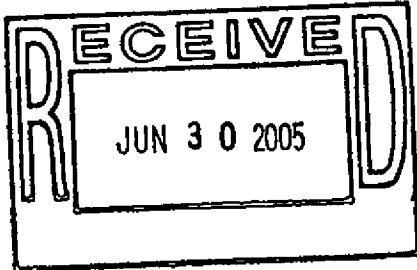


J ✓

Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____



2004
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, 2004

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2005
(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 2004			
Account Number	Operating Revenue		
470	Metered	48,329	
460	Unmetered	26,770	
465	Irrigation		
462-480	Private Fire Protection	587	
	Total Revenue	75,686	
	Operating Expenses		
610	Purchased Water	0	
615	Purchased Power	13,253	
	Pump Taxes		
	Purchased Chemicals		
618	Other Vol. Related Expense	4,468	
630	Employee Labor	16,761	
640	Materials	1,643	
650	Contract Work	470	
	Water Testing	610	
660	Transportation Expense	9,119	
664	Other Plant Maintenance	0	
670	Office Salaries	2,909	
671	Management Salaries	1,629	
674	Employee Pensions and Benefits	475	
676	Uncollectables	259	
678	Office Service and Rentals	1,105	
681	Office Supplies and Expense	3,604	
682	Professional Services	720	
684	Insurance	4,239	
688	Regulatory Expense	2,600	
689	General Expense	1,028	
	Subtotal	64,892	
403	Depreciation Expense	3,540	
	Ad Valorem Taxes		
	Payroll Taxes	1,420	
408	Taxes other than income	1,609	
409	State Income Tax		
410	Federal Income Tax		
	Total Deductions	71,460	
	Net Revenue	4,226	
	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
2004

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 2004 Annual Report)

	01/01/04	12/31/04	Average
BALANCE SHEET DATA			
1 Intangible Plant			
2 Land and Land Rights	1,403	1,403	1,403
3 Depreciable Plant	118,075	124,306	121,191
4 Gross Plant in Service	119,478	125,709	122,594
5 Less: Accumulated Depreciation	(11,798)	(15,338)	(13,568)
6 Net Water Plant in Service	107,680	110,371	109,026
7 Water Plant Held for Future Use			
8 Construction Work in Progress	0	16,700	8,350
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	107,680	127,071	117,376
CAPITALIZATION			
14 Common Stock			
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital	65,710	65,710	65,710
17 Retained Earnings	(51,942)	(50,540)	(51,241)
18 Common Stock and Equity (Lines 14 through 17)	13,768	15,170	14,469
19 Preferred Stock			
20 Long-Term Debt	41,229	139,015	90,122
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	54,997	154,185	104,591

(Revised 2/01)

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

2004

(continued)

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

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	<u>27,357</u>
24	Fire Protection Revenue	<u> </u>
25	Irrigation Revenue	<u> </u>
26	Metered Water Revenue	<u>48,329</u>
27	Total Operating Revenue	<u>75,686</u>
28	<u>Operating Expenses</u>	<u>64,892</u>
29	Depreciation Expense (Composite Rate _____)	<u>3,540</u>
30	Amortization and Property Losses	<u> </u>
31	Property Taxes	<u>1,609</u>
32	Taxes Other Than Income Taxes	<u>1,420</u>
33	Total Operating Revenue Deduction Before Taxes	<u>4,226</u>
34	California Corp. Franchise Tax	<u> </u>
35	Federal Corporate Income Tax	<u> </u>
36	Total Operating Revenue Deduction After Taxes	<u>4,226</u>
37	Net Operating Income (Loss) - California Water Operations	<u>4,226</u>
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u>106</u>
39	Income Available for Fixed Charges	<u> </u>
40	Interest Expense	<u>(2,930)</u>
41	Net Income (Loss) Before Dividends	<u>1,402</u>
42	Preferred Stock Dividends	<u> </u>
43	Net Income (Loss) Available for Common Stock	<u> </u>

OTHER DATA

44	Refunds of Advances for Construction	<u>0</u>
45	Total Payroll Charged to Operating Expenses	<u>21,774</u>
46	Purchased Water	<u>0</u>
47	Power	<u>13,253</u>

<u>Active Service Connections</u>		(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48	Metered Service Connections		<u>95</u>	<u>88</u>	<u>91.5</u>
49	Flat Rate Service Connections				
50	Total Active Service Connections		<u>95</u>	<u>88</u>	<u>91.5</u>

**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, 2004)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	125,709	201	Common Stock (Corporations only)	
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	65,710
3	104	Water plant purchased or sold		215	Retained earnings	(50,540)
4	105	Water plant construction work in progress	16,700	218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(15,338)	224	Long term debt	139,015
6	114	Water plant acquisition adjustments			Current Liabilities	70,389
7	124	Other investments		252	Advances for construction	
8	131	Cash	85,010	253	Other deferred credits	
9	141	Accounts receivable - customers	6,400	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	902	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	5,190	271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets	224,573		Total Equity and Liabilities	224,573

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	41,664				41,664
20	317	Other water source plant	3,082				3,082
21	311	Pumping equipment	13,578	6,039			19,617
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	14,670	192			14,862
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	119,478	6,231			125,709

* 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	11,798		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	3,540		
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	3,540		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	15,338		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2004)

Line	1	Common - (Shares	\$	par)		List persons owning more than 5% of outstanding stock
	2	Preferred - (Shares	\$	par)		and number of shares owned by each:
	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	North Valley Bank	10/15/02	10/15/17	43,125	39,845	7.25		2,930
6	North Valley Bank	11/15/04		100,000	99,169	6.5		1,082
7								
8	Totals			143,125	139,015			4,012

SCHEDULE F - INCOME STATEMENT

9		Operating revenues	XXXXXXXXXX
10	460	Unmetered water revenue	26,770
11	462	Fire protection revenue	
12	465	Irrigation revenue	
13	470	Metered water revenue	48,329
14	480	Other water revenue	587
15		Total Operating Revenue	75,686
16		Operating revenue deductions	XXXXXXXXXX
17		Operating expenses	XXXXXXXXXX
18	610	Purchased water	0
19	615	Power	13,253
20	618	Other volume related expenses	4,468
21	630	Employee labor	16,761
22	640	Materials	1,643
23	650	Contract work	1,080
24	660	Transportation expenses	9,119
25	664	Other plant maintenance expense	0
26	670	Office salaries	2,909
27	671	Management salaries	1,629
28	674	Employee pensions and benefits	475
29	676	Uncollectible accounts expense	259
30	678	Office services and rentals	1,105
31	681	Office supplies and expense	3,604
32	682	Professional services	720
33	684	Insurance	4,239
34	688	Regulatory commission expense	2,600
35	689	General expenses	1,028
36		Total Operating Expenses	64,892
37	403	Depreciation expense	3,540
38	407	SDWBA loan amortization expense	
39	408	Taxes other than income taxes	3,029
40	409	State corporate income tax expense	
41	410	Federal corporate income tax expense	
42		Total Operating Revenue Deductions	71,460
43		Utility Operating Income	4,226
44	421	Non-utility income	106
45	426	Miscellaneous non-utility expense	
46	427	Interest expense	(2,930)
47		Net Income	1,402

SCHEDULE G - SOURCES OF SUPPLY AND WATER DEVELOPED WELLS

Location	No.	Diam. Inch	Depth to water feet	Pumping capacity (g.p.m.)	Annual quantities pumped

OTHER

Streams or springs location of diversion point	Flow in		(Unit)		Annual quantities diverted
	Priority right		Diversions		
	Claim	Capacity	Max	Min	(Unit)
Purchased water (unit)					Annual quantity
Supplier:					

SCHEDULE H - OPTIONAL WATER DELIVERED TO METERED CUSTOMERS

(If figures are available) (specify unit)

Classification of service	Max. mo.	Min. mo.	Total for year
	Mo. of	Mo. of	
Residential & business	Aug	March	30,004,540
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total			30,004,540

SCHEDULE I - 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
48	630	Employee Labor	2	16,761		16,761
49	670	Office salaries		2,909		2,909
50	671	Management salaries		1,629		1,629
51		Total		21,299		21,299

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	24	
3/4-in	1	
1-in	69	
-in		
-in		
Total	94	

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	88			6			94	
Industrial	0						0	
Other (specify)								
Subtotal								
Fire protection (Hydrants)								
Total	88			6			94	

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	Footage				Totals
				2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)	
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, 2004, to and including December 31, 2004


 Signed
 Janice Hanna
 Title
 Director of Corporate Accounting
 Date: March 31, 2005