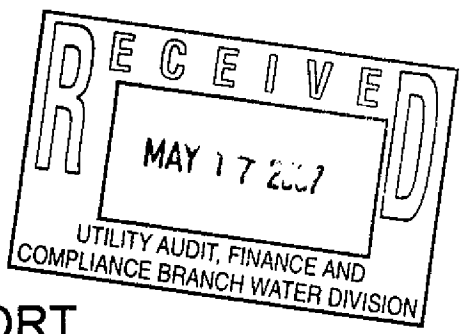


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Received \_\_\_\_\_  
 Examined \_\_\_\_\_

SEWER UTILITIES



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

2006  
 ANNUAL REPORT  
 OF

\_\_\_\_\_

CALIFORNIA AMERICAN WATER COMPANY

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

\_\_\_\_\_

303 H. STREET, SUITE 250, CHULA VISTA, CA 91910

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE  
 PUBLIC UTILITIES COMMISSION  
 STATE OF CALIFORNIA  
 FOR THE  
 YEAR ENDED DECEMBER 31, 2006

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2007  
 (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  
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.

# CLASS D SEWER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

**CALIFORNIA AMERICAN WATER COMPANY**

(Name under which corporation, partnership or individual is doing business)

303 H STREET, SUITE 250, CHULA VISTA 91910

(Official mailing address)

MONTEREY

(Service area-town and county)

## GENERAL INFORMATION

RETURN ORIGINAL  
TO COMMISSION  
NO PHOTOCOPIES

- 1 If a corporation show:
  - (A) Date of organization 4/1/2003 incorporated in the State of California
  - (B) Names, titles and addresses of principal officers:
  
- 2 If unincorporated give the name and address of owner or of each partner:
  
- 3 Name and telephone number of:
  - (A) One person listed above to receive correspondence: Steven Leonard
  - (B) Person responsible for operations and services: Steven Leonard
  
- 4 Were any contracts or agreements in effect with any organization or person covering service, supervision and/or management of your business affairs during the year? (Yes or No) No  
 If so, what was the nature and the amount of each payment made under the agreement, to whom were payments made, and to what account was each payment charged?
  
- 5 State the names of associated companies or persons which, directly or indirectly, or through one or more intermediaries, control, or are controlled by, or are under common control with respondent:

### PUBLIC HEALTH STATUS

- 6 Has state or local health department inspection been made during the year?
- 7 Are routine laboratory tests of water being made?
- 8 Has state health department water supply permit been obtained? (Indicate date)
- 9 If no permit has been obtained, state whether application has been made and when.
- 10 Show expiration date if state permit is temporary.

Yes	No	Latest Date
x		
x		
x		
N/A		
N/A		

## **SPECIAL INSTRUCTIONS**

- 1 Beginning of year balances must agree with end of year balances shown in report for previous year.  
Attach a supplementary statement to explain any differences.
- 2 Attach a supplementary statement to explain adjustments in Schedule B - Sewer Plant in Service.
- 3 Complete all schedules, using the words "None" or "Not applicable" if appropriate.
- 4 Report must be prepared legibly in ink or by typewriter.

SELECTED FINANCIAL DATA - CLASS D SEWER COMPANIES  
20\_\_\_\_

NAME OF UTILITY CALIFORNIA AMERICAN WATER CO

PHONE (619) 409-7700

PERSON RESPONSIBLE FOR THIS REPORT Chris Buls

(Prepared from Information in the \_\_\_\_ Annual Report)

	1/1/2006	12/31/2006	Average
<b>BALANCE SHEET DATA</b>			
1 Intangible Plant			
2 Land and Land Rights	192,001.00	192,001.00	192,001.00
3 Depreciable Plant	14,496,230.00	14,734,007.54	14,615,118.77
4     Gross Plant in Service	14,688,231.00	14,926,008.54	14,807,119.77
5     Less: Accumulated Depreciation	5,166,600.00	5,541,983.71	5,354,291.86
6     Net Water Plant in Service	9,521,631.00	9,384,024.83	9,452,827.92
7 Water Plant Held for Future Use			
8 Construction Work in Progress	9610.22	2,751.00	6,180.61
9 Materials and Supplies			
10 Less: Advances for Construction	0	-	-
11 Less: Contribution in Aid of Construction	(7,879,069.32)	(7,646,164.69)	(7,762,617.01)
12 Less: Accumulated Deferred Income and Investment Tax Credits			( )
13 Net Plant Investment	1,652,171.90	1,740,611.14	1,690,210.91

**CAPITALIZATION**

14 Common Stock	Please see Cal Am report for capitalization		
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			
17 Retained Earnings			
18     Common Stock and Equity (Lines 14 through 17)			
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)			

(Revised 10/97)

**2006 INCOME STATEMENT**

	Annual Amount
23 Unmetered Revenue	1,500,491.00
24 Metered Revenue	5,799.00
25 Total Operating Revenue	1,506,290.00
26 <u>Operating Expenses</u>	<u>1,621,823.00</u>
27 Depreciation Expense (Composite Rate _____)	(82,968.00)
28 Amortization and Property Losses	0
29 Property Taxes	-
30 Taxes Other Than Income Taxes	76,548.77
31 Total Operating Revenue Deduction Before Taxes	<u>1,615,403.77</u>
32 California Corp. Franchise Tax	7521.99
33 Federal Corporate Income Tax	0
34 Total Operating Revenue Deduction After Taxes	<u>1,622,925.76</u>
35 Net Operating Income (Loss) - California Water Operations	<u>(116,635.76)</u>
36 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	-
37 Income Available for Fixed Charges	-
38 Interest Expense	-
39 Net Income (Loss) Before Dividends	<u>(116,635.76)</u>
40 Preferred Stock Dividends	-
41 Net Income (Loss) Available for Common Stock	<u>(116,635.76)</u>

**2006 OTHER DATA**

42 Refunds of Advances for Construction	-
43 Total Payroll Charged to Operating Expenses	<u>649,711.31</u>
44 Purchased Water	-
45 Power	<u>84,099.98</u>

<u>Active Service Connections</u>	(Exc. Fire Protect.) _____	Jan. 1	Dec. 31	Annual Average
46 Metered Service Connections		2323	2323	2323
47 Flat Rate Service Connections		2323	2323	2323
48 Total Active Service Connections		<u>2323</u>	<u>2323</u>	<u>2323</u>

**SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2006\_)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Plant in service	14,926,008.54	201	Common Stock (Corporations only)	
2	103	Plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Plant purchased or sold		215	Retained earnings	
4	105	Plant construction work in progress	2,751.00	218	Proprietary capital	
5	108	Accumulated depreciation of plant	(5,541,983.71)	224	Long term debt	
6	114	Plant acquisition adjustments			Current Liabilities	0
7	124	Other investments		252	Advances for construction	
8	131	Cash		253	Other deferred credits	
9	141	Accounts receivable - customers		255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies			depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	(7,646,164.69)
14				272	Accumulated amortization of contributions	
15		<b>Total Assets**</b>	<b>9,386,775.83</b>		<b>Total Equity and Liabilities**</b>	<b>(7,646,164.69)</b>

Total assets do not equal total liabilities due to this only reporting amounts for sewer industry

**SCHEDULE B - SEWER PLANT IN SERVICE**

2006

Line	Acct	Title of Account	Balance Beg of Year	Plt Additions During year	Plt Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant				-	-
17	303	Land	192,001.00				192,001.00
18	304	Structures	1,265,596.00	59,657.00		-	1,325,253.00
19	307	Wells					-
20	317	Other source plant				-	-
21	311	Pumping equipment	876,716.00	140,491.00		-	1,017,207.00
22	320	Treatment plant	7,522,245.93	13,358.07			7,535,604.00
23	330	Reservoirs					-
24	331	Mains	3,911,914.54				3,911,914.54
25	333	Services and meter installations					-
26	334	Meters					-
27	339	Other equipment	905,042.34	19,214.66			924,257.00
28	340	Office furniture and equipment	14,715.00	5,057.00			19,772.00
29	341	Transportation equipment					-
30		<b>Total Plant in service</b>	<b>14,688,230.81</b>	<b>237,777.73</b>	<b>-</b>	<b>-</b>	<b>14,926,008.54</b>

\* Debit or credit entries should be explained by footnotes or supplementary schedules

**SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT**

Line	Item	Account 106 Plant	
32	Balance in reserves at beginning of year	\$ 5,166,600.00	A. Method used to compute depreciation expense (Acct. 403) and rate.
33	Add: Credits to reserves during year		Asset Class Life Composite Rate
34	(a) Charged to Account No. 403	149,936.91	
35	(b) Charged to Account No. 272	232,904.63	
36	(c) Charged to clearing accounts		B. Amount of depreciation expense claimed or to be claimed on utility property in your federal income tax return for the year covered by this report \$
37	(d) Salvage recovered		(Includes water & sewer UPIS)
38	(e) All other credits		
39	Total credits	382,841.54	
40	Deduct: Debits to reserves during year		
41	(a) Book cost of property retired		
42	(b) Cost of removal		C. State method used to compute tax depreciation. MACRS
43	(c) All other debits	7,457.83	
44	Total debits	7,457.83	
45	Balance in reserve at end of year	\$ 5,541,983.71	
46	(1) Explanation of all other credits		
47	(2) Explanation of all other debits		

**SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2006 \_\_)**

Line				
1	Common - (Shares	, \$	par)	List persons owning more than 5% of outstanding stock and number of shares owned by each:
2	Preferred - (Shares	, \$	par)	
3	Dividends - Common	Rate - \$		
4	- Preferred	Rate - \$		

**SCHEDULE E - LONG TERM DEBT**

	Class	Date of Issue	Date of Maturity	Principal Amount Authorized	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
5								
6								
7								
8	Totals							

**SCHEDULE F - 2006 INCOME STATEMENT**

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered revenue	1,500,491
11	470 Metered revenue	5,799
12	480 Other revenue	
13	Total Operating Revenue	1,506,290
14	Operating revenue deductions	xxxxxxxxxx
15	Operating expenses	xxxxxxxxxx
16	610 Purchased water	-
17	615 Power	88,343
18	618 Other volume related expenses	344,033
19	630 Employee labor	8,495
20	640 Materials	31,118
21	650 Contract work	372,359
22	660 Transportation expenses	33,381
23	664 Other plant maintenance expense	35,211
24	670 Office salaries	641,216
25	671 Management salaries	
26	674 Employee pensions and benefits	38,197
27	676 Uncollectible accounts expense	58
28	678 Office services and rentals	9,772
29	681 Office supplies and expense	13,703
30	682 Professional services	-
31	684 Insurance	-
32	688 Regulatory commission expense	5,938
33	689 General expenses	0
34	Total Operating Expenses	1,621,823
35	403 Depreciation expense	(82,968)
36	408 Taxes other than income taxes	84,071
37	409 State corporate income tax expense	
38	410 Federal corporate income tax expense	
39	Total Operating Revenue Deductions	1,622,926
40	Utility Operating Income	(116,636)
41	421 Non-utility income	
42	426 Miscellaneous non-utility expense	-
43	427 Interest expense	
44	Net Income	(116,636)

0.10

**SCHEDULE G - 2006 EMPLOYEES AND THEIR COMPENSATION**

Line	Acct	Account	Number at end of year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
45	630	Employee Labor		8,495		
46	670	Office salaries		641,216		
47	671	Management salaries				
48		Total		649,711		



**SCHEDULE H - ADVANCES FOR CONSTRUCTION**

Balance beginning of year	-
Additions during year	
Subtotal - Beginning balance plus additions during year	
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	-

**SCHEDULE I - TOTAL METERS AND SERVICES (active and inactive)**

Size	Meters	Services
-in		
-in		
-in		
-in		
-in		
Total		

**SCHEDULE J - METER-TESTING DATA**

Number of meters tested during year		
1	Used, before repair...	N/A
2	Used, after repair .....	N/A
3	Fast, requiring refund ..	N/A

**SCHEDULE K - SERVICE CONNECTIONS AT END OF YEAR**

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences		2322	2322				2322	0
Industrial								
Other (specify) Fire Service & OPA		1	1				1	0
<b>Total</b>		<b>2323</b>	<b>2323</b>				<b>2323</b>	<b>0</b>

NOTE: Total connections (metered plus flat) should agree with total services in Schedule K.

**SCHEDULE L - STORAGE FACILITIES**

**SCHEDULE M - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)**

Description	No.	Combined capacity in gallons	Description	Pipe Sizes				Totals
				2" and under	2 1/4 to 3 1/4	4"	6" 8" Other sizes (specify)	
Concrete			Cast Iron					
Earth	3	14 Millions	Welded steel					
Wood			Standard screw					
Steel			Cement-asbestos					
Other			Plastic				109,400	64,000
			Other (specify)					
<b>Total</b>	<b>3</b>	<b>14 Millions</b>	<b>Total</b>				<b>109,400</b>	<b>64,000</b>

**DECLARATION**

(BEFORE SIGNING PLEASE CHECK TO SEE THAT ALL SCHEDULES HAVE BEEN COMPLETED)

I, the undersigned (officer, partner or owner) of California-American Water Co (Name of utility), 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, 2006, to end including December 31, 2006.

*Christopher Burt*  
 Signed  
 Regional Vice President of Finance  
 Title  
 May 14, 2007  
 Date