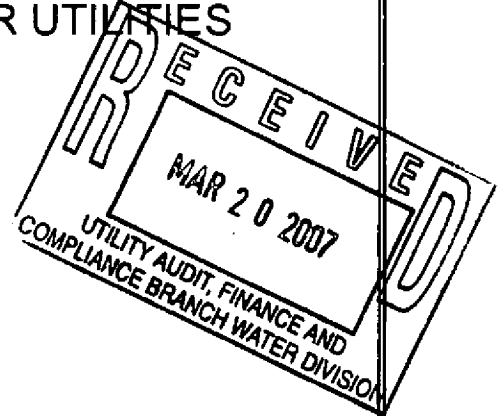


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Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____



2006
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, 2006

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2007

(FILE TWO COPIES IF THREE RECEIVED)

Received _____
Examined _____

**CLASS D
WATER UTILITIES**

U# _____

**2006
ANNUAL REPORT
OF**

Easton Estates Water Company

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

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**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
ATTN: Kayode Kajoypaiye
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, typed or computer generated.
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 flow 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.

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)

Telephone Number: (559) 439-0198

Fax Number: (559) 439-8430

Email Address: N/A

GENERAL INFORMATION

(Attach a supplementary statement, if necessary)

RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

- 1 If a corporation show:
 - (A) Date of organization 6/8/1960 incorporated in the State of California
 - (B) Names, titles and addresses of principal officers:

Francis Ferraro-President
Dovie Ferraro-Vice President
Claudia Stanley-Secretary
- 2 If unincorporated provide the name and address of the owner(s) or the partners:

N/A
- 3 Name, title, and telephone number of:
 - (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
- 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		2006
X		12/31/06
X		1960
N/A		
N/A		

- 11 List Name, Grade, and License Number of all Licensed Operators:
George Stanley, Grade D 2, License Number 20812

**CLASS B, C AND D WATER COMPANIES
SAFE DRINKING WATER BOND ACT DATA**

Please COMPLETE 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: 709 W. Shaw Ave Fresno, CA 93704
Phone Number: (559) 221-2202
Date Hired: 9/5/2000

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

\$11,384.73

3. Summary of the trust bank account activities showing:

Balance at beginning of year	<u>\$33,098.99</u>
Deposits during the year	<u>11,417.62</u>
Withdrawals made for loan payments	<u>9,870.04</u>
Other withdrawals from this account	<u>0.00</u>
Balance at end of year	<u>\$34,646.57</u>

**CLASS B, C AND D WATER COMPANIES
SAFE DRINKING WATER BOND ACT DATA**

4. Plant amounts which were funded using SDWBA funds should also be included in Schedule A, Account No. 101--Water Plant in Service

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	0				0
3	303	Land	0				0
4		Total non-depreciable plant	0				0
5		DEPRECIABLE PLANT					
6	304	Structures	3520				3520
7	307	Wells	112856				112856
8	317	Other water source plant	0				0
9	311	Pumping equipment	48118				48118
10	320	Water treatment plant	0				0
11	330	Reservoirs, tanks and sandpipes	25443				25443
12	331	Water mains	0				0
13	333	Services and meter installations	0				0
14	334	Meters	0				0
15	335	Hydrants	0				0
16	339	Other equipment	0				0
17	340	Office furniture and equipment	0				0
18	341	Transportation equipment	0				0
19		Total depreciable plant	189937				189937
20		Total water plant in service	189937				189937

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2006)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	338103	201	Common Stock (Corporations only)	27200
2	103	Water plant held for future use	0	211	Other paid-in capital (Corporations only)	0
3	104	Water plant purchased or sold	0	215	Retained earnings	67286
4	105	Water plant construction work in progress	0	218	Proprietary capital	0
5	108	Accumulated depreciation of water plant	150847	224	Long term debt	142725
6	114	Water plant acquisition adjustments	0		Current Liabilities	5335
7	124	Other investments	0	252	Advances for construction	0
8	131	Cash	52797	253	Other deferred credits	11155
9	141	Accounts receivable - customers	12044	255	Accumulated deferred investment tax credits	0
10	142	Receivables from associated companies	0	282	Accumulated deferred income taxes - Acrs	0
11	151	Materials and supplies	0		depreciation	0
12	174	Other current assets	1604	283	Accumulated deferred income taxes - other	0
13	180	Deferred charges	0	271	Contributions in aid of construction	0
14				272	Accumulated amortization of contributions	0
15		Total Assets	253701		Total Equity and Liabilities	253701

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				0
18	304	Structures	1617				1617
19	307	Wells	44923				44923
20	317	Other water source plant	0				0
21	311	Pumping equipment	11102				11102
22	320	Water treatment plant	0				0
23	330	Reservoirs tanks and sandpipes	8489				8489
24	331	Water mains	48811				48811
25	333	Services and meter installations	13407				13407
26	334	Meters	1652				1652
27	335	Hydrants	5860				5860
28	339	Other equipment	0	3911			3911
29	340	Office furniture and equipment	7230				7230
30	341	Transportation equipment - SDWBA	189937				189937
31		Total water plant in service	334192				338103

* 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	72099	69643	A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 272	0	0	
35	(b) Charged to Account No. 403	2773	6331	Straight Line 2.5%
36	(c) Charged to Account No. 407	0	0	B. Amount of depreciation expense claimed
37	(d) Salvage recovered	0	0	or to be claimed on utility property in
38	(e) All other credits	0	0	your federal income tax return for the year
39	Total credits	2773	6331	covered by this report \$ 2872
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired			
42	(b) Cost of removal	0	0	C. State method used to compute tax
43	(c) All other debits	0	0	depreciation Straight Line
44	Total debits	0	0	
45	Balance in reserve at end of year	74872	75974	
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2006)

Line				
1	Common - (Shares	272, \$	100 par)	27200
2	Preferred - (Shares	, \$	par)	
3	Dividends - Common	Rate - \$		
4	- Preferred	Rate - \$		

List persons owning more than 5% of outstanding stock and number of shares owned by each:
Francis H Ferraro 272 Shares

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	140,024	3.1775	4576	4576
6								
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	50841
11	462 Fire protection revenue	0
12	465 Irrigation revenue SDWBA	11378
13	470 Metered water revenue	3278
14	480 Other water revenue	115
15	Total Operating Revenue	65612
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	0
19	615 Purchased power	6316
20	618 Other volume related expenses	0
21	630 Employee labor	0
22	640 Materials	0
23	650 Contract work	8719
24	660 Transportation expenses	0
25	664 Other plant maintenance expense	0
26	670 Office salaries	0
27	671 Management salaries	0
28	674 Employee pensions and benefits	0
29	676 Uncollectible accounts expense	-36
30	678 Office services and rentals	6600
31	681 Office supplies and expense	6980
32	682 Professional services	12457
33	684 Insurance	2877
34	688 Regulatory commission expense	740
35	689 General expenses	726
36	Total Operating Expenses	45379
37	403 Depreciation expense	2773
38	407 SDWBA loan amortization expense	6331
39	408 Taxes other than income taxes	358
40	409 State income tax expense	800
41	410 Federal income tax expense	0
42	Total Operating Revenue Deductions	55641
43	Utility Operating Income	9971
44	421 Non-utility income	33
45	426 Miscellaneous non-utility expense	0
46	427 Interest expense	4644
47	Net Income	5360

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 Joy & Anna	1	16	61	510	N/A

OTHER

Streams or springs location of diversion point	Flow in Priority right		(Unit) Diversions		Annual Quantities Diverted
	Claim	Capacity	Max	Min	
N/A	N/A	N/A	N/A	N/A	N/A
Purchased water (unit)	N/A				
Supplier:	N/A		Annual Quantity		
			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	N/A	N/A	N/A
Industrial/Commercial	N/A	N/A	N/A
Fire Protection	N/A	N/A	N/A
Irrigation	N/A	N/A	N/A
Other (specify)	N/A	N/A	N/A
Total	N/A	N/A	N/A

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	N/A	N/A	N/A	N/A
49	670	Office salaries	N/A	N/A	N/A	N/A
50	671	Management salaries	N/A	N/A	N/A	N/A
51		Total	N/A	N/A	N/A	N/A

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
5/8 x 3/4-in		
3/4-in		
1-in	2	105
2-in	1	
-in		
Total	3	105

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	2	103	105	0	3	3	2	106
Industrial/Commercial	0	0	0	0	0	0	0	0
Irrigation	0	0	0	0	0	0	0	0
Fire Protection (public)	0	0	0	0	0	0	0	0
Fire Protection (private)	0	0	0	0	0	0	0	0
Other (specify)	1	0	1	0	0	0	1	0
Total	3	103	106	0	3	3	3	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)

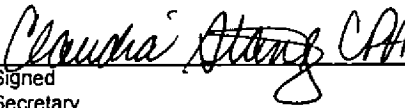
Description	No.	Combined capacity in gallons	Description	2" and	2 1/4 to	4"	Other sizes (specify)	Totals
				under	3 1/4			
Concrete	N/A	N/A	Cast Iron	N/A	N/A	N/A	N/A	N/A
Earth	N/A	N/A	Welded steel	N/A	N/A	N/A	N/A	N/A
Wood	N/A	N/A	Standard screw	N/A	N/A	N/A	N/A	N/A
Steel	N/A	N/A	Cement-asbestos	N/A	N/A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

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, documents, 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 calendar year.

January 1, 2006 through December 31, 2006.


 Signed
 Secretary
 Title
 Date 3/17/07