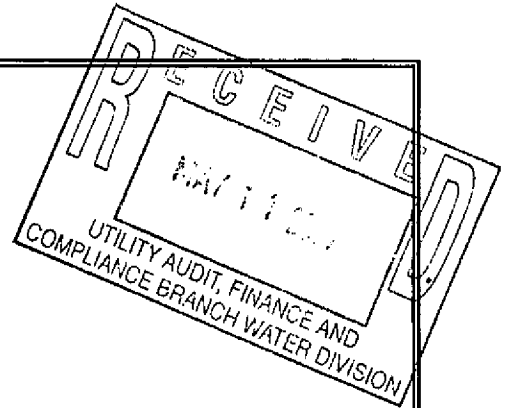


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2006
ANNUAL REPORT
OF
DISTRICT WATER SYSTEM OPERATIONS
OF

Golden State Water Company

(NAME OF CORPORATION)

Name of District: Desert Location: Victorville, San Bernardino
(TOWN OR CITY) (COUNTY)

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)

**SCHEDULE A-1a
Utility Plant in Service**

Line No.	Acct	Title of Account (a)	Balance Beg of Year (b)	Additions During Year (c)	Retirements During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
1		I. INTANGIBLE PLANT					
2	301	Organization	711				711
3	302	Franchises and consents (Schedule A-1b)	101				101
4	303	Other intangible plant	203,204			(114)	203,090
5		Total intangible plant	204,016	0	0	(114)	203,902
6							
7		II. LANDED CAPITAL					
8	306	Land and land rights	162,187			600	162,787
9							
10		III. SOURCE OF SUPPLY PLANT					
11	311	Structures and improvements	0				0
12	312	Collecting and impounding reservoirs	0				0
13	313	Lake, river and other intakes	0				0
14	314	Springs and tunnels	0				0
15	315	Wells	469,702				469,702
16	316	Supply mains	25,006				25,006
17	317	Other source of supply plant	0				0
18		Total source of supply plant	494,708	0	0	0	494,708
19							
20		IV. PUMPING PLANT					
21	321	Structures and improvements	181,308	22,860			204,168
22	322	Boiler plant equipment	0				0
23	323	Other power production equipment	0				0
24	324	Pumping equipment	2,783,019	55,251	(31,420)		2,806,851
25	325	Other pumping plant	20,277			(1,091)	19,186
26		Total pumping plant	2,984,604	78,112	(31,420)	(1,091)	3,030,205
27							
28		V. WATER TREATMENT PLANT					
29	331	Structures and improvements	84,315				84,315
30	332	Water treatment equipment	185,485	2,201			187,686
31		Total water treatment plant	269,800	2,201	0	0	272,002

SCHEDULE A-1a
Utility Plant in Service (Concluded)

Line No.	Acct	Title of Account (a)	Balance Beg of Year (b)	Additions During Year (c)	Retirements During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
1		VI. TRANSMISSION AND DIST. PLANT					
2	341	Structures and improvements	6,899				6,899
3	342	Reservoirs and tanks	900,433				900,433
4	343	Transmission and distribution mains	5,339,028	718,694	(15,848)		6,041,875
5	344	Fire mains	0				0
6	345	Services	1,078,958	334,011	(5,960)		1,407,009
7	346	Meters	295,285	8,720			304,005
8	347	Meter installations	0	0			0
9	348	Hydrants	789,795	94,039	(980)		882,854
10	349	Other transmission and distribution plant	0				0
11		Total transmission and distribution plant	8,410,400	1,155,463	(22,788)	0	9,543,075
12							
13		VII. GENERAL PLANT					
14	371	Structures and improvements	70,000				70,000
15	372	Office furniture and equipment	70,396	4,150			74,547
16	373	Transportation equipment	202,137	29,742	(25,517)		206,362
17	374	Stores equipment	0				0
18	375	Laboratory equipment	394				394
19	376	Communication equipment	19,595				19,595
20	377	Power operated equipment	228,614				228,614
21	378	Tools, shop and garage equipment	36,112	1,189			37,300
22	379	Other general plant	0				0
23		Total general plant	627,248	35,081	(25,517)	0	636,811
24							
25		VIII. UNDISTRIBUTED ITEMS					
26	390	Other tangible property	1,164				1,164
27	391	Utility plant purchased	0				0
28	392	Utility plant sold	0				0
29		Total undistributed items	1,164	0	0	0	1,164
30		Total utility plant in service	13,154,126	1,270,857	(79,725)	(605)	14,344,653

**SCHEDULE A-1d
DISTRICT RATE BASE**

Line No.	Acct.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		DISTRICT RATE BASE			
2					
3		Utility Plant			
4		Plant in Service		14,344,654	13,154,126
5		Construction Work in Progress		3,120,967	306,091
6		General Office Prorate			
7		Total Gross Plant (Line 4 + Line 5 + Line 6)		17,465,621	13,460,217
8					
9		Less Accumulated Depreciation			
10		Plant in Service		4,667,474	4,383,737
11		General Office Prorate			
12		Total Accumulated Depreciation (Line 10 + Line 11)		4,667,474	4,383,737
13					
14		Less Other Reserves			
15		Deferred Income Taxes		953,003	927,743
16		Deferred Investment Tax Credit		38,212	40,444
17		Other Reserves			
18		Total Other Reserves (Line 15 + Line 16 + Line 17)		991,215	968,187
19					
20		Less Adjustments			
21		Contributions in Aid of Construction		1,421,692	1,262,416
22		Advances for Construction		244,913	203,482
23		Other			
24		Total Adjustments (Line 21 + Line 22 + Line 23)		1,666,605	1,465,898
25					
26		Add Materials and Supplies		39,450	32,117
27					
28		Add Working Cash (From Schedule A-1d(2))		105,839	105,839
29		Add General office, regions, district office, CSA allocation		319,942	282,268
30		TOTAL DISTRICT RATE BASE			
31		=Line 7 - Line 12 - Line 18 - Line 24 + Line 26 + Line 28 + Line 29		10,605,559	7,062,619
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SCHEDULE A-1d (2)
RATE BASE
Working Cash Calculation

Line No.	Acct.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		Working Cash			
2					
3		Determination of Operational Cash Requirement			
4		1. Operating Expenses, Excl Taxes, Depr. & Uncoll.			
5		2. Purchased Power & Commodity for Resale*			
6		3. Meter Revenues: Bimonthly Billing			
7		4. Other Revenues: Flat Rate Monthly Billing			
8		5. Total Revenues (3 + 4)			
9		6. Ratio - Flat Rate to Total Revenues (4 / 5)			
10		7. $5/24 \times \text{Line 1} \times (100\% - \text{Line 6})$			
11		8. $1/24 \times \text{Line 1} \times \text{Line 6}$			
12		9. $1/12 \times \text{Line 2}$			
13		10. Operational Cash Requirement (7 + 8 - 9)	"See attached schedule"		
14					
15					
16		* Electric power, gas or other fuel purchased for pumping and/or purchased commodity for resale billed after receipt (metered).			
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HBW
2/12/07

SOUTHERN CALIFORNIA WATER COMPANY
REGION 3 - DESERT

DEVELOPMENT OF AVERAGE LAG IN PAYMENT OF EXPENSES AND
TAXES AND ACCRUING DEPRECIATION

	(a)	(b)	(c)	(d)
CPUC WUDF	ACCOUNT DESCRIPTION	2006 PROPOSED (\$000's)	AVG. NO. OF DAYS LAG	THOUSAND DOLLAR-DAYS LAG
	OPERATING EXPENSES:			
1	70400 PURCHASED WATER	21.1	0.0	0.0
2	72800 POWER FOR PUMPING	183.0	12.0	2,186.5
3	73500 PUMP TAXES	168.3	24.0	3,992.1
4	74400 CHEMICALS	32.8	52.0	1,707.6
5	77300 COMMON CUSTOMER ACCOUNT	22.8	0.0	0.0
6	77325 POSTAGE	0.0	0.0	0.0
7	77500 UNCOLLECTIBLES	4.1	0.0	0.0
8	78000 OPERATION LABOR	367.0	12.5	4,587.5
9	78100 ALL OTHER OPERATION EXPENSES	148.5	31.0	4,602.0
10	78700 MAINTENANCE LABOR	197.0	12.5	2,462.5
11	78800 ALL OTHER MAINTENANCE EXPENSES	235.5	35.0	8,242.5
12	79200 OFFICE SUPPLIES AND EXPENSE	83.0	22.0	1,386.9
13	79300 PROPERTY INSURANCE	2.0	(168.0)	(341.9)
14	79400 INJURIES AND DAMAGES	16.4	(148.0)	(2,450.7)
15	79500 PENSIONS AND BENEFITS	71.8	23.0	1,651.6
16	79600 BUSINESS MEALS	0.1	15.0	1.5
17	79700 REGULATORY COMMISSION	19.8	16.0	356.2
18	79800 OUTSIDE SERVICES	6.2	26.0	160.9
19	79900 MISCELLANEOUS	0.7	22.0	15.9
20	79910 ALLOCATED GENERAL OFFICE	201.5	13.7	2,767.3
21	80500 ALL OTHER MAINT. GENERAL PLANT	1.8	40.0	65.2
22	81100 RENT	28.1	3.0	84.4
23	81500 A&G LABOR	49.8	12.5	620.0
24	50300 DEPRECIATION AND AMORTIZATION	316.5	0.0	0.0
25	50710 PROPERTY TAXES	43.4	40.0	1,734.3
26	50720 PAYROLL TAXES	49.5	4.0	198.0
27	50730 LOCAL TAXES	19.8	263.0	5,198.9
28	STATE INCOME TAX	(40.5)	96.0	(3,885.2)
29	FEDERAL INCOME TAX	(151.5)	106.0	(16,055.4)
30	TOTAL OPERATING EXPENSES	2,076.4		19,288.7
31	CPUC FEE (1.4% OF REVENUE)	29.2	90.0	2,624.5
32	TOTAL	2,105.5		21,923.2
33	AVERAGE LAG ----->			9.29

AVERAGE AMOUNT OF CASH REQUIRED AS A RESULT OF
PAYING EXPENSES, TAXES AND ACCRUING DEPRECIATION
IN ADVANCE OF COLLECTING REVENUES
(\$ in Thousands)

34	(1) Avg. Lag in Collection of Revenues	30.60 days
35	(2) Avg. Lag in Payment of Expenses, Taxes and Accruing Depreciation	9.29 days
36	(3) Excess of Collection Lag over Payment Lag	21.31 days
37	(4) Total of Expenses, Taxes and Depreciation	\$2,105.5
38	(5) Daily Total of Expenses, Taxes and Depreciation	\$5.8
39	(6) Average Amount of Working Cash Capital Required as a Result of	
40	Paying Exp., Taxes and Depr'n in Advance of Collecting Revenues	\$122.9

NOTE: Schedule incorporate dollars (Accounts 793.00 Property Insurance, 794.00 Injuries and Damages, and 795.00 Pension & Benefits) for Working Cash calculation - Dollars were used expressly for working cash calculation.

**SCHEDULE A-3
Depreciation and Amortization Reserves**

Line No.	Item (a)	Account 250 Utility Plant (b)	Account 251 Limited-Term Utility Investments (c)	Account 252 Utility Plant Acquisition Adjustments (d)	Account 253 Other Property (e)
1	Balance in reserves at beginning of year	4,354,201	29,536	0	0
2	Add: Credits to reserves during year				
3	(a) Charged to Account 503, 504, 505	290,476	18,294		
4	(b) Charged to Account 265	34,813			
5	(c) Charged to Clearing Accounts	20,043			
6	(d) Salvage recovered	637			
7	(e) All other credits 1/				
8	Total credits	345,969	18,294	0	0
9	Deduct: Debits to reserves during year				
10	(a) Book cost of property retired	79,725			
11	(b) Cost of removal	800			
12	(c) All other debits 1/				
13	Total debits	80,525	0	0	0
14	Balance in reserve at end of year	4,619,645	47,830	0	0
15	State method of determining depreciation charges.	Composite Rate			
16					
17					
18	Report the depreciation claimed in your Federal Income Tax Return for the year - \$	NOT AVAILABLE BY DISTRICT			
19	1/ Indicate the nature of these items and show the accounts affected by the contra entries.				
20					
21					

SCHEDULE A-3a**Analysis of Entries in Account 250-Reserve for Depreciation of Utility Plant**

(This schedule is to be completed if records are maintained showing depreciation reserve by plant accounts)

Line No.	Acct.	DEPRECIABLE PLANT (a)	Balance Beginning of Year (b)	Credits to Reserve During Year Excl. Salvage (c)	Debits to Reserves During Year Excl. Cost Removal (d)	Salvage and Cost of Removal Net (Dr.) or Cr. (e)	Balance End of Year (f)
1		I. SOURCE OF SUPPLY PLANT					
2	311	Structures and improvements	0				0
3	312	Collecting and impounding reservoirs	0				0
4	313	Lake, river and other intakes	0				0
5	314	Springs and tunnels	0				0
6	315	Wells	(265,647)	(15,547)			(281,194)
7	316	Supply mains	(6,021)	(495)			(6,516)
8	317	Other source of supply plant	0				0
9		Total source of supply plant	(271,668)	(16,042)	0	0	(287,710)
10							
11		II. PUMPING PLANT					
12	321	Structures and improvements	(52,845)	(4,950)			(57,795)
13	322	Boiler plant equipment	0				0
14	323	Other power production equipment	0				0
15	324	Pumping equipment	(1,118,599)	(89,422)	31,507		(1,176,514)
16	325	Other pumping plant	(1,897)	(612)			(2,509)
17		Total pumping plant	(1,173,341)	(94,984)	31,507	0	(1,236,818)
18							
19		III. WATER TREATMENT PLANT					
20	331	Structures and improvements	(33,245)	(2,243)			(35,488)
21	332	Water treatment equipment	(102,276)	(8,273)			(110,549)
22		Total water treatment plant	(135,521)	(10,516)	0	0	(146,037)
23							

SCHEDULE A-3a**Analysis of Entries in Account 250-Reserve for Depreciation of Utility Plant (continued)**

(This schedule is to be completed if records are maintained showing depreciation reserve by plant accounts)

Line No.	Acct.	DEPRECIABLE PLANT (a)	Balance Beginning of Year (b)	Credits to Reserve During Year Excl. Salvage (c)	Debits to Reserves During Year Excl. Cost Removal (d)	Salvage and Cost of Removal Net (Dr.) or Cr. (e)	Balance End of Year (f)
1		IV. TRANS. AND DIST. PLANT					
2	341	Structures and improvements	(2,976)	(184)			(3,160)
3	342	Reservoirs and tanks	(352,744)	(22,781)			(375,525)
4	343	Transmission and distribution mains	(1,460,724)	(116,925)	15,848	800	(1,561,001)
5	344	Fire mains	0				0
6	345	Services	(323,539)	(32,801)	5,960		(350,380)
7	346	Meters	(153,376)	(11,074)		(637)	(165,087)
8	347	Meter installations	0				0
9	348	Hydrants	(161,366)	(14,058)	980		(174,444)
10	349	Other transmission and distribution plant	0				0
11		Total trans. and distribution plant	(2,454,725)	(197,823)	22,788	163	(2,629,597)
12							
13		V. GENERAL PLANT					
14	371	Structures and improvements	(12,159)	(1,673)			(13,832)
15	372	Office furniture and equipment	(34,025)	(4,287)			(38,312)
16	373	Transportation equipment	(104,329)	(8,793)	25,517		(87,605)
17	374	Stores equipment	0				0
18	375	Laboratory equipment	(394)				(394)
19	376	Communication equipment	(19,218)	(376)			(19,594)
20	377	Power operated equipment	(126,292)	(9,487)			(135,779)
21	378	Tools, shop and garage equipment	(22,334)	(1,387)			(23,721)
22	379	Other general plant	0				0
23	390	Other tangible property	(197)	(51)			(248)
24	391	Water plant purchased	0				0
25		Total general plant	(318,948)	(26,054)	25,517	0	(319,485)
26		TOTAL	(4,354,203)	(345,419)	79,812	163	(4,619,647)

SCHEDULE B-1
Operating Revenues

Line No.	Acct.	ACCOUNT (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Brackets) (d)
1		I. WATER SERVICE REVENUES			
2	601	Metered sales to general customers			
3		601.1 Commercial sales	2,123,070	1,951,723	171,347
4		601.2 Industrial sales			-
5		601.3 Sales to public authorities	17,777	14,552	3,225
6		Sub-total	2,140,847	1,966,275	174,572
7	602	Unmetered sales to general customers			
8		602.1 Commercial sales	2,815	2,401	414
9		602.2 Industrial sales			-
10		602.3 Sales to public authorities			-
11		Sub-total	2,815	2,401	414
12	603	Sales to irrigation customers			
13		603.1 Metered sales			-
14		603.2 Unmetered sales			-
15		Sub-total	-	-	-
16	604	Private fire protection service	1,200	1,200	-
17	605	Public fire protection service			-
18	606	Sales to other water utilities for resale	567	538	29
19	607	Sales to governmental agencies by contracts			-
20	608	Interdepartmental sales			-
21	609	Other sales or service	6,148	7,253	(1,105)
22		Sub-total	7,915	8,991	(1,076)
23		Total water service revenues	2,151,577	1,977,667	173,910
24		II. OTHER WATER REVENUES			
25	611	Miscellaneous service revenues	7,598	6,592	1,006
26	612	Rent from water property	3,120	2,880	240
27	613	Interdepartmental rents			-
28	614	Other water revenues	5,026	(3,019)	8,045
29		Total other water revenues	15,744	6,453	9,291
30	501	Total operating revenues	2,167,321	1,984,120	183,201

SCHEDULE B-2
Operating Expenses - Class A, B, and C Water Utilities

(Respondent should use the group of accounts applicable to its class)

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
			A	B	C			
1		I. SOURCE OF SUPPLY EXPENSE						
2		Operation						
3	701	Operation supervision and engineering	A	B		38,402	(70,775)	109,177
4	701	Operation supervision, labor and expenses			C			
5	702	Operation labor and expenses	A	B		9,208	0	9,208
6	703	Miscellaneous expenses	A			6,323	78	6,245
7	704	Purchased water	A	B	C	29,769	27,959	1,810
8		Maintenance						
9	706	Maintenance supervision and engineering	A	B		0	0	0
10	706	Maintenance of structures and facilities			C			
11	707	Maintenance of structures and improvements	A	B		0	0	0
12	708	Maintenance of collect and impound reservoirs	A			7,992	3,155	4,837
13	708	Maintenance of source of supply facilities		B				
14	709	Maintenance of lake, river and other intakes	A			80	0	80
15	710	Maintenance of springs and tunnels	A			0	0	0
16	711	Maintenance of wells	A			4,486	3,535	951
17	712	Maintenance of supply mains	A			1,487	73	1,414
18	713	Maintenance of other source of supply plant	A	B		0	0	0
19		Total source of supply expense				97,747	(35,975)	133,722

SCHEDULE B-2
Operating Expenses - Class A, B, and C Water Utilities (continued)

(Respondent should use the group of accounts applicable to its class)

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
			A	B	C			
1		II. PUMPING EXPENSES						
2		Operation						
3	721	Operation supervision and engineering	A	B		0	0	0
4	721	Operation supervision labor and expense			C			
5	722	Power production labor and expense	A			0	0	0
6	722	Power production labor, expenses and fuel		B				
7	723	Fuel for power production	A			0	0	0
8	724	Pumping labor and expenses	A	B		112,313	107,428	4,885
9	725	Miscellaneous expenses	A			28,674	12,588	16,086
10	726	Fuel or power purchased for pumping	A	B	C	271,412	152,275	119,137
11		Maintenance						
12	729	Maintenance supervision and engineering	A	B		0	35	(35)
13	729	Maintenance of structures and equipment			C			
14	730	Maintenance of structures and improvements	A	B		4,081	3,523	558
15	731	Maintenance of power production equipment	A	B		0	0	0
16	732	Maintenance of pumping equipment	A	B		89,642	70,546	19,096
17	733	Maintenance of other pumping plant	A	B		0	0	0
18		Total pumping expenses				506,122	346,395	159,727
19		III. WATER TREATMENT EXPENSES						
20		Operation						
21	741	Operation supervision and engineering	A	B		0	0	0
22	741	Operation supervision, labor and expenses			C			
23	742	Operation labor and expenses	A			94,809	63,249	31,560
24	743	Miscellaneous expenses	A	B		0	0	0
25	744	Chemicals and filtering materials	A	B		25,148	20,556	4,592
26		Maintenance						
27	746	Maintenance supervision and engineering	A	B		57	1,148	(1,091)
28	746	Maintenance of structures and equipment			C			
29	747	Maintenance of structures and improvements	A	B		26,389	6,328	20,061
30	748	Maintenance of water treatment equipment	A	B		24,736	23,170	1,566
31		Total water treatment expenses				171,139	114,451	56,688

SCHEDULED B-2
Operating Expenses - Class A, B, and C Water Utilities (continued)
(Respondent should use the group of accounts applicable to its class)

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Brackets) (d)
			A	B	C			
1		IV. TRANS. AND DIST. EXPENSES						
2		Operation						
3	751	Operation supervision and engineering	A	B	0	0	0	
4	751	Operation supervision, labor and expenses						
5	752	Storage facilities expenses	A		1,433	766	667	
6	752	Operation labor and expenses	A	B				
7	753	Transmission and distribution lines expenses	A		8,674	2,912	5,762	
8	754	Meter expenses	A		14,149	13,608	541	
9	755	Customer installations expenses	A		18,518	35,262	(16,744)	
10	756	Miscellaneous expenses	A		80,489	52,638	27,851	
11		Maintenance						
12	758	Maintenance supervision and engineering	A	B	0	268	(268)	
13	758	Maintenance of structures and plant						
14	759	Maintenance of structures and improvements	A	B	0	0	0	
15	760	Maintenance of reservoirs and tanks	A	B	23,452	11,609	11,843	
16	761	Maintenance of trans. and distribution mains	A		641,803	274,006	367,797	
17	761	Maintenance of mains						
18	762	Maintenance of fire mains	A		0	0	0	
19	763	Maintenance of services	A		137,801	86,204	51,597	
20	763	Maintenance of other trans. and distribution plant						
21	764	Maintenance of meters	A		17,334	16,100	1,234	
22	765	Maintenance of hydrants	A		16,160	5,002	11,158	
23	766	Maintenance of miscellaneous plant	A		0	0	0	
24		Total transmission and distribution expenses			971,823	498,675	473,148	

SCHEDULED B-2
Operating Expenses - Class A, B, and C Water Utilities (continued)
(Respondent should use the group of accounts applicable to its class)

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Brackets) (d)
			A	B	C			
1		V. CUSTOMER ACCOUNT EXPENSES						
2		Operation						
3	790	Transformed Customer Expenses			28,200	24,701	3,499	
4	771	Supervision	A	B	36,976	33,208	3,768	
5	771	Superv., meter read., other customer acct expenses						
6	772	Meter reading expenses	A	B	74,480	80,804	(6,324)	
7	773	Customer records and collection expenses	A		57,986	46,029	11,958	
8	773	Customer records and accounts expenses						
9	774	Miscellaneous customer accounts expenses	A		0	0	0	
10	775	Uncollectible accounts	A	B	2,895	1,676	1,119	
10		Total customer account expenses			200,637	186,617	14,020	
11		VI. SALES EXPENSES						
12		Operation						
13	781	Supervision	A	B	0	0	0	
14	781	Sales expenses						
15	782	Demonstrating and selling expenses	A		822	338	484	
16	783	Advertising expenses	A		771	852	(81)	
17	784	Miscellaneous sales expenses	A		0	0	0	
18	785	Merchandising, jobbing and contract work	A		(176)	0	(176)	
19		Total sales expenses			1,417	1,190	227	

SCHEDULED B-2
Operating Expenses - Class A, B, and C Water Utilities (concluded)
(Respondent should use the group of accounts applicable to its class)

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Brackets) (d)
			A	B	C			
1		VII. ADMIN. AND GENERAL EXPENSES						
2		Operation						
3	790	Allocation of A&G Expenses			336,440	286,678	49,762	
4	701	Administrative and general salaries	A	B	116,564	57,676	58,888	
5	792	Office supplies and other expenses	A	B	118,290	80,622	37,668	
6	793	Property insurance	A		0	0	0	
7	794	Property insurance, injuries and damages						
8	794	Injuries and damages	A		1,778	2	1,774	
9	795	Employees' pensions and benefits	A	B	11,729	10,896	833	
10	796	Franchise requirements	A	B	11,219	10,493	726	
11	797	Regulatory commission expenses	A	B	4,584	12,802	(8,218)	
12	798	Outside services employed	A		20,414	4,144	16,270	
13	798	Miscellaneous other general expenses						
14	799	Miscellaneous other general operation expenses	A		404	389	15	
15		Maintenance						
16	805	Maintenance of general plant	A	B	16,661	4,859	11,802	
17		Total administrative and general expenses			640,101	471,161	168,940	
18		VIII. MISCELLANEOUS						
19	811	Rents	A	B	28,840	27,813	927	
20	812	Administrative expenses transferred - Cr.	A	B	0	0	0	
21	813	Duplicate charges - Cr.	A	B	0	0	0	
22		Total miscellaneous			28,840	27,813	927	
23		Total operating expenses			2,617,828	1,610,427	1,007,399	

SCHEDULE B-4
Taxes Charged During Year

Line No.	Kind of tax (See system support for instructions) (a)	Total taxes charged during year (b)	Water (Account 507) (c)	Nonutility (Account 321) (d)	Other (Accounts) (e)	Capitalized (f)
1	Taxes on real and personal property	47,187	47,187			
2	State corporation franchise tax	(96,382)	(96,382)			
3	State unemployment insurance tax	1,538	1,538			
4	Other state and local taxes	23,486	23,486			
5	Federal unemployment insurance tax	464	464			
6	Federal insurance contributions act	39,137	39,137			
7	Other federal taxes	-	-			
8	Federal income tax	(214,989)	(214,989)			
9	Pump taxes	13,907	13,907			
10						
11						
12						
13						
14						
15						
16						
17	Totals	(185,652)	(185,652)	-	-	-

**SCHEDULE D-1
Sources of Supply and Water Developed**

Line No.	STREAMS			FLOW IN ... (Unit) ²				Annual Quantities Diverted (Unit) ²	Remarks
	Diverted Into ¹	From Stream or Creek (Name)	Location of Diversion Point	Priority Right		Diversions			
Claim				Capacity	Max	Min			
1									
2									
3									
4								"None"	
5									
6									
7									
8	WELLS				Pumping Capacity (Unit) ²	Annual Quantities Pumped CCF (Unit) ²	Remarks		
9	At Plant (Name or Number)	Location	Number	Diversions				³ Depth in Water	
10									
11									
12	Refer to Attached Schedule"								
13									
14									
15									
16									
17	TUNNELS AND SPRINGS			FLOW IN ____ (Unit) ²		Annual Quantities Used ____ (Unit) ²	Remarks		
18	Designation	Location	Number	Maximum	Minimum				
19									
20									
21									
22									
23									
24									
25									
26	Purchased Water for Resale								
27									
28									
29	Purchased from								
30	Annual quantities purchased				(Unit chosen) ²		*Refer to Company Schedule		
31	D-1"								
32									

¹ State ditch, pipe line, reservoir, etc., with name, if any.

² The quantity unit in established use for expressing water stored and used in large amounts is the acre foot, which equals 43,560 cubic foot; in domestic use the thousand gallons 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.

³ Average depth to water surface below ground surface.

**SCHEDULE D-2
Description of Storage Facilities**

Line No.	Type	Number	Combined Capacity (Gallons or Acre Feet)	Remarks
33	A. Collecting Reservoirs			"Refer to Attached Schedule"
34	Concrete			
35	Earth			
36	Wood			
37	B. Distribution Reservoirs			
38	Concrete			
39	Earth			
40	Wood			
41	C. Tanks			
42	Concrete			
43	Earth			
44	Wood			
45	Steel			
	Total			

Plant Facility Index

Region: II
District: Mountain-Desert
CSA: Apple Valley
System: Apple Valley South

Plant	Major Facility	Year Built	Base Elev.	2006 Prod CCF	Wells			Pumps				Tanks			Remarks	
					Depth (ft)	Casing Diam (in)	Column Setting	Pump Type	Energy Type	Size (HP)	Design Flow (gpm)	Design Head (ft)	Volume (MG)	Type		Material
Anoka	Well 1	1954	2941	-	504	12	200	V.T.	Elec.	30	250	345	0.50	Ground	W. Steel	Out of Service
	Reservoir	1987	2941					E.S.	Elec.	10	150	165				Backup Generator
	Booster B	1987	2941					E.S.	Elec.	20	430	135				Resv to Anoka Zone
	Booster C	1987	2941					E.S.	Elec.	20	430	135				Resv to Anoka Zone
Bear Valley	Well 2	1965	2984	64,904	280	12	230	V.T.	Elec.	40	300	390				Well to System through PRV
	Well 5	1954	2955	-	500	12	200	V.T.	Elec.	40	300	320				Out of Service
Mohawk	Well 2	1988	3023	180,338	585	16	282	V.T.	Elec.	75	900	260				Well to Mohawk Reservoir
	Well 3A	1950	3023	140,699	494	16	262	V.T.	Elec.	100	600	400				Well to System through PRV
	Reservoir	1986	3023					E.S.	Elec.	10	155	160	0.30	Ground	W. Steel	All Boosters pump to Mohawk Zone
Pahute	Booster A	1986	3023					E.S.	Elec.	10	155	160				
	Booster B	1986	3023					E.S.	Elec.	20	400	150				
	Booster C	1986	3023					E.S.	Elec.	20	400	150				
	Booster D	1986	3023					E.S.	Gas	76	500	150				
Powhattan	Interconnection	1989	2976	-												Interconnect w/ AVRWC
	Interconnection	1987	2942	-							1000					Interconnect w/ AVRWC

Plant Facility Index

Region: III
 District: Mountain-Desrt
 CSA: Apple Valley
 System: Desert View

Plant	Major Facility	Year Built	Base Elev.	2006 Prod CCF	Wells		Pumps			Tanks			Remarks	
					Depth (ft)	Casing Diam (in)	Column Setting	Pump Type	Energy Type	Size (HP)	Design Flow (gpm)	Design Head (ft)		Volume (MG)
Desert View	Well 1	1977	3052	11,761	427	10	378	Subm.	Elec.	15	80	520		Well to system
	Well 2 Pressure Tank	1999	3052	4,792	455	8		Subm.	Elec.	15	80	520	0.0015 Pressure	Well to system Backup Generator

Plant Facility Index

Region: III
 District: Mountain-Desert
 CSA: Apple Valley
 System: Apple Valley North

Plant	Major Facility	Year Built	Base Elev.	2006 Prod CCF	Wells			Pumps				Tanks			Remarks	
					Depth (ft)	Casing Diam (in)	Column Setting	Pump Type	Energy Type	Size (HP)	Design Flow (gpm)	Design Head (ft)	Volume (MG)	Type		Material
Central Tanks	NW Reservoir		3225										0.042	Elev. Resv	B. Steel	Floats on Tank Zone
	SE Reservoir		3225										0.050	Elev. Resv	W. Steel	Floats on Tank zone
Central Wells	Well 2	1982	2960	71,874	292	12	230	V.T.	Elec.	50	250	510				Well to System
	Well 7		2960	-	269	12	221	V.T.	Elec.	20	100	495				Out of Service
Papago	Well 1	1987	2986	88,862	310	14	271.5	V.T.	Elec.	50	250	525				Well to System
Yucca	Booster A		3083					E.S.	Elec.	5	100	70				Pumps from Tank Zone to Yucca Booster Zone
South St Connection				17,860												

Plant Facility Index

Region: III
 District: Mountain-Desert
 CSA: Apple Valley
 System: Lucerne Valley

Plant	Major Facility	Year Built	Base Elev.	2006 Prod CCF	Wells			Pumps				Tanks			Remarks	
					Depth (ft)	Casing Diam (in)	Column Setting	Pump Type	Energy Type	Size (HP)	Flow (gpm)	Design Head (ft)	Volume (MG)	Type		Material
Carson	Booster A		3230						H.S.C.	Elec.	30	135	450			Standby Use. Sutter Zone to Pitzer Butte Zone
Emerald	Well 1	2006														Under Construction
Meb	Well 1		3290	12,197	480	10	292		V.T.	Elec.	15	90	320			Well to Forebay
	Forebay	1973	3290													
	Booster A		3290						H.S.C.	Elec.	40	200	400	0.042	B. Steel	Pumps to System
Mesa	Booster A	1988	3540						E.S.	Elec.	3	100	80			Pitzer Butte Zone to Mesa Booster Zone
Pitzer Butte	Reservoir	1985	3620											0.042	Elev. Resv	Floats on Pitzer Butte Zone
Sutter	Well 7	1952	3140	3,485	403	12	242		V.T.	Elec.	30	200	375			Well to System through pressure tank
	Pressure Tank															
Topaz	Well 1	1980	3400	66,647	515	16	400		Subm.	Elec.	40	150	660			Well to System

Plant Facility Index

Region: III
 District: Mountain-Desert
 CSA: Morongo Valley
 System: Morongo del Norte

Plant	Major Facility	Year Built	Base Elev.	2006 Prod CCF	Wells		Pumps			Tanks			Remarks	
					Depth (ft)	Casing Diam (in)	Column Setting	Pump Type	Energy Type	Size (HP)	Design Flow (gpm)	Design Head (ft)		Volume (MG)
Bella Vista Elm	Well 1 Well 24	2005 1957	2730	6,534	272	14	189	V.T.	Elec.	15	90	440		Under Construction Well to System through PRV
Highway Navajo	Well 3	1991	2708	29,185	200	10	180	V.T.	Elec.	15	100	398		Well to System Booster A & B pump through pressure tank to Booster Zone Floats on Navajo Tank Zone
	Booster A	1980	2916					E.S.	Elec.	5	78	135		
	Booster B	1980	2916					E.S.	Elec.	5	78	135		
	Reservoir	1977	2940									0.0417	Elev. Resv	
	Pressure Tank	1980	2916									0.001	Pressure	Steel

Plant Facility Index

Region: III
District: Mountain-Desert
CSA: Morongo Valley
System: Morongo del Sur

Plant	Major Facility	Year Built	Base Elev.	2006 Prod CCF	Wells			Pumps				Tanks			Remarks	
					Depth (ft)	Casing Diam (in)	Column Setting	Pump Type	Energy Type	Size (HP)	Design Flow (gpm)	Design Head (ft)	Volume (MG)	Type		Material
Maccelle	Reservoir	1983	2945										0.250	Elev. Resv	W. Steel	Floats on Maccelle Tank Zone
Mojave	Reservoir	1992	2690													
	Booster A	1987	2690													Booster A & B pump to Maccelle Tank Zone
Juniper	Booster B	1965	2690													
	Booster A	1978	2820													Booster A & B pump to Pinon Reservoir Zone
Pinon	Booster B	1978	2820													
	Forebay	1986	3050										0.022	Elev. Resv	B. Steel	Floats on Pinon Reservoir Zone
Hilltop	Booster A		3050													
	Booster B		3050													Booster A & B pump to Hilltop Reservoir Zone
Vista	Reservoir	1986	3300													
	Booster A	1988	2820													Booster A & B pump to Vista Booster Zone from Maccelle Tank Zone
Vale	Booster B	1988	2820													
	Well 1	2005														Under Construction
Yeager-Vale	Well 2	1970	2540	30,454	525	12	120									Well to System
	Well 3	1982	2540	151,153	450	80	80									Well to System

SCHEDULE D-3
Description of Transmission and Distribution Facilities

A. Length of Ditches, Flumes and Lined 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								
4									
5	Totals								

A. Length of Ditches, Flumes and Lined 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	Lined conduit								
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
11	Cast Iron						50		362
12	Ductile iron (cement lined)						86		438
13	Concrete								
14	Copper								
15	Riveted Steel								
16	Standard Steel	46	153	4,007		6,022	109,735	208	57,430
17	Screw or Welded Casing								
18	Cement - Asbestos						34,706		78,963
19	Welded Steel								
20	Polyvinylchloride			320			1,330		6,240
21	Other - Plastic			83			65		6,161
22	Totals	46	153	4,410	-	6,022	145,972	208	149,594

B. Footages of Pipe by Inside Diameters in Inches - Not Including Service Piping - (Concluded)

Line No.		8	10	12	14	16	20	Other Sizes (Specify Sizes)	Total All Sizes
								5.5	
23	Cast Iron		365	72					849
24	Ductile iron (cement lined)	741							1,265
25	Concrete								-
26	Copper								-
27	Riveted Steel								-
28	Standard Steel	24,482	10,527					8,560	221,170
29	Screw or Welded Casing								-
30	Cement - Asbestos	18,256	3,709						135,634
31	Welded Steel								-
32	Polyvinylchloride	42,892	143	15,159					66,084
33	Other - Plastic	9,553							15,862
33a	Unclassified		10						10
34	Totals	95,824	14,754	15,231	-	-	-	8,560	440,874

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

Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior Year	Current Year	Prior Year	Current Year
Commercial (including domestic)	3,759	3,811	6	8
Industrial				
Public authorities	9	9		
Irrigation				
Other (specify)	4	4		
Subtotal	3,772	3,824	6	8
Private fire connections			4	4
Public fire hydrants				
Total	3,772	3,824	10	12

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

Size	Meters	Services
5/8 x 3/4 - in	3,712	3,819
3/4 - in		
1 - in	80	186
1 1/2 - in	3	3
2 - in	40	26
3 - in	11	13
4 - in	1	1
6 - in		
Other		
Total	3,847	4,048

**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 . . .	_____
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-7Water delivered to Metered Customers by Months and Years in CCF (Unit Chosen):

Classification of Service	January	February	March	April	May	June	July	Subtotal
	Commercial	36,677	40,995	27,815	41,964	47,472	71,775	82,515
Industrial								-
Public authorities	223	219	198	142	265	514	628	2,189
Irrigation								-
Other (specify)	127	95	91	113	100	158	171	855
								-
Total	37,027	41,309	28,104	42,219	47,837	72,447	83,314	352,257
Classification of Service	August	September	October	November	December	Subtotal	Total	Total Prior Year
	Commercial	72,980	79,072	54,487	54,622	42,198	303,359	652,572
Industrial							-	-
Public authorities	672	793	472	671	347	2,955	5,144	3,531
Irrigation							-	-
Other (specify)	172	187	166	157	166	848	1,703	2,039
								-
Total	73,824	80,052	55,125	55,450	42,711	307,162	659,419	592,487

¹ 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 _____ 15,344

End of Year Balances in Selected Accounts

Indicate the end of year balances shown in the district's accounting records for the following accounts:

131	Materials and supplies on hand	\$	<u>39,450</u>
100.3	Construction work in progress	\$	<u>3,120,967</u>
241	Advances for construction	\$	<u>244,913</u>
265	Contributions in aid of construction	\$	<u>1,421,692</u>

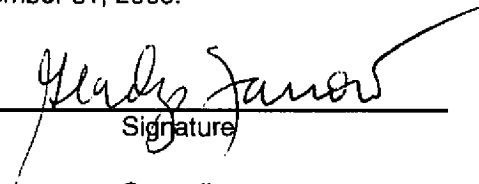
SIGNATURE

District Management

Name of District Manager Perry Dahlstrom Telephone: (760) 247-0911

Address 13608 Hitt Road, Apple Valley, CA 92308

This report sets forth book or allocated figures and other data pertaining to the Desert district for the period from January 1, 2006, to December 31, 2006.



 Signature

 Controller

 Title

 5/8/07

 Date

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