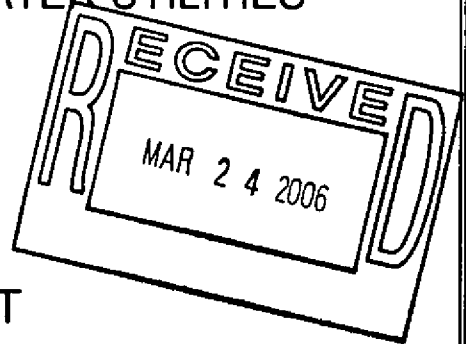


74

Received _____
Examined _____

CLASS B and C
WATER UTILITIES

U# _____



2005
ANNUAL REPORT
OF

_____ FULTON WATER COMPANY _____

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

_____ PO Box 1709 _____

_____ Carmelien Bay, Ca. 96145 _____
(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
ATTN: KAYODE KAJOPAIYE
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.

INSTRUCTIONS

FOR PREPARATION OF

SELECTED FINANCIAL DATA SHEET

FOR CLASS A, B, C AND D, WATER UTILITIES

To prepare the attached data sheets, refer to the Balance Sheet, Income Statement and supporting detail schedules in the annual report for the required data.

Please follow the instruction below:

1. Common plant allocated to water should be indicated with water plant figures in Net Plant Investment.
2. The capitalization section for those reporting on both California Only and Total System Forms should be identical and completed with Total Company Data. Be sure that Advances for Construction include California water data only.
3. Complete the operation section with California water revenues and expenses, but if necessary, remove interdepartmental revenues and expenses.
4. All other utility and nonutility revenues and expenses are netted on Line No. 38.

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

NAME OF UTILITY FULTON WATER PHONE 530-583-3644

PERSON RESPONSIBLE FOR THIS REPORT John Fulton
(Prepared from Information in the 2006 Annual Report)

	<u>1/1/05</u>	<u>12/31/05</u>	<u>Average</u>
BALANCE SHEET DATA			
1 Intangible Plant			
2 Land and Land Rights	<u>22598</u>	<u>22598</u>	<u>22598</u>
3 Depreciable Plant	<u>1829397</u>	<u>1851995</u>	<u>1840696</u>
4 Gross Plant in Service	<u>1851995</u>	<u>1875744</u>	<u>1863869.5</u>
5 Less: Accumulated Depreciation	<u>707808</u>	<u>774609</u>	<u>741208</u>
6 Net Water Plant in Service	<u>1144187</u>	<u>1101134</u>	<u>1122660.5</u>
7 Water Plant Held for Future Use			
8 Construction Work in Progress			
9 Materials and Supplies			
10 Less: Advances for Construction	<u>(4900)</u>	<u>(13500)</u>	<u>(9200)</u>
11 Less: Contribution in Aid of Construction	<u>(7713)</u>	<u>(7333)</u>	<u>(7523)</u>
12 Less: Accumulated Deferred Income and Investment Tax Credits	<u>()</u>	<u>()</u>	<u>()</u>
13 Net Plant Investment	<u>1131574</u>	<u>1079151</u>	<u>1105362</u>
CAPITALIZATION			
14 Common Stock	<u>44000</u>	<u>44000</u>	<u>44000</u>
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital	<u>68080</u>	<u>68080</u>	<u>68080</u>
17 Retained Earnings	<u>476288</u>	<u>521117</u>	<u>498702.5</u>
18 Common Stock and Equity (Lines 14 through 17)	<u>588368</u>	<u>633197</u>	<u>610782.5</u>
19 Preferred Stock			
20 Long-Term Debt	<u>500298</u>	<u>440729</u>	<u>470513.5</u>
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	<u>1088666</u>	<u>1073926</u>	<u>1081296</u>

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

NAME OF UTILITY FULTON WATER PHONE 530-583-3644

INCOME STATEMENT

	Annual Amount
23 Unmetered Water Revenue	396612
24 Fire Protection Revenue	1272
25 Irrigation Revenue	_____
26 Metered Water Revenue	_____
27 Total Operating Revenue	397884
28 <u>Operating Expenses</u>	219557
29 Depreciation Expense (Composite Rate <u>2.75</u>)	66421
30 Amortization and Property Losses	380
31 Property Taxes	14293
32 Taxes Other Than Income Taxes	7750
33 Total Operating Revenue Deduction Before Taxes	308401
34 California Corp. Franchise Tax	5465
35 Federal Corporate Income Tax	9855
36 Total Operating Revenue Deduction After Taxes	5522
37 Net Operating Income (Loss) - California Water Operations	95097
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	44829
39 Income Available for Fixed Charges	_____
40 Interest Expense	33667
41 Net Income (Loss) Before Dividends	_____
42 Preferred Stock Dividends	_____
43 Net Income (Loss) Available for Common Stock	44829

OTHER DATA

44 Refunds of Advances for Construction	1400
45 Total Payroll Charged to Operating Expenses	67558
46 Purchased Water	0
47 Power	65535

			Annual Average
<u>Active Service Connections</u>	(Exc. Fire Protect.)	Jan. 1 05	Dec. 31 05
48 Metered Service Connections		_____	_____
49 Flat Rate Service Connections		899	904
50 Total Active Service Connections		899	904

**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: _____
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: _____

GENERAL INFORMATION

- 1 Name under which utility is doing business: Fulton Water
- 2 Official mailing address: PO Box 1709
Carnelian Bay, Ca. 96140 ZIP
- 3 Name and title of person to whom correspondence should be addressed: John Fulton
President Telephone: 530-583-3644
- 4 Address where accounting records are maintained: 515 Nightingale Rd, Tahoe City, 96145
- 5 Service Area: (Refer to district reports if applicable.)
Unincorporated area of Placer County - Cedar Flat
- 6 Service Manager (if located in or near Service Area): (Refer to district reports if applicable.)
Name: Craig Fox
Address: Same Telephone:

7 OWNERSHIP. Check and fill in appropriate line:

- Individual (name of owner) _____
- Partnership (name of partner) _____
- Partnership (name of partner) _____
- Partnership (name of partner) _____
- Corporation (corporate name) Fulton Water Company
Organized under laws of (state) California

Principal Officers:

- | | |
|---------------------------------|----------------------|
| (Name) <u>John A. Fulton</u> | (Title) <u>Pres.</u> |
| (Name) <u>Craig A. Fox</u> | (Title) <u>v.p.</u> |
| (Name) <u>Mary D. Fox</u> | (Title) <u>Sec</u> |
| (Name) <u>Claudia L. Fulton</u> | (Title) <u>Treas</u> |

8 Names of associated companies:
NONE

9 Names of corporations, firms or individuals whose property or portion of property have been acquired during the year, together with date of each acquisition:

_____	Date: _____
_____	Date: _____
<u>NONE</u>	Date: _____
_____	Date: _____

10 Use the space below for supplementary information or explanations concerning this report:

11 List Name, Grade, and License Number of all Licensed Operators:

Craig A. Fox, Grade II

T2# 14606

D2# 16003

**SCHEDULE A
COMPARATIVE BALANCE SHEETS
Assets and other Debits**

Line No.	Acct. No.	Title of Account (a)	Schedule No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		UTILITY PLANT			
2	101	Water plant in service	A-1	1875744	1851995
3	103	Water plant held for future use	A-1 & A-1b		
4	104	Water plant purchased or sold	A-1		
5	105	Water plant construction work in progress	A-1		
6		Total utility plant		1875744	1851995
7	106	Accumulated depreciation of water plant	A-3	774609	707808
8	114	Water plant acquisition adjustments	A-1		
9		Total amortization and adjustments			
10		Net utility plant		1101134	1144187
11		INVESTMENTS			
12	121	Non-utility property and other assets			
13	122	Accumulated depreciation of non-utility property	A-3		
14		Net non-utility property			
15	123	Investments in associated companies			
16	124	Other investments CoBank		3482	3482
17		Total investments		3482	3482
18		CURRENT AND ACCRUED ASSETS			
19	131	Cash		50346	34086
20	132	Special accounts			
21	141	Accounts receivable - customers			
22	142	Receivables from associated companies			
23	143	Accumulated provision for uncollectible accounts			
24	151	Materials and supplies			
25	174	Other current assets		26299	22986
26		Total current and accrued assets			
27	180	Deferred charges	A-5	2828	3162
28		Total assets and deferred charges		1184089	1207903

SCHEDULE A
COMPARATIVE BALANCE SHEETS
Liabilities and Other Credits

Line No.	Acct. No.	Title of Account (a)	Schedule No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		CORPORATE CAPITAL AND SURPLUS			
2	201	Common stock	A-6	44000	44000
3	204	Preferred stock	A-6		
4	211	Other paid-in capital	A-8	68080	68080
5	215	Retained earnings	A-9	521117	476288
6		Total corporate capital and retained earnings		633197	588368
7		PROPRIETARY CAPITAL			
8	218	Proprietary capital	A-10		
9	218.1	Proprietary drawings			
10		Total proprietary capital			
11		LONG TERM DEBT			
12	224	Long term debt	A-11	440729	500298
13	225	Advances from associated companies	A-12		
14		CURRENT AND ACCRUED LIABILITIES			
15	231	Accounts payable			
16	232	Short term notes payable			
17	233	Customer deposits Advance Water Bills		84930	97970
18	235	Payables to associated companies	A-13		
19	236	Accrued taxes			
20	237	Accrued interest			
21	241	Other current liabilities	A-14	4400	8654
22		Total current and accrued liabilities		89330	106624
23		DEFERRED CREDITS			
24	252	Advances for construction	A-15	13500	4900
25	253	Other credits			
26	255	Accumulated deferred investment tax credits	A-16		
27	282	Accumulated deferred income taxes - ACRS depreciation	A-16		
28	283	Accumulated deferred income taxes - other	A-16		
29		Total deferred credits		13500	4900
30		CONTRIBUTIONS IN AID OF CONSTRUCTION			
31	271	Contributions in aid of construction	A-17	7333	7713
32	272	Accumulated amortization of contributions			
33		Net contributions in aid of construction		7333	7713
34		Total liabilities and other credits		1184089	1207903

**SCHEDULE A-1
UTILITY PLANT**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plt Additions During year (c)	Plt Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1	101	Water plant in service	1851995	25121			1877116
2	103	Water plant held for future use					
3	104	Water plant purchased or sold					
4	105	Construction work in progress - water plant			XXXXXXXXXXXX		
5	114	Water plant acquisition adjustments			XXXXXXXXXXXX		
6		Total utility plant	1851995	25121			1877116

* Debit or credit entries should be explained by footnotes or supplementary schedules

**SCHEDULE A-1a
Account No. 101 - Water Plant in Service**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plt Additions During year (c)	Plt 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	22598				22598
4		Total non-depreciable plant	22598				22598
5		DEPRECIABLE PLANT					
6	304	Structures	187206				187206
7	307	Wells	150283				150283
8	317	Other water source plant					
9	311	Pumping equipment	138538	3591			142129
10	320	Water treatment plant	186682				186682
11	330	Reservoirs, tanks and sandpipes	273901				273901
12	331	Water mains	759212	17025			776239
13	333	Services and meter installations	55807				55807
14	334	Meters	3911				3911
15	335	Hydrants	29921				29921
16	339	Other equipment					
17	340	Office furniture and equipment	3383				3383
18	341	Transportation equipment	40552	4505			45056
19		Total depreciabel plant					
20		Total water plant in service	1851995	25121			1877116

* Debit or credit entries should be explained by footnotes or supplementary schedules

SCHEDULE A-1b
Account No. 103 - Water Plant Held for Future Use

Line No.	Description and Location of Property (a)	Date of Acquisition (b)	Approximate Date When Property will be placed in Service (c)	Balance End of Year (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10	Total			

NONE

SCHEDULE A-2
Account No. 121 - Non-utility Property and Other Assets

Line No.	Name and Description of Property (a)	Book Value End of Year (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	

NONE

SCHEDULE A-3
Account Nos. 108 and 122 - Depreciation and Amortization Reserves

Line No.	Item (a)	Account 106 Water Plant (b)	Account 106.1 SDWBA Loans (c)	Account 122 Non-utility Property (d)
1	Balance in reserves at beginning of year	707808		
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1)	66421		
4	(b) Charged to Account No 272	380		
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered			
7	(e) All other credits (Footnote 2)			
8	Total Credits	66801		
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired			
11	(b) Cost of removal			
12	(c) All other debits (Footnote 3)			
13	Total debits			
14	Balance in reserve at end of year	774609		
15	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE 2 75 %			
16				
17	(2) EXPLANATION OF ALL OTHER CREDITS:			
18				
19				
20				
21				
22				
23	(3) EXPLANATION OF ALL OTHER DEBITS:			
24				
25				
26				
27				
28				
29	(4) METHOD USED TO COMPUTE INCOME TAX DEPRECIATION			
30	(a) Straight line			
31	(b) Liberalized			
32	(1) Sum of the years digits			
33	(2) Double declining balance			
34	(3) Other			
35	(c) Both straight line and liberalized			

SCHEDULE A-3a
Account No. 108 - Analysis of Entries in Depreciation Reserve

Line No.	Acct No.	Depreciable Plant (a)	Balance Beginning of Year (b)	Credits to Reserve During Year Excl. Salvage (c)	Debits to Reserve During Year Excl. Cost of Removal (d)	Salvage and Cost of Removal Net (Dr.) or (Cr.) (e)	Balance End of Year (f)
1	304	Structures	64477	5883			70360
2	307	Wells	40885	7514			48399
3	317	Other water source plant					
4	311	Pumping equipment	85624	11592			97216
5	320	Water treatment plant	58496	14947			73443
6	330	Reservoirs, tanks and sandpipes	74356	8933			83289
7	331	Water mains	279499	16340			295839
8	333	Services and meter installations	39253 [†]	935			40188
9	334	Meters	2719	262			2981
10	335	Hydrants	18651	697			19348
11	339	Other equipment					
12	340	Office furniture and equipment	3296	87			3383
13	341	Transportation equipment	40552	33			40585
14		Total	707808	67223			775031

SCHEDULE A-4
Account No. 174 - Other Current Assets

Line No.	Item (a)	Amount (b)
1	Patronage Dividend CoBank	26299
2	Investment CoBank	3482
3		
4		
5		
6		
7		
8		
9		
10		

SCHEDULE A-5
Accounts Nos. 180 and 253 - Unamortized debt discount and expense and unamortized premium on debt

- 1 Report under separate subheadings for Unamortized Debt Discount and Expense and Unamortized Premium on Debt, particulars of discount and expense or premium applicable to each class and series of long-term debt. 2 Show premium amounts in red or by enclosure in parentheses.
- 3 In column (b) show the principal amount of bonds or other long-term debt originally issued.
- 4 In column (c) show the discount and expense or premium with respect to the amount of bonds or other long-term debt originally issued.
- 5 Furnish particulars regarding the treatment of unamortized debt discount and expense or premium, redemption premiums, and redemption expenses associated with issues redeemed during the year.
- 6 Set out separately and identify undisposed amounts applicable to issues which were redeemed in prior years.
- also, date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Designation of long-term debt (a)	Principal amount of securities to which discount and expense, or premium minus expense, relates (b)	Total discount and expense or net premium (c)	AMORTIZATION PERIOD		Balance beginning of year (f)	Debits during year (g)	Credits during year (h)	Balance end of year (i)
				From - (d)	To - (e)				
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
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22									
23									
24									
25									
26									
27									
28									

SCHEDULE A-6
Account Nos. 201 and 204 - Capital Stock

Line No.	Class of Stock (a)	Date of Issue (b)	Number of Shares Authorized by Articles of Incorporation (c)	Par or Stated Value (d)	Number of Shares Outstanding (e)	Amount Outstanding End of Year (f)	Dividends Declared During Year	
							Rate (g)	Amount (h)
1	Common	1961	20,000		4400	4400		
2								
3								
4								
5								
6							Total	

SCHEDULE A-7
Record of Stockholders at End of Year

Line No.	COMMON STOCK		PREFERRED STOCK	
	Name (a)	Number of Shares (b)	Name (c)	Number of Shares (d)
1	John Fulton	3200		
2	Craig and Mary Fox	1200		
3			<i>NONE</i>	
4				
5				
6				
7	Total number of shares	4400	Total number of shares	

SCHEDULE A-8
Account No. 211 - Other Paid in Capital (Corporations only)

Line No.	Type of Paid in Capital (a)	Balance End of Year (b)
1	Stockholders advances in previous years 1960's	68080
2		
3		
4	Total	

SCHEDULE A-9
Account No. 215 - Retained Earnings
(Corporations Only)

Line No	Item (a)	Amount (b)
1	Balance beginning of year	476288
2	CREDITS	
3	Net income	
4	Prior period adjustments	44829
5	Other credits (detail)	
6	Total credits	
7		
8	DEBITS	
9	Net losses	
10	Prior period adjustments	
11	Dividend appropriations - preferred stock	
12	Dividend appropriations - common stock	
13	Other debits (detail)	
14	Total debits	
15	Balance end of year	52117

SCHEDULE A-10
Account No. 218 - Proprietary Capital
(Sole Proprietor or Partnership)

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	
2	CREDITS	
3	Net income	
4	Additional investments during year	
5	Other credits (detail)	
6	Total credits	
7	DEBITS	
8	Net losses	
9	Withdrawals during year	
10	Other debits (detail)	
11	Total debits	
12	Balance end of year	

SCHEDULE A-11
Account No. 224 - Long Term Debt

Line No.	Class (a)	Name of Issue (b)	Date of Issue (c)	Date of Maturity (d)	Principal Amount Authorized (e)	Outstanding Per Balance Sheet (f)	Rate of Interest (g)	Interest Accrued During Year (h)	Sinking Fund (i)	Interest Paid During Year (j)
1	CoBank		8/29/96	varies	950,000	4,407,229	varies	336,667		336,667
2										
3										
4										
5										
6										

SCHEDULE A-12

Account No. 225 - Advances from Associated Companies

Line No.	Nature of Obligation (a)	Amount of Obligation (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1		<i>NONE</i>			
2					
3					
4	Totals				

Schedule A-13

Account No. 235 - Payables to Associated Companies

Line No.	Nature of Obligation (a)	Balance End of Year (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1		<i>NONE</i>			
2					
3					
4	Totals				

SCHEDULE A-14
Account No. 241 - Other Current Liabilities

Line No.	Description (a)	Balance End of Year (b)
1	<i>NONE</i>	
2		
3		
4		
5		

SCHEDULE A-15
Account No. 252 - Advances for Construction

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year	XXXXXXXXXXXXXXXXXX	4900
2	Additions during year	XXXXXXXXXXXXXXXXXX	10000
3	Subtotal - Beginning balance plus additions during year	XXXXXXXXXXXXXXXXXX	
4	Charges during year:	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
5	Refunds	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
6	Percentage of revenue basis	1400	XXXXXXXXXXXXXXXXXX
7	Proportionate cost basis		XXXXXXXXXXXXXXXXXX
8	Present worth basis		XXXXXXXXXXXXXXXXXX
9	Total refunds	1400	XXXXXXXXXXXXXXXXXX
10	Transfers to Acct. 271, Contributions in aid of Construction	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
11	Due to expiration of contracts		XXXXXXXXXXXXXXXXXX
12	Due to present worth discount		XXXXXXXXXXXXXXXXXX
13	Total transfers to Acct. 271		XXXXXXXXXXXXXXXXXX
14	Securities Exchanged for Contracts (Enter detail below)		XXXXXXXXXXXXXXXXXX
15	Subtotal - charges during year		
16	Balance end of year	XXXXXXXXXXXXXXXXXX	13500

SCHEDULE A-16
Account Nos. 255, 282, and 283 - Deferred Taxes

Line No.	Item (a)	Account 255 Investment Tax Credit (b)	Account 282 Income Tax - ACRS Depreciation (c)	Account 283 - Other (d)
1	<i>NONE</i>			
2				
3				
4				
5		Totals		

SCHEDULE A-17

Account No. 271 - Contributions in Aid of Construction

Instructions for Preparation of Schedule of Contributions in Aid of Construction

- 1 The credit balance in the account other than that portion of the balance relating to nondepreciable property (column d), to property retired prior to January 1, 1955 (column e), shall be written off through charges to this account and credits to Account No. 106, Accumulated depreciation of water plant, over a period equal to the estimated service life of the property involved. Upon retirement of depreciable property for which a depreciation reserve has been created through charges to this account, the cost thereof shall be credited to the appropriate plant account and concurrently charged to Account No. 106. If the property is retired prior to the service life originally estimated, the balance in this account with respect to the retired property shall be transferred to the depreciation reserve account.

- 2 That portion of the balance applicable to nondepreciable property shall remain unchanged until the property is sold or otherwise retired. Upon retirement, the cost of such nondepreciable property acquired by donation or through use of donated funds shall be credited to the appropriate plant account and charged to this account to clear the credit balance carried herein.

- 3 That portion of the balance representing donations on property retired prior to January 1, 1955 (column e), and the amount of depreciation accrued to January 1, 1955, on property in service (column f), shall not be transferred from this account or otherwise disposed of without first receiving written authorization from the Commission.

Line No.	Item (a)	Total All Columns (b)	Subject to Amortization		Not Subject to Amortization	
			Property in Service After Dec. 31, 1954		Property Retired Before Jan. 1, 1955 ² (e)	Depreciation Accrued Through Dec. 31, 1954 on Property in Services at Dec. 31, 1954 ³ (f)
			Depreciable (c)	Non-Depreciable ¹ (d)		
1	Balance beginning of year	7713	7713			
2	Add: Credits to account during year					
3	Contributions received during year					
4	Other credits*					
5	Total credits					
6	Deduct: Debits to Account during year					
7	Depreciation charges for year	380	380			
8	Nondepreciable donated property retired					
9	Other debits*					
10	Total debits					
11	Balance end of year	7333	7333			

* Indicate nature of these items and show the accounts affected by the contra entries

SCHEDULE B-1
Account No. 400 - Operating Revenues

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
1		WATER SERVICE REVENUES			
2	460	Unmetered water revenue			
3		460.1 Single - family residential	395340	387098	8242
4		460.2 Commercial and multi-residential			
5		460.3 Large water users			
6		460.5 Safe Drinking Water Bond Surcharge			
7		460.9 Other unmetered revenue			
8		Sub-total	395340	387098	8242
9	462	Fire protection revenue			
10		462.1 Public fire protection	1272	1272	
11		462.2 Private fire protection			
12		Sub-total	1272	1272	
13	465	Irrigation revenue			
14	470	Metered water revenue			
15		470.1 Single-family residential			
16		470.2 Commercial and multi-residential			
17		470.3 Large water users			
18		470.5 Safe Drinking Water Bond Surcharge			
19		470.9 Other metered revenue			
20		Sub-total			
21		Total water service revenues	396612	388370	8242
22	480	Other water revenue			
23		Total operating revenues	396612	388370	8242

SCHEDULE B-2
Account No. 401 - Operating Expenses

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
1		PLANT OPERATION AND MAINTENANCE EXPENSES			
2		VOLUME RELATED EXPENSES			
3	610	Purchased water			
4	615	Power	65535	64058	1477
5	616	Other volume related expenses Treatment	15233	11488	3745
6		Total volume related expenses	80768	75546	5222
7		NON-VOLUME RELATED EXPENSES			
8	630	Employee labor	14158	22028	(7870)
9	640	Materials	25213	28202	(2989)
10	650	Contract work			
11	660	Transportation expenses	4321	1140	
12	664	Other plant maintenance expenses			
13		Total non-volume related expenses			
14		Total plant operation and maintenance exp.	43692	51370	(7678)
15		ADMINISTRATIVE AND GENERAL EXPENSES			
16	670	Office salaries	24000	6600	17400
17	671	Management salaries	29400	42000	(12600)
18	674	Employee pensions and benefits	14755	14096	659
19	676	Uncollectible accounts expense			
20	678	Office services and rentals		4800	
21	681	Office supplies and expenses	13941	4152	4989
22	682	Professional services	4160	4968	(808)
23	684	Insurance	8091	8017	74
24	688	Regulatory commission expense			
25	689	General expenses	750	850	(100)
26		Total administrative and general expenses	95097	84883	10214
27	800	Expenses capitalized			
28		Net administrative and general expense	95097	84883	
29		Total operating expenses	219557	211799	7758

SCHEDULE B-3

Account No. 408, 409, 410 - Taxes Charged During the Year

Line No.	Type of Tax (a)	Total Taxes Charged During Year (b)	Distribution of Taxes Charged	
			Water (c)	Nonutility (d)
1	Taxes on real and personal property	14 293	14 293	
2	State corporate franchise tax	5 465	5 465	
3	State unemployment insurance tax	1 291	1 291	
4	Other state and local taxes			
5	Federal unemployment insurance tax	980	980	
6	Federal insurance contributions act	5 479	5 479	
7	Other federal taxes			
8	Federal income taxes	9 855	9 855	
9				
10				
11	Totals	37 363	37 363	

SCHEDULE B-4

Reconciliation of Reported Net Income for Federal Income Taxes

- Report hereunder a reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount.
- If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, inter-company amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
- Show taxable year if other than calendar year from _____ to _____.

Line No.	Particulars (a)	Amount (b)
1	Net income for the year per Schedule B, page 4	44 829
2	Reconciling amounts (list first additional income and unallowable deductions,	
3	followed by additional deductions and non-taxable income):	
4		
5	Depreciation defferential	-10 956
6	state franchise tax 04	-4 381
7	state franchise tax 05	+5 465
8		
9		+9 855
10	Federal tax net income	
11	Computation of tax:	
12	15% 50,000	7 500
13	25% 9421	2 355
14		
15		9 855
16		
17		

SCHEDULE B-5
Account No. 421 and 426 - Income from Nonutility Operations

Line No.	Description (a)	Revenues Acct. 421 (b)	Expenses Acct. 426 (c)
1	CoBank Patronage	2209.04	
2			
3			
4			
5	Total		

SCHEDULE B-6
Account No. 427 - Interest Expense

Line No.	Description (a)	Amount (b)
1	CoBank ABC	33667
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	

SCHEDULE C-1
Compensation of Individual Proprietor, Partners and Employees Included in Expenses

Line No.	Acct. No.	Account (a)	Number at End of Year (b)	Salaries Charged to Expense (c)	Salaries Charged to Plant Accounts (d)	Total Salaries and Wages Paid (e)
1	630	Employee Labor	part time	14158		14158
2	670	Office salaries	2	24000		24000
3	671	Management salaries	1	29400		29400
4						
5						
6		Total	3+	67558		67558

**SCHEDULE C-2
Loans to Directors, Officers, or Shareholders**

Line No.	Name (a)	Title (b)	Amount (c)	Interest Rate (d)	Maturity Date (e)	Security Given (f)	Date of Shareholder Authorization (g)	Other Information (h)
1								
2								
3								
4								
5								
6								
7	Total							

**SCHEDULE C-3
Engineering and Management Fees and Expenses, Etc., During Year**

Line No.	Give the required particulars of all contracts or other agreements in effect in the course of the year between the respondent and any corporation, association, partnership, or person covering supervision and/or management of any department of the respondent's affairs, such as accounting, engineering, financing, construction or operation, and show the payments under such agreements and also the payments for advice and services to a corporation or corporations which directly or indirectly control respondent through stock ownership.		
1	1. Did the respondent have a contract or other agreement with any organization or person covering supervision		
2	and/or management of its own affairs during the year? Answer: (Yes or No)		
3	(If the answer is in the affirmative, make appropriate replies to the following questions)*		
4	2. Name of each organization or person that was a party to such a contract or agreement.		
5			
6	3. Date of original contract or agreement.		
7	4. Date of each supplement or agreement.		
8	5. Amount of compensation paid during the year for supervision or management \$		
9	6. To whom paid		
10	7. Nature of payment (salary, traveling expenses, etc.).		
11	8. Amounts paid for each class of service.		
12			
13	9. Basis for determination of such amounts		
14			
15	10. Distribution of payments:		Amount
16	(a) Charged to operating expenses		\$
17	(b) Charged to capital amounts		\$
18	(c) Charged to other account		\$
19	Total		\$
20	11. Distribution of charges to operating expenses by primary accounts		
21	Number and Title of Account		Amount
22			\$
23			\$
24			\$
25	Total		\$
26	12. What relationship, if any, exists between respondent and supervisory and/or managing concerns?		
27			

* File with this report a copy of every contract, agreement, supplement or amendment mentioned above unless a copy of the instrument in due form has been furnished, in which case a definite reference to the report of the respondent relative to which it was furnished will suffice.

SCHEDULE D-1
Sources of Supply and Water Developed

million gallons

STREAMS					FLOW IN..... (Unit) 2 cu / ft / sec				Annual Quantities Diverted (Unit) 2	Remarks
Line No.	Diverted Into *	From Stream or Creek (Name)	Location of Diversion Point	Priority Right	Divisions	 (Unit) 2			
				Claim	Capacity	Max.		Min.		
1	Lake Tahoe	varies	various	1.65	1.65	1.65		52.5		
2										
3										
4										
5										
WELLS						Pumping Capacity GPM (Unit) 2	Annual Quantities Pumped (Unit) 2	Remarks		
Line No.	At Plant (Name or Number)	Location	Num- ber	Dimensions	1 Depth to Water					
6	4417 Northridge		1	12"	120	200		85.6		
7	5305 o. Lake		2	8"	100	100		6.5		
8										
9										
10										
TUNNELS AND SPRINGS				FLOW IN (Unit) 2			Annual Quantities Pumped (Unit) 2	Remarks		
Line No.	Designation	Location	Number	Maximum	Minimum					
11										
12										
13										
14										
15										
Purchased Water for Resale						NONE				
16	Purchased from									
17	Annual Quantities purchased						(Unit chosen) 1			
18										
19										
<p>* State ditch pipeline reservoir, etc., with name, if any.</p> <p>1 Average depth to water surface below ground surface</p> <p>2 The quantity unit in established use for experiencing water stored and used in large amounts is the acre foot, which equals 43,560 cubic feet; in domestic use the thousand gallon or the hundred cubic feet. The rate of flow or discharge in larger amounts is expressed in cubic feet per second. In gallons per minute, in gallons per day, or in the miner's inch. Please be careful to state the unit used.</p>										

SCHEDULE D-2
Description of Storage Facilities

Line No	Type	Number	Combined Capacity (Gallons or Acre Feet)	Remarks
1	A. Collecting reservoirs			
2	Concrete			
3	Earth		Gallons	
4	Wood			
5	B. Distribution reservoirs			
6	Concrete			
7	Earth			
8	Wood			
9	C. Tanks			
10	Wood	2	25,000	
11	Metal	5	215,000	
12	Concrete fiberglass	2	40,000	
13	Totals		280,000	

SCHEDULE D-3
Description of Transmission and Distribution Facilities

A. LENGTH OF DITCHES, FLUMES AND LINKED CONDUITS IN MILES FOR VARIOUS CAPACITIES

Capacities in Cubic Feet Per Second or Miner's Inches (state which) _____

Line No.		0 to 5	6 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 75	76 to 100
1	Ditch								
2	Flume								
3	Lined conduit	<i>NONE</i>							
4									
5	Totals								

A. LENGTH OF DITCHES, FLUMES AND LINKED CONDUITS IN MILES FOR VARIOUS CAPACITIES - Concluded

Capacities in Cubic Feet Per Second or Miner's Inches (state which) _____

Line No.		101 to 200	201 to 300	301 to 400	401 to 500	501 to 750	751 to 1000	Over 1000	Total All Lengths
6	Ditch								
7	Flume								
8	Lines conduit	<i>NONE</i>							
9									
10	Totals								

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING

Line No.		1	1 1/2	2	2 1/2	3	4	5	6	8
11	Cast Iron									
12	Cast iron (cement lined)									
13	Concrete									
14	Copper									
15	Riveted steel									
16	Standard screw	1400	11470	18700			750			
17	Screw or welded casing									
18	Cement - asbestos						980		3710	
19	Welded steel						9250		4730	
20	Wood									
21	Other (specify) PVC						1200		12946	
22	Totals	1400	11470	18700			12180		21386	

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING - Concluded

Line No.		10	12	14	16	18	20	Other Sizes (Specify Sizes)	Total All Sizes
23	Cast Iron								
24	Cast iron (cement lined)								
25	Concrete								
26	Copper								
27	Riveted steel								
28	Standard screw								32320
29	Screw or welded casing								
30	Cement - asbestos								4690
31	Welded steel								14780
32	Wood								
33	Other (specify) PVC								14146
34	Totals								65936

**SCHEDULE D-4
Number of Active Service Connections**

Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior	Current	Prior	Current
	Year	Year	Year	Year
Single family residential			899	904
Commercial and Multi-residential				
Large water users				
Public authorities				
Irrigation				
Other (specify)				
Subtotal				
Private fire connections				
Public fire hydrants			54	54
Total			953	953

**SCHEDULE D-5
Number of Meters and Services on
Pipe Systems at End of Year**

Size	Meters	Services
5/8 x 3/4 - in		XXXXXXXXXXXXXX
3/4 - in		
1 - in		
- in		
- in		
- in		
- in		
- in		
Other		
Total		

NONE

**SCHEDULE D-6
Meter Testing Data**

A. Number of Meters Tested During Year as Prescribed in Section VI of General Order No. 103:

1. New, after being received ... n/a
2. Used, before repair
3. Used, after repair
4. Found fast, requiring billing adjustment

B. Number of Meters in Service Since Last Test

1. Ten years or less
2. More than 10, but less than 15 years
3. More than 15 years

SCHEDULE D-7
Water delivered to Metered Customers by Months and Years In NONE (Unit Chosen):

Classification of Service	During Current Year							Subtotal
	January	February	March	April	May	June	July	
Single-family residential								
Commercial and Multi-residential								
Large water users								
Public authorities								
Irrigation								
Other (specify)								
Total								

Classification of Service	During Current Year						Subtotal	Total	Total Prior Year
	August	September	October	November	December				
Single-family residential									
Commercial and Multi-residential									
Large water users									
Public authorities									
Irrigation									
Other (specify)									
Total									

Quantity units to be in hundreds of cubic feet, thousands of gallons, acre-feet, or miner's inch-days.

Total acres irrigated _____

Total population served _____

**SCHEDULE D-8
Status With State Board of Public Health**

1	Has the State or Local Health Department reviewed the sanitary condition of your water system during the past year?	NO
2	Are you having routine laboratory tests made of water served to your consumers?	YES
3	Do you have a permit from the State Board of Public Health for operation of your water system?	YES
4	Date of permit:	Nov 1988
5	If permit is "temporary", what is the expiration date?	
6	If you do not hold a permit, has an application been made for such permit?	7 If so, on what date?

**SCHEDULE D-9
Statement of Material Financial Interest**

Use this space to report the information required by Section 2 of General Order No. 104-A. If no material financial interest existed during the year or contemplated at the end of the year, such fact shall be so stated. If additional space is required, attach a supplementary statement with reference made thereto.

NONE

DECLARATION

Before Signing, Please Check to See That All Schedules Have Been Completed

(See instruction 3 on front cover)

I, the undersigned President -----
Officer, Partner or Owner
of Fulton Water -----
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 Jan 1, 05 -----
(date)

to and including Dec 31, 05 -----
(date)

SIGNED *John A. Fulton* -----
Title President -----
Date March 23, 2006 -----

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