-up reimburse	45,412	49,260	
TOTAL OPERATING REVENUE:		\$ 132,927 -	\$ 124,520 -	
OPERATING EXPENSES:				
Operation and Maintenance Expense		96,987	100,790	
Depreciation Expense		8,070	8,993	
Taxes Other than Income		3,584	1,903	
Deferred Federal Income Taxes				
Deferred State Income Taxes				
TOTAL OPERATING EXPENSES		\$ 108,641 -	\$ 111,686 -	
NET INCOME (LOSS) from OPERATIONS		\$ 24,286 -	\$ 12,834 -	
Other Income:				
Non Utility Income	Interest income	144	635	
TOTAL OTHER INCOME		\$ 144 -	\$ 635 -	
Other Deductions:				
Non-Utility Expenses		6,168	6,220	
Interest Expense		23,729	24,846	
TOTAL OTHER DEDUCTIONS		\$ 29,897 -	\$ 31,066 -	
NET INCOME (LOSS)		\$ <5,467>-	\$ <17,597>-	

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Current Year 2008	Previous Year 2007
ASSETS:		
Utility Plant in Service	252,868	252,868
Less: Accumulated Deprec. & Amort.	62,834	54,764
NET UTILITY PLANT	\$ 190,034 -	\$ 198,104 -
Cash	3,316	2,509
Customer Accounts Receivable	4,882	2,945
Other Assets (Specify)		
<i>sewer system inventories</i>	23,986	21,631
<i>land</i>	12,168	12,168
TOTAL ASSETS OTHER THAN UTILITY PLAN	\$ 44,352 -	\$ 39,253 -
TOTAL ASSETS	\$ 234,386 -	\$ 237,357 -
LIABILITIES AND CAPITAL		
CAPITAL		
Common Stock Issued	1,000	1,000
Preferred Stock Issued		
Other Paid in Capital		
Retained Earnings	<149,526>	<149,526>
Proprietary Capital		
TOTAL CAPITAL	\$ <148,526>	\$ <143,059>
LIABILITIES		
Long Term Debt	362,714	352,407
Accounts Payable	14,753	21,854
Notes Payable		
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
<i>Prepaid water</i>	5,445	6,155
Advances for Construction		
Contributions in aid of Construction		
TOTAL LIABILITIES	\$ 382,912 -	\$ 380,416 -
TOTAL LIABILITIES AND CAPITAL	\$ 234,386 -	\$ 237,357 -

Accumulated Depreciation and Amortization of Utility Plant		
ACCOUNT 108	Current Year	Previous Year
Balance at First of Year	54,764	45,771
Credits During the Year:		
Accruals Charged to Depreciation Account	8,070	8,993
Salvage		
Other Credits (Specify):		
.....		
.....		
Total Credits	\$ 8,070-	\$ 8,993-
Debits During the Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify):		
.....		
.....		
Total Debits	\$ -	\$ -
Balance at End of Year	\$ 62,834-	\$ 54,764-

Contributions in Aid of Construction			
Report below all contractor and developer agreements and line extension agreements from which cash or property was received during the year	Indicate		Amount
	Cash	Property	
.....			
.....			
.....			
TOTAL DURING THE YEAR			\$ -

Accumulated Deferred Income Taxes	
Description	Amount
Accumulated Deferred Income Taxes	
Federal	
State	
Total Accumulated Deferred Income Taxes	\$ -

Capital Stock		
	Common Stock	Preferred Stock
Par or stated value per share	1	
Shares Authorized		
Shares Issued and Outstanding	1,000	
Total par value of stock issued		
Dividends declared per share for year		

Retained Earnings		
	Appropriated	Unappropriated
Balance at first of year		<144,059>
Changes during year:		
Net Income (loss)		<5,467>
Dividends		
Other (Specify):		
Balance end of year		<149,526>

Proprietary Capital		
	Proprietor or Partner	Partner
Balance at first of year		
Changes during year (Specify):		
Balance at end of year		

Long Term Debt			
Description of Obligation	Interest Rate	Payment	Principal at Balance Sheet Date
Private Notes Payable	7.0%		362,714
Total	7.0%	\$ -	\$ 362,714-

Water Utility Plant Accounts

Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization				
302	Franchises				
303	Land & Land Rights	12,168			12,168
304	Structures and Improvements	240,868			240,868
305	Collecting and Impounding Reservoirs				
306	Lake River and Other Intakes				
307	Wells and Springs				
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment				
320	Water Treatment Equipment				
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Mains				
333	Services				
334	Meters and Meter Installations				
335	Hydrants				
339	Other Plant and Misc. Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop & Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment	12,000			12,000
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
Total Water Plant		\$ 265,036	\$ -	\$ -	\$ 265,036

Analysis of Accumulated Depreciation by Primary Account

Acct No.	Account	Average Service Life in Years	Average Salvage Value in Percent	Depr. Rate Applied	Accumulated Depreciation Beginning of Year	Debits	Credits	Accumulated Depreciation End of Year
304	Structures and Improvements	37.5		Straightline	46,2210		6,688	52,908
305	Collecting and Impounding Reservoirs							
306	Lake River and Other Intakes							
307	Wells and Springs							
308	Infiltration Galleries and Tunnels							
309	Supply Mains							
310	Power Generation Equipment							
311	Pumping Equipment							
320	Water Treatment Equipment							
330	Distribution Reservoirs and Standpipes							
331	Transmission and Distribution Mains							
333	Services							
334	Meters and Meter Installations							
335	Hydrants							
339	Other Plant and Misc. Equipment							
340	Office Furniture and Equipment							
341	Transportation Equipment							
342	Stores Equipment							
343	Tools, Shop & Garage Equipment							
344	Laboratory Equipment							
345	Power Operated Equipment	5	2	200DB	8,544		1,382	9,926
346	Communication Equipment							
347	Miscellaneous Equipment							
348	Other Tangible Plant							
TOTAL					\$ 54,764 -	\$ -	\$ 8070 -	\$ 62,834 -

Sources of Water Supply			
Surface Water: River:	_____	Lake:	_____
Stream:	_____	Impounding Reservoir:	_____
Ground Water: No. of Springs:	_____	No. of Shallow Wells:	<u>20</u>
		No. of Deep Wells:	<u>4</u>

Reservoirs, Standpipes, and Purification System	
No. of Reservoirs: _____	Capacity in Gallons: _____
No. of Standpipes: _____	Capacity in Gallons: _____
Method of Purification: <u>Chlorination</u>	

Services and Meters									
Size->	1/2"	5/8"	1 in	1 1/2 in	2 in	3 in	4 in	6 in	
Services									
Meters									

Number and Classification of Consumers							
Classification	Beginning of Year			End of Year			Increase (Decrease)
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential							
Commercial							
Industrial							
Fire Hydrants							
Governmental							
All Other							
Total	-	-	-	-	-	-	-

Total Pumping Station Statistics	
Total Amount of Water Obtained by all methods during the year:	<u>75,650,000</u> gals.
Maximum Water obtained all methods during any one day:	<u>650,000</u> gals.
Minimum Amount of Water obtained all methods during one day:	<u>19,800</u> gals.
Range of ordinary pressure on mains	<u>58</u> lbs to <u>65</u> lbs
Range of fire pressure in mains	<u>50</u> lbs to <u>65</u> lbs

Affidavit

STATE OF MONTANA)

County of _____)

We, the undersigned, on our oath do severally say that the foregoing return of

Aquanet, Inc.

water utility, has been prepared under our direction from the original books, papers and records of said utility and declare the same to be a full, true and correct statement embracing all the financial transactions of said utility during the period for which the return is made.

Stulene Wells see Itmas.
(Signature)

[Handwritten Signature] Pres
(Signature)

Subscribed and sworn before me this _____ day of _____, 20 _____

(SEAL)

