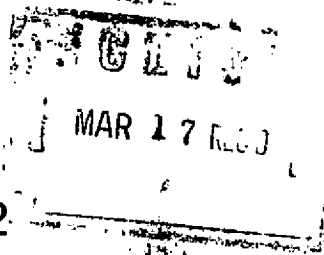


J
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Received _____
Examined _____

CLASS D
WATER-UTILITIES

U# _____



2002
ANNUAL REPORT
OF

FOOTHILL DITCH COMPANY

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

P.O. BOX 175, EXETER, CA 93221

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2002

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2003
(FILE TWO COPIES IF THREE RECEIVED)

Received _____

Examined _____

CLASS D
WATER UTILITIES

U# _____

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ANNUAL REPORT
OF

FOOTHILL DITCH COMPANY

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

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FOR THE
YEAR ENDED DECEMBER 31, 2002

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2003
(FILE TWO COPIES IF THREE RECEIVED)

COPY

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 2002**

Account Number	Operating Revenue	
470	Metered	
460	Unmetered	
465	Irrigation	92 914
462-480	Private Fire Protection	
	Total Revenue	92 914
	Operating Expenses	
610	Purchased Water	
615	Purchased Power	
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	
630	Employee Labor	
640	Materials	9 732
650	Contract Work	26 527
	Water Testing	
660	Transportation Expense	2 822
664	Other Plant Maintenance	
670	Office Salaries	2 400
671	Management Salaries	3 600
674	Employee Pensions and Benefits	
676	Uncollectables	
678	Office Service and Rentals	
681	Office Supplies and Expense	
682	Professional Services	1 345
684	Insurance	15 656
688	Regulatory Expense	
689	General Expense	9 862
	Subtotal	71 944
403	Depreciation Expense	814
	Ad Valorem Taxes	
	Payroll taxes	
408	Taxes other than income	439
409	State Income Tax	1 825
410	Federal Income Tax	2 725
	Total Deductions	77 747
	Net Revenue	15 167
	Rate Base	
	Average Plant	118 927
	Average Depreciation Reserve	103 095
	Net Plant	15 832
	Less: Advances	
	Less: Contributions	
	Plus: Construction Work in Progress	
	Plus: Working Cash	
	Plus: Material & Supplies	
	Rate Base	15 832
	ROR=Net Rev/Rate Base	.96

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

FOOTHILL DITCH COMPANY

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

P.O. BOX 175, EXETER, CA 93221

(Official mailing address)

EXETER - TULARE COUNTY

(Service area-town and county)

GENERAL INFORMATION

**RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES**

- 1 If a corporation show:
 - (A) Date of organization April 25, 1914 incorporated in the State of California
 - (B) Names, titles and addresses of principal officers:

Patricia P. Jacobsen, President
- 2 If unincorporated give the name and address of owner or of each partner:

Richard C. Jacobsen, Secty/Treasure
20700 Avenue 314 (P.O. Box 175)
Exeter, CA 93221
- 3 Name and telephone number of:
 - (A) One person listed above to receive correspondence: Patricia P. Jacobsen (559) 592-2104
 - (B) Person responsible for operations and services: Mark Pascoe (559) 592-2104
- 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? Rocky Hill Incorporated (See Reverse Side)
- 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"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	

SPECIAL INSTRUCTIONS (over)

Page 1, #4 - Continued

Materials	Acct. 640.00	\$ 9 732
Contract Work	Acct. 650.00	\$26 527
Office Salary	Acct. 670.00	\$ 2 400
Management Salary	Acct. 671.00	\$ 3 600
Transportation Expense	Acct. 660.00	\$ 2 822

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

2002

NAME OF UTILITY FOOTHILL DITCH COMPANY

PHONE (559) 592-2104

PERSON RESPONSIBLE FOR THIS REPORT See Attached Accounting Report

(Prepared from Information in the 2002 Annual Report)

	1/1/02	12/31/02	Average
BALANCE SHEET DATA			
1 Intangible Plant	10000	10000	10000
2 Land and Land Rights	3754	3754	3754
3 Depreciable Plant	105173	105173	105173
4 Gross Plant in Service	118927	118927	118927
5 Less: Accumulated Depreciation	102688	103502	103095
6 Net Water Plant in Service	16239	15425	15832
7 Water Plant Held for Future Use			
8 Construction Work in Progress			
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	16239	15425	15832
CAPITALIZATION			
14 Common Stock	10000	10000	10000
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			
17 Retained Earnings	104485	120580	112533
18 Common Stock and Equity (Lines 14 through 17)	114485	130580	122533
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	114485	130580	122533

(Revised 2/01)

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

20 02

(continued)

NAME OF UTILITY FOOTHILL DITCH COMPANY

PHONE (559) 592-2104

INCOME STATEMENT

Annual
Amount

23	Unmetered Water Revenue	
24	Fire Protection Revenue	
25	Irrigation Revenue	<u>92914</u>
26	Metered Water Revenue	
27	Total Operating Revenue	<u>92914</u>
28	Operating Expenses	<u>71994</u>
29	Depreciation Expense (Composite Rate _____)	<u>814</u>
30	Amortization and Property Losses	
31	Property Taxes	<u>439</u>
32	Taxes Other Than Income Taxes	
33	Total Operating Revenue Deduction Before Taxes	<u>73247</u>
34	California Corp. Franchise Tax	<u>1825</u>
35	Federal Corporate Income Tax	<u>2725</u>
36	Total Operating Revenue Deduction After Taxes	<u>77797</u>
37	Net Operating Income (Loss) - California Water Operations	<u>15117</u>
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u>928</u>
39	Income Available for Fixed Charges	<u>16045</u>
40	Interest Expense	
41	Net Income (Loss) Before Dividends	<u>16045</u>
42	Preferred Stock Dividends	
43	Net Income (Loss) Available for Common Stock	<u>16045</u>

OTHER DATA

44	Refunds of Advances for Construction	
45	Total Payroll Charged to Operating Expenses	<u>6000</u>
46	Purchased Water	
47	Power	

Active Service Connections

(Exc. Fire Protect.) _____

- 48 Metered Service Connections
- 49 Flat Rate Service Connections
- 50 Total Active Service Connections

	Jan. 1	Dec. 31	Annual Average
	28	28	28
	28	28	28

**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: Not Applicable
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:

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	10000				10000
3	303	Land	3754				3754
4		Total non-depreciable plant	13754				13754
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	98844				98844
13	333	Services and meter installations					
14	334	Meters	2310				2310
15	335	Hydrants					
16	339	Other equipment	4019				4019
17	340	Office furniture and equipment					
18	341	Transportation equipment					
19		Total depreciable plant	105173				105173
20		Total water plant in service	118927				118927

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 20__)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	118927	201	Common Stock (Corporations only)	10000
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	120580
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	103502	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	12921
7	124	Other investments	5749	252	Advances for construction	
8	131	Cash	106868	253	Other deferred credits	
9	141	Accounts receivable - customers	13409	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	2050	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	143501		Total Equity and Liabilities	143501

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	10000				10000
17	303	Land	3754				3754
18	304	Structures					
19	307	Wells					
20	317	Other water source plant					
21	311	Pumping equipment					
22	320	Water treatment plant					
23	330	Reservoirs tanks and sandpipes					
24	331	Water mains	98844				98844
25	333	Services and meter installations					
26	334	Meters	2310				2310
27	335	Hydrants					
28	339	Other equipment	4019				4019
29	340	Office furniture and equipment					
30	341	Transportation equipment					
31		Total water plant in service	118927				118927

* 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	102688		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	814		Straight Line 2 to 8%
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			covered by this report \$
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired			C. State method used to compute tax
42	(b) Cost of removal			depreciation.
43	(c) All other debits			
44	Total debits			
45	Balance in reserve at end of year	103502		Straight Line
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		
-in		
-in Water Gates	28	
Total	28	

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								
Industrial								
Other (specify) Irrigation	18		18	10		10	28	
Frost Water								
Subtotal	18		18	10		10	28	
Fire protection (Hydrants)								
Total	18		18	10		10	28	

NOTE: Total connections (metered plus flat) should agree with total services in Schedule K.

SCHEDULE N - STORAGE FACILITIES

Description	No.	Combined capacity in gallons
Concrete		
Earth		
Wood		
Steel		
Other		
Total		

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

Description	12" 15" 18" 21" 24" 26" 30" 36"						Totals		
	2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)					
Cast Iron									
Welded steel									
Standard screw									
Cement-asbestos	1080		4680	2640	880	2876	12156		
Plastic	240	360					600		
Other (specify)									
PVC		400					400		
Total	240	360	1080	400	4680	2640	880	2876	13156

DECLARATION

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

I, the undersigned (officer, partner or owner) of FOOTHILL DITCH COMPANY (Name of utility), 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, 2002, to and including December 31, 2002

Foothill Ditch Company
by Gina S. ...
Signed _____
Title _____

Date 3-13-03