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CLASS D
WATER UTILITIES

RECEIVED
MAY 7 - 2007
UTILITY AUDIT, FINANCE AND
COMPLIANCE BRANCH WATER DIVISION

U# _____

2006
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, 2006

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2007
(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 2006			
Account Number	Operating Revenue		
470	Metered		
460	Unmetered		31,968
465	Irrigation		0
462-480	Private Fire Protection		60
	Total Revenue		32,028
	Operating Expenses		
610	Purchased Water		0
615	Purchased Power		3,996
	Pump Taxes		0
	Purchased Chemicals		0
618	Other Vol. Related Expense		439
630	Employee Labor		6,664
640	Materials		425
650	Contract Work		1,618
	Water Testing		440
660	Transportation Expense		3,625
664	Other Plant Maintenance		0
670	Office Salaries		2,873
671	Management Salaries		1,295
674	Employee Pensions and Benefits		732
676	Uncollectables		104
678	Office Service and Rentals		972
681	Office Supplies and Expense		1,560
682	Professional Services		385
684	Insurance		1,166
688	Regulatory Expense		0
689	General Expense		3,005
	Subtotal		29,299
403	Depreciation Expense		1,371
	Ad Valorem Taxes		
	Payroll Taxes		772
408	Taxes other than income		0
409	State Income Tax		0
410	Federal Income Tax		0
	Total Deductions		31,442
	Net Revenue		586
	Rate Base		
	Average Plant		76,576
	Average Depreciation Reserve		(2,742)
	Net Plant		73,834
	Less: Advances		0
	Less: Contributions		0
	Plus: Construction in Progress		19,318
	Plus: Working Cash		0
	Plus: Material & Supplies		0
	Rate Base		93,152
	ROR=Net Rev/Rate Base		0.6%

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

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)

COLUSA, COLUSA 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) **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
<input type="checkbox"/>	<input checked="" type="checkbox"/>	1999
<input checked="" type="checkbox"/>	<input type="checkbox"/>	12/14/05
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1994
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	

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 WALNUT RANCH DISTRICT PHONE 530-894-1100

PERSON RESPONSIBLE FOR THIS REPORT JANICE HANNA
(Prepared from Information in the 2006 Annual Report)

	01/01/06	12/31/06	Average
BALANCE SHEET DATA			
1 Intangible Plant	1,231	1,231	1,231
2 Land and Land Rights	45	45	45
3 Depreciable Plant	75,246	75,300	75,273
4 Gross Plant in Service	76,522	76,576	76,549
5 Less: Accumulated Depreciation	(1,371)	(2,742)	(2,057)
6 Net Water Plant in Service	75,151	73,834	74,492
7 Water Plant Held for Future Use			
8 Construction Work in Progress	8,915	19,318	14,116
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	<u>84,066</u>	<u>93,152</u>	<u>88,609</u>
CAPITALIZATION			
14 Common Stock			
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital	86,764	89,341	88,053
17 Retained Earnings	3,998	6,174	5,086
18 Common Stock and Equity (Lines 14 through 17)	90,762	95,515	93,139
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	<u>90,762</u>	<u>95,515</u>	<u>93,139</u>

(Revised 2/01)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2006

(continued)

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

	Annual Amount
INCOME STATEMENT	
23 Unmetered Water Revenue	33,618
24 Fire Protection Revenue	_____
25 Irrigation Revenue	_____
26 Metered Water Revenue	_____
27 Total Operating Revenue	33,618
28 <u>Operating Expenses</u>	29,299
29 Depreciation Expense (Composite Rate _____)	1,371
30 Amortization and Property Losses	_____
31 Property Taxes	0
32 Taxes Other Than Income Taxes	772
33 Total Operating Revenue Deduction Before Taxes	2,176
34 California Corp. Franchise Tax	0
35 Federal Corporate Income Tax	_____
36 Total Operating Revenue Deduction After Taxes	2,176
37 Net Operating Income (Loss) - California Water Operations	2,176
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	2,176
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	10,095
46 Purchased Water	0
47 Power	3,996

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

**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, 2006)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	76,576	201	Common Stock (Corporations only)	
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	89,341
3	104	Water plant purchased or sold		215	Retained earnings	6,174
4	105	Water plant construction work in progress	19,318	218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(2,742)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	3,566
7	124	Other investments		252	Advances for construction	
8	131	Cash	2,672	253	Other deferred credits	
9	141	Accounts receivable - customers	2,381	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies	24	282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies			depreciation	
12	174	Other current assets	82	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	770	271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets	99,081		Total Equity and Liabilities	99,081

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	42,358	54			42,412
22	320	Water treatment plant					0
23	330	Reservoirs tanks and sandpipes	1,788				1,788
24	331	Water mains	7,545				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	76,522	54			76,576

* 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	1,371		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	2,742		
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		
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 under				8" Other sizes (specify)	Totals
				2 1/4 to 3 1/4	4"	6"	8"		
Concrete			Cast Iron						
Earth			Welded steel					0	
Wood			Standard screw					0	
Steel	1	5,000	Cement-asbestos		180	3900	1490	5,570	
Other			Plastic					0	
			Other (specify)					0	
Total	1	5,000	Total	0	0	180	3900	1490	

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, 2006 to and including December 31, 2006


 Signed
 Janice Hanna
 Title
 Director of Corporate Accounting
 Date: March 31, 2007