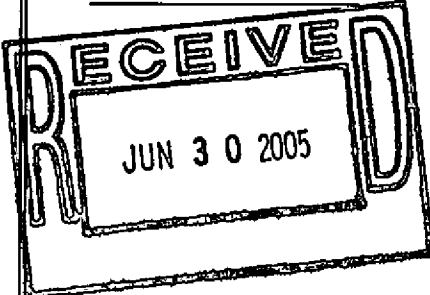


64

Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____



2004
ANNUAL REPORT
OF

DEL ORO WATER COMPANY, INC.

MAGALIA 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	90,071	
460	Unmetered	71,376	
465	Irrigation		
462-480	Private Fire Protection	1,550	
	Total Revenue	162,997	
	Operating Expenses		
610	Purchased Water	11,270	
615	Purchased Power	15,958	
	Pump Taxes	0	
	Purchased Chemicals	0	
618	Other Vol. Related Expense	1,255	
630	Employee Labor	11,696	
640	Materials	646	
650	Contract Work	1,050	
	Water Testing	190	
660	Transportation Expense	2,254	
664	Other Plant Maintenance	1,753	
670	Office Salaries	12,396	
671	Management Salaries	6,943	
674	Employee Pensions and Benefits	4,572	
676	Uncollectables	684	
678	Office Service and Rentals	3,373	
681	Office Supplies and Expense	5,855	
682	Professional Services	1,107	
684	Insurance	5,525	
688	Regulatory Expense	1,890	
689	General Expense	1,641	
	Subtotal	90,058	
403	Depreciation Expense	43,236	
	Ad Valorem Taxes		
	Payroll Taxes	0	
408	Taxes other than income	2,900	
409	State Income Tax	0	
410	Federal Income Tax	0	
	Total Deductions	136,194	
	Net Revenue	26,803	
	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)

MAGALIA, BUTTE 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
6	X		
7	X		12/01/01
8	X		
9			
10			

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 IRO WATER CO., INC. PHONE 530-894-1100
MAGALIA 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			0
2 Land and Land Rights	20,674	20,674	20,674
3 Depreciable Plant	819,376	839,273	829,325
4 Gross Plant in Service	840,050	847,961	844,005
5 Less: Accumulated Depreciation	(458,501)	(501,737)	(480,119)
6 Net Water Plant in Service	381,549	389,460	385,504
7 Water Plant Held for Future Use			
8 Construction Work in Progress	7,911	14,695	11,303
9 Materials and Supplies	745	745	745
10 Less: Advances for Construction	()	()	()
11 Less: Contribution in Aid of Construction	(138,204)	(138,204)	(138,204)
12 Less: Accumulated Deferred Income and Investment Tax Credits	()	()	()
13 Net Plant Investment	252,000	266,695	259,348
CAPITALIZATION			
14 Common Stock			0
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			0
17 Retained Earnings	(92,952)	(89,150)	(91,051)
18 Common Stock and Equity (Lines 14 through 17)	(92,952)	(89,150)	(91,051)
19 Preferred Stock			
20 Long-Term Debt	344,886	327,949	336,417
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	251,934	238,799	245,367

(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
MAGALIA DISTRICT

INCOME STATEMENT

		Annual Amount
23	Unmetered Water Revenue	72,926
24	Fire Protection Revenue	_____
25	Irrigation Revenue	_____
26	Metered Water Revenue	90,071
27	Total Operating Revenue	162,997
28	Operating Expenses	90,058
29	Depreciation Expense (Composite Rate _____)	43,236
30	Amortization and Property Losses	_____
31	Property Taxes	2,900
32	Taxes Other Than Income Taxes	0
33	Total Operating Revenue Deduction Before Taxes	26,803
34	California Corp. Franchise Tax	_____
35	Federal Corporate Income Tax	_____
36	Total Operating Revenue Deduction After Taxes	26,803
37	Net Operating Income (Loss) - California Water Operations	26,803
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	408
39	Income Available for Fixed Charges	_____
40	Interest Expense	(23,409)
41	Net Income (Loss) Before Dividends	3,802
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	31,035
46	Purchased Water	11,270
47	Power	15,958

				Annual Average
<u>Active Service Connections</u> (Exc. Fire Protect.) _____		Jan. 1	Dec. 31	
48	Metered Service Connections	261	269	265
49	Flat Rate Service Connections	_____	_____	_____
50	Total Active Service Connections	261	269	265

**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	859,947	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	(89,150)
4	105	Water plant construction work in progress	14,695	218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(385,998)	224	Long term debt	310,338
6	114	Water plant acquisition adjustments	(115,739)		Current Liabilities	76,113
7	124	Other investments		252	Advances for construction	
8	131	Cash	54,804	253	Other deferred credits	
9	141	Accounts receivable - customers	13,194	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies	745		depreciation	
12	174	Other current assets	1,020	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	(7,161)	271	Contributions in aid of construction	138,204
14				272	Accumulated amortization of contributions	
15		Total Assets	435,506		Total Equity and Liabilities	435,506

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
17	303	Land	20,674				20,674
18	304	Structures					0
19	307	Wells	40,031				40,031
20	317	Other water source plant					0
21	311	Pumping equipment	482,577	940			483,517
22	320	Water treatment plant	1,655				1,655
23	330	Reservoirs tanks and sandpipes	97,520				97,520
24	331	Water mains	191,492	16,847			208,338
25	333	Services and meter installations	0	784			784
26	334	Meters	6,103	225			6,328
27	335	Hydrants	0	1,100			1,100
28	339	Other equipment					
29	340	Office furniture and equipment					0
30	341	Transportation equipment					0
31		Total water plant in service	840,051	19,896			859,947

* 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	458,501		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	43,236		
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	43,236		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	501,737		
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	Oct-02	Oct-17	344,887	314,387	7.25		23,409
6								
7								
8	Totals			344,887	314,387			23,409

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	71,376
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	90,071
14	480 Other water revenue	1,550
15	Total Operating Revenue	162,997
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	11,270
19	615 Power	15,958
20	618 Other volume related expenses	1,255
21	630 Employee labor	11,696
22	640 Materials	646
23	650 Contract work	1,240
24	660 Transportation expenses	2,254
25	664 Other plant maintenance expense	1,753
26	670 Office salaries	12,396
27	671 Management salaries	6,943
28	674 Employee pensions and benefits	4,572
29	676 Uncollectible accounts expense	684
30	678 Office services and rentals	3,373
31	681 Office supplies and expense	5,855
32	682 Professional services	1,107
33	684 Insurance	5,525
34	688 Regulatory commission expense	1,890
35	689 General expenses	1,641
36	Total Operating Expenses	90,058
37	403 Depreciation expense	43,236
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	2,900
40	409 State corporate income tax expense	
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	136,194
43	Utility Operating Income	26,803
44	421 Non-utility income	408
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	(23,409)
47	Net Income	3,802

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
Loomis					9,883,590
Indian					12,970,300
Balder Mine					

OTHER

Streams or springs location of diversion point	Flow in		(Unit)		Annual quantities diverted
	Priority right		Diversions		
	Claim	Capacity	Max	Min	(Unit)
Paradise Pines Dist					9,992,532
Purchased water (unit)					
Supplier: Paradise Pines District					Annual quantity

SCHEDULE H - OPTIONAL WATER DELIVERED TO METERED CUSTOMERS
(If figures are available) (specify unit)

Classification of service	Max. mo. Mo. of	Min. mo. Mo. of	Total for year
Residential & business	Sept	Nov	24,788,458
Industrial	Sept	Nov	5,547,120
Public authorities	Aug	Dec	2,844,660
Irrigation			
Other (specify)			
Total			33,180,238

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		11,696		11,696
49	670	Office salaries		12,396		12,396
50	671	Management salaries		6,943		6,943
51		Total		31,035		31,035

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	277	
3/4-in	1	
1-in	1	
2-in	2	
3-in	1	
Total	282	0

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	257			12			269	
Industrial	9			1			10	
Other (specify) Public Auth	3						3	
Subtotal	269			13			282	
Fire protection (Hydrants)								
Total	269			13			282	

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)

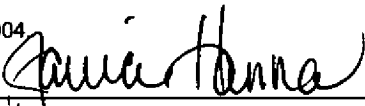
Description	No.	Combined capacity in gallons	Description	2" and under				8"		Totals
				2 1/4 to 3 1/4	4"	Other sizes (specify)				
Concrete			Cast Iron							
Earth			Welded steel	1%	20%	67%		12%		
Wood			Standard screw							
Steel			Cement-asbestos							
Other			Plastic							
			Other (specify)							
Total	0	0	Total					0		

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 - Magalia 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