

YEAR RECEIVED BY 2006

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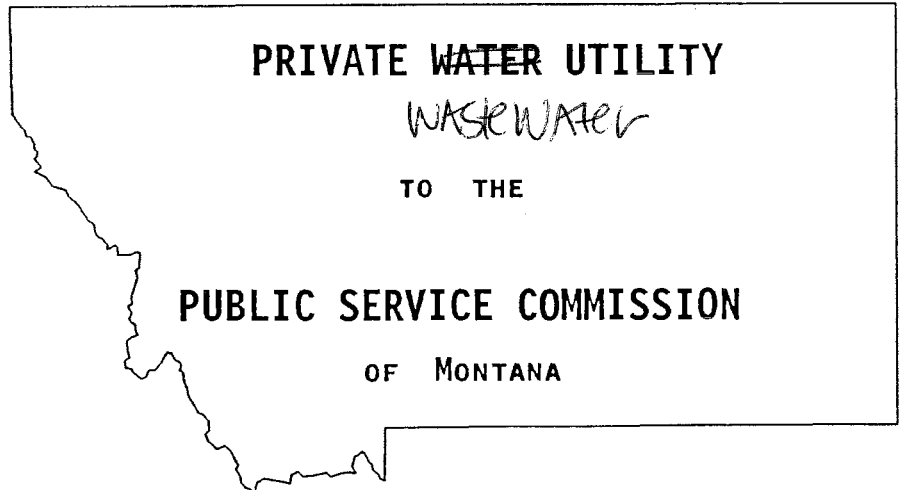
PUBLIC SERVICE
COMMISSION

ANNUAL REPORT

OF THE

NAME Treeline Springs LLC

LOCATION Moonlight Basin Big Sky, MT



FOR THE YEAR ENDING December 31, 2006

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

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REPORT OF

TreeLine Springs, LLC
(Exact Name of Utility)

PO Box 1369

(Address)

ENNIS, MT 59729

(City, State, Zip Code)

For Year Ended DEC 31, 2006

Date Utility First Organized JAN 1999

Telephone Number 406 682 6666

Location where books and records are located 2 Hot Springs Loop Rd ENNIS, MT 59729

| Contracts: | | | |
|----------------------------------|--------------------------------------|--------------------------------|----------|
| Name | Title | Principal Business Address | Salary |
| Person to send correspondence: | Kevin Gorman Director of Planning | PO Box 1369 ENNIS, MT 59729 | XXXXXXXX |
| Person who prepared this report: | Carie Lowry Financial Analyst | PO Box 1369 ENNIS, MT 59729 | XXXXXXXX |
| Officers & Managers: | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |

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 |
|---------------------------|------------------------------|--------------------------------|------------------------|
| MOONLIGHT BIRCH RANCH, LP | 100% | PO Box 1369 ENNIS, MT 59729 | \$ 24,310 |
| | | | \$ |
| | | | \$ |
| | | | \$ |

INCOME STATEMENT

| Account Name | Current Year | Previous Year |
|--|------------------|-----------------|
| GROSS REVENUE: | | |
| Metered | | |
| Residential | | |
| Commercial | | |
| Industrial | | |
| Other | | |
| Unmetered | | |
| Residential | 62,340 | 54,385 |
| Commerical | | |
| Industrial | | |
| Fire Protection | | |
| Bulk Sales | | |
| Sale of Materials | | |
| Other | | |
| TOTAL GROSS REVENUE | 62,340 | 54,385 |
| Operation and Maintenance Expense | 80,362 | 79,222 |
| Depreciation Expense | 742 | 4685 |
| Taxes Other Than Income | | |
| Income Taxes | | |
| Deferred Federal Income Taxes | | |
| Deferred State Income Taxes | | |
| TOTAL OPERATING EXPENSE | 81,104 | 83,907 |
| NET OPERATING INCOME (LOSS) | (18,764) | (29,522) |
| Other Income: | | |
| Non-Utility Income | | |
| Other Deductions: | | |
| Non-Utility Expenses | | |
| Interest Expense | | |
| Loss on Decommissioned Power Facility | (92,347) | |
| NET INCOME (LOSS) | (111,111) | (29,522) |

Accumulated Depreciation and Amortization of Utility Plant

| Account 108 | Current Year | Previous Year |
|--|--------------|---------------|
| Balance First of Year | (34,877) | (30,192) |
| Credits During Year | (742) | (4,685) |
| Accruals Charged to Depreciation Account | | |
| Salvage | | |
| Other Credits (Specify) | | |
| | | |
| | | |
| Total Credits | (35,619) | (34,877) |
| Debits During Year: | | |
| Book Cost of Plant Retired | | |
| Cost of Removal | 34,485 | |
| Other Debits (Specify) | | |
| | | |
| | | |
| Balance End of Year | (1134) | (34,877) |

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 |
|---|-----------------------------|--------|
| | | |
| | | |
| N/A | | |
| | | |
| | | |
| Total During Year | | |

ACCUMULATED DEFERRED INCOME TAXES

| Description | Total |
|---|-------|
| Accumulated Deferred Income Taxes: | |
| Federal | |
| State | |
| N/A | |
| 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 | | |
| | | |

RETAINED EARNINGS

| | Appropriated | Unappropriated |
|--------------------------------|--------------|----------------|
| Balance first of year | | |
| Changes during year (Specify): | | |
| | | |
| | | |
| | | |
| Balance end of year | | |

PROPRIETARY CAPITAL

| | Proprietor or Partner | Partner |
|--------------------------------|-----------------------|---------|
| Balance first of year | 79,342 | |
| Changes during year (specify): | | |
| CASH contribution | 41,880 | |
| (NET LOSS) | (111,109) | |
| OTHER other adj. | 20,832 | |
| Balance end of year | 30,945 | |

LONG TERM DEBT

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

WASTE - WATER UTILITY PLANT ACCOUNTS

| Acct No. | Account Name | Previous Year | Additions | Retirements | Current Year |
|----------|--|---------------|-----------|-------------|--------------|
| 301 | Organization | | | | |
| 302 | Franchises | | | | |
| 303 | Land & Land Rights | | | | |
| 304 | Structures and Improvements | 20,000 | | 20,000 | |
| 305 | Collecting and Impounding Reservoirs | | | | |
| 306 | Lake River and Other Intakes | | | | |
| 307 | Wells and Springs | 11,760 | | | 11,760 |
| 308 | Infiltration Galleries and Tunnels | | | | |
| 309 | Supply Mains | | | | |
| 310 | Power Generation Equipment | | | | |
| 311 | Pumping Equipment | | | | |
| 320 | Water Treatment Equipment (WASTE WASTEWATER) | 16,000 | | 16,000 | |
| 330 | Distribution Reservoirs and Standpipes | | | | |
| 331 | Transmission and Distribution Mains | | | | |
| 333 | Services | | | | |
| 334 | Meters and Meter Installations | | | | |
| 335 | Hydrants | | | | |
| 339 | Other Plant and Miscellaneous Equipment | 70,000 | | 70,000 | |
| 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 | 117,760 | Ø | 106,000 | 11,760 |

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 | 30 | % | .0333 | 6288 | (6288) | | |
| 305 | Collecting & Impounding Reservoirs | | % | % | | | | |
| 306 | Lake River & Other Intakes | | % | % | | | | |
| 307 | Wells and Springs | 30 | % | .0333 | 898 | (506) | 742 | 1134 |
| 308 | Infiltrations Galleries & Tunnels | | % | % | | | | |
| 309 | Supply Mains | | % | % | | | | |
| 310 | Power Generating Equip. | | % | % | | | | |
| 311 | Pumping Equipment | | % | % | | | | |
| 320 | Water Treatment Equip. WATER WORKS | 15 | % | .0667 | 5154 | (5154) | | |
| 330 | Distribution Reservoirs & Standpipes | | % | % | | | | |
| 331 | Trans. & Dist. Mains | | % | % | | | | |
| 333 | Services | | % | % | | | | |
| 334 | Meter & Meter Installation | | % | % | | | | |
| 335 | Hydrants | | % | % | | | | |
| 339 | Other Plant & Misc. Equip. | 30 | % | .0333 | 22537 | (22537) | | |
| 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 | | | | 34,877 | 34,485 | 742 | 1134 |

Waste Water

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 |
|-------------|---------------|------------------|-------|----------------------|---------------------|-------|---------------|
| 6" | 9140 | 650 | 9790 | 0 | 0 | 9790 | 9790 |
| 8" | 12,680 | 5208 | 17888 | 0 | 0 | 17888 | 17,888 |
| 10" | 1,100 | 0 | 1100 | 0 | 0 | 1100 | 1100 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Total | | | | | | | |
| | 22970 | 5858 | 28778 | 0 | 0 | 28778 | 28778 |

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. _____

Meters

NUMBER AND CLASSIFICATION OF CONSUMERS

-Beginning of Year-

-Close of Year-

| Classification | Metered | Unmetered | Total | Metered | Unmetered | Total | Increase or Decrease |
|----------------|---------|-----------|-------|---------|-----------|-------|----------------------|
| Residential | 0 | 169 | 169 | 0 | 193 | 193 | 24 |
| Commercial | 0 | 3 | 3 | 0 | 3 | 3 | 0 |
| Industrial | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fire Hydrants | 0 | 41 | 41 | 0 | 52 | 52 | 11 |
| Governmental | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| All Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | | | | | | |
| | 0 | 213 | 213 | 0 | 248 | 248 | |

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 _____ gals.
 Range of ordinary pressure on mains _____ lbs. to _____ lbs.
 Range of fire pressure in mains _____ lbs. to _____ lbs.

STATE OF MONTANA)
County of Madison)

We, the undersigned, on our oath do severally say that the foregoing return the TreeLine Springs, LLC, 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.

Chris Gowry

Subscribed and sworn to before me this 29th day of May, 2007.

Carol D. Crawford
Residing at: Ennis, MT

