

YEAR 2005

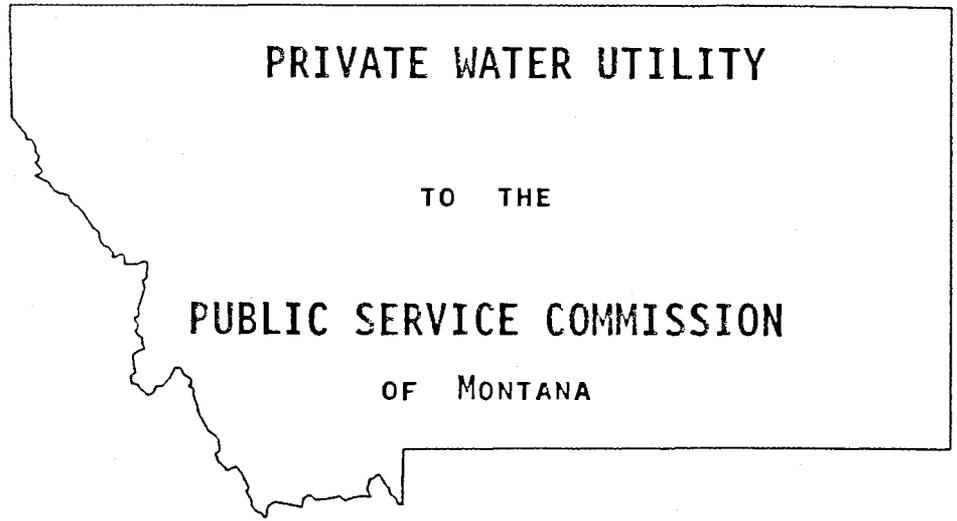
ANNUAL REPORT

OF THE

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PUBLIC SERVICE
COMMISSION

NAME Mountain Heritage Associates

LOCATION Helena, Montana



FOR THE YEAR ENDING 12/31/05

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REPORT OF

Mountain Heritage Associates, Inc.

(Exact Name of Utility)

P.O. Box 4447

Helena, MT. 59604

(Address)

(City, State, Zip Code)

For Year Ended December 31, 2005

Date Utility First Organized January 1, 1990

Telephone Number 406-227-6983

Location where books and records are located Helena, MT

Contracts:			
Name	Title	Principal Business Address	Salary
Person to send correspondence:	Judy Lowry	PO Box 4447 Helena, MT 59604	XXXXXXXX
Person who prepared this report:	Don Cox	AZ & Company, P.C. PO Box 1147 Helena, MT 59624	XXXXXXXX
Officers & Managers:			\$
H. Randolph Poulsen	Pres/Treas	514 Ward Street #202 Seattle, WA 98109	\$ -0-
Jack Lowry	VP/Sec	PO Box 4447 Helena, MT 59604	\$ -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	Precent Ownership in Utility	Principal Business Address	Salary Charged Utility
H. Randolph Poulsen	47.50%	514 Ward Street #202 Seattle, WA 98109	\$ -0-
Peggy Poulsen	5.00%	821 Kentucky SE Albuquerque, NM 87108	\$ -0-
Jack Lowry	47.50%	5513 York Road Helena, MT 59602	\$ -0-

INCOME STATEMENT

Account Name	Current Year	Previous Year
GROSS REVENUE:		
Metered		
Residential		
Commercial		
Industrial		
Other		
Unmetered		
Residential	30,658	30,630
Commerical		
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other		
TOTAL GROSS REVENUE	30,658	30,630
Operation and Maintenance Expense	27,044	26,891
Depreciation Expense	3,601	4,109
Taxes Other Than Income	131	125
Income Taxes		
Deferred Federal Income Taxes		
Deferred State Income Taxes		
TOTAL OPERATING EXPENSE	30,776	31,125
NET OPERATING INCOME (LOSS)	(118)	(495)
Other Income:		
Non-Utility Income	2	2
Other Deductions:		
Non-Utility Expenses		
Interest Expense		
NET INCOME (LOSS)	(116)	(493)

COMPARATIVE BALANCE SHEET

ACCONT NAME	CURRENT YEAR	PREVIOUS YEAR
Assets:		
Utility Plant In Service	117,257	117,257
Accumulated Depreciation and Amortization	99,788	96,187
Net Utility Plant	17,469	21,070
Cash	2,064	3,842
Customer Account Receivable	(604)	(826)
Other Assets (Specify)		
Total Assets	18,929	24,086
Liabilities an Capital:		
	1,000	1,000
Common Stock Issued		1,000
Preferred Stock Issued		
Other Paid In Capital	16,210	16,210
Retained Earnings	(77)	39
Proprietary Capital		
	17,133	17,249
Total Capital		
Long Term Debt		
Accounts Payable	-0-	5,041
Notes Payable		
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
Shareholder loans	1,796	1,796
Advances for Construction		
Contributions In Aid Of Construction		
Total Liabilities and Capital	18,929	24,086

CAPITAL STOCK

	Common Stock	Preferred Stock
Par or stated value per share	\$ 1	
Shares authorized	1,000	
Shares issued and outstanding	1,000	
Total par value of stock issued	\$1,000	
Dividends declared per share for year	-0-	

RETAINED EARNINGS

	Appropriated	Unappropriated
Balance first of year		39
Changes during year (Specify):		(116)
Balance end of year		(77)

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			

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	15	%	4	9,372		616	9,988
308	Infiltrations Galleries & Tunnels		%	%				
309	Supply Mains		%	%				
310	Power Generating Equip.		%	%				
311	Pumping Equipment	7	%	7	11,489		988	12,477
320	Water Treatment Equip.		%	%				
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains	25	%	2	70,362		1,704	72,066
333	Services		%	%				
334	Meter & Meter Installation		%	%				
335	Hydrants		%	%				
339	Other Plant & Misc. Equip.	50	%	5	4,964		293	5,257
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				96,187		3,601	99,788

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				
305	Collecting and Impounding Reservoirs				
306	Lake River and Other Intakes				
307	Wells and Springs	15,533			15,533
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment	14,946			14,946
320	Water Treatment Equipment				
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Mains	81,265			81,265
333	Services				
334	Meters and Meter Installations				
335	Hydrants				
339	Other Plant and Miscellaneous Equipment	5,513			5,513
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	117,257			117,257

STATE OF MONTANA)
County of Lewis & Clark)

We, the undersigned, on our oath do severally say that the foregoing return the
MOUNTAIN HERITAGE ASSOC., 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.

Jack L. Lowrey

Subscribed and sworn to before me this 5th day of May, ~~19~~ 2006.

Cyndell Roe

Notary Public for the State of Montana
Residing at Helena, Montana

My commission expires January 4th, 2009