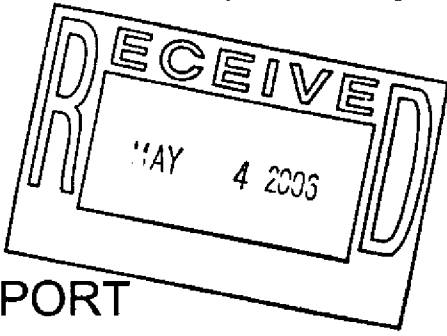


54

Received _____
Examined _____

CLASS D
WATER UTILITIES



U# _____

2005
ANNUAL REPORT
OF

DEL ORO WATER CO., INC.

WALNUT RANCH DISTRICT

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

DRAWER 5172

CHICO, CA 95927

(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	
460	Unmetered	32,776
465	Irrigation	0
462-480	Private Fire Protection	59
	Total Revenue	32,835
	Operating Expenses	
610	Purchased Water	0
615	Purchased Power	3,670
	Pump Taxes	0
	Purchased Chemicals	0
618	Other Vol. Related Expense	551
630	Employee Labor	6,939
640	Materials	1,737
650	Contract Work	800
	Water Testing	495
660	Transportation Expense	822
664	Other Plant Maintenance	0
670	Office Salaries	3,953
671	Management Salaries	0
674	Employee Pensions and Benefits	573
676	Uncollectables	0
678	Office Service and Rentals	961
681	Office Supplies and Expense	2,214
682	Professional Services	610
684	Insurance	1,712
688	Regulatory Expense	0
689	General Expense	1,589
	Subtotal	26,626
403	Depreciation Expense	1,371
	Ad Valorem Taxes	
	Payroll Taxes	839
408	Taxes other than income	0
409	State Income Tax	0
410	Federal Income Tax	0
	Total Deductions	28,837
	Net Revenue	3,998
	Rate Base	
	Average Plant	76,522
	Average Depreciation Reserve	(1,371)
	Net Plant	77,893
	Less: Advances	0
	Less: Contributions	0
	Plus: Construction in Progress	8,915
	Plus: Working Cash	1,325
	Plus: Material & Supplies	0
	Rate Base	88,133
	ROR=Net Rev/Rate Base	4.5%

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 WALNUT RANCH DISTRICT

PHONE 530-894-1100

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	1,231	1,231	1,231
2 Land and Land Rights	45	45	45
3 Depreciable Plant	42,735	75,246	58,991
4 Gross Plant in Service	44,011	76,522	60,267
5 Less: Accumulated Depreciation	0	(1,371)	(686)
6 Net Water Plant in Service	44,011	75,151	59,581
7 Water Plant Held for Future Use			
8 Construction Work in Progress	0	8,915	4,458
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	44,011	84,066	64,039
CAPITALIZATION			
14 Common Stock			
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital	0	86,764	43,382
17 Retained Earnings	0	3,998	1,999
18 Common Stock and Equity (Lines 14 through 17)	0	90,762	45,381
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	0	90,762	45,381

(Revised 2/01)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2005
(continued)

NAME OF UTILITY WALNUT RANCH DISTRICT PHONE 530-894-1100

		Annual Amount
INCOME STATEMENT		
23	Unmetered Water Revenue	32,835
24	Fire Protection Revenue	_____
25	Irrigation Revenue	_____
26	Metered Water Revenue	_____
27	Total Operating Revenue	32,835
28	Operating Expenses	26,626
29	Depreciation Expense (Composite Rate _____)	1,371
30	Amortization and Property Losses	_____
31	Property Taxes	0
32	Taxes Other Than Income Taxes	839
33	Total Operating Revenue Deduction Before Taxes	3,998
34	California Corp. Franchise Tax	0
35	Federal Corporate Income Tax	_____
36	Total Operating Revenue Deduction After Taxes	3,998
37	Net Operating Income (Loss) - California Water Operations	3,998
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	_____
39	Income Available for Fixed Charges	_____
40	Interest Expense	_____
41	Net Income (Loss) Before Dividends	3,998
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	10,892
46	Purchased Water	0
47	Power	3,670

				Annual Average
<u>Active Service Connections</u>	(Exc. Fire Protect.) _____	Jan. 1	Dec. 31	
48	Metered Service Connections	79	78	78.5
49	Flat Rate Service Connections	_____	_____	_____
50	Total Active Service Connections	79	78	78.5

**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, 2005)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	76,522	201	Common Stock (Corporations only)	
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	86,764
3	104	Water plant purchased or sold		215	Retained earnings	3,998
4	105	Water plant construction work in progress	8,915	218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(1,371)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	2,569
7	124	Other investments		252	Advances for construction	
8	131	Cash	1,325	253	Other deferred credits	
9	141	Accounts receivable - customers	2,833	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies	5,032	282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies			depreciation	
12	174	Other current assets	77	283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets	93,332		Total Equity and Liabilities	93,332

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	1,231				1,231
17	303	Land	45				45
18	304	Structures	541				541
19	307	Wells	21,794				21,794
20	317	Other water source plant					0
21	311	Pumping equipment	13,047	29,311			42,358
22	320	Water treatment plant					0
23	330	Reservoirs tanks and sandpipes	1,788				1,788
24	331	Water mains	4,345	3,200			7,545
25	333	Services and meter installations	546				546
26	334	Meters					0
27	335	Hydrants	514				514
28	339	Other equipment	160				160
29	340	Office furniture and equipment					0
30	341	Transportation equipment					0
31		Total water plant in service	44,011	32,511			76,522

* 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	0		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	1,371		
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	1,371		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	1,371		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2005)

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								
6								
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	32,776
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	
14	480 Other water revenue	59
15	Total Operating Revenue	32,835
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	0
19	615 Power	3,670
20	618 Other volume related expenses	551
21	630 Employee labor	6,939
22	640 Materials	1,737
23	650 Contract work	1,295
24	660 Transportation expenses	822
25	664 Other plant maintenance expense	0
26	670 Office salaries	2,563
27	671 Management salaries	1,390
28	674 Employee pensions and benefits	573
29	676 Uncollectible accounts expense	0
30	678 Office services and rentals	961
31	681 Office supplies and expense	2,214
32	682 Professional services	610
33	684 Insurance	1,712
34	688 Regulatory commission expense	1,589
35	689 General expenses	0
36	Total Operating Expenses	26,626
37	403 Depreciation expense	1,371
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	839
40	409 State corporate income tax expense	
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	28,837
43	Utility Operating Income	3,998
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	
47	Net Income	3,998

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
LOT A WALNUT RANCH SUBDIVISION	1	16	20	875	17,597,900
A & SUBDIVISION BOUNDARY AUX. STANDBY PUMP	1	12	20	650	9,558,300

OTHER

Streams or springs location of diversion point	Flow in		(Unit)		Annual quantities diverted
	Priority right		Diversions		
	Claim	Capacity	Max	Min	(Unit)
NONE					
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. Mo. of	Min. mo. Mo. of	Total for year
Residential & business			
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total			0

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	1	6,185		6,185
49	670	Office salaries		2,563		2,563
50	671	Management salaries		1,390		1,390
51		Total		10,138		10,138

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		
3/4-in		
1-in		
1.5'-in		
Total		

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 NONE	

SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences		78	78		1	1		79
Industrial								
Other (specify)								
Fire Dept.								
School								
Subtotal					1	1		1
Fire protection (Hydrants)		8	8					8
Total		86	86		1	1		87

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)

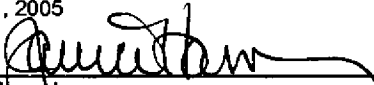
Description	No.	Combined capacity in gallons	Description	2" and 8"				Totals
				2" and under	2 1/4 to 3 1/4	4"	8" Other sizes (specify)	
Concrete			Cast Iron					
Earth			Welded steel					0
Wood			Standard screw					0
Steel	1	5,000	Cement-asbestos			180	3900	5,570
Other			Plastic					0
			Other (specify)					0
Total	1	5,000	Total	0	0	180	3900	5,570

DECLARATION

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

I, the undersigned (Director Corporate Accting) of Del Oro Water Co., Inc., Walnut Ranch 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