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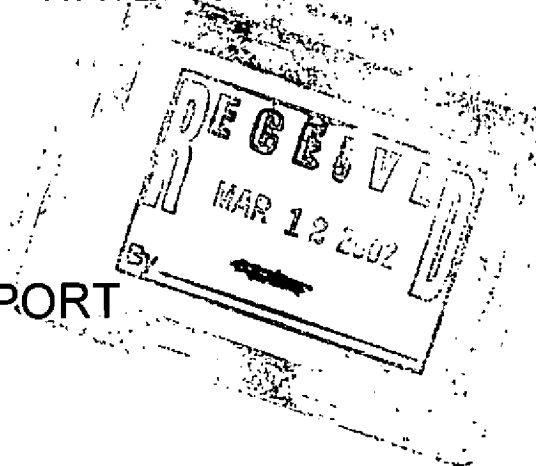
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CLASS D
WATER UTILITIES

U# 221 _____

2001
ANNUAL REPORT
OF



EASTON ESTATES WATER COMPANY

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

5132 N. PALM, PMB 114, FRESNO, CA

93704

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2001

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2002
(FILE TWO COPIES IF THREE RECEIVED)

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

EASTON ESTATES WATER COMPANY

(Name under which corporation, partnership or individual is doing business)

5132 N. PALM, PMB 114, FRESNO, CA 93704

(Official mailing address)

FRESNO, FRESNO COUNTY

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

- 1 If a corporation show:
 - (A) Date of organization 6/8/60 incorporated in the State of California
 - (B) Names, titles and addresses of principal officers: Francis H. Ferraro - President
Dovie Ferraro-Vice President Claudia Stanley-Secretary
- 2 If unincorporated give the name and address of owner or of each partner:
N/A
- 3 Name and telephone number of: Claudia Stanley 559-439-0198
 - (A) One person listed above to receive correspondence: Claudia Stanley 559-439-0198
 - (B) Person responsible for operations and services: George Stanley 559-439-0198
- 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) YES
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? Operations & Administration services provided by C. Stanley, CPA & Associates
- 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: N/A

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		2001
X		Dec-01
X		1960
N/A		
N/A		

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
2001

NAME OF UTILITY EASTION ESTATES WATER COMPANY PHONE 439-0198

PERSON RESPONSIBLE FOR THIS REPORT Claudia Stanley, CPA
(Prepared from Information in the 2001 Annual Report)

	1/1/01	12/31/01	Average
BALANCE SHEET DATA			
1 Intangible Plant	<u>1164</u>	<u>1164</u>	<u>1164</u>
2 Land and Land Rights			
3 Depreciable Plant	<u>312191</u>	<u>312191</u>	<u>312191</u>
4 Gross Plant in Service	<u>313355</u>	<u>313355</u>	<u>313355</u>
5 Less: Accumulated Depreciation	<u>103844</u>	<u>117948</u>	<u>110896</u>
6 Net Water Plant in Service	<u>209511</u>	<u>195407</u>	<u>202459</u>
7 Water Plant Held for Future Use	<u>0</u>	<u>0</u>	<u>0</u>
8 Construction Work in Progress	<u>0</u>	<u>0</u>	<u>0</u>
9 Materials and Supplies	<u>0</u>	<u>0</u>	<u>0</u>
10 Less: Advances for Construction	<u>0</u>	<u>0</u>	<u>0</u>
11 Less: Contribution in Aid of Construction	<u>0</u>	<u>0</u>	<u>0</u>
12 Less: Accumulated Deferred Income and Investment Tax Credits	<u>0</u>	<u>0</u>	<u>0</u>
13 Net Plant Investment	<u>209511</u>	<u>195407</u>	<u>202459</u>
CAPITALIZATION			
14 Common Stock	<u>27200</u>	<u>27200</u>	<u>27200</u>
15 Proprietary Capital (Individual or Partnership)	<u>0</u>	<u>0</u>	<u>0</u>
16 Paid-in Capital	<u>0</u>	<u>0</u>	<u>0</u>
17 Retained Earnings	<u>40504</u>	<u>45673</u>	<u>43089</u>
18 Common Stock and Equity (Lines 14 through 17)	<u>67704</u>	<u>72873</u>	<u>70289</u>
19 Preferred Stock	<u>0</u>	<u>0</u>	<u>0</u>
20 Long-Term Debt	<u>169353</u>	<u>164864</u>	<u>167109</u>
21 Notes Payable	<u>0</u>	<u>0</u>	<u>0</u>
22 Total Capitalization (Lines 18 through 21)	<u>237057</u>	<u>237737</u>	<u>237398</u>

(Revised 2/01)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2001

NAME OF UTILITY EASTON ESTATES WATER CO PHONE 559-439-0198

INCOME STATEMENT

	Annual Amount
23 Unmetered Water Revenue	46903
24 Fire Protection Revenue SDWBA Revenue	11122
25 Irrigation Revenue Other Income	495
26 Metered Water Revenue	1893
27 Total Operating Revenue	60413
28 <u>Operating Expenses</u>	38644
29 Depreciation Expense (Composite Rate 2.5%)	3071
30 Amortization and Property Losses SDBWA Amortization	6331
31 Property Taxes	337
32 Taxes Other Than Income Taxes	0
33 Total Operating Revenue Deduction Before Taxes	48383
34 California Corp. Franchise Tax	800
35 Federal Corporate Income Tax	0
36 Total Operating Revenue Deduction After Taxes	49183
37 Net Operating Income (Loss) - California Water Operations	11230
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	1555
39 Income Available for Fixed Charges	12785
40 Interest Expense	7616
41 Net Income (Loss) Before Dividends	5169
42 Preferred Stock Dividends	0
43 Net Income (Loss) Available for Common Stock	5169

OTHER DATA

44 Refunds of Advances for Construction	0
45 Total Payroll Charged to Operating Expenses	0
46 Purchased Water	0
47 Power	6403

			Annual Average
<u>Active Service Connections</u>	(Exc. Fire Protect.)	Jan. 1	Dec. 31
48 Metered Service Connections		2	2
49 Flat Rate Service Connections		103	105
50 Total Active Service Connections		105	107

**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:

Name: WestAmerica Bank
Address: 790 W. Shaw Ave. Fresno, CA 93704
Phone Number: 559-221-2202
Date Hired: 9/5/00

2. Former Fiscal Agent:

Name: _____
Address: _____
Phone Number: _____
Date Hired: _____

3. Total surcharge collected from customers during the 12 month reporting period:

\$11,122

4. Summary of the trust bank account activities showing:

Balance at beginning of year	<u>26275.38</u>
Deposits during the year	<u>11,067.91</u>
Withdrawals made for loan payments	<u>(9,866.70)</u>
Other withdrawals from this account	<u>(12.00)</u>
Balance at end of year	<u>27,464.59</u>

5. Account information:

Bank Name: WestAmerica Bank
Account Number: 2254-95563-2
Date Opened: 9/13/00

6. Plant amounts included in Schedule A-1a, Account No. 101--Water Plant in Service which were funded using SDWBA funds:

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	3520				3520
7	307	Wells	112856				112856
8	317	Other water source plant					0
9	311	Pumping equipment	48118				48118
10	320	Water treatment plant					0
11	330	Reservoirs, tanks and sandpipes	25443				25443
12	331	Water mains					0
13	333	Services and meter installations					0
14	334	Meters					0
15	335	Hydrants					0
16	339	Other equipment					0
17	340	Office furniture and equipment					0
18	341	Transportation equipment					0
19		Total depreciable plant	189937				189937
20		Total water plant in service	189937	0	0	0	189937

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2001)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	313950	201	Common Stock (Corporations only)	27200
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	45673
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	-117948	224	Long term debt	164864
6	114	Water plant acquisition adjustments			Current Liabilities	60579
7	124	Other investments		252	Advances for construction	
8	131	Cash	51734	253	Other deferred credits	9647
9	141	Accounts receivable - customers	8289	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	51938	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	307963		Total Equity and Liabilities	307963

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	1164				1164
17	303	Land					0
18	304	Structures	792				792
19	307	Wells	23660				23660
20	317	Other water source plant					0
21	311	Pumping equipment	15641				15641
22	320	Water treatment plant					0
23	330	Reservoirs tanks and sandpipes	11518				11518
24	331	Water mains	48811				48811
25	333	Services and meter installations	8611				8611
26	334	Meters	1652				1652
27	335	Hydrants	5860				5860
28	339	Other equipment					0
29	340	Office furniture and equipment	6304				6304
30	341	Transportation equipment (SDWBA Plt)	189937				189937
31		Total water plant in service	313950				313950

* 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	70559	37987	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	3071	6331	Straight line 2.5%
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	3071	6331	covered by this report \$ 2903
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. Straight line.
44	Total debits	0	0	
45	Balance in reserve at end of year	73630	44318	
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2001)

Line	1	Common - (Shares	,	\$	par)	27200		List persons owning more than 5% of outstanding stock
	2	Preferred - (Shares	,	\$	par)			and number of shares owned by each:
	3	Dividends - Common	Rate - \$					Francis H. Ferraro 100%
	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	SDWBA Loan	1996	2025	192982	164864	3.18	5377	5377
6								
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	46903
11	462 SDWBA revenue	11122
12	465 Irrigation revenue	0
13	470 Metered water revenue	1893
14	480 Other water revenue	495
15	Total Operating Revenue	60413
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	
19	615 Power	6403
20	618 Other volume related expenses	
21	630 Employee labor	
22	640 Materials	251
23	650 Contract work	3129
24	660 Transportation expenses	
25	664 Other plant maintenance expense	
26	670 Office salaries	
27	671 Management salaries	
28	674 Employee pensions and benefits	
29	676 Uncollectible accounts expense	158
30	678 Office services and rentals	2400
31	681 Office supplies and expense	8619
32	682 Professional services	14410
33	684 Insurance	1942
34	688 Regulatory commission expense	670
35	689 General expenses	662
36	Total Operating Expenses	38644
37	403 Depreciation expense	3071
38	407 SDWBA loan amortization expense	6331
39	408 Taxes other than income taxes	337
40	409 State corporate income tax expense	800
41	410 Federal corporate income tax expense	0
42	Total Operating Revenue Deductions	49183
43	Utility Operating Income	11230
44	421 Non-utility income	1555
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	7616
47	Net Income	5169

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
Corner of Cherry & Fantz	1	16	63	730	N/A
Corner of Anna & Joy	1	10	61	510	N/A

OTHER

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

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			

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	0			
49	670	Office salaries	0			
50	671	Management salaries	0			
51		Total	0			

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	0
Additions during year	0
Subtotal - Beginning balance plus additions during year	0
Refunds	0
Transfers to Acct. 271 - Contributions in Aid of Construction	0
Balance end of year	0

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

Size	Meters	Services
3/4 x 3/4-in		
3/4-in		
1-in	1	106
2-in	1	1
-in		
Total	2	107

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	1	105	106		1	1	1	106
Industrial	1		1			0	1	0
Other (specify)								
Subtotal	2	105	107	0	1	1	2	106
Fire protection (Hydrants)								
Total	2	105	107	0	1	1	2	106

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				Other sizes (specify)	Totals
				2 1/4 to 3 1/4	4"				
Concrete			Cast Iron						
Earth			Welded steel						
Wood			Standard screw						
Steel			Cement-asbestos						
Other			Plastic						
			Other (specify)						
Total			Total						

DECLARATION

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

I, the undersigned (officer, partner or owner) of _____ EASTON ESTATES WATER COMPANY 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, 2001 to and including December 31, 2001.

Signed Claudia Stang, CPA
 Title Secretary
 Date 3/4/02

**Summary of Earnings
Test Year 2001**

Account Number	Operating Revenue	
470	Metered	1893
460	Unmetered	46903
465	Irrigation	
462-480	Private Fire Protection	
	Total Revenue	48796
	Operating Expenses	
610	Purchased Water	
615	Purchased Power	6403
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	
630	Employee Labor	
640	Materials	251
650	Contract Work	1967
	Water Testing	1162
660	Transportation Expense	
664	Other Plant Maintenance	
670	Office Salaries	
671	Management Salaries	
674	Employee Pensions and Benefits	
676	Uncollectables	158
678	Office Service and Rentals	2400
681	Office Supplies and Expense	8619
682	Professional Services	14410
684	Insurance	1942
688	Regulatory Expense	670
689	General Expense	662
	Subtotal	38644
403	Depreciation	3071
	Ad Valorem Taxes	337
	Payroll taxes	
	Taxes other than income	
409	State Income Tax	800
410	Federal Income Tax	
	Total Deductions	42852
	Net Revenue	5944
	Rate Base	
	Average Plant	123418
	Average Depreciation Reserve	72094
	Net Plant	51324
	Less: Advances	0
	Less: Contributions	0
	Plus: Construction Work in Progress	0
	Plus: Working Cash	0
	Plus: Material & Supplies	0
	Rate Base	51324
	ROR=Net Rev/Rate Base	11.58%