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Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____

2001
ANNUAL REPORT
OF

DEL ORO WATER COMPANY INC.

COUNTRY ESTATES DISTRICT

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

DRAWER 5172, CHICO, CALIFORNIA 95927-5172

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2001

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2002

(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.

Summary of Earnings

Test Year 2001

Account Number	Operating Revenue	
470	Metered	30,091
460	Unmetered	16,754
465	Irrigation	
462-480	Private Fire Protection	2,584
	Total Revenue	49,430
	Operating Expenses	
610	Purchased Water	0
615	Purchased Power	28,649
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related Expense	4,301
630	Employee Labor	14,896
640	Materials	1,515
650	Contract Work	2,157
	Water Testing	770
660	Transportation Expense	9,401
664	Other Plant Maintenance	0
670	Office Salaries	2,389
671	Management Salaries	1,305
674	Employee Pensions and Benefits	300
676	Uncollectables	0
678	Office Service and Rentals	1,078
681	Office Supplies and Expense	3,672
682	Professional Services	850
684	Insurance	1,954
688	Regulatory Expense	1,333
689	General Expense	1,524
	Subtotal	76,094
403	Depreciation Expense	14,004
	Ad Valorem Taxes	
	Payroll Taxes	1,797
408	Taxes other than income	851
409	State Income Tax	
410	Federal Income Tax	
	Total Deductions	92,746
	Net Revenue	
	Rate Base	
	Average Plant	
	Average Depreciation Reserve	
	Net Plant	
	Less: Advances	
	Less: Contributions	
	Plus: Construction in Progress	
	Plus: Working Cash	
	Plus: Material & Supplies	
	Rate Base	
	ROR=Net Rev/Rate Base	

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

DEL ORO WATER COMPANY, INC.

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

DRAWER 5172, CHICO, CALIFORNIA 95927-5172

(Official mailing address)

BAKERSFIELD, KERN COUNTY

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

1 If a corporation show:

(A) Date of organization _____ incorporated in the State of California

(B) Names, titles and addresses of principal officers:

Robert S. Fortino, President Janice Hanna, Secretary Drawer 5172, Chico, CA 95927

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: Janice Hanna, 530-894-1100

(B) Person responsible for operations and services: Paul J. Matulich, 530-894-1100

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)

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		1957

SPECIAL INSTRUCTIONS (over)

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 - Water 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 A, B, C AND D WATER COMPANIES
2001

NAME OF UTILITY DEL ORO WATER CO., INC. PHONE 530-894-1100
COUNTRY ESTATES DISTRICT
PERSON RESPONSIBLE FOR THIS REPORT JANICE HANNA
(Prepared from Information in the 2001 Annual Report)

	1/1/01	12/31/01	Average
BALANCE SHEET DATA			
1 Intangible Plant			
2 Land and Land Rights	1,403	1,403	1,403
3 Depreciable Plant	91,047	117,491	104,269
4 Gross Plant in Service	92,450	118,894	105,672
5 Less: Accumulated Depreciation	(7,872)	(21,876)	(14,874)
6 Net Water Plant in Service	84,578	97,018	90,798
7 Water Plant Held for Future Use			
8 Construction Work in Progress			
9 Materials and Supplies			
10 Less: Advances for Construction	()	()	()
11 Less: Contribution in Aid of Construction	()	()	()
12 Less: Accumulated Deferred Income and Investment Tax Credits	()	()	()
13 Net Plant Investment	84,578	97,018	90,798
CAPITALIZATION			
14 Common Stock			
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			
17 Retained Earnings	(11,411)	(47,820)	(29,616)
18 Common Stock and Equity (Lines 14 through 17)	(11,411)	(47,820)	(29,616)
19 Preferred Stock			
20 Long-Term Debt	48,921	45,803	47,362
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	37,510	(2,017)	17,746

(Revised 2/01)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2001
(continued)

NAME OF UTILITY DEL ORO WATER CO., INC. PHONE 530-894-1100
COUNTRY ESTATES DISTRICT

	Annual Amount
INCOME STATEMENT	
23 Unmetered Water Revenue	19,339
24 Fire Protection Revenue	_____
25 Irrigation Revenue	_____
26 Metered Water Revenue	30,091
27 Total Operating Revenue	49,430
28 <u>Operating Expenses</u>	76,094
29 Depreciation Expense (Composite Rate _____)	14,004
30 Amortization and Property Losses	_____
31 Property Taxes	851
32 Taxes Other Than Income Taxes	1,197
33 Total Operating Revenue Deduction Before Taxes	(42,716)
34 California Corp. Franchise Tax	_____
35 Federal Corporate Income Tax	_____
36 Total Operating Revenue Deduction After Taxes	(42,716)
37 Net Operating Income (Loss) - California Water Operations	(42,716)
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	26
39 Income Available for Fixed Charges	_____
40 Interest Expense	(5,130)
41 Net Income (Loss) Before Dividends	(47,820)
42 Preferred Stock Dividends	_____
43 Net Income (Loss) Available for Common Stock	_____

OTHER DATA		
44 Refunds of Advances for Construction	0	_____
45 Total Payroll Charged to Operating Expenses	18,590	_____
46 Purchased Water	0	_____
47 Power	28,649	_____

<u>Active Service Connections</u>	(Exc. Fire Protect.) _____	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections		87	87	87
49 Flat Rate Service Connections		_____	_____	_____
50 Total Active Service Connections		87	87	87

**CLASS B, C AND D 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: **N/A**

Name: _____

Address: _____

Phone Number: _____

Date Hired: _____

2. Former Fiscal Agent:

Name: _____

Address: _____

Phone Number: _____

Date Hired: _____

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

\$ _____

4. 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	_____

5. Account information:

Bank Name: _____

Account Number: _____

Date Opened: _____

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

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		NON-DEPRECIABLE PLANT					
2	301	Intangible plant					
3	303	Land					
4		Total non-depreciable plant					
5		DEPRECIABLE PLANT					
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 - BALANCE SHEET (DECEMBER 31, 2001)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	118,894	201	Common Stock (Corporations only)	
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Water plant purchased or sold		215	Retained earnings	(59,232)
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(21,876)	224	Long term debt	42,464
6	114	Water plant acquisition adjustments			Current Liabilities	127,471
7	124	Other investments		252	Advances for construction	
8	131	Cash	3,855	253	Other deferred credits	
9	141	Accounts receivable - customers	6,300	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	514	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	3,017	271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets	110,703		Total Equity and Liabilities	110,703

SCHEDULE B - WATER PLANT IN SERVICE

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	0				0
17	303	Land	1,403				1,403
18	304	Structures	1,119				1,119
19	307	Wells	17,013	24,651			41,664
20	317	Other water source plant	3,082				3,082
21	311	Pumping equipment	11,786	1,792			13,578
22	320	Water treatment plant	468				468
23	330	Reservoirs tanks and sandpipes	18,866				18,866
24	331	Water mains	17,839				17,839
25	333	Services and meter installations	5,081				5,081
26	334	Meters	14,086				14,086
27	335	Hydrants	120				120
28	339	Other equipment	1,587				1,587
29	340	Office furniture and equipment					0
30	341	Transportation equipment					0
31		Total water plant in service	92,450	26,444			118,894

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

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Account 106 Water Plant	Account 106.1 SDWBA Loans	
32	Balance in reserves at beginning of year	7,872		A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 403	14,001		
35	(b) Charged to Account No. 272			
36	(c) Charged to clearing accounts			B. Amount of depreciation expense claimed
37	(d) Salvage recovered			or to be claimed on utility property in
38	(e) All other credits			your federal income tax return for the year
39	Total credits	14,001		covered by this report \$
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
43	(c) All other debits			depreciation.
44	Total debits			
45	Balance in reserve at end of year	21,873		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE J - 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 K - TOTAL METERS AND SERVICES (active and inactive)

Size	Meters	Services
5/8 x 3/4-in	17	
3/4-in		
1-in	72	
-in		
-in		
Total	89	

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year	
1	Used, before repair...
2	Used, after repair
3	Fast, requiring refund ..
Numbers of meters in service requiring test per General Order No. 103	

SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences	86			2			88	
Industrial	1						1	
Other (specify)								
Subtotal								
Fire protection (Hydrants)								
Total	87			2			89	

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

SCHEDULE N - STORAGE FACILITIES

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

Description	No.	Combined capacity in gallons	Description	2" and under			Other sizes (specify)	Totals
				2 1/4 to 3 1/4	4"			
Concrete			Cast iron					
Earth			Welded steel					
Wood			Standard screw					
Steel	3	47,000	Cement-asbestos	40	3,525	3,715	7,240	
Other			Plastic					
			Other (specify)					
Total	3	47,000	Total	40	3,525	3,715	7,240	

DECLARATION

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

I, the undersigned (officer, partner or owner) of Del Oro Water Co., Inc. Country Estates District 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, 2001, to and including December 31, 2001.

Signed
Janice Hanna
Title

Director of Corporate Accounting
Date: March 25, 2002