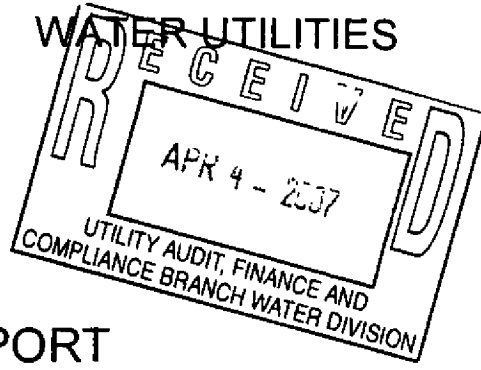


Amended P.11 & P.19 5/3/07  
JBY

Received \_\_\_\_\_  
Examined \_\_\_\_\_

CLASS B and C  
WATER UTILITIES



U# \_\_\_\_\_

2006  
ANNUAL REPORT  
OF

FULTON WATER COMPANY

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

PO BOX 1709, CARNELIAN BAY, CA. 96140

(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  
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.

NAME OF UTILITY Fulton Water Company

PHONE 530-583-3644

PERSON RESPONSIBLE FOR THIS REPORT Mary Fox  
 (Prepared from Information in the 2005 Annual Report)

<b>BALANCE SHEET DATA</b>		<u>1/1/06</u>	<u>12/31/06</u>	<u>Average</u>
1	Intangible Plant			
2	Land and Land Rights			
3	Depreciable Plant	<u>22598</u>	<u>22598</u>	<u>22598</u>
4	Gross Plant in Service	<u>1851995</u>	<u>1916042</u>	<u>1884019</u>
5	Less: Accumulated Depreciation	<u>1875744</u>	<u>1938640</u>	<u>1897192</u>
6	Net Water Plant in Service	<u>774609</u>	<u>839989</u>	<u>807299</u>
7	Water Plant Held for Future Use	<u>1101134</u>	<u>1098651</u>	<u>1120178</u>
8	Construction Work in Progress			
9	Materials and Supplies			
10	Less: Advances for Construction	<u>(13500)</u>	<u>(11650)</u>	<u>(12570)</u>
11	Less: Contribution in Aid of Construction	<u>(7333)</u>	<u>(6965)</u>	<u>(7149)</u>
12	Less: Accumulated Deferred Income and Investment Tax Credits	<u>( )</u>	<u>( )</u>	<u>( )</u>
13	Net Plant Investment	<u>1079151</u>	<u>1080036</u>	<u>1079594</u>

<b>CAPITALIZATION</b>				
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>521117</u>	<u>572003</u>	<u>546560</u>
18	Common Stock and Equity (Lines 14 through 17)	<u>633197</u>	<u>684083</u>	<u>658640</u>
19	Preferred Stock			
20	Long-Term Debt	<u>440729</u>	<u>368521</u>	<u>404625</u>
21	Notes Payable			
22	Total Capitalization (Lines 18 through 21)	<u>1073926</u>	<u>1052604</u>	<u>1063265</u>

NAME OF UTILITY Fulton Water PHONE 530-583-3644

**INCOME STATEMENT**

	Annual Amount
23 Unmetered Water Revenue	409366
24 Fire Protection Revenue	1272
25 Irrigation Revenue	_____
26 Metered Water Revenue	_____
27 Total Operating Revenue	_____
28 <u>Operating Expenses</u>	410638
29 Depreciation Expense (Composite Rate <u>2.79</u> )	252795
30 Amortization and Property Losses	67013
31 Property Taxes	334
32 Taxes Other Than Income Taxes	27674
33 Total Operating Revenue Deduction Before Taxes	7631
34 California Corp. Franchise Tax	355447
35 Federal Corporate Income Tax	5298
36 Total Operating Revenue Deduction After Taxes	9112
37 Net Operating Income (Loss) - California Water Operations	341037
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	50886
39 Income Available for Fixed Charges	_____
40 Interest Expense	_____
41 Net Income (Loss) Before Dividends	33754
42 Preferred Stock Dividends	50886
43 Net Income (Loss) Available for Common Stock	50886

**OTHER DATA**

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

<u>Active Service Connections</u>	(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections		904	908	906
49 Flat Rate Service Connections		904	908	906
50 Total Active Service Connections		904	908	906

Excess Capacity and Non-Tariffed Services

NOTE: In D-00-07-018, D-03-04-028, and D-04-12-023, the CPUC set forth rules and requirements regarding water utilities' provision of non-tariffed services using excess capacity. These decisions require water utilities to file an advisory letter requesting Commission approval of first services. 2) provide information regarding non-tariffed goods/services in each company's Annual Report to the Commission.

Based on the information and filings required in D-00-07-018, D-03-04-028, and D-04-12-023, provide the following information by each individual non-tariffed good and service provided in 200 :

Row Number	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue derived from Non-Tariffed Goods/Services (by account)	Revenue Account Number	Total Expenses Incurred to provide Non-Tariffed Goods/Services (by account)	Expense Account Number	Advice Letter and/or Resolution Number approving Non-Tariffed Goods/Services	Total Income Tax Liability incurred because of non-tariffed Goods/Services (by account)	Income Tax Liability Account Number	Gross Value of Regulated Assets used in the provision of a Non-Tariffed Goods/Services (by account)	Regulated Asset Account Number
Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter											

NONE

**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:

NONE

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Date Hired: \_\_\_\_\_

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

\$ \_\_\_\_\_

3. 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	_____

4. Account information:

Bank Name: \_\_\_\_\_  
Account Number: \_\_\_\_\_  
Date Opened: \_\_\_\_\_

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

NONE

5. 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		<b>NON-DEPRECIABLE PLANT</b>					
2	301	Intangible plant					
3	303	Land					
4		Total non-depreciable plant					
5		<b>DEPRECIABLE PLANT</b>					
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					



# GENERAL INFORMATION

1 Name under which utility is doing business:

Fulton Water

2 Official mailing address:

PO BOX 1709, Carnelian Bay, Ca, 96740

3 Name and title of person to whom correspondence should be addressed:

Mary Fox, Sec

Telephone: 530-581-4233

4 Address where accounting records are maintained:

515 Nightingale Rd. Tahoe City, Ca. 96145

5 Service Area: (Refer to district reports if applicable.)

Uncooperated 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:

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input checked="" type="checkbox"/>

Individual (name of owner)

Partnership (name of partner)

Partnership (name of partner)

Partnership (name of partner)

Corporation (corporate name)

Organized under laws of (state)

Principal Officers:

(Name) John Fulton

(Title) Pres

(Name) Craig A. Fox

(Title) vp

(Name) Mary Fox

(Title) Sec

(Name) Claudia Fulton

(Title) Treas

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:

NONE

Date:

Date:

Date:

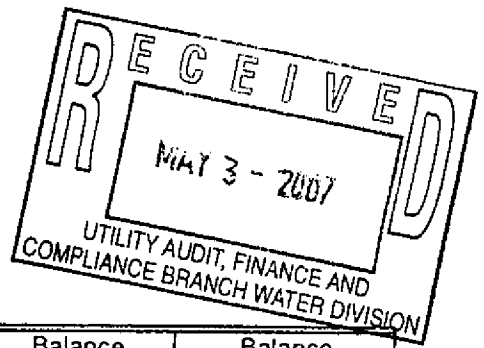
10 Use the space below for supplementary information or explanations concerning this report:

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



*Amended*

**SCHEDULE A  
COMPARATIVE BALANCE SHEETS  
Liabilities and Other Credits**



Acct. No.	Title of Account (a)	Schedule No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
<b>CORPORATE CAPITAL AND SURPLUS</b>				
201	Common stock	A-6	44000	44000
204	Preferred stock	A-6		
211	Other paid-in capital	A-8	68080	68080
215	Retained earnings	A-9	572003	521117
	Total corporate capital and retained earnings		684083	633197
<b>PROPRIETARY CAPITAL</b>				
218	Proprietary capital	A-10		
218.1	Proprietary drawings			
	Total proprietary capital			
<b>LONG TERM DEBT</b>				
224	Long term debt	A-11	-382658	440729
225	Advances from associated companies	A-12		
<b>CURRENT AND ACCRUED LIABILITIES</b>				
231	Accounts payable			
232	Short term notes payable			
233	Customer deposits advanced water bills		59496	84930
235	Payables to associated companies	A-13		
236	Accrued taxes			
237	Accrued interest			
241	Other current liabilities	A-14	0	4400
	Total current and accrued liabilities		59496	89330
<b>DEFERRED CREDITS</b>				
252	Advances for construction	A-15	11650	13500
253	Other credits			
255	Accumulated deferred investment tax credits	A-16		
282	Accumulated deferred income taxes - ACRS depreciation	A-16		
283	Accumulated deferred income taxes - other	A-16		
	Total deferred credits		11650	13500
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
271	Contributions in aid of construction	A-17	6965	7333
272	Accumulated amortization of contributions			
	Net contributions in aid of construction		6965	7333
	Total liabilities and other credits		114452	1184089

*All Amended page*

**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		<b>CORPORATE CAPITAL AND SURPLUS</b>			
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	572003	521117
6		Total corporate capital and retained earnings		684083	633197
7		<b>PROPRIETARY CAPITAL</b>			
8	218	Proprietary capital	A-10		
9	218.1	Proprietary drawings			
10		Total proprietary capital			
11		<b>LONG TERM DEBT</b>			
12	224	Long term debt	A-11	368521	440729
13	225	Advances from associated companies	A-12		
14		<b>CURRENT AND ACCRUED LIABILITIES</b>			
15	231	Accounts payable			
16	232	Short term notes payable			
17	233	Customer deposits advanced water bills			
18	235	Payables to associated companies	A-13	59496	84930
19	236	Accrued taxes			
20	237	Accrued interest			
21	241	Other current liabilities	A-14	0	4400
22		Total current and accrued liabilities		59496	89330
23		<b>DEFERRED CREDITS</b>			
24	252	Advances for construction	A-15	11650	13500
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		11650	13500
30		<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>			
31	271	Contributions in aid of construction	A-17	6965	7333
32	272	Accumulated amortization of contributions			
33		Net contributions in aid of construction		6965	7333
34		Total liabilities and other credits		1130715	1184089

**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	1877116	61524	(2000)		1938640
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	1877116	61524	(2000)		1938640
							1938640

\* 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		<b>NON-DEPRECIABLE PLANT</b>					
2	301	Intangible plant					
3	303	Land	22598				22598
4		Total non-depreciable plant	22598				22598
5		<b>DEPRECIABLE PLANT</b>					
6	304	Structures	187206				187206
7	307	Wells	150283	18884			169167
8	317	Other water source plant					
9	311	Pumping equipment	142129				142129
10	320	Water treatment plant	186682				186682
11	330	Reservoirs, tanks and sandpipes	273901				273901
12	331	Water mains	776239	42407	(2000)		816646
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	45056				45056
19		Total depreciable plant					
20		Total water plant in service	1877116	61291	(2000)		1936407

\* 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	NONE			
7				
8				
9				
10	Total			

**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	NONE	
7		
8		
9		
10	Total	

**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	774609		
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1)	65012		
4	(b) Charged to Account No 272	368		
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered			
7	(e) All other credits (Footnote 2)			
8	Total Credits	65380		
9	Deduct: Debits to reserves during year		NONE	
10	(a) Book cost of property retired			
11	(b) Cost of removal			
12	(c) All other debits (Footnote 3)			
13	Total debits	839989		
14	Balance in reserve at end of year			
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	70360	5828			
2	307	Wells	48399	7514			76188
3	317	Other water source plant					55913
4	311	Pumping equipment	97216	11706			
5	320	Water treatment plant	73443	14947			108922
6	330	Reservoirs, tanks and sandpipes	33289	8933			88390
7	331	Water mains	295839	16124			92222
8	333	Services and meter installations	40188	918		(2000)	309963
9	334	Meters	2981	262			41106
10	335	Hydrants	19348	697			3243
11	339	Other equipment					20045
12	340	Office furniture and equipment	3383				
13	341	Transportation equipment	40585	450			3383
14		Total	775031	67379		(2000)	840410

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

Line No.	Item (a)	Amount (b)
1	Patronage Dividend CoBank	
2	Investment CoBank	28732
3		3482
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.

also, date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

6 Set out separately and identify undisposed amounts applicable to issues which were redeemed in prior years.

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									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									

NONE

**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		44000	44000		
2								
3								
4								
5								
6								
							Total	

**SCHEDULE A-7**  
**Record of Stockholders at End of Year**

Line No.	COMMON STOCK	Number of Shares (b)	PREFERRED STOCK	Number of Shares (d)
	Name (a)		Name (c)	
1	John Fulton	3200		
2	Craig & Mary Fox	1200		
3				
4			NONE	
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)**

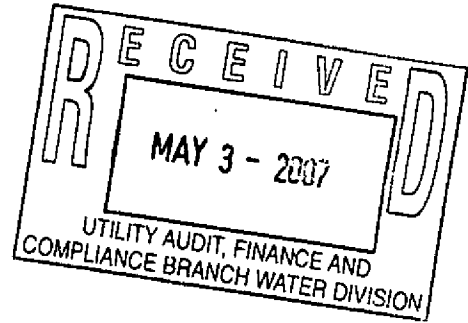
Line No	Item (a)	Amount (b)
1	Balance beginning of year	
2	<b>CREDITS</b>	
3	Net income	521117
4	Prior period adjustments	
5	Other credits (detail)	50886
6		
7	Total credits	
8	<b>DEBITS</b>	
9	Net losses	
10	Prior period adjustments	
11	Dividend appropriations - preferred stock	
12	Dividend appropriations - common stock	
13	Other debits (detail)	
14		
15	Balance end of year	572003
	Total debits	

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

NONE

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

Amended



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

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)
COBANK		8/29/96	varies	950.	382655	varies			33754

See Amended

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/	varies	950,000	386,229	varies			
2			96			368,521		33,754		33,754
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					
2	NONE				
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					
2	NONE				
3					
4	Totals				

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

Line No.	Description (a)	Balance End of Year (b)
1		
2		
3	NONE	
4		
5	als	

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

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year	XXXXXXXXXXXXXXXXXX	13500
2	Additions during year	XXXXXXXXXXXXXXXXXX	
3	Subtotal - Beginning balance plus additions during year	XXXXXXXXXXXXXXXXXX	
4	Charges during year:		
5	Refunds	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
6	Percentage of revenue basis	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
7	Proportionate cost basis	1850	XXXXXXXXXXXXXXXXXX
8	Present worth basis		XXXXXXXXXXXXXXXXXX
9	Total refunds		XXXXXXXXXXXXXXXXXX
10	Transfers to Acct. 271, Contributions in aid of Construction	1850	XXXXXXXXXXXXXXXXXX
11	Due to expiration of contracts	XXXXXXXXXXXXXXXXXX	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		XXXXXXXXXXXXXXXXXX
16	Balance end of year	XXXXXXXXXXXXXXXXXX	15500

11600

**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				
2				
3	NONE			
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 Property in Service After Dec. 31, 1954		Not Subject to Amortization	
			Depreciable (c)	Non-Depreciable (d)	Property Retired Before Jan. 1, 1955 (e)	Depreciation Accrued Through Dec. 31, 1954 on Property in Services at Dec. 31, 1954 (f)
1	Balance beginning of year	7333	7333			
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	368	368			
8	Nondepreciable donated property retired					
9	Other debits*					
10	Total debits					
11	Balance end of year	6965	6965			

\* 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		<b>WATER SERVICE REVENUES</b>			
2	460	Unmetered water revenue			
3		460.1 Single - family residential			
4		460.2 Commercial and multi-residential	409366	395340	14026
5		460.3 Large water users			
6		460.5 Safe Drinking Water Bond Surcharge			
7		460.9 Other unmetered revenue			
8		Sub-total	409366	395340	14026
9	462	Fire protection revenue			
10		462.1 Public fire protection	1272	1272	0
11		462.2 Private fire protection	1272	1272	0
12		Sub-total			
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	410638	396612	14026
22	480	Other water revenue			
23		Total operating revenues	410638	396612	14026

**SCHEDULE B-2**  
**Account No. 401 - Operating Expenses**

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceeding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
1		<b>PLANT OPERATION AND MAINTENANCE EXPENSES</b>			
2		<b>VOLUME RELATED EXPENSES</b>			
3	610	Purchased water			
4	615	Power	63658	65535	1877
5	616	Other volume related expenses	8387	15233	(6846)
6		Total volume related expenses	72045	80768	(8723)
7		<b>NON-VOLUME RELATED EXPENSES</b>			
8	630	Employee labor	20221	14158	6063
9	640	Materials	20087	25213	(5126)
10	650	Contract work			
11	660	Transportation expenses	3577	4321	(744)
12	664	Other plant maintenance expenses			
13		Total non-volume related expenses			
14		Total plant operation and maintenance exp.	43885	43692	193
15		<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>			
16	670	Office salaries	33702	24000	9702
17	671	Management salaries	20000	29400	(9400)
18	674	Employee pensions and benefits	14224	14755	(531)
19	676	Uncollectible accounts expense			
20	678	Office services and rentals			
21	681	Office supplies and expenses	16744	13941	2803
22	682	Professional services	4990	4160	830
23	684	Insurance	8161	8091	70
24	688	Regulatory commission expense			
25	689	General expenses	50	750	(750)
26		Total administrative and general expenses	97871	95097	2774
27	800	Expenses capitalized			
28		Net administrative and general expense	97871	95097	2774
29		Total operating expenses	213801	219557	5756

**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	27674	27674	
2	State corporate franchise tax	5298	5298	
3	State unemployment insurance tax	1176	1176	
4	Other state and local taxes			
5	Federal unemployment insurance tax	303	303	
6	Federal insurance contributions act	5655	5655	
7	Other federal taxes			
8	Federal income taxes	9112	9112	
9				
10				
11	Totals	49218	49218	

**SCHEDULE B-4**  
**Reconciliation of Reported Net Income for Federal Income Taxes**

- 1 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.
- 2 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.
- 3 Show taxable year if other than calendar year from 1/06 to 12/06.

Line No.	Particulars (a)	Amount (b)
1	Net income for the year per Schedule B, page 4	
2	Reconciling amounts (list first additional income and unallowable deductions,	50886
3	followed by additional deductions and non-taxable income):	
4		
5	depreciation differential	
6	state franchise tax 05	-8849
7	" " " " 06	-5465
8		+5298
9		
10	Federal tax net income	+9112
11	Computation of tax:	
12	15% 50,000	7501
13	25% 6447	1611
14		9112
15		
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	2432	
2			
3			
4			
5	Total		

**SCHEDULE B-6**  
**Account No. 427 - Interest Expense**

Line No.	Description (a)	Amount (b)
1	CoBank ABC	33754
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	20221		20221
2	670	Office salaries	2	33702		33702
3	671	Management salaries	2	20000		20000
4						
5						
6		Total	4+	73923		73923

**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		NONE						
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 and/or management of its own affairs during the year? Answer: (Yes or No)	
2	(If the answer is in the affirmative, make appropriate replies to the following questions)*	
3	2. Name of each organization or person that was a party to such a contract or agreement.	
4	3. Date of original contract or agreement.	
5	4. Date of each supplement or agreement.	
6	5. Amount of compensation paid during the year for supervision or management . . . . \$	
7	6. To whom paid	
8	7. Nature of payment (salary, traveling expenses, etc.)	
9	8. Amounts paid for each class of service.	
10	9. Basis for determination of such amounts	
11	10. Distribution of payments:	
12		Amount
13	(a) Charged to operating expenses	\$
14	(b) Charged to capital amounts	\$
15	(c) Charged to other account	\$
16	Total	\$
17	11. Distribution of charges to operating expenses by primary accounts	
18	Number and Title of Account	Amount
19		\$
20		\$
21		\$
22	Total	\$
23	12. What relationship, if any, exists between respondent and supervisory and/or managing concerns?	
24		
25		

\* 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**

STREAMS						FLOW IN ..... (Unit) 2		Annual Quantities Diverted ..... (Unit) 2	Remarks
Line No.	Diverted into *	From Stream or Creek (Name)	Location of Diversion Point	cu/ft/sec		Divisions			
				Priority Right Claim	Capacity	Max.	Min.		
1	Lake Tahoe		various	1.65	1.65	1.65	1.65	52.5	
2		varies							
3									
4									
5									
WELLS						Pumping Capacity ..... (Unit) 2	Annual Quantities Pumped ..... (Unit) 2	Remarks	
Line No.	At Plant (Name or Number)	Location	Number	Dimensions	1 Depth to Water				
6	4417 N.Ridge		1	12"	120	200		85.6	
7	Links 5305								
8	N.Lake		2	8"	100	100		6.5	
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									
16	Purchased from								
17	Annual Quantities purchased (Unit chosen) 1								
18									
19									

\* State ditch pipeline reservoir, etc., with name, if any.  
 1 Average depth to water surface below ground surface  
 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.

**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			
4	Wood		gallons	
5	B. Distribution reservoirs			
6	Concrete			
7	Earth			
8	Wood	2X	XXXXXX	
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	NONE							
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								
9									
10	Totals	NONE							

**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						
17	Screw or welded casing						750			
18	Cement - asbestos									
19	Welded steel						980		3710	
20	Wood						8800		4730	
21	Other (specify)									
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								
29	Screw or welded casing								32320
30	Cement - asbestos								
31	Welded steel								4690
32	Wood								14780
33	Other (specify)								
34	Totals								14146
									65936



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

Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior Year	Current Year	Prior Year	Current Year
Single family residential			899	908
Commercial and Multi-residential				
Large water users				
Public authorities				
Irrigation				
Other (specify)				
Subtotal				
Private fire connections				
Public fire hydrants			54	54
<b>Total</b>			<b>953</b>	<b>962</b>

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

Size	Meters	Services
5/8 x 3/4 - in		xxxxxxxxxxxx
3/4 - in		
1 - in		
- in		
- in		
- in		
- in		
- in		
Other		
<b>Total</b>		

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 \_\_\_\_\_ (Unit Chosen)<sup>1</sup>

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)								
<b>Total</b>								

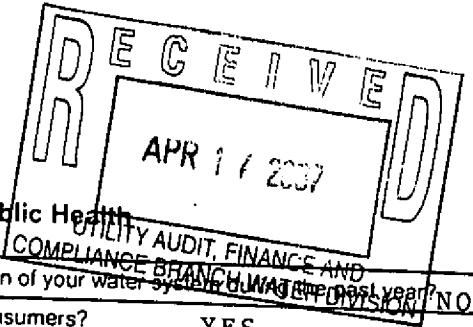
  

Classification of Service	During Current Year						Subtotal	Total	Total Prior Year
	August	September	October	November	December				
Single-family residential									
Commercial and Multi-residential									
Large water users									
Public authorities									
Irrigation									
Other (specify)		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

<sup>1</sup> 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 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 12/31/06 to and including 3/13/07

SIGNED *John P. Fulton*  
(Signature)

Title President

Date 4/7/07

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