

YEAR 2004

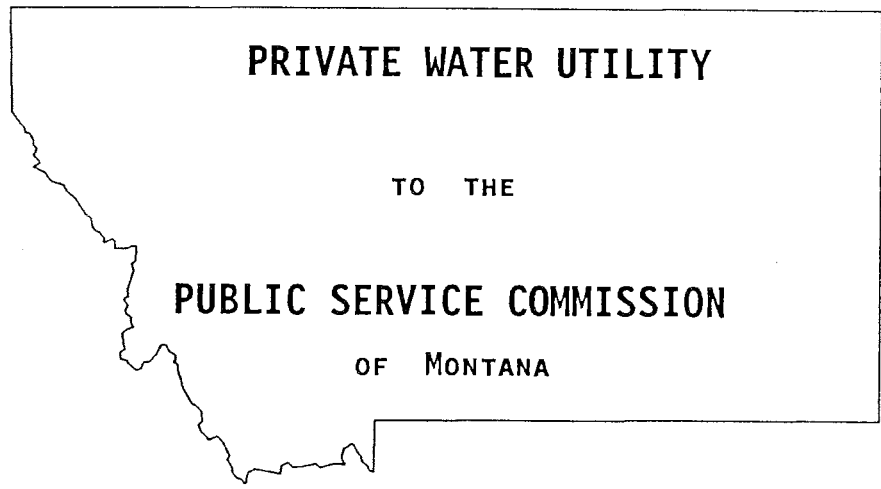
ANNUAL REPORT

OF THE

NAME Landmark Water Co., L.L.C.

LOCATION 3985 Valley Commons Drive, Bozeman, MT 59718

RECEIVED BY
MONTANA PUBLIC SERVICE COMMISSION
FEB 2 2005



FOR THE YEAR ENDING December 31, 2004

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1984 National Association of Utility Regulatory Commissioners Uniform System of Accounts for Water Utilities.
2. Interpret all accounting words or phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section or page which is not applicable to the respondent enter the words "Not Applicable or NA". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. Complete this report by means which result in a permanent record.
7. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
8. This report should be filled out in duplicate and one copy returned within 2 1/2 months after the close of the reporting period. The report should be returned to:

Montana Public Service Commission
Utility Division
2701 Prospect Avenue
Helena, Montana 59620

TABLE OF CONTENTS

SCHEDULE	PAGE	
Identification	2	
Income Statement	3	
Balance Sheet	4	
Contributions in Aid of Construction	5	
Accumulated Depreciation & Amortization of Utility Plant	5	
Capital Stock	6	
Retained Earnings	6	
Proprietary Capital	6	
Long Term Debt	6	
Water Utility Plant Accounts	7	
Analysis of Accumulated Depreciation by Primary Account	8	
Payments For Services Rendered By Other Than Employees	9	
Water Operation and Maintenance Expense	9	
Water Customers	10	
Operating Statistics	10	

REPORT OF

Landmark Water Co., L.L.C.

(Exact Name of Utility)

3985 Valley Commons Dr., Bozeman, MT 59718

(Address)

(City, State, Zip Code)

For Year Ended 12/31/2004

Date Utility First Organized 2/11/2003

Telephone Number (406) 586-9922

Location where books and records are located above

Contracts:			
Name	Title	Principal Business Address	Salary
Person to send correspondence:	Thomas L. Clinton Registered Agent	3985 Valley Commons Dr. Bozeman, MT 59718	XXXXXXXX
Person who prepared this report:	Terri Zullo, Controller	3985 Valley Commons Dr. Bozeman, MT 59718	XXXXXXXX
Officers & Managers:			\$
Potter Clinton Development, Inc.	Managing Member	3985 Valley Commons Dr. Bozeman, MT 59718	\$ 0
			\$
			\$
			\$
			\$

Report every corporation or person owning interest or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
Landmark Development - Bozeman, LLC	100%	3985 Valley Commons Dr. Bozeman, MT 59718	\$ 0
			\$
			\$

INCOME STATEMENT

Account Name	Current Year <i>2004</i>	Previous Year <i>2003</i>
GROSS REVENUE:		
Metered		
Residential	63,507	26,227
Commercial		
Industrial		
Other		
Unmetered		
Residential		
Commerical		
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other		
TOTAL GROSS REVENUE	63,507	26,227
Operation and Maintenance Expense	42,256	24,702
Depreciation Expense	47,068	23,213
Taxes Other Than Income		
Income Taxes		
Deferred Federal Income Taxes		
Deferred State Income Taxes	-	
TOTAL OPERATING EXPENSE	89,324	47,915
NET OPERATING INCOME (LOSS)	(25,817)	(21,688)
Other Income:		
Non-Utility Income		
Other Deductions:		
Non-Utility Expenses		
Interest Expense		
NET INCOME (LOSS)	(25,817)	(21,688)

COMPARATIVE BALANCE SHEET

ACCONT NAME	CURRENT YEAR 2004	PREVIOUS YEAR 2003
Assets:		
Utility Plant In Service	928,729	433,713
Accumulated Depreciation and Amortization	(70,281)	(23,213)
Net Utility Plant	858,448	410,500
Cash	21,249	445
Customer Account Receivable	5,945	2,280
Other Assets (Specify)		
Total Assets	885,642	413,225
Liabilities an Capital:		
Common Stock Issued		
Preferred Stock Issued		
Other Paid In Capital		
Retained Earnings	(47,505)	(21,688)
Proprietary Capital		
Total Capital		
Long Term Debt		
Accounts Payable	4418	1200
Notes Payable		
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
Advances for Construction		
Contributions In Aid Of Construction	928,729	433,713
Total Liabilities and Capital	885,642	413,225

Accumulated Depreciation and Amortization of Utility Plant

Account 108	Current Year	Previous Year
Balance First of Year	23,213	-0-
Credits During Year		
Accruals Charged to Depreciation Account	47,068	23,213
Salvage		
Other Credits (Specify)		
Total Credits	70,281	23,213
Debits During Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify)		
Balance End of Year	70,281	23,213

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 "Cash or Property"	Amount
Landmark Development - Bozeman, LLC Phase II, III, IV Construction	Property	495,016
Total During Year		495,016

ACCUMULATED DEFERRED INCOME TAXES

Description	Total
Accumulated Deferred Income Taxes:	
Federal	
State	
Total Accumulated Deferred Income Taxes	

CAPITAL STOCK

	Common Stock	Preferred Stock
Par or stated value per share		
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued		
Dividends declared per share for year		
	0	

RETAINED EARNINGS

	Appropriated	Unappropriated
Balance first of year		(21688)
Changes during year (Specify):		
<i>2004 Earnings transferred to Retained</i>		(25,817)
Balance end of year		(47,505)

PROPRIETARY CAPITAL

	Proprietor or Partner	Partner
Balance first of year		
Changes during year (specify):		
Balance end of year		

LONG TERM DEBT

Description of Obligation	Interest		Principal Per Balance Sheet Date
	Rate	Pymts	
Total			

WATER UTILITY PLANT ACCOUNTS

Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization	71,732	16,229		87,961
302	Franchises				
303	Land & Land Rights				
304	Structures and Improvements				
305	Collecting and Impounding Reservoirs				
306	Lake River and Other Intakes				
307	Wells and Springs				
308	Infiltration Galleries and Tunnels				
309	Supply Mains	145,415	1468		146,883
310	Power Generation Equipment				
311	Pumping Equipment				
320	Water Treatment Equipment				
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Mains	196,619	380,599		577,218
333	Services				
334	Meters and Meter Installations	2,547	-0-		2,547
335	Hydrants	17,400	96,720		114,120
339	Other Plant and Miscellaneous Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop & Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	Total Water Plant	433,713	495,016		928,729

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT

ACCT. NO.	ACCOUNT	AVERAGE SERVICE LIFE IN YEARS	AVERAGE SALVAGE IN PERCENT	DEPR. RATE APPLIED	ACCUMULATED DEPRECIATION BALANCE PREVIOUS YEAR	DEBITS	CREDITS	ACCUMULATED DEPRECIATION BALANCE END OF YEAR
304	Structures & Improvements		%	%				
305	Collecting & Impounding Reservoirs		%	%				
306	Lake River & Other Intakes		%	%				
307	Wells and Springs		%	%				
308	Infiltrations Galleries & Tunnels		%	%				
309	Supply Mains	20	0 %	5 %	7271		7344	14,615
310	Power Generating Equip.		%	%				
311	Pumping Equipment		%	%				
320	Water Treatment Equip.		%	%				
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains	20	0 %	5 %	9831		27,377	37,208
333	Services		%	%				
334	Meter & Meter Installation	15	0 %	6.667 %	170		170	340
335	Hydrants	15	0 %	6.667 %	1160		6583	7743
339	Other Plant & Misc. Equip.		%	%				
340	Office Furniture and Equipment		%	%				
341	Transportation Equip.		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop & Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				18,432		41,474	59,906

SOURCES OF WATER SUPPLY

Surface Water: River _____ Lake _____ Stream _____ Impounding Res. _____
 Ground Water: Springs No. _____ Shallow Wells No. _____ Deep Wells No. _____

SUPPLY, TRANSMISSION & DISTRIBUTION MAINS (FEET)

Size Inches	First of Year	Laid During Year	Total	Abandoned During Yr.	Taken Up During Yr.	Total	Close of Year
12"	6873	- 0 -					6873
10"	243	1974					2217
8"	1523	12713					14236
6"	4636	1932					6568
Total	13275	16619					29894

RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEM

Number of Reservoirs _____ Capacity in Gallons _____
 Number of Standpipes _____ Capacity in Gallons _____
 Method of Purification _____

SERVICES AND METERS

Services
 1/2 in. 5/8 in. 1 in. 1 1/2 in. 2 in. 3 in. 4 in. 6 in. 3/4"

Meters

NUMBER AND CLASSIFICATION OF CONSUMERS

Classification	-Beginning of Year- 2004			-Close of Year- 2004			Increase or Decrease
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential	63		63	166		166	103
Commercial							
Industrial							
Fire Hydrants							
Governmental							
All Other							
Total	63		63	166		166	

TOTAL PUMPING STATION STATISTICS

Total Amount of Water Obtained by all methods during the Year _____ gals.
 Maximum Water obtained all methods during any one day _____ gals.
 Minimum Amount of Water obtained all methods during one day _____ gals.
 Total Amount of Water passed through customers meters during year 15,094,950 gals.
 Range of ordinary pressure on mains _____ lbs. to _____ lbs.
 Range of fire pressure in mains _____ lbs. to _____ lbs.

STATE OF MONTANA)
County of Gallatin)

We, the undersigned, on our oath do severally say that the foregoing return the Landmark Water Co., L.L.C., 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.

Terri Gullo

Subscribed and sworn to before me this 29 day of April, ~~20~~ 2005.

Connie J. Thompson
Connie J. Thompson

My Commission expires 9-19-2006
Residing in Belgrade, MT