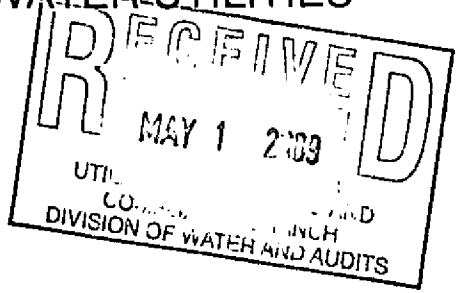


34

Received \_\_\_\_\_

Examined \_\_\_\_\_

CLASS A  
WATER UTILITIES



U# \_\_\_\_\_

2008  
ANNUAL REPORT  
OF

\_\_\_\_\_

APPLE VALLEY RANCHOS WATER COMPANY

(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

\_\_\_\_\_

P.O. BOX 7005

APPLE VALLEY, CA 92307-7005

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
FOR THE  
YEAR ENDED DECEMBER 31, 2008

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2009  
(FILE TWO COPIES IF THREE RECEIVED)

## **INSTRUCTIONS**

1. One completed copy of this report (two copies if three received) must be filed **NOT LATER THAN MARCH 31**, following the year covered by the report, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION  
WATER DIVISION  
ATTN: KAYODE KAJOPAIYE  
505 VAN NESS AVENUE, ROOM 3105  
SAN FRANCISCO, CALIFORNIA 94102-3298**

2. Failure to file the report on time may subject a utility to the penalties and sanctions provided by the Public Utilities Code.
3. The Oath, on the last page, must be signed by an officer, partner or owner.
4. The report must be prepared in ink or by the use of a typewriter. Computer generated report forms may be substituted.
5. The report must be filled in, and every question answered. **LEAVE NO SCHEDULE BLANK.** Insert the words "none" or "not applicable" or "n/a" when appropriate.
6. Certain balance sheet and income statement accounts refer to supplemental schedules. The totals of the details in the latter must agree with the balances of the accounts to which they refer.
7. Some schedules provide for a "balance at beginning of year." The amount shown should agree with the "balance at end of year" as shown in the report for the previous year. If there is a difference it should be explained by footnote.
8. When there is insufficient space in a schedule to permit a complete statement of the requested information, insert sheets should be prepared and identified by the number of the schedule to which it refers. Be certain that the inserts are securely attached to the report.
9. This report must cover a calendar year, from January 1 through December 31. Fiscal year reports will not be accepted.

## **INSTRUCTIONS**

### **FOR PREPARATION OF SELECTED FINANCIAL DATA SHEET FOR CLASS A, B, C AND D, WATER UTILITIES**

To prepare the attached data sheets, refer to the Balance Sheet, Income Statement and supporting detail schedules in the annual report for the required data.

Please follow the instructions below:

1. Common plant allocated to water should be indicated with water plant figures in Net Plant Investment.
2. The capitalization section for those reporting on both California Only and Total System Forms should be identical and completed with Total Company Data. Be sure that Advances for Construction include California water data only.
3. Complete the operation section with California water revenues and expenses, but if necessary, remove interdepartmental revenues and expenses.
4. All other utility and nonutility revenues and expenses are netted on Line No. 38.

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES

Year 2008

NAME OF UTILITY APPLE VALLEY RANCHOS WATER COMPANY PHONE (562) 923-0711

PERSON RESPONSIBLE FOR THIS REPORT LAWRENCE G. LEE  
(Prepared from Information in the 2008 Annual Report)

	1/1/2008	12/31/2008	Average
<b>BALANCE SHEET DATA</b>			
1 Intangible Plant	273,443	273,443	273,443
2 Land and Land Rights	6,043,781	5,996,130	6,019,956
3 Depreciable Plant	85,440,902	89,897,711	87,669,307
4 Gross Plant in Service	91,758,126	96,167,284	93,962,705
5 Less: Accumulated Depreciation	(17,226,754)	(19,107,590)	(18,167,172)
6 Net Water Plant in Service	74,531,372	77,059,693	75,795,533
7 Water Plant Held for Future Use	202,348	202,348	202,348
8 Construction Work in Progress	1,160,924	834,614	997,769
9 Materials and Supplies	306,380	308,427	307,404
10 Less: Advances for Construction	(32,069,937)	(32,488,248)	(32,279,093)
11 Less: Contributions in Aid of Construction	(2,181,917)	(2,251,677)	(2,216,797)
12 Less: Accumulated Deferred Income and Investment Tax Credits	(7,447,778)	(8,360,455)	(7,904,117)
13 Net Plant Investment	34,501,392	35,304,702	34,903,047
<b>CAPITALIZATION</b>			
14 Common Stock	3,750	3,750	3,750
15 Proprietary Capital (Individual or Partnership)			0
16 Paid-in Capital	5,862,976	5,862,976	5,862,976
17 Retained Earnings	27,429,045	29,009,368	28,219,207
18 Common Stock and Equity (Lines 14 through 17)	33,295,771	34,876,094	34,085,933
19 Preferred Stock			0
20 Long-Term Debt	0	0	0
21 Notes Payable			0
22 Total Capitalization (Lines 18 through 21)	33,295,771	34,876,094	34,085,933

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES

2008

NAME OF UTILITY: APPLE VALLEY RANCHOS WATER COMPANY

PHONE: (562) 923-0711

	Annual Amount
<b>INCOME STATEMENT</b>	
23 Unmetered Water Revenue	0
24 Fire Protection Revenue	165,224
25 Irrigation Revenue	1,020,152
26 Metered Water Revenue	16,569,609
27 Total Operating Revenue	<u>17,754,985</u>
28 Operating Expenses	12,029,003
29 Depreciation Expense (Composite Rate 2.79%)	2,204,635
30 Amortization and Property Losses	56,949
31 Property Taxes	372,855
32 Taxes Other Than Income Taxes	213,519
33 Total Operating Revenue Deduction Before Taxes	14,876,961
34 California Corp. Franchise Tax	221,297
35 Federal Corporate Income Tax	948,623
36 Total Operating Revenue Deduction After Taxes	16,046,881
37 Net Operating Income (Loss) - California Water Operations	1,708,104
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	(23,121)
39 Income Available for Fixed Charges	1,684,983
40 Interest Expense	104,660
41 Net Income (Loss) Before Dividends	1,580,324
42 Preferred Stock Dividends	<u>                    </u>
43 Net Income (Loss) Available for Common Stock	1,580,324
<b>OTHER DATA</b>	
44 Refunds of Advances for Construction	891,696
45 Total Payroll Charged to Operating Expenses	2,526,720
46 Purchased Water	0
47 Power	1,295,686
48 <b>Class A Water Companies Only:</b>	
a. Pre-TRA 1986 Contributions in Aid of Construction	538,845
b. Pre-TRA 1986 Advances for Construction	17,596
c. Post TRA 1986 Contributions in Aid of Construction	1,712,832
d. Post TRA 1986 Advances for Construction	32,470,652
	<u>                    </u>
<b>Active Service Connections (Exc. Fire Protect.)</b>	
49 Metered Service Connections	<u>18,832</u>
50 Flat Rate Service Connections	<u>18,684</u>
51 Total Active Service Connections	<u>18,832</u> <u>18,684</u> <u>18,758</u>

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES

Adjusted to Exclude Non-Regulated Activity  
Year 2008

NAME OF UTILITY: APPLE VALLEY RANCHOS WATER COMPANY

PHONE: (562) 923-0711

PERSON RESPONSIBLE FOR THIS REPORT: LAWRENCE G. LEE

(Prepared from Information in the 2008 Annual Report)

	1/1/2008	12/31/2008	Average
<b>BALANCE SHEET DATA</b>			
1 Intangible Plant	273,443	273,443	273,443
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6 Net Water Plant in Service	74,531,372	77,059,693	75,795,533
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13 Net Plant Investment	34,501,392	35,304,702	34,903,047
<b>CAPITALIZATION</b>			
14 Common Stock	3,750	3,750	3,750
15 Proprietary Capital (Individual or Partnership)			0
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17 Retained Earnings	27,429,045	29,009,368	28,219,207
18 Common Stock and Equity (Lines 14 through 17)	33,295,771	34,876,094	34,085,933
19 Preferred Stock			0
20 Long-Term Debt	0	0	0
21 Notes Payable			0
22 Total Capitalization (Lines 18 through 21)	33,295,771	34,876,094	34,085,933

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES

Adjusted to Exclude Non-Regulated Activity  
2008

NAME OF UTILITY: APPLE VALLEY RANCHOS WATER COMPANY    PHONE: (562) 923-0711

<b>INCOME STATEMENT</b>		Annual Amount
23	Unmetered Water Revenue	0
24	Fire Protection Revenue	165,224
25	Irrigation Revenue	1,020,152
26	Metered Water Revenue	16,569,609
27	Total Operating Revenue	17,754,985
28	Operating Expenses	12,029,003
29	Depreciation Expense (Composite Rate 2.79%)	2,204,635
30	Amortization and Property Losses	56,949
31	Property Taxes	372,855
32	Taxes Other Than Income Taxes	213,519
33	Total Operating Revenue Deduction Before Taxes	14,876,961
34	California Corp. Franchise Tax	221,297
35	Federal Corporate Income Tax	948,623
36	Total Operating Revenue Deduction After Taxes	16,046,881
37	Net Operating Income (Loss) - California Water Operations	1,708,104
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	0
39	Income Available for Fixed Charges	1,708,104
40	Interest Expense	104,660
41	Net Income (Loss) Before Dividends	1,603,445
42	Preferred Stock Dividends	0
43	Net Income (Loss) Available for Common Stock	1,603,445

<b>OTHER DATA</b>		
44	Refunds of Advances for Construction	891,696
45	Total Payroll Charged to Operating Expenses	2,526,720
46	Purchased Water	0
47	Power	1,295,686
48	<b>Class A Water Companies Only:</b>	
a.	Pre-TRA 1986 Contributions in Aid of Construction	538,845
b.	Pre-TRA 1986 Advances for Construction	17,596
c.	Post TRA 1986 Contributions in Aid of Construction	1,712,832
d.	Post TRA 1986 Advances for Construction	32,470,652

Active Service Connections      (Exc. Fire Protect.)		Jan. 1	Dec. 31	Annual Average
49	Metered Service Connections	18,832	18,684	18,758
50	Flat Rate Service Connections			
51	Total Active Service Connections	18,832	18,684	18,758

### Notes to Adjusted Selected Financial Data

Instructions: Provide reasons for each adjustment to the Selected Financial Data due to non-regulated activities. Detail this information by name of line item (Gross Plant, Operating Revenues, etc.), account number, dollar amount, and by point in time (end of year, beginning of year, or average).

1 Line 38 Nextel lease	10,998	Non-utility income
2 Line 38 Non Utility Property Taxes	(713)	Non-utility expense
3 Line 38 Water Association Dues	(813)	Non-utility expense
4 Line 38 Charitable Contributions	(24,301)	Non-utility expense
5 Line 38 Miscellaneous	(8,292)	Non-utility expense
Total	(\$23,121)	



**Excess Capacity and Non-Tariffed Services**

NOTE: In D.00-07-018, D.03-04-028, and D. 04-12-023, the CPUC set forth rules and requirements regarding water utilities provision of non-tariffed services using excess capacity. These decisions require water utilities to: 1) file an advice letter requesting Commission approval of that service, 2) provide information regarding non-tariffed goods/services in each companies Annual Report to the Commission.

Based on the information and filings required in D.00-07-018, D.03-04-028, and D.04-12-023, provide the following information by each individual non-tariffed good and service provided in 2008:

Row Number	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue derived from Non-Tariffed Good/Service (by account)	Revenue Account Number	Total Expenses incurred to provide Non-Tariffed Good/Service (by Account)	Expense Account Number	Advice Letter and/or Resolution Number approving Non-Tariffed Good/Service	Total Income Tax Liability incurred because of non-tariffed Good/Service (by Account)	Income Tax Liability Account Number	Gross Value of Regulated Assets used in the provision of a Non-Tariffed Good/Service (by account)	Regulated Asset Account Number
	Communications Site-Lease Agreement with Nextel	Passive	13,525	5804	0	n/a		5,273	4102.9810	(B)	n/a

(A) Approval by Advice Letter was not required by CPUC.  
 (B) No assets are exclusively involved in this activity.

**GENERAL INFORMATION**

1 Name under which utility is doing business:APPLE VALLEY RANCHOS WATER COMPANY

2 Official mailing address: P.O. BOX 7005  
APPLE VALLEY, CA ZIP 92307-7005

3 Name and title of person to whom correspondence should be addressed:  
SCOTT WELDY, VICE PRESIDENT & GENERAL MANAGER Telephone: (760) 247-6484

4 Address where accounting records are maintained:  
21760 OTTAWA ROAD, APPLE VALLEY, CA 92308

5 Service Area (Refer to district reports if applicable):  
APPLE VALLEY

6 Service Manager (If located in or near Service Area.) (Refer to district reports if applicable.)  
Name: SCOTT WELDY  
Address: SAME AS ABOVE Telephone: (760) 247-6484

7 OWNERSHIP. Check and fill in appropriate line:

Individual (name of owner) \_\_\_\_\_

Partnership (name of partner) \_\_\_\_\_

Partnership (name of partner) \_\_\_\_\_

Partnership (name of partner) \_\_\_\_\_

X Corporation (corporate name) APPLE VALLEY RANCHOS WATER COMPANY  
Organized under laws of (state) CALIFORNIA Date: 1947

Principal Officers:

(Name) HENRY H. WHEELER, PRESIDENT  
(Name) NYRI WHEELER-LEWIS, SECRETARY  
(Name) SCOTT WELDY, VICE PRESIDENT AND GENERAL MANAGER  
(Name) LEIGH K. JORDAN, EXECUTIVE VICE PRESIDENT

8 Names of associated companies: PARK WATER COMPANY (PARENT)  
MOUNTAIN WATER COMPANY  
SANTA PAULA WATER COMPANY  
SICC

9 Names of corporations, firms or individuals whose property or portion of property have been acquired during the year, together with date of each acquisition:

Date:  
Date:  
Date:  
Date:

# Use the space below for supplementary information or explanations concerning this report:

NONE

**SCHEDULE A  
COMPARATIVE BALANCE SHEETS  
Assets and Other Debits**

Line No.	Acct.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		<b>I. UTILITY PLANT</b>			
2	100	Utility plant	A-1	97,204,246	93,121,398
3	107	Utility plant adjustments			
4		Total utility plant		97,204,246	93,121,398
5	250	Reserve for depreciation of utility plant	A-3	(19,107,590)	(17,226,754)
6	251	Reserve for amortization of limited term utility investments	A-3	(112,062)	(103,574)
7	252	Reserve for amortization of utility plant acquisition adjustment	A-3	16,200	17,010
8		Total utility plant reserves		(19,203,452)	(17,313,318)
9		Total utility plant less reserves		78,000,794	75,808,080
10					
11		<b>II. INVESTMENT AND FUND ACCOUNTS</b>			
12	110	Other physical property	A-2	10,459	10,459
13	253	Reserve for depreciation and amortization of other property	A-3		
14		Other physical property less reserve		10,459	10,459
15	111	Investments in associated companies	A-4		
16	112	Other investments	A-5		
17	113	Sinking funds	A-6		
18	114	Miscellaneous special funds	A-7		
19		Total investments and fund accounts		10,459	10,459
20					
21		<b>III. CURRENT AND ACCRUED ASSETS</b>			
22	120	Cash		52,601	34,616
23	121	Special deposits	A-8		
24	122	Working funds		78,300	1,900
25	123	Temporary cash investments			
26	124	Notes receivable	A-9		
27	125	Accounts receivable		711,190	766,778
28	126	Receivables from associated companies	A-10		
29	131	Materials and supplies		308,427	306,380
30	132	Prepayments	A-11	320,796	330,783
31	133	Other current and accrued assets	A-12		
32		Total current and accrued assets		1,471,314	1,440,457
33					
34		<b>IV. DEFERRED DEBITS</b>			
35	140	Unamortized debt discount and expense	A-13		
36	141	Extraordinary property losses	A-14	0	0
37	142	Preliminary survey and investigation charges		251,230	167,968
38	143	Clearing accounts			
39	145	Other work in progress			
40	146	Other deferred debits	A-15	5,770,551	4,047,995
41		Total deferred debits		6,021,781	4,215,963
42		Total assets and other debits		85,504,348	81,474,959
43					

**SCHEDULE A**  
**COMPARATIVE BALANCE SHEETS**  
**Liabilities and Other Credits**

Line No.	Acct.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		<b>I. CORPORATE CAPITAL AND SURPLUS</b>			
2	200	Common capital stock	A-18	3,750	3,750
3	201	Preferred capital stock	A-18		
4	202	Stock liability for conversion			
5	203	Premiums and assessments on capital stock	A-19		
6	150	Discount on capital stock	A-16	( )	( )
7	151	Capital stock expense	A-17	( )	( )
8	270	Capital surplus	A-20	5,862,976	5,862,976
9	271	Earned surplus	A-21	29,009,368	27,429,045
10		Total corporate capital and surplus		34,876,094	33,295,771
11					
12		<b>II. PROPRIETARY CAPITAL</b>			
13	204	Proprietary capital (Individual or partnership)	A-22		
14	205	Undistributed profits of proprietorship or partnership	A-23		
15		Total proprietary capital			
16					
17		<b>III. LONG-TERM DEBT</b>			
18	210	Bonds	A-24		
19	211	Receivers' certificates			
20	212	Advances from associated companies	A-25		
21	213	Miscellaneous long-term debt	A-26		
22		Total long-term debt		0	0
23					
24		<b>IV. CURRENT AND ACCRUED LIABILITIES</b>			
25	220	Notes payable	A-28		
26	221	Notes receivable discounted			
27	222	Accounts payable		253,291	581,102
28	223	Payables to associated companies	A-29	2,583,951	548,931
29	224	Dividends declared			
30	225	Matured long-term debt			
31	226	Matured interest			
32	227	Customers' deposits		107,880	109,812
33	228	Taxes accrued	A-31	194,591	196,945
34	229	Interest accrued		4,299	4,390
35	230	Other current and accrued liabilities	A-30	2,808,927	2,192,370
36		Total current and accrued liabilities		5,952,939	3,633,550
37					
38		<b>V. DEFERRED CREDITS</b>			
39	240	Unamortized premium on debt	A-13		
40	241	Advances for construction	A-32	32,488,248	32,069,937
41	242	Other deferred credits	A-33	9,935,390	10,293,784
42		Total deferred credits		42,423,638	42,363,721
43					
44		<b>VI. RESERVES</b>			
45	254	Reserve for uncollectible accounts	A-34		
46	255	Insurance reserve	A-34		
47	256	Injuries and damages reserve	A-34		
48	257	Employees' provident reserve	A-34		
49	258	Other reserves	A-34		
50		Total reserves			
51					
52		<b>VII. CONTRIBUTIONS IN AID OF CONSTRUCTION</b>			
53	265	Contributions in aid of construction	A-35	2,251,677	2,181,917
54		Total liabilities and other credits		85,504,348	81,474,959

**SCHEDULE B**  
**Income Account for the Year**

Line No.	Acct.	Account (a)	Schedule Page No. (b)	Amount (c)
1		<b>I. UTILITY OPERATING INCOME</b>		
2	501	Operating revenues	B-1	17,754,985
3				
4		Operating Revenue Deductions:		
5	502	Operating expenses	B-2	12,029,003
6	503	Depreciation	A-3	2,204,635
7	504	Amortization of limited-term utility investments	A-3	56,139
8	505	Amortization of utility plant acquisition adjustments	A-3	810
9	506	Property losses chargeable to operations	B-3	0
10	507	Taxes	B-4	1,756,293
11		Total operating revenue deductions		<u>16,046,880</u>
12		Net operating revenues		1,708,105
13	508	Income from utility plant leased to others		
14	510	Rent for lease of utility plant		
15		Total utility operating income		<u>1,708,105</u>
16				
17		<b>II. OTHER INCOME</b>		
18	521	Income from nonutility operations (Net)	B-6	
19	522	Revenue from lease of other physical property		
20	523	Dividend revenues		
21	524	Interest revenues		
22	525	Revenues from sinking and other funds		
23	526	Miscellaneous nonoperating revenues	B-7	10,998
24	527	Nonoperating revenue deductions - Dr.	B-8	
25		Total other income		<u>10,998</u>
26		Net income before income deductions		1,719,103
27				
28		<b>III. INCOME DEDUCTIONS</b>		
29	530	Interest on long-term debt		
30	531	Amortization of debt discount and expense		
31	532	Amortization of premium on debt - Cr.		
32	533	Taxes assumed on interest		
33	534	Interest on debt to associated companies		97,277
34	535	Other interest charges	B-9	7,383
35	536	Interest charged to construction - Cr.		
36	537	Miscellaneous amortization		
37	538	Miscellaneous income deductions	B-10	34,119
38		Total income deductions		<u>138,779</u>
39		Net income		1,580,324
40				
41		<b>IV. DISPOSITION OF NET INCOME</b>		
42	540	Miscellaneous reservations of net income		
43				
44		Balance transferred to Earned Surplus or		1,580,324
45		Proprietary Accounts scheduled on page 28		
46				

**SCHEDULE A-1**  
**Account 100 - Utility Plant**

Line No.	Acct	Title of Account (a)	Balance Beg of Year (b)	Additions During Year (c)	Retirements During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
1	100 - 1	Utility plant in service (Schedule A-1a)	91,758,126	5,044,314	635,526	369	96,167,284
2	100 - 2	Utility plant leased to others	0				0
3	100 - 3	Construction work in progress	1,160,924	(326,310)	xxxxxxxxxx		834,614
4	100 - 4	Utility plant held for future use (Sch A-1c)	202,348	0			202,348
5	100 - 5	Utility plant acquisition adjustments	0		xxxxxxxxxx		0
6	100 - 6	Utility plant in process of reclassification	0				0
7		<b>Total utility plant</b>	<b>93,121,398</b>	<b>4,718,004</b>	<b>635,526</b>	<b>369</b>	<b>97,204,246</b>

**SCHEDULE A-1a**  
**Account 100.1 - Utility Plant in Service**

Line No.	Acct	Title of Account (a)	Balance Beg of Year (b)	Additions During Year (c)	Retirements During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
8		<b>I. INTANGIBLE PLANT</b>					
9	301	Organization	271,976				271,976
10	302	Franchises and consents (Schedule A-1b)					
11	303	Other intangible plant	1,467				1,467
12		<b>Total intangible plant</b>	<b>273,443</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>273,443</b>
13							
14		<b>II. LANDED CAPITAL</b>					
15	306	Land and land rights	6,043,781		47,651		5,996,130
16							
17		<b>III. SOURCE OF SUPPLY PLANT</b>					
18	311	Structures and improvements	49,998		201		49,797
19	312	Collecting and impounding reservoirs	0				0
20	313	Lake, river and other intakes	0				0
21	314	Springs and tunnels	0				0
22	315	Wells	3,195,910	431,907	57,873		3,569,944
23	316	Supply mains	0				0
24	317	Other source of supply plant	134,842				134,842
25		<b>Total source of supply plant</b>	<b>3,380,749</b>	<b>431,907</b>	<b>58,074</b>	<b>0</b>	<b>3,754,582</b>
26							
27		<b>IV. PUMPING PLANT</b>					
28	321	Structures and improvements	2,035,945	82,305	11,100		2,107,150
29	322	Boiler plant equipment	0				0
30	323	Other power production equipment	0				0
31	324	Pumping equipment	5,414,810	623,434	162,997		5,875,247
32	325	Other pumping plant					
33		<b>Total pumping plant</b>	<b>7,450,755</b>	<b>705,739</b>	<b>174,097</b>	<b>0</b>	<b>7,982,397</b>
34							
35		<b>V. WATER TREATMENT PLANT</b>					
36	331	Structures and improvements					
37	332	Water treatment equipment	1,135,890	108,449	2,624		1,241,715
38		<b>Total water treatment plant</b>	<b>1,135,890</b>	<b>108,449</b>	<b>2,624</b>	<b>0</b>	<b>1,241,715</b>

**SCHEDULE A-1a**  
**Account 100.1 - Utility Plant in Service - Concluded**

Line No.	Acct	Title of Account (a)	Balance Beg of Year (b)	Additions During Year (c)	Retirements During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
1		<b>VI. TRANSMISSION AND DIST. PLANT</b>					
2	341	Structures and improvements					
3	342	Reservoirs and tanks	4,160,910			369	4,161,279
4	343	Transmission and distribution mains	45,907,910	2,098,828	66,126		47,940,612
5	344	Fire mains	0				0
6	345	Services	8,598,807	377,216	72,631		8,903,392
7	346	Meters	1,957,410	515,169	145,740		2,326,839
8	347	Meter installations	0				0
9	348	Hydrants	6,221,503	271,712	20,856		6,472,359
10	349	Other transmission and distribution plant	0				0
11		Total transmission and distribution plant	66,846,540	3,262,925	305,353		69,804,481
12							
13		<b>VII. GENERAL PLANT</b>					
14	371	Structures and improvements	1,282,945	1,070	0		1,284,015
15	372	Office furniture and equipment	784,081	157,495	34,649		906,927
16	373	Transportation equipment	790,411	183,851			974,262
17	374	Stores equipment	0				0
18	375	Laboratory equipment	887				887
19	376	Communication equipment	1,774,747	109,463	12,853		1,871,357
20	377	Power operated equipment	1,485,554				1,485,554
21	378	Tools, shop and garage equipment	132,179	83,415	225		215,369
22	379	Other general plant	0				0
23		Total general plant	6,250,805	535,294	47,727		6,738,372
24							
25		<b>VIII. UNDISTRIBUTED ITEMS</b>					
26	390	Other tangible property	376,164				376,164
27	391	Utility plant purchased					
28	392	Utility plant sold					
29		Total undistributed items	376,164				376,164
30		Total utility plant in service	91,758,126	5,044,314	635,526	369	96,167,284

**SCHEDULE A-1b**  
**Account 302 - Franchises and Consents**

Line No.	Name of Original Grantor (a)	Date of Grant (b)	Term in Years (c)	Date of Acquisition by Utility (d)	Amount at which Carried in Account <sup>1</sup> (e)
31	NONE				
32					
33					
34					
35		Total	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		

<sup>1</sup> The total should agree with the balance at the end of the year in Account 302 in Schedule A-1a Line 10.

SCHEDULE A-1c  
Account 100.4 - Utility Plant Held for Future Use

Line No.	Description and Location of Property (a)	Date of Acquisition (b)	Approximate Date Will be Placed in Service (c)	Balance End of Year (d)
1	WELL SITE-SCHAEFFER PROPERTY		Estimated 2011	202,348
2				
3				
4				
5				
6				
7				
8	Total			202,348

SCHEDULE A-2  
Account 110 - Other Physical Property

Line No.	Name and Description of Property (a)	Book value, end of year (b)
9	LAND	10,459
10		
11		
12		
13		
14		
15	Total	10,459



**SCHEDULE A-1d  
RATE BASE**

Line No.	Acct.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		<b>RATE BASE</b>			
2					
3		Utility Plant			
4		Plant in Service		96,167,284	91,758,126
5		Construction Work in Progress		834,614	1,160,924
6		General Office Prorate		2,642,180	2,612,050
7		<b>Total Gross Plant (Line 4 + Line 5 + Line 6)</b>		<b>99,644,078</b>	<b>95,531,100</b>
8					
9		Less Accumulated Depreciation			
10		Plant in Service		19,107,590	17,226,754
11		General Office Prorate		1,507,344	1,337,003
12		<b>Total Accumulated Depreciation (Line 10 + Line 11)</b>		<b>20,614,934</b>	<b>18,563,757</b>
13					
14		Less Other Reserves			
15		Deferred Income Taxes		8,504,407	7,600,648
16		Deferred Investment Tax Credit		(143,952)	(152,870)
17		Other Reserves			
18		<b>Total Other Reserves (Line 15 + Line 16 + Line 17)</b>		<b>8,360,455</b>	<b>7,447,778</b>
19					
20		Less Adjustments			
21		Contributions in Aid of Construction		2,251,677	2,181,917
22		Advances for Construction		32,488,248	32,069,937
23		Other			
24		<b>Total Adjustments (Line 21 + Line 22 + Line 23)</b>		<b>34,739,925</b>	<b>34,251,854</b>
25					
26		Add Materials and Supplies		308,427	306,380
27					
28		Add Working Cash (From Schedule A-1d(2))		2,291,892	2,148,644
29					
30		<b>TOTAL RATE BASE</b>			
31		<b>=Line 7 - Line 12 - Line 18 - Line 24 + Line 26 + Line 28</b>		<b>38,529,083</b>	<b>37,722,735</b>
32					
33					
34					
35					
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**SCHEDULE A-1d (2)**  
**RATE BASE**  
**Working Cash Calculation**

Line No.	Acct.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		<b>Working Cash</b>			
2					
3		<b>Determination of Operational Cash Requirement</b>			
4		1. Operating Expenses, Excl Taxes, Depr. & Uncoll.		11,637,282	10,982,933
5		2. Purchased Power & Commodity for Resale*		1,295,686	1,457,210
6		3. Meter Revenues: Bimonthly Billing		16,180,166	17,014,242
7		4. Other Revenues: Flat Rate Monthly Billing		207,583	169,282
8		5. Total Revenues (3 + 4)		16,387,749	17,183,524
9		6. Ratio - Flat Rate to Total Revenues (4 / 5)		0.01	0.01
10		7. $5/24 \times \text{Line 1} \times (100\% - \text{Line 6})$		2,393,723	2,265,570
11		8. $1/24 \times \text{Line 1} \times \text{Line 6}$		6,142	4,508
12		9. $1/12 \times \text{Line 2}$		107,974	121,434
13		10. Operational Cash Requirement (7 + 8 - 9)		2,291,892	2,148,644
14					
15					
16		* Electric power, gas or other fuel purchased for pumping and/or purchased commodity for resale billed after receipt (metered).			
17					
18					
19					
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54					

SCHEDULE A-3  
Accounts 250 to 253, Inclusive - Depreciation and Amortization Reserves

Line No.		Account 250 Utility Plant (b)	Account 251 Limited-Term Utility Investments (c)	Account 252 Utility Plant Acquisition Adjustments (d)	Account 253 Other Property (e)
1	Balance in reserves at beginning of year (A)	17,226,754	103,574	(17,010)	0
2	Add: Credits to reserves during year				
3	(a) Charged to Account 503, 504, 505 <sup>(1)</sup>	2,204,635	8,488	810	
4	(b) Charged to Account 265	132,133			
5	(c) Charged to clearing accounts	110,062			
6	(d) Salvage recovered	29,919			
7	(e) All other credits <sup>(2)</sup>	102,528	47,651		
8	Total credits	2,579,277	56,139	810	0
9	Deduct: Debits to reserves during year				
10	(a) Book cost of property retired	690,359			
11	(b) Cost of removal	8,082			
12	(c) All other debits <sup>(3)</sup>		47,651		
13	Total debits	698,441	47,651	0	0
14	Balance in reserve at end of year	19,107,590	112,062	(16,200)	0
15					
16	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE:			2.79%	
17					
18	(2) EXPLANATION OF ALL OTHER CREDITS:				
	Correction of contributed asset classification		42		
	Amortization of MWA Claim program		47,651		
	Correction of Water Master Retirement		54,835		
19			102,528		
20	(3) EXPLANATION OF ALL OTHER DEBITS:				
21	Amortization of MWA Claim program posted to utility plant		47,651		
22	reserve account.				
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35	METHOD USED TO Straight Line				
36	(a) Liberalized	( )			
37	(b) (1) Double declining balance	( )			
38	(2) ACRS	( )			
39	(3) MACRS	( )			
40	(4) Others	( )			
41	(c) Both straight line and liberalized	(x)			
42					

**SCHEDULE A-3a**

**Account 250 - Analysis of Entries in Depreciation Reserve**

(This schedule is to be completed if records are maintained showing depreciation reserve by plant accounts)

Line No.	Acct.	DEPRECIABLE PLANT (a)	Balance Beginning of Year (b)	Credits to Reserve During Year Excl. Salvage (c)	Debits to Reserves During Year Excl. Cost Removal (d)	Salvage and Cost of Removal Net (Dr.) or Cr. (e)	Balance End of Year (f)
1		<b>I. SOURCE OF SUPPLY PLANT</b>					
2	311	Structures and improvements	40,407	103,938	102,687		41,658
3	312	Collecting and impounding reservoirs	0				0
4	313	Lake, river and other intakes	0				0
5	314	Springs and tunnels	0				0
6	315	Wells	697,208	85,482	57,873		724,817
7	316	Supply mains	0				0
8	317	Other source of supply plant	28,028	3,518			31,546
9		Total source of supply plant	765,643	192,938	160,560	0	798,021
10							
11		<b>II. PUMPING PLANT</b>					
12	321	Structures and improvements	290,569	68,363	11,100		347,832
13	322	Boiler plant equipment	0				0
14	323	Other power production equipment	0				0
15	324	Pumping equipment	0				0
16	325	Other pumping plant	826,870	203,080	162,997		866,953
17		Total pumping plant	1,117,439	271,443	174,097	0	1,214,785
18							
19		<b>III. WATER TREATMENT PLANT</b>					
20	331	Structures and improvements					
21	332	Water treatment equipment	143,520	40,895	2,624		181,791
22		Total water treatment plant	143,520	40,895	2,624	0	181,791
23							
24		<b>IV. TRANS. AND DIST. PLANT</b>					
25	341	Structures and improvements	0				0
26	342	Reservoirs and tanks	588,557	80,729			669,286
27	343	Transmission and distribution mains	9,859,699	1,131,965	66,126	(1,128)	10,924,410
28	344	Fire mains	0				0
29	345	Services	1,423,424	235,669	72,631	(2,097)	1,584,365
30	346	Meters	(189,115)	60,487	145,740	26,919	(247,449)
31	347	Meter installations	0				0
32	348	Hydrants	982,967	145,245	20,856	(4,857)	1,102,499
33	349	Other transmission and distribution plant	0				0
34		Total trans. and distribution plant	12,665,532	1,654,095	305,353	18,837	14,033,111
35							
36		<b>V. GENERAL PLANT</b>					
37	371	Structures and improvements	362,305	37,863			400,168
38	372	Office furniture and equipment	483,862	86,413	34,649		535,626
39	373	Transportation equipment	582,618	12,624		3,000	598,242
40	374	Stores equipment	0				0
41	375	Laboratory equipment	779	44			823
42	376	Communication equipment	409,237	140,556	12,852		536,941
43	377	Power operated equipment	518,992	86,162			605,154
44	378	Tools, shop and garage equipment	63,978	11,278	224		75,032
45	379	Other general plant	0				0
46	390	Other tangible property	112,849	15,047			127,896
47	391	Water plant purchased	0				0
48		Total general plant	2,534,621	389,987	47,725	3,000	2,879,883
49							
		<b>Total</b>	<b>17,226,754</b>	<b>2,549,358</b>	<b>690,359</b>	<b>21,837</b>	<b>19,107,590</b>

**SCHEDULE A-4**  
**Account 111 - Investments in Associated Companies**

Line No.	Class of Security (a)	Name of Issuing Company (b)	Par Value End of Year (c)	Ledger Value End of Year (d)	Rate of Interest (e)	Interest Accrued During Year (f)	Interest and Dividends Received During Year (g)
1							
2							
3							
4	NONE						
5							
6							
7		Totals					

1 The total should agree with the balance at the end of the year in Account 111 on page 5.

**SCHEDULE A-5**  
**Account 112 - Other Investments**

Line No.	Name and Description of Property (a)	Balance End of Year (b)
8		
9		
10		
11		
12	NONE	
13		
14		
15		
16	Total	

**SCHEDULE A-6**  
**Account 113 - Sinking Funds**

Line No.	Name of Fund (a)	Balance Beginning of Year (b)	Additions During Year		Deductions During Year (e)	Balance End of Year (f)
			Principal (c)	Income (d)		
1						
2						
3						
4	NONE					
5						
6						
7						
8						
9	Totals					

**SCHEDULE A-7**  
**Account 114 - Miscellaneous Special Funds**

Line No.	Name of Fund (a)	Balance Beginning of Year (b)	Additions During Year		Deductions During Year (e)	Balance End of Year (f)
			Principal (c)	Income (d)		
10						
11						
12						
13	NONE					
14						
15						
16						
17						
18	Totals					

**SCHEDULE A-8  
Account 121 - Special Deposits**

Name of Depository (a)	Purpose of Deposit (b)	Balance End of Year (c)
NONE		

**SCHEDULE A-9  
Account 124 - Notes Receivable**

Maker (a)	Date of Issue (b)	Date Payable (c)	Balance End of Year (d)	Interest Rate (e)	Interest Accrued During Year (g)	Interest Received During Year (g)
NONE						
<b>Totals</b>						

**SCHEDULE A-10**  
**Account 126 - Receivables from Associated Companies**

Due from Whom (a)	Amount (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Received During Year (e)
NONE				

**SCHEDULE A-11**  
**Account 132 - Prepayments**

Item (a)	Amount (b)
INSURANCE	96,605
TAXES	184,292
POSTAGE	374
OTHER	40,525
Totals	320,796

**SCHEDULE A-12**  
**Account 133 - Other Current and Accrued Assets**

Item (a)	Amount (b)
NONE	
Totals	



**SCHEDULE A-13**  
**Accounts 140 and 240 - Unamortized debt discount and expense and unamortized premium on debt**

1. Report under separate subheadings for Unamortized Debt Discount and Expense and Unamortized Premium or Debt, particulars of discount and expense of premium applicable to each class and series of long-term debt.
2. Show premium amounts in red or by enclosure in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the discount and expense or premium with respect to the amount of bonds or other long-term debt originally issued.
5. Furnish particulars regarding the treatment of unamortized debt discount and expense or premium, redemption premiums, and redemption expenses associated with issues redeemed during the year, also, date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
6. Set out separately and identify undisposed amounts applicable to issues which were redeemed in prior years.
7. Explain any debits and credits other than amortization debited to Account 531, Amortization of Debt Discount and Expense, or credited to Account 532, Amortization of Premium on Debt-Credit.

Line No.	Designation of long-term debt (a)	Principal amount of securities to which discount and expense, or premium minus expense, relates (b)	Total discount and expense or net Premium (c)	AMORTIZATION PERIOD		Balance beginning of year (f)	Debits during year (g)	Credits during year (h)	Balance end of year (i)
				From- (d)	To- (e)				
1	NONE								
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
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17									
18									

**SCHEDULE A-14**  
**Account 141 - Extraordinary Property Losses**

Line No.	Description of Property Loss or Damage (a)	Total amount of loss (b)	Previously Written off (c)	WRITTEN OFF DURING YEAR		Balance End of year (f)
				Account Charged (d)	Amount (e)	
1						
2	NONE					
3						
4			Total			

**SCHEDULE A-15**  
**Account 146 - Other Deferred Debts**

Line No.	Item (a)	Balance End of year (b)
5	RATE CASE	179,704
6	CATASTROPHIC ILLNESS	8,095
7	PAID TIME OFF	175,777
8	SPLIT DOLLAR LIFE INSURANCE	38,846
9	REGULATORY ACCOUNTS	5,360,525
10	MISCELLANEOUS DEFERRED DEBITS	7,604
	Total	5,770,551

**SCHEDULE A-16**  
**Account 150 - Discount on Capital Stock**

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock.
2. If any change occurred during the year in the balance with

Line No.	Class and Series of Stock (a)	Balance End of year (b)
11		
12	NONE	
13	Total	

**SCHEDULE A-17**  
**Account 151- Capital Stock Expense**

1. Report the balance at end of year of capital stock expense for each class and series of capital stock.
2. If any change occurred during the year in the balance with

Line No.	Class and Series of Stock (a)	Balance End of year (b)
14		
15	NONE	
16	Total	

**SCHEDULE A-18**  
**Accounts 200 and 201- Capital Stock**

Line No.	Class of Stock (a)	Number of Shares Authorized		Number of Shares Outstanding <sup>1</sup> (d)	Total Par Value <sup>2</sup> Outstanding End of Year (e)	Dividends Declared During Year	
		by Articles of Incorporation (b)	by Articles of Incorporation (c)			Rate (f)	Amount (g)
1	COMMON STOCK	1,000	50	75	3,750		0
2							
3							
4							
5							
6	Totals	1,000	50	75	3,750	0	0

<sup>1</sup> After deduction for amount of reacquired stock held by or for the respondent.

<sup>2</sup> If shares of stock have no par value, show value assigned to stock outstanding.

**SCHEDULE A-18a**  
**Record of Stockholders at End of Year**

Line No.	COMMON STOCK	Number Shares (b)	PREFERRED STOCK	Number Shares (d)
	Name (a)		Name (c)	
7	PARK WATER COMPANY	75		
8				
9				
10				
11				
12				
13				
14				
15	Total number of shares	75		

**SCHEDULE A-19**  
**Account 203 - Premiums and Assessments on Capital Stock**

Line No.	Class of Stock (a)	Balance End of Year (b)
16		
17		
18		
19	NONE	
20		
21		
22		
23		
24	Total	

**SCHEDULE A-20**  
**Account 270 - Capital Surplus (For use by Corporations only)**

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	5,862,976
2	CREDITS (Give nature of each credit and state account charged)	
3		
4		
5	Total credits	
6	DEBITS (Give nature of each debit and state account credited)	
7		
8		
9		
10	Total debits	
11	Balance end of year	5,862,976

**SCHEDULE A-21**  
**Account 271 - Earned Surplus (For use by Corporations only)**

Line No.	Acct	Account (a)	Amount (b)
12		Balance beginning of year	27,429,045
13		CREDITS	
14	400	Credit balance transferred from income account	1,580,323
15	401	Miscellaneous credits to surplus (detail)	
16			
17		Total credits	1,580,323
18		DEBITS	
19	410	Debit balance transferred from income account	
20	411	Dividend appropriations-preferred stock	
21	412	Dividend appropriations-Common stock	
22	413	Miscellaneous reservations of surplus	
23	414	Miscellaneous debits to surplus (detail)	
24			
25		Total debits	0
26		Balance end of year	29,009,368

**SCHEDULE A-22**

**Account 204 - Proprietary Capital  
(Sole Proprietor or Partnership)**

Line No.	Item (a)	Amount (b)
1	Balance Beginning of year	
2	CREDITS	
3	Net income for year	NONE
4	Additional investments during year	
5	Other credits (detail)	
6		
7	Total credits	
8	DEBITS	
9	Net loss for year	
10	Withdrawals during year	
11	Other debits (detail)	
12		
13	Total debits	
14	Balance end of year	NONE

**SCHEDULE A-23**

**Account 205 - Undistributed Profits  
of Proprietorship or Partnership**

(The use of this account is optional)

Line No.	Item (a)	Amount (b)
15	Balance Beginning of year	
16	CREDITS	
17	Net income for year	NONE
18	Other credits (detail)	
19		
20	Total credits	
21	DEBITS	
22	Net loss for year	
23	Withdrawals during year	
24	Other debits (detail)	
25		
26		
27	Total debits	
28	Balance end of year	NONE

**SCHEDULE A-24**  
**Account 210 - Bonds**

Line No.	Class of Bond (a)	Date of Issue (b)	Date of Maturity (c)	Principal Amount Authorized (d)	Outstanding <sup>1</sup> Per Balance Sheet (e)	Rate of Interest (f)	Sinking Fund Added in Current Year (g)	Cost of Issuance (h)	Interest Accrued During Year (i)	Interest Paid During Year (j)
1										
2										
3	NONE									
4										
5										
6										
7										
8	Totals									

<sup>1</sup> After deduction for amount of reacquired bonds held by or for the respondent.

**SCHEDULE A-24 (a)  
CLASS A WATER COMPANIES  
SAFE DRINKING WATER BOND ACT DATA**

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA) loan outstanding during the 12 month reporting period. (Use one sheet for each loan.)

1. Current Fiscal Agent: **NONE.**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Date Hired: \_\_\_\_\_

2. Total surcharge collected from customers during the 12 month reporting period:

\$ \_\_\_\_\_

3. Summary of the trust bank account activities showing:

Balance at beginning of year	\$ _____
Deposits during the year	_____
Withdrawals made for loan payments	_____
Other withdrawals from this account	_____
Balance at end of year	_____

4. Account information:

Bank Name: \_\_\_\_\_  
Account Number: \_\_\_\_\_  
Date Opened: \_\_\_\_\_

**SCHEDULE A-24 (b)**  
**CLASS A WATER COMPANIES**  
**SAFE DRINKING WATER BOND ACT DATA (continued)**

6. Plant amounts included in Schedule A-1a, Account No. 101--Water Plant in Service which were funded using SDWBA funds:

Line No.	Acct. No.	Title of Account (a)	Balance Beginning of Year (b)	Plant Additions During Year (c)	Plant Retirements During Year (d)	Other Debits* or (Credits) (e)	Balance End of Year (f)
1	<b>NON-DEPRECIABLE PLANT</b>			<b>NONE</b>			
2	301	Intangible plant					
3	303	Land					
4		Total non-depreciable plant					
5	<b>DEPRECIABLE PLANT</b>			<b>NONE</b>			
6	304	Structures					
7	307	Wells					
8	317	Other water source plant					
9	311	Pumping equipment					
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes					
12	331	Water mains					
13	333	Services and meter installations					
14	334	Meters					
15	335	Hydrants					
16	339	Other equipment					
17	340	Office furniture and equipment					
18	341	Transportation equipment					
19		Total depreciable plant					
20		Total water plant in service					



**SCHEDULE A-25**  
**Account 212 - Advances from Associated Companies**

Line No.	Nature of Obligation (a)	Amount of Obligation (b)	Rate of Interest (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
9	NONE				
10					
11					
12					
13	Totals				

**SCHEDULE A-26**  
**Account 213 - Miscellaneous Long Term Debt**

Line No.	Nature of Obligation (a)	Date of Issue (b)	Date of Maturity (c)	Principal Amount Authorized (d)	Outstanding <sup>1</sup> Per Balance Sheet (e)	Rate of Interest (f)	Interest Accrued During Year (g)	Interest Paid During Year (h)
14								
15								
16								
17	NONE							
18								
19								
20								
21	Totals							

<sup>1</sup> After deduction for amount of reacquired debt held by or for the respondent.

**SCHEDULE A-27**  
**Securities Issued or Assumed During Year**

Line No.	Class of Security (a)	Commission Authorization (b)	Amount Issued During Year (omit cents) (c)	Discount or Premium (d)	Expenses (e)
22					
23					
24	NONE				
25					
26	Totals				

**SCHEDULE A-28**  
**Account 220 - Notes Payable**

Line No.	In Favor of (a)	Date of Issue (b)	Date of Maturity (c)	Balance End of Year (d)	Rate of Interest (e)	Interest Accrued During Year (f)	Interest Paid During Year (g)
1							
2							
3							
4	<b>NONE</b>						
5							
6							
7							
8							
9	Totals						

**SCHEDULE A-29**  
**Account 223 - Payables to Associated Companies**

Line No.	Nature of Obligation (a)	Balance End of Year (b)	Rate of Interest (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
10	<b>PARK WATER COMPANY</b>	2,583,951	Varies	97,277	
11					
12					
13					
14	Totals	2,583,951		97,277	

**SCHEDULE A-30**  
**Account 230 - Other Current and Accrued Liabilities**

Line No.	Description (a)	Balance End of Year (c)
15	ACCRUED PAID TIME OFF	175,777
16	FRANCHISE FEE	160,052
17	ACCRUED PAYROLL	86,371
18	ACCRUED CATASTROPHIC ILLNESS	8,095
19	REPLENISHMENT CHARGES (INCLUDES MAKE-UP ASSESSMENTS)	1,581,713
20	CALIFORNIA PUC SURCHARGE	62,073
21	POST RETIREMENT BENEFITS OTHER THAN PENSION	661,065
22	DEFINED CONTRIBUTION PLAN	68,815
23	MISCELLANEOUS	4,966
24		
25		
26		
27	Total	2,808,927

**SCHEDULE A-31**  
**Account 228 - Accrued and Prepaid Taxes**

1. This schedule is intended to give particulars of the combined prepaid and accrued tax accounts and to show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the material on which the tax was levied was charged.
2. Taxes, paid during the year and charged direct to final accounts, that is, not charged to prepaid or accrued taxes, should be included in the schedule. Enter the amounts both in columns (d) and (e). The balancing of the schedule is not affected by the inclusion of these taxes.
3. Taxes charged during the year, column (d), include taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to prepaid taxes for proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. If any tax covers more than 1 year, the required information of all columns should be show separately for each year.
5. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment. Designate debit adjustments by parentheses.
6. See schedule entitled "TAXES CHARGED DURING YEAR," page 32, for a distribution of taxes charged, column (d) according to utility departments and accounts.
7. Do not include in this schedule entries with respect to delinquent income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

Line No.	Kind of Tax (See instructions)	BALANCE BEGINNING OF YEAR		Taxes Charged During Year (d)	Paid During Year (e)	Adjustments (f)	BALANCE END OF YEAR	
		Taxes Accrued (b)	Prepaid Taxes (c)				Taxes Accrued (Account 228) (g)	Prepaid Taxes (Incl. in Acct. 132) (h)
1	Taxes on real and personal property	189,274	189,274	372,855	377,837		184,292	184,292
2	State corporation franchise tax			221,297	221,297			
3	State unemployment insurance tax	34		10,662	10,505		191	
4	Other state and local taxes	3,656		9,346	9,646		3,356	
5	Federal unemployment insurance tax	7		2,703	2,664		46	
6	Fed. ins. contr. act (old age retire.)	3,974		210,289	207,557		6,706	
7	Other federal taxes			0	0			
8	Federal income taxes			948,623	948,623			
9								
10								
11								
12								
13								
14	Totals	196,945	189,274	1,775,775	1,778,129	0	194,591	184,292

**SCHEDULE A-32**  
**Account 241 - Advances for Construction**

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year	XXXXXXXXXXXX	32,069,937
2	Additions during year	XXXXXXXXXXXX	1,310,007
3	Subtotal - Beginning balance plus additions during year	XXXXXXXXXXXX	33,379,944
4	Charges during year	XXXXXXXXXXXX	XXXXXXXXXXXX
5	Refunds	XXXXXXXXXXXX	XXXXXXXXXXXX
6	Percentage of revenue basis	0	XXXXXXXXXXXX
7	Proportionate cost basis	891,696	XXXXXXXXXXXX
8	Present worth basis		XXXXXXXXXXXX
9	Total refunds	XXXXXXXXXXXX	891,696
10	Transfers to Acct 265 - Contributions in Aid of Construction	XXXXXXXXXXXX	XXXXXXXXXXXX
11	Due to expiration of contracts		XXXXXXXXXXXX
12	Due to present worth discount		XXXXXXXXXXXX
13	Total transfers to Acct. 265	XXXXXXXXXXXX	0
14	Securities Exchanged for Contracts (enter detail below)		XXXXXXXXXXXX
15	Subtotal - Charges during year	XXXXXXXXXXXX	891,696
16	Balance end of year	XXXXXXXXXXXX	32,488,248

If stock, bonds, etc., were issued in exchange for construction advance contracts give details below:

Line No.	Type of Security or Other Consideration (Other than Cash)	Dividend or Interest Rate (b)	PUC Decision Number (c)	Amount Issued (d)
17	Common stock			
18	Preferred stock			
19	Bonds			
20	Other (describe)			
21				
22				

**SCHEDULE A-33**  
**Account 242 - Other Deferred Credits**

Line No.	Item (a)	Balance End of Year (b)
1	DEFERRED WORK ORDER DEPOSITS	311,570
2	DEFERRED REVENUE - CONTRIBUTIONS	2,128
3	BALANCING/MEMORANDUM ACCOUNTS	259,060
4	DEFERRED INCOME TAXES	8,360,455
5	REGULATORY LIABILITY - INCOME TAXES RELATED	170,127
6	PENSION FUND DISCLOSURE	832,050
	Total	9,935,390

**SCHEDULE A-34**  
**Accounts 254 to 258, Inclusive - Miscellaneous Reserves**

Line No.	Account (a)	Balance Beginning of Year (b)	DEBITS		CREDITS		Balance End of Year (g)
			Nature of Item (c)	Amount (d)	Account Charged (e)	Amount (f)	
7							
8							
9							
10	NONE						
11							
12							
13	Totals						

**SCHEDULE A-35**  
**Account 265 - Contributions in Aid of Construction**

Instructions for Preparation of Schedule of Contributions in Aid of Construction

<sup>1</sup> The credit balance in the account other than that portion of the balance relating to nondepreciable property (column d), to property retired prior to January 1, 1955 (column e), and to the estimated amount of depreciation accrued to January 1, 1955 (column f), shall be written off through charges to this account and credits to Account 250 - Reserve for Depreciation of Utility Plant over a period equal to the estimated service life of the property involved. Upon retirement of depreciable property for which a depreciation reserve has been created through charges to this account, the cost thereof shall be credited to the appropriate plant account and concurrently charged to Account 250. If the property is retired prior to the service life originally estimated, the balance in this account with respect to the retired property shall be transferred to the depreciation reserve account.

<sup>2</sup> That portion of the balance applicable to nondepreciable property shall remain unchanged until the property is sold or otherwise retired. Upon retirement, the cost of such nondepreciable property acquired by donation or through use of donated funds shall be credited to the appropriate plant account and charged to this account to clear the credit balance carried herein.

<sup>3</sup> That portion of the balance representing donations on property retired prior to January 1, 1955 (column e), and the amount of depreciation accrued to January 1, 1955, on property in service (column f), shall not be transferred from this account or otherwise disposed of without first receiving written authorization from the Commission.

Line No.	Item (a)	Total All Columns (b)	Subject to Amortization		Not Subject to Amortization	
			Property in Service After Dec. 31, 1954		Property Retired Before Jan. 1, 1955 (e)	Depreciation Accrued through Dec. 31, 1954 on Property in Service at Dec. 31, 1954 (f)
			Depreciable (c)	Non-Depreciable (d)		
1	Balance beginning of year	2,181,917	2,161,778	20,139	0	0
2	Add: Credits to account during year	XXXXXX XX	XXXXXX XX	XXXXXX XX	XXXXXX XX	XXXXXX XX
3	Contributions received during year	201,935	201,935		XXXXXX XX	XXXXXX XX
4	Other credits*	0				
5	Total credits	201,935	201,935	0	0	0
6	Deduct: Debits to account during year	0	XXXXXX XX	XXXXXX XX	XXXXXX XX	XXXXXX XX
7	Depreciation charges for year	132,175	132,175	XXXXXX XX	XXXXXX XX	XXXXXX XX
8	Nondepreciable donated property retired	0	XXXXXX XX		XXXXXX XX	XXXXXX XX
9	Other debits*	0				
10	Total debits	132,175	132,175	0	0	0
11	Balance end of year	2,251,677	2,231,538	20,139	0	0

\*Indicate nature of these items and show the accounts affected by the contra entries.

**SCHEDULE B-1**  
**Account 501 - Operating Revenues**

Line No.	Acct.	ACCOUNT (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Brackets) (d)
1		<b>I. WATER SERVICE REVENUES</b>			
2	601	Metered sales to general customers			
3		601.1 Commercial sales	14,447,554	15,298,264	(850,710)
4		601.2 Industrial sales	3,542	4,213	(671)
5		601.3 Sales to public authorities	622,327	631,643	(9,316)
6		Sub-total	15,073,423	15,934,120	(860,697)
7	602	Unmetered sales to general customers			0
8		602.1 Commercial sales			0
9		602.2 Industrial sales			0
10		602.3 Sales to public authorities			0
11		Sub-total	0	0	0
12	603	Sales to irrigation customers			0
13		603.1 Metered sales	1,020,152	1,080,122	(59,970)
14		603.2 Unmetered sales			0
15		Sub-total	1,020,152	1,080,122	(59,970)
16	604	Private fire protection service	165,224	129,007	36,217
17	605	Public fire protection service			0
18	606	Sales to other water utilities for resale			0
19	607	Sales to governmental agencies by contracts			0
20	608	Interdepartmental sales			0
21	609	Other sales or service	1,448,847	931,859	516,988
22		Sub-total	1,614,071	1,060,866	553,205
23		Total water service revenues	17,707,646	18,075,108	(367,462)
24		<b>II. OTHER WATER REVENUES</b>			0
25	611	Miscellaneous service revenues	42,359	40,275	2,084
26	612	Rent from water property			0
27	613	Interdepartmental rents			0
28	614	Other water revenues	4,980	4,778	202
29		Total other water revenues	47,339	45,053	2,286
30	501	Total operating revenues	17,754,985	18,120,161	(365,176)

**SCHEDULE B-1a**  
**Operating Revenues Apportioned to Cities and Towns**

Line No.	Location (a)	Operating Revenues (b)
31	Operations not within incorporated cities <sup>1</sup>	
32	Regulatory balancing account	1,448,846
33	Other water sales	4,979
34		
35	Operations within incorporated territory	
36	City or town of APPLE VALLEY	16,178,861
37	City or town of VICTORVILLE	122,299
38	City or town of	
39	City or town of	
40	City or town of	
41		
42		
43		17,754,985
44		

<sup>1</sup> Should be segregated to operating districts.

**SCHEDULE B-2**

**Account 502 - Operating Expenses - Class A, B, and C Water Utilities**

Respondent should use the group of accounts applicable to its class

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
			A	B	C			
1		I. SOURCE OF SUPPLY EXPENSE						
2		Operation						
3	701	Operation supervision and engineering	A	B		11,433	13,476	(2,043)
4	701	Operation supervision, labor and expenses			C			0
5	702	Operation labor and expenses	A	B		37,589		37,589
6	703	Miscellaneous expenses	A			1,909,278	2,051,399	(142,121)
7	704	Purchased water	A	B	C			0
8		Maintenance						0
9	706	Maintenance supervision and engineering	A	B				0
10	706	Maintenance of structures and facilities			C			0
11	707	Maintenance of structures and improvements	A	B				0
12	708	Maintenance of collect and impound reservoirs	A					0
13	708	Maintenance of source of supply facilities		B				0
14	709	Maintenance of lake, river and other intakes	A					0
15	710	Maintenance of springs and tunnels	A					0
16	711	Maintenance of wells	A			2,943	2,897	46
17	712	Maintenance of supply mains	A					0
18	713	Maintenance of other source of supply plant	A	B		256	50	206
19		Total source of supply expense				1,961,499	2,067,822	(106,323)
20		II. PUMPING EXPENSES						0
21		Operation						0
22	721	Operation supervision and engineering	A	B		249		249
23	721	Operation supervision labor and expense			C			0
24	722	Power production labor and expense	A					0
25	722	Power production labor, expenses and fuel		B				0
26	723	Fuel for power production	A					0
27	724	Pumping labor and expenses	A	B		210,098	199,483	10,615
28	725	Miscellaneous expenses	A			100,824	110,390	(9,566)
29	726	Fuel or power purchased for pumping	A	B	C	1,295,686	1,457,210	(161,524)
30		Maintenance						0
31	729	Maintenance supervision and engineering	A	B				0
32	729	Maintenance of structures and equipment			C			0
33	730	Maintenance of structures and improvements	A	B		12,621	24,495	(11,874)
34	731	Maintenance of power production equipment	A	B				0
35	732	Maintenance of pumping equipment	A	B		64,159	88,013	(23,854)
36	733	Maintenance of other pumping plant	A	B				0
37		Total pumping expenses				1,683,637	1,879,591	(195,954)



**SCHEDULE B-2**

**Account 502 - Operating Expenses - Class A, B, and C Water Utilities (Continued)**

Respondent should use the group of accounts applicable to its class:

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
			A	B	C			
1		III. WATER TREATMENT EXPENSES						
2		Operation						
3	741	Operation supervision and engineering	A	B				
4	741	Operation supervision, labor and expenses			C			
5	742	Operation labor and expenses	A			90,023	87,779	2,244
6	743	Miscellaneous expenses	A	B		53	478	(425)
7	744	Chemicals and filtering materials	A	B		29,659	24,308	5,351
8		Maintenance						0
9	746	Maintenance supervision and engineering	A	B				0
10	746	Maintenance of structures and equipment			C			0
11	747	Maintenance of structures and improvements	A	B		48	449	(401)
12	748	Maintenance of water treatment equipment	A	B		21,539	21,548	(9)
13		Total water treatment expenses				141,322	134,562	6,760
14		IV. TRANS. AND DIST. EXPENSES						
15		Operation						
16	751	Operation supervision and engineering	A	B		93,360	78,783	14,577
17	751	Operation supervision, labor and expenses			C			0
18	752	Storage facilities expenses	A			15,033	21,595	(6,562)
19	752	Operation labor and expenses		B				0
20	753	Transmission and distribution lines expenses	A			167,757	143,657	24,100
21	754	Meter expenses	A			27,021	44,397	(17,376)
22	755	Customer installations expenses	A			101,202	115,612	(14,410)
23	756	Miscellaneous expenses	A			25,518	14,255	11,263
24		Maintenance						0
25	758	Maintenance supervision and engineering	A	B				0
26	758	Maintenance of structures and plant			C			0
27	759	Maintenance of structures and improvements	A	B				0
28	760	Maintenance of reservoirs and tanks	A	B		335	346	(11)
29	761	Maintenance of trans. and distribution mains	A			476,077	493,360	(17,283)
30	761	Maintenance of mains		B				0
31	762	Maintenance of fire mains	A					0
32	763	Maintenance of services	A			69,472	76,482	(7,010)
33	763	Maintenance of other trans. and distribution plant		B				0
34	764	Maintenance of meters	A			160,877	123,793	37,084
35	765	Maintenance of hydrants	A			71,114	51,903	19,211
36	766	Maintenance of miscellaneous plant	A			13,714	9,386	4,328
37		Total transmission and distribution expenses				1,221,480	1,173,569	47,911

**SCHEDULE B-2**

**Account 502 - Operating Expenses - Class A, B, and C Water Utilities (Concluded)**

Respondent should use the group of accounts applicable to its class:

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
			A	B	C			
1		V. CUSTOMER ACCOUNT EXPENSES						
2		Operation						
3	771	Supervision	A	B		63,373	57,491	5,882
4	771	Superv., meter read., other customer acct expenses			C			0
5	772	Meter reading expenses	A	B		60,910	71,048	(10,138)
6	773	Customer records and collection expenses	A			361,113	352,751	8,362
7	773	Customer records and accounts expenses		B				0
8	774	Miscellaneous customer accounts expenses	A			4,112	3,045	1,067
9	775	Uncollectible accounts	A	B	C	110,829	56,556	54,273
10		Total customer account expenses				600,337	540,891	59,446
11		VI. SALES EXPENSES						
12		Operation						
13	781	Supervision	A	B				
14	781	Sales expenses			C			
15	782	Demonstrating and selling expenses	A			54,816	36,667	18,149
16	783	Advertising expenses	A					0
17	784	Miscellaneous sales expenses	A					0
18	785	Merchandising, jobbing and contract work	A					0
19		Total sales expenses				54,816	36,667	18,149
20		VII. ADMIN. AND GENERAL EXPENSES						0
21		Operation						0
22	791	Administrative and general salaries	A	B	C	930,216	836,666	93,550
23	792	Office supplies and other expenses	A	B	C	360,551	304,416	56,135
24	793	Property insurance	A			10,608	9,389	1,219
25	793	Property insurance, injuries and damages		B	C			0
26	794	Injunes and damages	A			626,493	573,738	52,755
27	795	Employees' pensions and benefits	A	B	C	1,337,402	1,251,071	86,331
28	796	Franchise requirements	A	B	C	159,170	167,356	(8,186)
29	797	Regulatory commission expenses	A	B	C	69,705	54,200	15,505
30	798	Outside services employed	A			311,303	214,095	97,208
31	798	Miscellaneous other general expenses		B				0
32	798	Miscellaneous other general operation expenses			C			0
33	799	Miscellaneous general expenses	A			59,417	38,421	20,996
34		Main Office Allocation				2,035,319	1,803,010	232,309
35	805	Maintenance of general plant	A	B	C	160,837	170,262	(9,425)
36		Total administrative and general expenses				6,061,021	5,422,624	638,397
37		VIII. MISCELLANEOUS						0
38	811	Rents	A	B	C	15,600	15,600	0
39	812	Administrative expenses transferred - Cr.	A	B	C	(218,081)	(380,031)	161,950
40	813	Clearing expense	A	B	C	507,372	424,433	82,939
41		Total miscellaneous				304,891	60,002	244,889
42		Total operating expenses				12,029,003	11,029,619	999,384

**SCHEDULE B-3**  
**Account 506 - Property Losses Chargeable to Operations**

Line No.	Description (a)	Amount
1		
2		
3		
4	NONE	
5		
6		
7		
8	Total	

**SCHEDULE B-4**  
**Account 507 - Taxes Charged During Year**

1. This schedule is intended to give the account distribution of total taxes charged to operations and other final accounts during the year.  
 2. Do not include gasoline and other sales taxes which have been charged to accounts to which the material on which the tax was levied was charged. If the actual or estimated amounts of such taxes are known, they should be shown as a footnote and designated whether estimated or actual amounts.  
 3. The accounts to which taxes charged were distributed should be shown in columns (c) to (f). Show both the utility department and number of account charged except for taxes capitalized.  
 4. For any tax which it was necessary to apportion to more than one utility department or account, state in a footnote the basis of apportioning such tax.  
 5. The total taxes charged as shown in column (b) should agree with the amounts shown by column (d) of schedule entitled "Accrued and Prepaid Taxes," page 24.  
 6. Do not include in this schedule entries with respect to deferred income taxes, or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

Line No.	Kind of Tax (a)	Total Taxes Charged During Year (b)	DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)			
			Water (Account 507) (c)	Nonutility (Account 521) (d)	Other (Account 143) (e)	Capitalized (Omit Account) (f)
9	Taxes on real and personal property	372,855	372,855			
10	State corp. franchise tax	221,297	221,297			
11	State unemployment insurance tax	10,662	9,727		387	548
12	Other state and local taxes	9,346	9,346			
13	Federal unemployment insurance tax	2,703	2,458		101	144
14	Federal insurance contributions act	210,289	191,988		7,401	10,901
15	Other federal taxes	0				
16	Federal income tax	948,623	948,623			
17						
18						
19						
20						
21						
22	Totals	1,775,775	1,756,293	0	7,889	11,594

**SCHEDULE B-5**

**Reconciliation of Reported Net Income With Taxable Income for Federal Taxes**

1. Report hereunder a reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net in-

come as if a separate return were to be filed, indicating, however, inter-company amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members

3. Show taxable year if other than calendar year from——to——

Line No.	Particulars (a)	Amount (b)
1	Net income for the year per Schedule B, page 7.....	
2	Reconciling amounts (list first additional income and unallowable deductions, followed by additional	
3	deductions for non-taxable income):	
4		
5		
6	NOT AVAILABLE AT THIS TIME	
7		
8		
9		
10		
11		
12		
13		
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28		
29		
30	Federal tax net income.....	
31	Computation of tax:	
32		
33		
34		
35	Tax per return	

**SCHEDULE B-6**  
**Account 521 - Income from Nonutility Operations**

Line No.	Description (a)	Revenue (b)	Expenses (c)	Net Income (d)
1				
2				
3	<b>NONE</b>			
4				
5	Totals			

**SCHEDULE B-7**  
**Account 526 - Miscellaneous Nonoperating Revenue**

Line No.	Description (a)	Amount (b)
6	NEXTEL LEASE PAYMENTS	10,998
7		
8		
9		
10		
11		
12		
13	Totals	10,998

**SCHEDULE B-8**  
**Account 527 - Nonoperating Revenue Deductions (Dr.)**

Line No.	Description (a)	Amount (b)
14	<b>NONE</b>	
15		
16		
17		
18	Total	

**SCHEDULE B-9**  
**Account 535 - Other Interest Charges**

Line No.	Description (a)	Amount (b)
19	CUSTOMER DEPOSITS	7,383
20		
21		
22	Total	7,383

**SCHEDULE B-10**  
**Account 538 - Miscellaneous Income Deductions**

Line No.	Description (a)	Amount (b)
23	WATER ASSOCIATION DUES	813
24	MISCELLANEOUS DONATIONS	24,301
25	PROPERTY TAX NON-UTILITY	713
26	SPLIT DOLLAR LIFE INSURANCE	185
	MISCELLANEOUS	8,107
27	Total	34,119

**SCHEDULE C-1**  
**Engineering and Management Fees and Expenses, etc., During Year**

	Give the required particulars of all contracts or other agreements in effect in the course of the year between the respondent and any corporation, association, partnership or person covering supervision and/or management of any department of the respondents affairs such as accounting, engineering, financing, construction or operation, and show the payments under such agreements and also the payments for advice and services to a corporation or corporations which directly or indirectly control respondent through stock ownership	
Line No.		
1	1	Did the respondent have a contract or other agreement with any organization or person
2		covering supervision and/or management of its own affairs during the year?
3		Answer (Yes or No) YES
4	2	Name of each organization or person that was a party to such a contract or agreement
5		APPLE VALLEY RANCHOS WATER & PARK WATER COMPANY
6	3	Date of original contract or agreement. 5/21/1987
7	4	Date of each supplement or agreement. 7/15/2008
8		Note: File with the report a copy of every contract, agreement, supplement or amendment mentioned above
9		unless a copy of the instrument in due form has been furnished in which case a definite reference to the report
10		of the respondent relative to which it was furnished will suffice.
11	5	Amount of compensation paid during the year for supervision or management 3,137,205
12	6	To whom paid
13	7	Nature of payment (salary, traveling expenses, etc.)
14	8	Amounts paid for each class of service
15		
16	9	Base for determination of such amounts DIRECT CHARGE FOR IDENTIFIABLE COSTS PLUS PERCENTAGE
17		ALLOCATION FOR OTHER COSTS BY PARK WATER COMPANY
18	10	Distribution of payments:
19		(a) Charged to operating expenses 3,123,166
20		(b) Charged to capital accounts 14,039
21		(c) Charged to other accounts
22		Total 3,137,205
23	11	Distribution of charges to operating expenses by primary accounts.
24		Number and Title of Account
25		SEE ATTACHED PAGE
26		
27		
28		Total
29	12	What relationship, if any, exists between respondent and supervisory and/or
30		managing concerns? PARK WATER IS SOLE SHAREHOLDER OF APPLE VALLEY STOCK

**SCHEDULE C-1****Engineering and Management Fees and Expenses, etc., During Year**

ACCT. NO.	DESCRIPTION	AMOUNT
103	CAPITAL	14,039
507	PAYROLL TAXES	17,591
701	SOURCE OF SUPPLY OPERATIONS	11,433
721	PUMPING-OPERATIONS	0
751	T&D OPERATIONS	337
773	CUSTOMER RECORDS & COLLECTIONS	22,262
791	A&G SALARIES	202,625
792	A&G OFFICE EXPENSE	57,113
793	INJURIES & DAMAGES	481,996
795	EMPLOYEE PENSION & BENEFITS	108,569
798	OUTSIDE SERVICES	186,673
799	OTHER A&G	4,243
	MAIN OFFICE ALLOCATION	2,018,625
903	TRANSPORTATION CLEARINGS	7,676
906	TOOLS	4,023
	TOTAL	3,137,205

## ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement ("Agreement") is entered into between Park Water Company, a California corporation ("Park"), and its wholly-owned subsidiary, Apple Valley Ranchos Water Company, a California corporation ("Apple Valley"), on this 15th day of July, 2008.

### RECITALS

**WHEREAS**, Park and Apple Valley are regulated utilities companies engaged in the provision of public water services;

**WHEREAS**, in order to maximize efficiency and minimize costs for both parties, Park regularly performs various administrative support services for Apple Valley, as generally described in Exhibit A attached hereto ("Services") and regularly pays, on behalf of Apple Valley, certain expenses attributable to Apple Valley that may or may not be related to such Services ("Expenses");

**WHEREAS**, Apple Valley compensates Park for the performance of such Services and reimburses Park for the payment of such Expenses (collectively, "Park Payments");

**WHEREAS**, certain of the Services and Expenses are charged directly to Apple Valley by Park, while other Services and Expenses are allocated and charged to Apple Valley through the application of the four-factor allocation methodology implemented by the California Public Utilities Commission;

**WHEREAS**, Apple Valley pays Park interest from time to time on unpaid intercompany balances relating to the Park Payments ("Interest"), by way of intercompany accountings ("I/As") which are effected by Park through entries on its and Apple Valley's books, and which allocate such amounts as charges to Apple Valley and credits to Park on a daily or monthly basis, as the case may be; and

**WHEREAS**, the parties wish to memorialize the terms of their agreement with respect to Park's Services to, and payment of the Expenses on behalf of, Apple Valley, and the allocation of the Services, Expenses, and Interest in the form of charges to Apple Valley in consideration of same.

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants and agreements herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties hereby covenant and agree as follows:

### AGREEMENT

1. Services Provided and Expenses Paid by Park. Park hereby agrees to continue to provide to Apple Valley, in a professional and competent manner, the Services generally described in Exhibit A attached hereto, as amended from time to time



by the mutual agreement of the parties, and any other services reasonably arising out of or related to such Services. Park further agrees to continue to pay for the Expenses on behalf of Apple Valley, consistent with Park's past business practices and the parties' course of dealing.

2. Charges to Apple Valley. In consideration of Park's ongoing performance of the Services and payment of the Expenses, Apple Valley hereby authorizes Park to allocate, on a daily or monthly basis depending on the particular charge (in Park's discretion), charges to Apple Valley in amounts equal to the value of such Services and the cost of such Expenses and Interest. Park shall be compensated and reimbursed such amounts by way of I/As which Park shall effect through entries on its and Apple Valley's books, and which shall allocate such amounts as charges to Apple Valley and credits to Park on a daily or monthly basis, as the case may be, Apple Valley shall be entitled to dispute any I/A by furnishing written notice to Park setting forth the grounds for such dispute within sixty (60) days after the last day of the month in which such I/A was effected by Park. Failure by Apple Valley to provide such written notice in the manner set forth herein shall constitute a waiver of Apple Valley's right to dispute the I/A in question.

3. Authorization. In order to facilitate the purposes of this Agreement, Apple Valley hereby agrees to authorize certain of Park's employees (as designated by Park) to take all reasonable measures to effect the I/As during the term of this Agreement.

4. Directors' and Officers' Duties Unchanged. Nothing herein shall be construed to relieve the directors or officers of Apple Valley from performing their respective duties or limit the exercise of their powers in accordance with the Articles of Incorporation or Bylaws of Apple Valley, the applicable provisions of the General Corporation Law of the State of California, or otherwise. The activities of Apple Valley shall at all times be subject to the control and direction of its Board of Directors and officers.

5. Term. Subject to the prior termination rights of the parties set forth in Section 10 herein, this Agreement shall be in effect for a period of two (2) years from the date hereof, at which time the agreement may be reviewed and renewed with mutual consent of both Apple Valley and Park.

6. Indemnification. Apple Valley shall defend, indemnify, and hold harmless Park and its directors, officers, employees, agents, representatives, parents, shareholders, members, affiliates, and subsidiaries (collectively, the "Indemnified Parties") from and against all liabilities and losses incurred by them, arising out of any acts or omissions by or on behalf of Apple Valley that result in a breach of this Agreement, except to the extent such liabilities or losses arise out of the gross negligence or willful misconduct of the Indemnified Parties, but only to the extent of actual damages caused by any such breach.

7. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may not be amended or modified except by the written agreement of the parties hereto.

8. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any other person other than the parties hereto, or their respective successors and permitted assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement.

9. Amendment. This Agreement may be altered or modified only by a written agreement duly executed by an authorized representative of both parties.

10. Termination. This Agreement may be terminated at any time immediately upon written notice from the terminating party in the event the other party breaches any material term or provision of this Agreement and such breach is not cured within 30 days of such party's receipt of written notice of such breach. This Agreement may be terminated at any time by either party with a minimum of 60 days prior written notice to the other party.

11. Non-Assignability. Neither party may assign this Agreement, or any right or obligation hereunder, to any third party without the prior written consent of the other party.

12. Notices. Any notice (including notice of change of address) permitted or required to be given pursuant to the provisions of this Agreement shall be in writing and sent by registered or certified mail, return receipt requested, by facsimile transmission, by a nationally recognized overnight delivery service, or by hand delivery to the parties at the following addresses:

Park Water Company  
9750 Washburn Road  
Downey, California 90241  
Attention: Chief Financial Officer

Apple Valley Ranchos Water Company  
21760 Ottawa Road  
Apple Valley, California 92307  
Attention: General Manager

Notice properly given by registered or certified mail shall be deemed effective three (3) business days after mailing. Notice by any other permitted means shall be deemed effective upon receipt.

13. No Joint Venture. Nothing in this Agreement shall be deemed to constitute the parties hereto joint venturers, partners, or participants in an unincorporated business or other separate entity.

14. Waiver. No waiver of any rights or breach of any provision of this Agreement shall constitute a waiver of any other right or breach of any other provisions, nor shall it be deemed to be a general waiver of such provision by the waiving party or to sanction any subsequent breach by the other party.

15. Arbitration. Any controversy, claim or dispute arising out of or relating to this Agreement, shall be settled solely and exclusively by binding arbitration to be held in Los Angeles, California. Such arbitration shall be conducted in accordance with the then-prevailing commercial arbitration rules of JAMS ("JAMS"). Each party shall bear its own attorneys fees and expenses, and shall share the costs of the arbitration evenly with the other party. The parties agree to abide by all decisions and awards rendered in such proceedings, with such decisions and awards to be final and conclusive. The arbitrator shall not have the right to award punitive damages or speculative damages to either party and shall not have the power to amend this Agreement. The arbitrator shall be required to follow applicable California law.

16. Governing Law. This Agreement and any transactions effected pursuant to this Agreement shall be governed and construed solely in accordance with the laws of the State of California, without reference to the conflict of laws principles thereof.

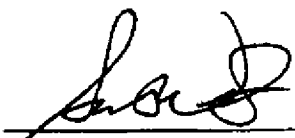
17. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement and shall become effective when one or more counterparts have been signed by each party hereto and delivered to each party hereto.


[Signature page follows]

IN WITNESS WHEREOF, Park and Apple Valley have caused this Agreement to be executed in their respective corporate names by an officer thereunto duly authorized, all as of the date first above written.

Apple Valley Ranchos Water Company

Park Water Company

By:   
Name: Scott Weldy  
Title: Vice President/General Mgr

By:   
Name: Mary Young  
Title: Sr. Vice President Administration

## EXHIBIT A

### SERVICES

**Park Water Company ("Park") shall provide the following Services to Apple Valley Ranchos Water Company ("Apple Valley"):**

#### **1. Financing and Cash Management**

- Negotiate long-term financing.
- Handle funds transfers, credit line usage, and excess cash investments.
- Provide funds to Apple Valley for construction.

#### **2. Financial Planning - Operating & Capital Budgeting, Cash Flow Projections**

- Make budget recommendations. Park's Budget Committee will review Apple Valley's operating and capital budgets and provide its input and recommendations for consideration by Apple Valley.
- Prepare cash flow projections. Park will prepare cash flow projections (on a consolidated basis) based on information provided by Apple Valley, for the purpose of planning long-term financing, cash management planning, and capital project approvals.
- Administer and monitor various budgeting software programs.

#### **3. Financial Audit and Income Tax Return**

- Coordinate the process and preparation of the consolidated financial audit and income tax returns with the companies' accounting firm.

#### **4. Financial Reporting - Policies & Procedures**

- Develop, implement, and maintain financial reporting policies and procedures. To facilitate the preparation of consolidated financial statements on a monthly basis, Park will develop, implement, and maintain policies and procedures to ensure that accounting records are kept in a consistent manner by the companies. Apple Valley will provide input with respect to such policies and procedures and will decide whether to follow such policies and procedures.
- Prepare all consolidated financial statements.
- Prepare annual reports of Apple Valley for the California Public Utilities Commission ("PUC").

## **5. Accounting Services**

- Coordinate month-end closing schedules.
- Provide financial system support (general ledger, fixed assets, accounts payable, etc.).
- Process accounts payable for Apple Valley.
- Coordinate selected training activities (e.g., accounting conference, policies and procedures).
- Provide payroll support associated with outside vendor (ADP).
- Support with cash management activities (e.g., Bank of America direct services and positive pay monitoring).
- Provide miscellaneous services (e.g., Secretary of State filings, PUC diversity reporting).
- Support revenue requirements functions.

## **6. Revenue Requirements Services**

- Prepare general rate cases applications (and supporting materials) before the PUC.
- Conduct data collection/analysis for surveys or other special projects.
- Prepare miscellaneous applications (e.g., lone-term borrowing, WRAM, etc.).
- Prepare advice letter filings (e.g., step increases, service area expansion, etc.)
- Calculate and maintain balancing and memorandum account balances.
- Respond to customer complaints filed with the PUC.
- Maintain tariff book and related website data.

## **7. Information Systems Services**

- Service major company business applications, such as PeopleSoft, CIS, Time Entry, HRIS, Budgeting, etc.;
  - Recommend use of major software applications.
  - Conduct vendor and contract negotiations and purchasing.
  - Implement major software applications.
  - Provide ongoing support of major software applications.
- Develop custom software applications when needed/desired.
  - Develop specifications in conjunction with users.
  - Program, test, and debug.

- Implement software.
- Provide technical support and liaison with local tech support.
- Assist with strategic planning.
- Develop policy with regard to e-systems.
- Provide disaster preparedness and security planning and implementation.
- Assist with annual budgeting.
- Implement and support network/communications infrastructure.

## **8. Human Resources**

- Performance Management and Compensation
  - Develop/update a Performance Management and Compensation Program.
  - Train supervisors and employees re: such Program.
  - Research/update pay grades, job pricing, geographic differentials, etc.
  - Provide guidance re: annual PMP and Merit Increase process.
  - Coordinate Excellence Bonuses.
  - Recommend compensation changes to the Apple Valley Board of Directors, as needed.
  - Implement compensation changes approved by the Apple Valley Board of Directors.
- Benefits.
  - Implement employee benefit programs approved by the Apple Valley Board of Directors.
  - Administer all benefits programs in accordance with the respective Plan Documents.
  - Effectively communicate all benefits programs to employees.
  - Troubleshoot programs and assist employees with benefits programs.
  - Coordinate legal compliance issues including audits, annual filings, etc.
  - Ensure timely payment of premiums.
  - Coordinate the services of all benefit providers and professional services.
- Employee Relations.
  - Provide guidance to Apple Valley in recruiting/hiring/orientation of employees.

- Coordinate compliance with leave of absence legal requirements.
- Coordinate disciplinary actions including legal review.
- Coordinate terminations including legal review.
- Coordinate legal response to charges, filings and lawsuits.
- Policies.
  - Monitor and recommend changes to the Apple Valley Board of Directors.
  - Develop new policy recommendations to the Apple Valley Board of Directors.
  - Implement approved changes and new policies.
  - Communicate policies to employees.
  - Interpret policies for management and employees.
  - Coordinate legal review services for development, implementation, etc.
- Employee Training.

## 9. Benefits Committee

- Research benchmarking information comparing Apple Valley benefits to industry.
- Research new benefit opportunities, requirements and legal compliance issues.
- Monitor the compliance of benefits administration with accounting, legal and fiduciary standards.
- Make recommendations to the Apple Valley Board of Directors regarding broker, professional services and benefits program selection/implementation.
- Monitor the implementation of Apple Valley Board approved changes.

## 10. Water Quality

- Design and implement response to requirements of the federal Safe Drinking Water Act and Titles 17 and 22 of the California Code of Regulations as relates to potable and recycled water.
- Track development and impact of new federal and state regulations.
- Provide comment to federal and state governments on proposed regulations.
- Track developing analytical, treatment/monitoring/sensing technologies.
- Act as liaison to federal, state and local regulatory agencies as pertains to potable water, reclaimed water, cross-connection control and laboratory issues.
- Act as liaison with contract laboratories.



- Act as a consultant to water quality personnel.
- Provide water quality input on rate cases (lab costs, treatment costs, monitoring costs, operational costs associated with water quality).
- Plan, cost, schedule water quality monitoring for budgets.
- Advise on operational issues concerning sources of water, distribution systems, water quality sampling, disinfection.
- Develop RFP's and interact with consulting engineers for various water quality projects.
- Work with academic community on research projects directly related projects of interest.
- Provide content of annual Consumer Confidence Report.
- Perform public speaking for company public relations activities as well as for professional and regulatory associations.
- Prepare and present expert witness testimony to PUC pertaining to rate cases and impact on Apple Valley from water quality regulations and monitoring and treatment requirements.
- Serve as liaison to AWWA Research Foundation.
- Work with professional associations like AWWA, ACWA, NAWC to represent industry concerns and to obtain the latest industry information helpful to achieving goal of providing potable water to customers.
- Prepare the Public Health Goal Report and assist with the Urban Water Management Plan.

#### **11. Corporate Engineering**

- Provide engineering and technical services as required or requested.
- Prepare or review plans and specifications for facility construction.
- Coordinate and manage construction or various project implementations.
- Analyze and prepare reports in support of master planning, specific planning, management and reporting requirements.
- Promote, manage and consult in support of technology advancements in areas such as GIS, mobile automated computing, record keeping, SCADA and security.
- Review, compile and manage consolidated capital expenditure planning.
- Assist with expense management and planning.

- Provide mapping and GIS creation, maintenance and enhancement services.
- Provide technical services for such things as displays, presentations and miscellaneous drafting.
- Perform hydraulic analysis services and consultation.
- Provide engineering services for corrosion control and coating work.
- Collect, research, share and promote information in support of state of the art water company operation and maintenance.
- Provide engineering advice and services on a wide assortment of projects and issues as needed.
- Provide mentoring and support for the advancement and training of engineering personnel.

## 12. Risk Management

- Identify and recommend guidelines for best practices for operations and maintenance (O&M) programs.
- Review and recommend guidelines for operation, maintenance, and construction contracts.
- Review and update the Illness and Injury Prevention Program.
- Provide consultation and assistance for training for Apple Valley safety, DOT, operations, and maintenance programs.
- Conduct regular meeting with safety coordinator to discuss present Apple Valley safety program issues.
- Conduct safety, operation, maintenance reviews and audits of Apple Valley's water system.
- Interface with outside consultants to remain current on strategies and programs for compliance with new and established safety and O&M programs.
- Prepare formal recommendations to advise on risk and O&M strategies.
- Review and oversee all policies to minimize liability exposures in work programs.
- Monitor legislative activity and draft formal comments on pending legislation when required and enacted legislation as well.
- Function as liaison between Apple Valley and regulatory agencies.

- Attend regulatory hearings and proceedings and related agency meetings.
- Review business and liability insurance policies to assure proper levels of coverage.
- Negotiate with consultants, review proposals and coordinate with legal staff to obtain clarification on regulations and laws regarding new programs.
- Review all Incident and Potential Hazard Reports with the Health and Safety Coordinator.
- Identify impacts and recommends changes to the safety programs.
- Attend corporate staff meetings to update others on risk management issues, and new projects and activities.
- Utilize risk management programs to communicate issues to the organization at all levels and utilize consultants for training in these programs.
- Perform other duties as may be reasonably requested from time to time by Apple Valley.

**13. Related Services**

- Any and all other services arising out of or related to any of the Services listed herein.

### SCHEDULE C-2

#### Compensation of Individual Proprietor or Partner

Do operating expenses include any charge for owner's compensation in the form of salary or wages, rental allowances, or for the use of a private automobile. (If the word "none" truly states the fact it should be given as the answer to this inquiry.)

Line No.	Nature of Allowance (a)	Account Charged (b)	Amount (c)
1			
2			
3	NOT APPLICABLE		
4			
5			
6	Total		

### SCHEDULE C-3

#### Employees and Their Compensation

(Charged to Account 502 - Operating Expenses - Schedule B-2)

Line No.	Classification (a)	Number at End of Year (b)	Total Salaries and Wages Paid During Year (c)
7	Employees - Source of supply		
8	Employees - Pumping	5	279,255
9	Employees - Water treatment	1	60,147
10	Employees - Transmission and distribution	14	913,095
11	Employees - Customer account	4	250,837
12	Employees - Sales		
13	Employees - Administrative		
14	General officers	3	273,862
15	General office	16	749,524
16	Totals	43	2,526,720

### SCHEDULE C-4

#### Record of Accidents During Year

Line No.	Date of Accident (a)	TO PERSONS					TO PROPERTY			
		Employees on Duty		Public <sup>1</sup>		Total Number (f)	Company		Other	
		Killed (b)	Injured (c)	Killed (d)	Injured (e)		Number (g)	Amount (h)	Number (i)	Amount (j)
17	Jan-Mar		2			2	2	1309	5	539
18	Apr-Jun						1	1218	7	4,070
19	Jul-Sep						0	0.0	5	2,271
20	Oct-Dec						0	0.0	7	1,200
21	Totals		2			2	3	2527	24	8,080

**SCHEDULE C-5  
Expenditures for Political Purposes**

Hereunder report all direct or indirect expenditures incurred or made to elect or defeat a candidate for public office; or to place any measure on the ballot; at any election, or to keep it from being placed on the ballot at any election, or to support or defeat any measure on the ballot; at an election, or to support or defeat any proposed legislation, also name the account or accounts to which the expenditures herein mentioned have been charged. (If the word "none" truly states the fact, it should be given as the answer to this inquiry.)

1	
2	
3	<b>NONE</b>
4	
5	

**SCHEDULE C-6  
Loans to Directors, or Officers, or Shareholders**

Show hereunder the amount of loans to directors, or officers, or shareholders and the terms and conditions of such loans. Among other things, show the name of each director, or officer, or shareholder, receiving a loan or loans, the amount of each loan, the rate of interest payable on such loan or loans, the maturity date of each loan or loans, the security given and the date when the shareholders authorized each loan. If such authorization was given. (If the word "none" truly states the fact, it should be given as the answer to this inquiry.)

6	
7	
8	<b>NONE</b>
9	
10	
11	

**SCHEDULE C-7  
Bonuses Paid to Executives & Officers**

Show hereunder the amount of bonuses paid to Executives and Officers, both cash and non-cash. List by the name of each Executive or Officer receiving the bonus, the dollar value of that bonus, and a description of the bonus if it is non-cash.

12	Joone Lopez	7,500
13		
14		
15		
16		
17		

**SCHEDULE D-1**  
**Sources of Supply and Water Developed**

STREAMS				FLOW IN .....(unit) <sup>2</sup>				Annual Quantities Diverted .....(Unit) <sup>2</sup>	Remarks
Line No.	Diverted into*	From Stream or Creek (Name)	Location of Diversion Point	Priority Right		Diversions			
				Claim	Capacity	Max.	Min.		
1									
2									
3									
4									
5									
WELLS							Annual Quantities Pumped .....(Unit) <sup>2</sup>	Remarks	
Line No.	At Plant (Name or Number)	Location	Number	Dimensions	<sup>1</sup> Depth to Water	Pumping Capacity .....(Unit) <sup>2</sup>			
6									
7	PLEASE SEE LIST ON PAGE 49a.								
8									
9									
10									
TUNNELS AND SPRINGS				FLOW IN .....(Unit) <sup>2</sup>			Annual Quantities Used .....(Unit) <sup>2</sup>	Remarks	
Line No.	Designation	Location	Number	Maximum	Minimum				
11	NONE								
12									
13									
14									
15									

**Purchased Water for Resale**

16	Purchased from	NONE	
17	Annual quantities purchased		(Unit chosen) <sup>2</sup>
18			
19			

\* State ditch, pipe line, reservoir, etc., with name, if any.

<sup>1</sup> Average depth to water surface below ground surface.

2 The quantity unit in established use for expressing water stored and used in large amounts is the acre foot, which equals 42,560 cubic feet; in domestic use the thousand gallon or the hundred cubic feet. The rate of flow or discharge in larger amounts is expressed in cubic feet per second, in gallons per minute, in gallons per day, or in the miner's inch. Please be careful to state the unit used.

**SCHEDULE D-2**  
**Description of Storage Facilities**

Line No.	Type	Number	Combined Capacity (Gallons or Acre Feet)	Remarks
20	A. Collecting reservoirs	NONE		
21	Concrete			
22	Earth			
23	Wood			
24	B. Distribution reservoirs	NONE		
25	Concrete			
26	Earth			
27	Wood			
28	C. Tanks			
29	Wood			
30	Metal	11	11,697,000 Gals	
31	Concrete			
32	Totals	11	11,697,000 Gals	

SCHEDULE D-1

Sources of Supply and Water Developed- WELLS

APPLE VALLEY RANCHOS WATER CO. 2008					
Well No.	Location	Casing Dimension	Depth to Water	Gallons Per Minute	Annual Production 100 Cu. Ft.
4	Ptn. SW 1/4, NW 1/4, Sec 27	20"	168'	1,810	3,595
7	Ptn. NW 1/4, Sec 34 T6N R4W	14"	62'	300	6,287
9	Lot 262, Tract 5885	14"	227'	888	422,500
11R	Lot 971, Tract 6115	18"	201'	1,800	498,677
12	Ptn. NE 1/4, SW 1/4, Sec 30	16"	93'	970	173,342
16	Ptn. SE 1/4, Sec 30, T5N R3W	16"	88'	1,116	207,910
17	Ptn. SW 1/4, Sec 13, T5N R4W	16"	58'	638	229,360
18	Lot 360, Tract 5704	16"	55'	1,101	424,990
19	Lot 1059, Tract 6257	16"	206'	1,500	7,291
20	Ptn. SW 1/4, Sec 13, T5N R4W	16"	100'	590	85,027
21	Ptn. NW 1/4, Sec 28, T5N R3W	20"	175'	875	116,764
22	Ptn. NE 1/4, SW 1/4, Sec 28	20"	185'	1,515	554,076
23	Lot 335, Tract 4053	20"	110'	448	126,559
24	Ptn. NW 1/4, NE 1/4, Sec 4	14"	190'	856	466,225
25	18555 Tuscola, T5N R4W, Sec 13	16"	74'	540	87,789
26	18588 Seneca, T5N, R4W, Sec 13	20"	102'	1,100	183,821
27	21271 Waalew Road	10"	184'	0	1
28	Riverside Drive	18"	85'	950	368,674
29	19237 Yucca Loma	20"	69'	2,104	625,473
33	12189 Apple Valley Road	20"	93'	2,488	842,375
34	12500 Geronimo Road	16"	126'	1,602	731,656
36	19739 Tussing Ranch Road	20"	69'	3,289	292,873
30	11401 Apple Valley Road	14"	81'	1,593	391,463
31	Apple Valley Road	14"	0'	0	0
32	19382 Del Oro Road	10"	0'	0	0
3	Agricultural Well	18"	0'	0	0
4	Agricultural Well	18"	58'	824	522,423
5	Agricultural Well	18"	85'	2,700	2,002,057
TOTALS				31,597	9,371,208

**SCHEDULE D-3**  
**Description of Transmission and Distribution Facilities**

A. LENGTH OF DITCHES, FLUMES AND LINED CONDUITS IN MILES FOR VARIOUS CAPACITIES  
 Capacities in Cubic Feet Per Second or Miner's Inches (State Which) \_\_\_\_\_

Line No.		0 to 5	6 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 75	76 to 100
1	Ditch								
2	Flume	NONE							
3	Lined conduit								
4									
5	Totals								

A. LENGTH OF DITCHES, FLUMES AND LINED CONDUITS IN MILES FOR VARIOUS CAPACITIES - Concluded  
 Capacities in Cubic Feet Per Second or Miner's Inches (State Which) \_\_\_\_\_

Line No.		101 to 200	201 to 300	301 to 400	401 to 500	501 to 750	751 to 1000	Over 1000	Total All Lengths
6	Ditch								
7	Flume	NONE							
8	Lined conduit								
9									
10	Totals								

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING

Line No.		1	1 1/2	2	2 1/2	3	4	5	6	8
11	Ductile Iron									10
12	Cast Iron (cement lined)									0
13	Gravity Irrig.									0
14	PVC DR 25									0
15	Riveted steel									0
16	Standard screw									0
17	Screw or welded casing									0
18	Cement - asbestos						169		46,385	42,108
19	Welded steel	1,150	2,900	19,493		16,375	222,690	15,045	226,678	127,360
20	PVC CL 200						565		11,723	27,733
21	PVC CL 150			7,209		2,020	25,771		383,212	490,564
22	Totals	1,150	2,900	26,702		18,395	249,195	15,045	667,998	687,775

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING - Concluded

Other Sizes (Specify Sizes)										
Line No.		10	12	14	16	18	20	24	30	Totals All Sizes
23	Ductile Iron		803	5	4,210					5,018
24	Cast Iron (cement lined)									0
25	Gravity Irrig.		5,590					3,785	1,780	11,155
26	PVC DR 25									0
27	Riveted steel									0
28	Standard screw									0
29	Screw or welded casing									0
30	Cement - asbestos	3,662	83,293	24,169	7,420					207,206
31	Welded steel		147,226	6,785						785,702
32	PVC CL 200		42,292	3,262	28,345		7,865			121,785
33	PVC CL 150	1,651	286,887	25,800	20,756	5,606	2,286			1,251,762
34	Totals	5,313	566,091	60,021	60,731	5,606	10,151	3,785	1,780	2,382,628



**SCHEDULE D-4  
Number of Active Service Connections**

Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior Year	Current Year	Prior Year	Current Year
Commercial (including domestic)	18,639	18,484		
Industrial	2	2		
Public authorities	42	42		
Irrigation	143	150		
Other (specify)	6	6		
Subtotal	18,832	18,684		
Private fire connections	162	194		
Public fire hydrants	2,429	2,470		
Total	21,423	21,348		

**SCHEDULE D-5  
Number of Meters and Services on  
Pipe Systems at End of Year**

Size	Meters	Services
5/8 x 3/4-in.	17,402	XXXXXXXXXXXXXXXXXXXX
3/4-in.	277	
1-in.	1,337	
1-1/2-in.	168	
2-in.	197	
3-in.	114	
4-in.	67	
6-in.	116	
8-in.	40	
10- & 12-in.	9	
Other Unknown		
Total	19,727	

**SCHEDULE D-6  
Meter Testing Data**

<b>A. Number of Meters Tested During Year as Prescribed</b>	
in Section VI of General Order No. 103:	
1. New, after being received . . .	2,949
2. Used, before repair . . . . .	180
3. Used, after repair . . . . .	0
4. Found fast, requiring billing adjustment . . . . .	0
<b>B. Number of Meters in Service Since Last Test</b>	
1. Ten years or less . . . . .	16,589
2. More than 10, but less than 15 years . . . . .	3,035
3. More than 15 years . . . . .	103

**SCHEDULE D-7**  
**Water delivered to Metered Customers by Months and Years in \_\_\_\_\_ Ccf \_\_\_\_\_ (Unit Chosen)<sup>1</sup>**

Classification of Service	During Current Year												Subtotal		
	January	February	March	April	May	June	July	August	September	October	November	December			
Commercial	297,800	285,893	274,529	385,623	419,722	558,744	581,707								2,804,018
Industrial	0	171	0	121	0	273	0								565
Public authorities	10,944	3,945	9,011	13,423	21,843	31,101	42,551								132,818
Irrigation-Potable	1,101	0	976	0	5,603	0	8,576								16,256
Irrigation-Landscape	14,801	4,454	8,350	9,084	22,221	21,055	44,774								124,739
Irrigation-Reclaimed	28,571	0	15,561	0	77,615	0	142,886								264,633
Fire Hydrant	0	0	0	0	0	0	0								0
<b>Total</b>	<b>353,217</b>	<b>294,463</b>	<b>308,427</b>	<b>408,251</b>	<b>547,004</b>	<b>611,173</b>	<b>820,494</b>								<b>3,343,029</b>
Classification of Service	During Current Year												Total		
	August	September	October	November	December	Subtotal	Total	Prior Year	Total						
Commercial	720,136	636,764	606,148	485,972	371,332	2,820,352	5,624,370		6,247,189						
Industrial	251	0	268	0	217	736	1,301		1,780						
Public authorities	44,474	42,997	37,856	27,221	13,136	165,684	298,502		314,867						
Irrigation-Potable	0	7,162	0	4,943	0	12,105	28,361		34,684						
Irrigation-Landscape	27,404	55,134	23,253	43,272	10,498	159,561	284,300		281,779						
Irrigation-Reclaimed	0	152,113	0	93,732	0	- 245,845	510,478		655,959						
Fire Hydrant	0	0	0	0	0	0	0		0						
<b>Total</b>	<b>792,265</b>	<b>894,170</b>	<b>667,525</b>	<b>655,140</b>	<b>395,183</b>	<b>3,404,283</b>	<b>6,747,312</b>		<b>7,536,258</b>						

<sup>1</sup> Quantity units to be in hundreds of cubic feet, thousands of gallons, acre-feet, or miners' inch-days.

Total acres irrigated \_\_\_\_\_ 0

Total population served \_\_\_\_\_ 52,864

**SCHEDULE D-8  
Status With State Board of Public Health**

1	Has the State or Local Health Department reviewed the sanitary condition of your water system during the past year?	YES
2	Are you having routine laboratory tests made of water served to your consumers?	YES
3	Do you have a permit from the State Board of Public Health for operation of your water system?	YES
4	Date of permit: 1/14/1957      5 If permit is "temporary", what is the expiration date?	N/A
6	If you do not hold a permit, has an application been made for such permit?      7 If so, on what date?	N/A

**SCHEDULE D-9  
Statement of Material Financial Interest**

Use this space to report the information required by Section 2 of General Order No. 104-A. If no material financial interest existed during the year or contemplated at the end of the year, such fact shall be so stated. If additional space is required, attach a supplementary statement with reference made thereto.	
<b>MONEY PAID TO SICC, INC.</b>	
Mockingbird Tank	(7,751)
Hydrant Coating	33,406
Repair Roof	917
Desert Knolls Tank #1	207,905
	234,477
SICC, INC. AND APPLE VALLEY RANCHOS WATER COMPANY ARE SUBSIDIARIES OF PARK WATER COMPANY.	

**SCHEDULE E-1  
Balancing & Memorandum Accounts**

Line No.	Description (a)	Authorized by Decision or Resolution No. (b)	Beginning of Year Balance (c)	Offset Revenues (d)	Offset Expenses (e)	Interest (f)	Surcharge (g)	Surcredit (h)	End of Year Balance (i)
1	2001 Balancing Account-Domestic	See Footnote B	(170,380)			(3,711)			(174,091)
2	2001 Balancing Account-Irrigation	See Footnote B	(287,866)			(6,270)			(294,136)
3	2001 Memorandum Account-Domestic	See Footnote C	15,259		332	65			15,591
4	2001 Memorandum Account-Irrigation	See Footnote C	3,001			8,818			3,066
5	2002 Memorandum Account-Domestic	See Footnote C	404,846			792			413,664
6	2002 Memorandum Account-Irrigation	See Footnote C	36,379			(2,171)			37,171
7	2003 Memorandum Account-Domestic	See Footnote C	(99,678)			(456)			(101,849)
8	2003 Memorandum Account-Irrigation	See Footnote C	(20,945)			(2,591)			(21,401)
9	2004 Memorandum Account-Domestic	See Footnote C	(118,963)			34			(121,554)
10	2004 Memorandum Account-Irrigation	See Footnote C	1,570			(4,917)			1,604
11	2005 Memorandum Account-Domestic	See Footnote C,E	(225,734)			(332)			(230,650)
12	2005 Memorandum Account-Irrigation	See Footnote C,E	(15,226)			18,806			(15,557)
13	2006 Memorandum Account-Domestic	See Footnote C,E	765,755		97,671	(670)			882,232
14	2006 Memorandum Account-Irrigation	See Footnote C,E	18,728			393			18,451
15	2007 Memorandum Account-Domestic	See Footnote A,C,E	842,666		(21,961)	17,875			838,580
16	2007 Memorandum Account-Irrigation	See Footnote A,C,E	15,048		(723)	312			14,637
17	2008 Memorandum Account-Domestic	See Footnote A,C,E	0		1,160,924	8,366			1,169,290
18	2008 Memorandum Account-Irrigation	See Footnote A,C,E	0		14,288	(112)			14,176
19	CARW Balancing Account-Domestic	See Footnote A,D	(106,698)	86,590		(1,733)			(21,841)
20	CARW Memorandum Account-Domestic	See Footnote A,D	3,584		1,099	95			4,778
21	Water Quality Memorandum Account	W-4094	24,217						24,217
22	Conservation Memo Acct - Preceding Costs	See Footnote A,F	0		20,914	329			21,243

Note 1: For Columns d, e, f, g, & h, provide those amounts booked in the current year.

Note 2: The detail for each individual account includes the Beginning of Year Balance, End of Year Balance, each Offset Expense adjustment during the year, each Offset Revenue adjustment during the year, each Surcharge adjustment during the year, each Surcredit adjustment during the year, and the decision or resolution number associated with each item of detail.

Footnotes to Schedule E-1

- A: Amounts booked are estimated through year-end. Actual Amounts will be reflected in the Annual Report the following year.
- B: A memorandum to the CPUC entitled "Procedures For Maintaining Balancing Accounts for Water Utilities" dated May 31, 1983, authorized these accounts.
- C: Decision No. 03-06-072 dated June 19, 2003.
- D: Decision No. 05-12-020 dated December 15, 2005.
- E: Revised to actual amounts.
- F: Decision No. 08-02-036 dated February 28, 2008.

**Schedule E- 2**  
**Description of Low-Income Rate Assistance Program(s)**

For all low income rate assistance programs offered by water utility, provide detailed responses to the following items:

1 Brief description of each low-income rate assistance program provided, by district. This shall include but is not limited to the percent of discount, the dollar amount of discount, what rate is discounted (service charge, quantity, or total bill), qualifying income level, dollar rate increase to remaining customers to pay for this program.

The California Alternative Rates for Water (CARW) program consists of a \$5 per month service charge discount to customers who meet the income eligibility requirements as established by the Commission (published on the Commission's website at [cpuc.ca.gov/static/energy/care.htm](http://cpuc.ca.gov/static/energy/care.htm)). Customers must submit an application and eligibility declaration form to participate in the CARW program.

2 Participation rate for Year 2008 (as a percent of total customers served).

The participation in the program at 2008 year end was 1,415 customers which represents approximately 9% of all residential customers.

3 Detail of balancing or memorandum account authorized to record expenses incurred and revenues collected for low-income rate assistance program.

A CARW revenue reallocation balancing account was established to track the difference between the low-income discounts provided to qualifying customers and the recorded revenues generated by the \$1.00 surcharge. (See Schedule E-1)

A CARW implementation cost memorandum account was established to record the incremental costs associated with implementing and maintaining the CARW program. (See Schedule E-1)

**Schedule E- 3**  
**Description of Water Conservation Program(s)**

For all water conservation programs offered by water utility, provide detailed responses to the following items:

1. Brief description of each water conservation program provided, by district. This description shall include but not be limited to the type of program offered (such as provision of low-flow plumbing fixtures, leak detection, leak repair, written water conservation tips, or other similar programs to its customers) and length of time it was offered.
2. Discuss how each water conservation assistance program is funded, for example, through rates charged to all customers, rates charged to customer receiving water conservation assistance, shareholder contribution, community funding, government funding, or other funding method. Explain why this type of funding was used.
3. Cost of each program.
4. The degree of participation in each district by customer group.

AVR recognizes water use efficiency as an integral component of its current and future water strategy for the service area. AVR has pursued conservation in an effort to reduce demand and stretch existing water supplies. The following is a description of the conservation programs offered by AVR in 2008.

In general, all monetary incentives are funded by the Mojave Water Agency (MWA) and operational expenses (including labor, training, administration, etc.) are funded through AVR's rates. All participants of AVR's conservation programs were residential customers.

1. Water use surveys are available at no cost to residential, institutional and governmental customers. AVR employees have received special training in the area of water audits. The audit team completes a customer data form to analyze the customer's water use and estimate water savings. There were 150 surveys performed in 2008 at a total cost of \$7,767.00. Funding for this program is through rates charged to all customers.

2. In the Landscape Conservation Program, AVR works in partnership with the Alliance for Water Awareness and Conservation (AWAC), Victor Valley College, local nurseries and landscape designers to help educate landowners about water efficient landscapes. AVR worked jointly with Mojave Water Agency, Hesperia Water District, Victor Valley Water District and San Bernardino County to develop a handbook entitled "A Guide to High Desert Landscaping". Specifically designed for the high desert environment, the handbook is a guide to designing, planting and maintaining attractive and water efficient native plant landscapes. Funding is through rates charged to all customers. A large supply of handbooks were purchased prior to 2007 and distributed to customers in 2008 at our conservation workshops, Water Awareness Expo, and during Cash for Grass inspections. We participate with MWA in promoting water conservation tips to our customers and offer incentives to help reduce their water bills.

The incentives offered to our customers are Cash for Grass which pays \$.50 per square foot to remove their lawn. High efficiency toilet (HET) rebates, vouchers and High efficiency clothes washers (HECW) are also incentives offered to our customer to help save on high water usage. In 2008 there was 781,688 square feet of lawn removed and a total payout of \$390,844.00. A total of 323 HETs and 66 HECW were installed at a total cost of \$64,845.00. All incentives were funded by MWA and operational expenses were funded through AVR's rates.

3. Public Information Programs recognize the continued need to maintain and increase the community's awareness of water and the need to use it wisely. Providing current water conservation information is a key part of AVR's activities. Pamphlets on water conservation are available in the lobby of the company office where customers pay their bills. AVR provides a website and newsletter that contain conservation information and suggestions on how to reduce water usage.

Consumption information for the same month from the previous year is provided on the customer's bill to help customer understand year to year usage. At the Desert Communities Water Awareness Expo, an extensive display of low water-use trees, shrubs and plants is maintained that illustrate the aesthetic appeal of water efficient landscaping. The total operational costs for these programs (including labor at special events, community events, workshop booths, etc.) were \$54,634.00 in 2008. Funding for these programs are through rates charged to all customers.

4. AVR has a full-time Conservation Coordinator to implement Best Management Practices for water conservation activities and programs. The Conservation Coordinator is responsible for the water conservation and recycling activities that AVR is involved in. The recorded cost was \$28,889.87 in 2008. The cost of the employee's time spent on conservation activities is funded through rates charged to all customers.

**Schedule E- 4**  
**Report on Affiliate Transactions**

**Affiliate includes all related companies including but not limited to Parent, Affiliates, and Subsidiaries.**

**INSTRUCTIONS:**

\* For those utilities with specifically authorized affiliate transaction rules, provide all information required by those rules.

\* For those utilities with no specifically authorized affiliate transaction rules, or those utilities whose authorized affiliate transaction rules do not provide the following information, provide the following:

1. Summary of all transactions between regulated water utility and its affiliated companies for the previous calendar year. The summary shall include a description of each transaction and an accounting of all dollars associated with each transaction although each transaction need not be separately identified where multiple transactions occur in the same account. These transactions shall include:

- (a) services provided by regulated water utility to any affiliated company;
- (b) services provided by any affiliated company to regulated water utility;
- (c) assets (both tangible and intangible) transferred from regulated water utility to any affiliated company;
- (d) assets (both tangible and intangible) transferred from any affiliated company to regulated water utility;
- (e) employees transferred from regulated water utility to any affiliated company;
- (f) employees transferred from any affiliated company to regulated water utility; and
- (g) financing arrangements and transactions between regulated water utility and any affiliated company.

1(a) None.

1(b) The parent company, Park Water Company, provides engineering, financial, electronic data processing, regulatory, water quality and other management services to all of its subsidiaries.  
These management services along with the related fees are referenced in schedule C137A.

SICC provides painting, specialized coatings and general building maintenance.  
The services provided by SICC and the associated costs can be found in schedule D-9.

1(c) None.

1(d) None.

1(e) None.

1(f) None.

1(g) The intercompany payable to Park Water Company and related interest is shown in schedule A-29.

**CLASS A, B, C AND D WATER COMPANIES  
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA**

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA)

1. Current Fiscal Agent: **NOT APPLICABLE**

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_  
 Account Number: \_\_\_\_\_  
 Date Hired: \_\_\_\_\_

2. Total surcharge collected from customers during the 12 month reporting period:

\$ _____ NOT APPLICABLE	Meter Size	No. of Metered Customers	Monthly Surcharge Per Customer
	3/4 inch	_____	_____
	1 inch	_____	_____
	1 1/2 inch	_____	_____
	2 inch	_____	_____
	3 inch	_____	_____
	4 inch	_____	_____
	6 inch	_____	_____
	Number of Flat Rate Customer s	_____	_____
	<b>Total</b>	_____	_____

3. Summary of the bank account activities showing: **NOT APPLICABLE**

Balance at beginning of year	\$ _____
Deposits during the year	_____
Interest earned for calendar year	_____
Withdrawals from this account	_____
Balance at end of year	_____

4. Reason or Purpose of Withdrawal from this bank account:

\_\_\_\_\_  
 \_\_\_\_\_



5. Plant amounts included in Schedule A-1a, Account No. 101–Water Plant in Service which were funded using SDWBA or SRF funds:

Line No.	Acct. No.	Title of Account (a)	Balance Beginning of Year (b)	Plant Additions During Year (c)	Plant Retirements During Year (d)	Other Debits* or (Credits) (e)	Balance End of Year (f)
1		<b>NON-DEPRECIABLE PLANT</b>		<b>NONE.</b>			
2	301	Intangible plant					
3	303	Land					
4		Total non-depreciable plant					
5		<b>DEPRECIABLE PLANT</b>					
6	304	Structures					
7	307	Wells					
8	317	Other water source plant					
9	311	Pumping equipment					
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes					
12	331	Water mains					
13	333	Services and meter installations					
14	334	Meters					
15	335	Hydrants					
16	339	Other equipment					
17	340	Office furniture and equipment					
18	341	Transportation equipment					
19		Total depreciable plant					
20		Total water plant in service					

**FACILITIES FEES DATA**

Please provide the following information relating to Facilities Fees for districts or subsidiaries servicing 2,000 or fewer connections for the calendar year. (Per D.91-04-068)

1. Trust Account Information: **NOT APPLICABLE**

Bank Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Account Number: \_\_\_\_\_  
Date Opened: \_\_\_\_\_

2. Facilities Fees collected for new connections during the calendar year:

**A. Commerical NOT APPLICABLE**

NAME	AMOUNT
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

**B. Residential NOT APPLICABLE**

NAME	AMOUNT
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ _____
Deposits during the year	_____
Interest earned for calendar year	_____
Withdrawals from this account	_____
Balance at end of year	_____

4. Reason or Purpose of Withdrawal from this bank account:

\_\_\_\_\_  
\_\_\_\_\_

**DECLARATION**

**Before Signing, Please Check to See That All Schedules Have Been Completed**

I, the undersigned officer

of **APPLE VALLEY RANCHOS WATER COMPANY**

under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, papers and records of the respondent; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of the above-named respondent and the operations of its property for the period from and including January 1, 2008 to and including December 31, 2008.

SIGNED  -----

Title **VICE PRESIDENT AND GENERAL MANAGER**

Date **April 29, 2009** -----

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