

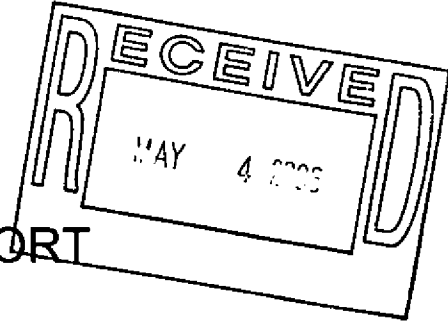
J 4

Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____

2005
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, 2005

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2006
(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 calander year, from Janauary 1 through December 31. Fiscal year reports will not be accepted.

Summary of Earnings		
Test Year 2005		
Account Number	Operating Revenue	
470	Metered	85,288
460	Unmetered	72,807
465	Irrigation	
462-480	Private Fire Protection	3,514
	Total Revenue	161,609
	Operating Expenses	
610	Purchased Water	17,146
615	Purchased Power	14,420
	Pump Taxes	0
	Purchased Chemicals	0
618	Other Vol. Related Expense	735
630	Employee Labor	8,442
640	Materials	505
650	Contract Work	1,150
	Water Testing	338
660	Transportation Expense	1,422
664	Other Plant Maintenance	1,762
670	Office Salaries	9,068
671	Management Salaries	4,917
674	Employee Pensions and Benefits	4,080
676	Uncollectables	1,039
678	Office Service and Rentals	3,405
681	Office Supplies and Expense	3,752
682	Professional Services	565
684	Insurance	4,831
688	Regulatory Expense	1,890
689	General Expense	1,850
	Subtotal	81,317
403	Depreciation Expense	17,466
	Ad Valorem Taxes	
	Payroll Taxes	0
408	Taxes other than income	2,538
409	State Income Tax	0
410	Federal Income Tax	0
	Total Deductions	101,321
	Net Revenue	60,288
	Rate Base	
	Average Plant	863,572
	Average Depreciation Reserve	(519,203)
	Net Plant	344,370
	Less: Advances	(18,731)
	Less: Contributions	(138,204)
	Plus: Construction in Progress	18,929
	Plus: Working Cash	66,783
	Plus: Material & Supplies	745
	Rate Base	273,892
	ROR=Net Rev/Rate Base	22.0%

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
X		
X		12/01/01
X		

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
2005

NAME OF UTILITY DEL ORO RO WATER CO., INC. PHONE 530-894-1100

MAGALIA DISTRICT

PERSON RESPONSIBLE FOR THIS REPORT JANICE HANNA

(Prepared from Information in the 2005 Annual Report)

	01/01/05	12/31/05	Average
BALANCE SHEET DATA			
1 Intangible Plant			0
2 Land and Land Rights	20,674	20,674	20,674
3 Depreciable Plant	839,273	842,899	841,086
4 Gross Plant in Service	859,947	863,572	861,760
5 Less: Accumulated Depreciation	(501,737)	(518,803)	(510,270)
6 Net Water Plant in Service	358,210	344,770	351,490
7 Water Plant Held for Future Use			
8 Construction Work in Progress	14,695	18,929	16,812
9 Materials and Supplies	745	745	745
10 Less: Advances for Construction	(18,731)	(18,731)	(18,731)
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	216,714	207,509	212,112
CAPITALIZATION			
14 Common Stock			0
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			0
17 Retained Earnings	(89,150)	(50,077)	(69,613)
18 Common Stock and Equity (Lines 14 through 17)	(89,150)	(50,077)	(69,613)
19 Preferred Stock			
20 Long-Term Debt	310,338	290,796	300,567
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	221,188	240,719	230,954

(Revised 2/01)

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

2005

(continued)

NAME OF UTILITY DEL ORO WATER CO., INC.
MAGALIA DISTRICT

PHONE 530-894-1100

INCOME STATEMENT

Annual
Amount

23	Unmetered Water Revenue	76,321
24	Fire Protection Revenue	_____
25	Irrigation Revenue	_____
26	Metered Water Revenue	85,288
27	Total Operating Revenue	161,609
28	Operating Expenses	81,318
29	Depreciation Expense (Composite Rate _____)	17,466
30	Amortization and Property Losses	_____
31	Property Taxes	2,538
32	Taxes Other Than Income Taxes	0
33	Total Operating Revenue Deduction Before Taxes	60,287
34	California Corp. Franchise Tax	_____
35	Federal Corporate Income Tax	_____
36	Total Operating Revenue Deduction After Taxes	60,287
37	Net Operating Income (Loss) - California Water Operations	60,287
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	710
39	Income Available for Fixed Charges	_____
40	Interest Expense	(22,324)
41	Net Income (Loss) Before Dividends	38,672
42	Preferred Stock Dividends	_____
43	Net Income (Loss) Available for Common Stock	38,672

OTHER DATA

44	Refunds of Advances for Construction	0
45	Total Payroll Charged to Operating Expenses	22,427
46	Purchased Water	17,146
47	Power	14,420

Active Service Connections (Exc. Fire Protect.) _____

	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections	269	276	272.5
49 Flat Rate Service Connections	_____	_____	_____
50 Total Active Service Connections	269	276	272.5

**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	863,572	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	(50,477)
4	105	Water plant construction work in progress	18,929	218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(403,464)	224	Long term debt	290,796
6	114	Water plant acquisition adjustments	(115,739)		Current Liabilities	35,714
7	124	Other investments		252	Advances for construction	18,731
8	131	Cash	69,244	253	Other deferred credits	
9	141	Accounts receivable - customers	13,330	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	182	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	(13,833)	271	Contributions in aid of construction	138,204
14				272	Accumulated amortization of contributions	
15		Total Assets	432,968		Total Equity and Liabilities	432,968

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	483,517	3,365			486,882
22	320	Water treatment plant	1,655				1,655
23	330	Reservoirs tanks and sandpipes	97,520				97,520
24	331	Water mains	208,338				208,338
25	333	Services and meter installations	784				784
26	334	Meters	6,328	261			6,589
27	335	Hydrants	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	859,946	3,626			863,572

* 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	385,998		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	17,466		
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	17,466		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	403,464		
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	299,562	7.25		22,324
6	North Valley Bank	Feb-03	Feb-09	17,500	10,174	7.5		
7								
8	Totals			362,387	309,736			22,324

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	72,807
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	85,288
14	480 Other water revenue	3,514
15	Total Operating Revenue	161,609
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	17,146
19	615 Power	14,420
20	618 Other volume related expenses	735
21	630 Employee labor	8,442
22	640 Materials	505
23	650 Contract work	1,488
24	660 Transportation expenses	1,422
25	664 Other plant maintenance expense	1,762
26	670 Office salaries	9,068
27	671 Management salaries	4,917
28	674 Employee pensions and benefits	4,080
29	676 Uncollectible accounts expense	1,039
30	678 Office services and rentals	3,405
31	681 Office supplies and expense	3,753
32	682 Professional services	565
33	684 Insurance	4,831
34	688 Regulatory commission expense	1,890
35	689 General expenses	1,850
36	Total Operating Expenses	81,318
37	403 Depreciation expense	17,466
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	2,538
40	409 State corporate income tax expense	
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	101,322
43	Utility Operating Income	60,287
44	421 Non-utility income	710
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	(22,324)
47	Net Income	38,672

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					9,047,420
Indian					10,687,700
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					12,527,504
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	July	Mar	23,281,925
Industrial	Sept	Dec	2,135,287
Public authorities	Aug	Jan	2,736,213
Irrigation			
Other (specify)			
Total			28,153,425

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		8,442		8,442
49	670	Office salaries		9,068		9,068
50	671	Management salaries		4,917		4,917
51		Total		22,427		22,427

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	18731
Additions during year	
Subtotal - Beginning balance plus additions during year	18731
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	18731

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

Size	Meters	Services
5/8 x 3/4-in	271	279
3/4-in	1	1
1-in	1	1
2-in	2	2
3-in	1	1
Total	276	284

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	264			7			271	
Industrial	9			1			10	
Other (specify) Public Auth	3						3	
Subtotal	276			8			284	
Fire protection (Hydrants)								
Total	276			8			284	

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)

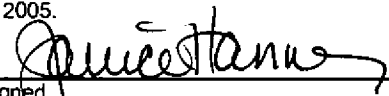
Description	No.	Combined capacity in gallons	Description	2" and	2 1/4 to	4"	8"	Totals
				under	3 1/4		Other sizes (specify)	
Concrete			Cast Iron					
Earth			Welded steel		1%	20%	67%	12%
Wood			Standard screw					
Steel			Cement-asbestos					
Other			Plastic					
			Other (specify)					
Total	0	0	Total			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, 2005, to and including December 31, 2005.


 Signed
 Janice Hanna

Title
 Director of Corporate Accounting

Date: March 31, 2006