

YEAR 2008

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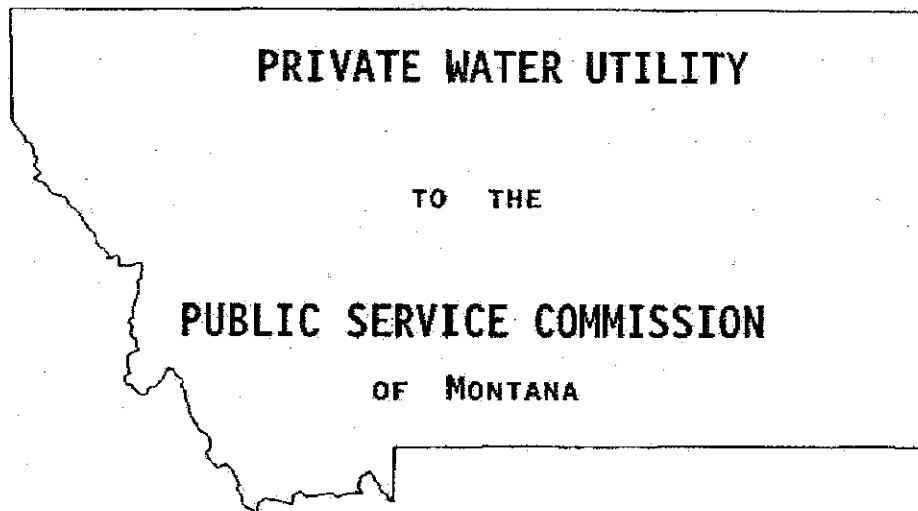
PUBLIC SERVICE  
COMMISSION

**ANNUAL REPORT**

OF THE

**NAME** Treeline Springs, LLC

**LOCATION** Moonlight Basin Madison County, MT



**FOR THE YEAR ENDING** 12/31/08

## 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 L.L.C.

*(Exact Name of Utility)*

P.O. Box 1369

Ennis, MT 59729

*(Address)*

*(City, State, Zip Code)*

For Year Ended 12/31/08

Date Utility First Organized 02/02/99

Telephone Number (406) 682-6666

Location where books and records are located Ennis & Bozeman, MT

Contracts:			
Name	Title	Principal Business Address	Salary
Person to send correspondence:	Eric Butts Civil Engineer	P.O. Box 1369 Ennis, MT 59729	XXXXXXXX
Person who prepared this report:		P.O. Box 1369 Ennis, MT 59729	XXXXXXXX
Officers & Managers:	Moonlight Basin Ranch Inc.	P.O. Box 1369 Ennis, MT 59729	\$
			\$
			\$
			\$
			\$
			\$

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 Basin Ranch, L.P.	100%	P.O. Box 1369 Ennis, MT 59729	\$ 57,456
			\$
			\$
			\$

## INCOME STATEMENT

Account Name	Current Year <i>2008</i>	Previous Year <i>2007</i>
<b>GROSS REVENUE:</b>		
<b>Metered</b>		
Residential		
Commercial		
Industrial		
Other		
<b>Unmetered</b>		
Residential	<i>98,173</i>	<i>95,591</i>
Commerical		
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other		
<b>TOTAL GROSS REVENUE</b>	<i>98,173</i>	<i>95,591</i>
<b>Operation and Maintenance Expense</b>	<i>215,784</i>	<i>152,519</i>
<b>Depreciation Expense</b>	<i>6,588</i>	<i>5,388</i>
<b>Taxes Other Than Income</b>		
<b>Income Taxes</b>		
<b>Deferred Federal Income Taxes</b>		
<b>Deferred State Income Taxes</b>		
<b>TOTAL OPERATING EXPENSE</b>	<i>222,372</i>	<i>157,907</i>
<b>NET OPERATING INCOME (LOSS)</b>	<i>&lt;124,199&gt;</i>	<i>&lt;62,316&gt;</i>
<b>Other Income:</b>		
Non-Utility Income	<i>7,740</i>	<i>4,205</i>
<b>Other Deductions:</b>		
Non-Utility Expenses		
Interest Expense	<i>190</i>	<i>17</i>
<b>NET INCOME (LOSS)</b>	<i>&lt;116,649&gt;</i>	<i>&lt;58,128&gt;</i>

## COMPARATIVE BALANCE SHEET

ACCONT NAME	CURRENT YEAR 2008	PREVIOUS YEAR 2007
<b>Assets:</b>		
Utility Plant In Service	160,990	160,990
Accumulated Depreciation and Amortization	(15,226)	(8,638)
<b>Net Utility Plant</b>		
Cash	645	3,814
Customer Account Receivable	5,612	3,022
Other Assets (Specify)		
<b>Total Assets</b>	<b>152,021</b>	<b>159,188</b>
<b>Liabilities an Capital:</b>		
Common Stock Issued		
Preferred Stock Issued		
Other Paid In Capital		
Retained Earnings		
Proprietary Capital	(82,132)	25,740
<b>Total Capital</b>		
Long Term Debt		
Accounts Payable	234,153	133,448
Notes Payable		
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
Advances for Construction		
Contributions In Aid Of Construction		
<b>Total Liabilities and Capital</b>	<b>152,021</b>	<b>159,188</b>

**Accumulated Depreciation and Amortization Utility Plant**

Account 108	Current Year <i>2008</i>	Previous Year <i>2007</i>
Balance First of Year	<i>&lt;8,638&gt;</i>	<i>&lt;1,701&gt;</i>
Credits During Year	<i>&lt;6,588&gt;</i>	<i>&lt;6,937&gt;</i>
Accruals Charged to Depreciation Account		
Salvage		
Other Credits (Specify)		
<b>Total Credits</b>	<i>&lt;15,226&gt;</i>	<i>&lt;8,638&gt;</i>
Debits During Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify)		
<b>Balance End of Year</b>	<i>&lt;15,226&gt;</i>	<i>&lt;8,638&gt;</i>

**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
<i>N/A</i>		
<b>Total During Year</b>		

**ACCUMULATED DEFERRED INCOME TAXES**

Description	Total
Accumulated Deferred Income Taxes:	
Federal	
State	
<b>Total Accumulated Deferred Income Taxes</b>	

### CAPITAL STOCK

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

### RETAINED EARNINGS

	Appropriated	Unappropriated
Balance first of year		
Changes during year (Specify):	N/A	
Balance end of year		

### PROPRIETARY CAPITAL

	Proprietor or Partner	Partner
Balance first of year	25,740	
Changes during year (specify):		
Net Loss	(116,649)	
Other	8,777	
Balance end of year	(82,132)	

### LONG TERM DEBT

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



## WATER UTILITY PLANT ACCOUNTS

2007

2008

Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization				
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	63,663			63,663
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 Miscellaneous Equipment	97,327			97,327
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				
	<b>Total Water Plant</b>	160,990	<del>0</del>	<del>0</del>	160,990

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT

2008

2007

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	30	%	%	3,988		2,182	6,170
308	Infiltrations Galleries & Tunnels		%	%				
309	Supply Mains		%	%				
310	Power Generating Equip.		%	%				
311	Pumping Equipment		%	%				
320	Water Treatment Equip.		%	%				
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains		%	%				
333	Services		%	%				
334	Meter & Meter Installation		%	%				
335	Hydrants		%	%				
999	Other Plant & Misc. Equip.	30	%	%	4,710		4,405	9,115
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				8,638	0	6,588	15,226



## SOURCES OF WATER SUPPLY

Surface Water: River \_\_\_\_\_ Lake \_\_\_\_\_ Stream \_\_\_\_\_ Impounding Res. \_\_\_\_\_  
 Ground Water: Springs No. \_\_\_\_\_ Shallow Wells No. \_\_\_\_\_ Deep Wells No. 3

### 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
10"	5,012	1,075	6,087	0	0	6,087	6,087
8"	24,107	929	25,036	0	0	25,036	25,036
6"	4,024	0	4,024	0	0	4,024	4,024
<b>Total</b>	<b>33,143</b>	<b>2,004</b>	<b>35,147</b>	<b>0</b>	<b>0</b>	<b>35,147</b>	<b>35,147</b>

### RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEM

Number of Reservoirs 1 Capacity in Gallons 318,000  
 Number of Standpipes 0 Capacity in Gallons NA  
 Method of Purification NONE

### SERVICES AND METERS

Services	5/8 in.	1 in.	1 1/2 in.	2 in.	3 in.	4 in.	6 in.
1/2 in.	0	224	4	21	0	9	2
Meters	0	0	0	0	0	0	0

### NUMBER AND CLASSIFICATION OF CONSUMERS

-Beginning of Year-

-Close of Year-

Classification	Metered	Unmetered	Total	Metered	Unmetered	Total	Increase or Decrease
Residential	0	224	224	0	230	230	6
Commercial	0	3	3	0	4	4	1
Industrial	0	0	0	0	0	0	0
Fire Hydrants	0	52	52	0	57	57	5
Governmental	0	0	0	0	0	0	0
All Other	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>279</b>	<b>279</b>	<b>0</b>	<b>291</b>	<b>291</b>	

### TOTAL PUMPING STATION STATISTICS

Total Amount of Water Obtained by all methods during the Year 16,388,422 gals.  
 Maximum Water obtained all methods during any one day 241,885 gals.  
 Minimum Amount of Water obtained all methods during one day 11,051 gals.  
 Total Amount of Water passed through customers meters during year 0 gals.  
 Range of ordinary pressure on mains 50 lbs. to 120 lbs.  
 Range of fire pressure in mains 50 lbs. to 120 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.

*E.R. [Signature]*  
\_\_\_\_\_

Subscribed and sworn to before me this 21 day of April, 19 2009.



*Jessi Fanelli*  
Jessi Fanelli, Notary Public  
Residing at Ennis, MT  
My Commission Expires June 30, 2012