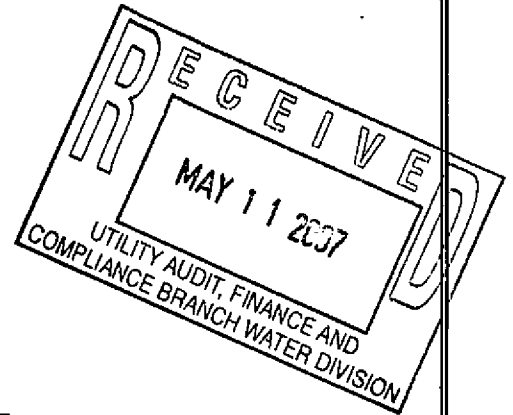


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2006
ANNUAL REPORT
OF
DISTRICT WATER SYSTEM OPERATIONS
OF

Golden State Water Company

(NAME OF CORPORATION)

Name of District: Los Osos Location: Los Osos, San Luis Obispo
(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	0				0
3	302	Franchises and consents (Schedule A-1b)	0				0
4	303	Other intangible plant	110,705				110,705
5		Total intangible plant	110,705	0	0	0	110,705
6							
7		II. LANDED CAPITAL					
8	306	Land and land rights	283,726			0	283,726
9							0
10		III. SOURCE OF SUPPLY PLANT					0
11	311	Structures and improvements	7,127				7,127
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	1,720,056		(8,100)		1,711,956
16	316	Supply mains	91,280				91,280
17	317	Other source of supply plant	0				0
18		Total source of supply plant	1,818,464	0	(8,100)	0	1,810,364
19							
20		IV. PUMPING PLANT					
21	321	Structures and improvements	249,275				249,275
22	322	Boiler plant equipment	0				0
23	323	Other power production equipment	0				0
24	324	Pumping equipment	1,511,583	1,926,605	(14,090)	(0)	3,424,098
25	325	Other pumping plant	211,438				211,438
26		Total pumping plant	1,972,296	1,926,605	(14,090)	(0)	3,884,811
27							
28		V. WATER TREATMENT PLANT					
29	331	Structures and improvements	85,063				85,063
30	332	Water treatment equipment	494,909	1,009,534			1,504,442
31		Total water treatment plant	579,972	1,009,534	0	0	1,589,506

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	56,567				56,567
3	342	Reservoirs and tanks	974,294				974,294
4	343	Transmission and distribution mains	2,599,969	109,352			2,709,321
5	344	Fire mains	0				0
6	345	Services	869,979	67,038		7,828	944,844
7	346	Meters	427,459	32,673		(7,828)	452,304
8	347	Meter installations	0				0
9	348	Hydrants	522,890	19,737		0	542,627
10	349	Other transmission and distribution plant	3,533				3,533
11		Total transmission and distribution plant	5,454,690	228,799	0	0	5,683,490
12							
13		VII. GENERAL PLANT					
14	371	Structures and improvements	44,982			(2,500)	42,482
15	372	Office furniture and equipment	40,488	3,559			44,048
16	373	Transportation equipment	114,817		(29,468)		85,349
17	374	Stores equipment	0				0
18	375	Laboratory equipment	0				0
19	376	Communication equipment	10,272				10,272
20	377	Power operated equipment	11,352				11,352
21	378	Tools, shop and garage equipment	21,392	1,048			22,440
22	379	Other general plant	1,307				1,307
23		Total general plant	244,612	4,607	(29,468)	(2,500)	217,251
24							
25		VIII. UNDISTRIBUTED ITEMS					
26	390	Other tangible property	13,826				13,826
27	391	Utility plant purchased	21,008				21,008
28	392	Utility plant sold	0				0
29		Total undistributed items	34,834	0	0		34,834
30		Total utility plant in service	10,499,299	3,169,546	(51,658)	(2,500)	13,614,687

**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		13,614,687	10,499,299
5		Construction Work in Progress		479,146	513,119
6		General Office Prorate			
7		Total Gross Plant (Line 4 + Line 5 + Line 6)		14,093,832	11,012,418
8					
9		Less Accumulated Depreciation			
10		Plant in Service		3,795,966	3,536,213
11		General Office Prorate			
12		Total Accumulated Depreciation (Line 10 + Line 11)		3,795,966	3,536,213
13					
14		Less Other Reserves			
15		Deferred Income Taxes		731,261	710,441
16		Deferred Investment Tax Credit		9,279	9,783
17		Other Reserves			
18		Total Other Reserves (Line 15 + Line 16 + Line 17)		740,540	720,224
19					
20		Less Adjustments			
21		Contributions in Aid of Construction		933,204	941,413
22		Advances for Construction		927,467	879,169
23		Other			
24		Total Adjustments (Line 21 + Line 22 + Line 23)		1,860,671	1,820,582
25					
26		Add Materials and Supplies		12,865	12,916
27					
28		Add Working Cash (From Schedule A-1d(2))		47,200	47,200
29				317,376	361,415
30		TOTAL DISTRICT RATE BASE		8,074,096	5,356,930
31		=Line 7 - Line 12 - Line 18 - Line 24 + Line 26 + Line 28			
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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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**SOUTHERN CALIFORNIA WATER COMPANY
LOS OSOS CUSTOMER SERVICE AREA**

**DEVELOPMENT OF AVERAGE LAG IN PAYMENT OF EXPENSES AND
TAXES AND ACCRUING DEPRECIATION
(Dollars in Thousands)**

CPUC WUDF ACCOUNT	(a) DESCRIPTION	(b)	(c)	(d)
		2001 PROPOSED	AVERAGE NUMBER OF DAYS LAG	THOUSAND DOLLAR-DAYS LAG
	OPERATING EXPENSES:			
70400	PURCHASED WATER	0.0	0.0	0.0
72800	POWER FOR PUMPING	115.1	16.5	1,899.0
73500	PUMP TAXES	0.0	0.0	0.0
74400	CHEMICALS	16.5	22.4	368.7
77300	COMMON CUSTOMER ACCOUNT	25.4	10.7	270.4
77325	POSTAGE	0.0	0.0	0.0
77500	UNCOLLECTIBLES	4.9	0.0	0.0
78000	OPERATION LABOR	148.0	12.5	1,862.0
78100	OTHER OPERATION EXPENSES	66.1	18.3	1,313.9
78700	MAINTENANCE LABOR	31.5	12.5	393.7
78800	OTHER MAINTENANCE EXPENSES	72.2	25.1	1,812.2
79200	OFFICE SUPPLIES AND EXPENSES	47.0	17.6	827.8
79300	PROPERTY INSURANCE	0.0	(186.0)	0.0
79400	INJURIES AND DAMAGES	0.0	(148.0)	0.0
79500	PENSIONS AND BENEFITS	4.0	10.0	39.8
79600	BUSINESS MEALS	0.9	22.0	20.3
79700	REGULATORY COMMISSION	13.4	26.0	374.5
79800	OUTSIDE SERVICES	0.7	9.0	6.6
79900	MISCELLANEOUS	0.6	26.0	16.2
79910	ALLOCATED GENERAL OFFICE	144.0	10.7	1,533.8
80500	OTHER MAINTENANCE - GENERAL PLANT	3.6	21.5	76.7
81100	RENT	4.9	0.0	0.0
81500	A&G LABOR	36.3	12.5	460.8
50300	DEPRECIATION AND AMORTIZATION	271.7	0.0	0.0
50710	PROPERTY TAXES	45.0	40.0	1,789.1
50720	PAYROLL TAXES	17.4	4.0	69.8
50730	LOCAL TAXES	0.0	263.0	0.0
	STATE INCOME TAX	54.1	91.0	4,920.0
	FEDERAL INCOME TAX	207.7	143.0	28,685.5
	TOTAL OPERATING EXPENSES	1,336.7		47,788.9
	CPUC FEE (1.4% OF REVENUE)	26.0	90.0	2,342.8
	TOTAL	1,362.7		50,132.7
	AVERAGE LAG ----->			36.76

**AVERAGE AMOUNT of CASH REQUIRED AS A RESULT of
PAYING EXPENSES, TAXES AND ACCRUING DEPRECIATION
IN ADVANCE of COLLECTING REVENUES
(Dollars in Thousands)**

(1)	Average Lag in Collection of Revenues	48.40 days
(2)	Average Lag in Payment of Expenses, Taxes and Accruing Depreciation	35.75 days
(3)	Excess of Collection Lag over Payment Lag	12.65 days
(4)	Total of Expenses, Taxes and Depreciation	\$1,362.7
(5)	Daily Total of Expenses, Taxes and Depreciation	\$3.7
(6)	Average Amount of Working Cash Capital Required as a Result of Paying Expenses, Taxes and Depreciation in Advance of Collecting Revenues	<u>\$47.2</u>

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	3,518,415	17,798		
2	Add: Credits to reserves during year				
3	(a) Charged to Account 503, 504, 505	271,338	11,491		
4	(b) Charged to Account 265	27,377			
5	(c) Charged to Clearing Accounts	1,209			
6	(d) Salvage recovered				
7	(e) All other credits1/				
8	Total credits	299,924	11,491	0	0
9	Deduct: Debits to reserves during year				
10	(a) Book cost of property retired	51,658			
11	(b) Cost of removal				
12	(c) All other debits1/				
13	Total debits	51,658	0	0	0
14	Balance in reserve at end of year	3,766,681	29,289	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	(3,932)				(3,932)
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	(475,073)	(56,934)			(532,007)
7	316	Supply mains	(13,829)	(1,981)			(15,810)
8	317	Other source of supply plant					0
9		Total source of supply plant	(492,834)	(58,915)	0	0.00	(551,749)
10							
11		II. PUMPING PLANT					
12	321	Structures and improvements	(94,025)	(5,958)			(99,983)
13	322	Boiler plant equipment	0				0
14	323	Other power production equipment	0				0
15	324	Pumping equipment	(651,826)	(57,440)	22,190		(687,076)
16	325	Other pumping plant	(35,641)	(6,216)			(41,857)
17		Total pumping plant	(781,492)	(69,614)	22,190	0.00	(828,916)
18							
19		III. WATER TREATMENT PLANT					
20	331	Structures and improvements	(30,591)	(2,441)			(33,032)
21	332	Water treatment equipment	(272,879)	(22,815)			(295,694)
22		Total water treatment plant	(303,470)	(25,256)	0	0.00	(328,726)
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	(14,957)	(1,691)			(16,648)
3	342	Reservoirs and tanks	(295,779)	(25,527)			(321,306)
4	343	Transmission and distribution mains	(768,739)	(52,780)			(821,519)
5	344	Fire mains	0				0
6	345	Services	(366,952)	(24,881)			(391,833)
7	346	Meters	(151,854)	(24,450)			(176,304)
8	347	Meter installations	0				0
9	348	Hydrants	(161,868)	(10,249)			(172,117)
10	349	Other transmission and distribution plant	(1,192)	(111)			(1,303)
11		Total trans. and distribution plant	(1,761,341)	(139,689)	0	0	(1,901,030)
12							
13		V. GENERAL PLANT					
14	371	Structures and improvements	(27,819)	(855)			(28,674)
15	372	Office furniture and equipment	(10,513)	(3,024)			(13,537)
16	373	Transportation equipment	(81,641)		29,468		(52,173)
17	374	Stores equipment	0				0
18	375	Laboratory equipment	0				0
19	376	Communication equipment	(10,272)				(10,272)
20	377	Power operated equipment	(11,352)				(11,352)
21	378	Tools, shop and garage equipment	(13,667)	(1,209)			(14,876)
22	379	Other general plant	(1,307)				(1,307)
23	390	Other tangible property	(7,942)	(512)			(8,454)
24	391	Water plant purchased	(14,765)	(849)			(15,614)
25		Total general plant	(179,278)	(6,449)	29,468	0	(156,259)
26		TOTAL	(3,518,415)	(299,923)	51,658	0	(3,766,680)

**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	1,868,485	1,903,365	(34,880)
4		601.2 Industrial sales	901		901
5		601.3 Sales to public authorities	45,004	53,888	(8,884)
6		Sub-total	1,914,390	1,957,253	(42,863)
7	602	Unmetered sales to general customers			
8		602.1 Commercial sales			-
9		602.2 Industrial sales			-
10		602.3 Sales to public authorities			-
11		Sub-total	-	-	-
12	603	Sales to irrigation customers			
13		603.1 Metered sales	1,887	2,144	(257)
14		603.2 Unmetered sales			-
15		Sub-total	1,887	2,144	(257)
16	604	Private fire protection service	7,439	7,800	(361)
17	605	Public fire protection service			-
18	606	Sales to other water utilities for resale			-
19	607	Sales to governmental agencies by contracts			-
20	608	Interdepartmental sales			-
21	609	Other sales or service	3,133	14,197	(11,064)
22		Sub-total	10,572	21,997	(11,425)
23		Total water service revenues	1,926,849	1,981,394	(54,545)
24		II. OTHER WATER REVENUES			
25	611	Miscellaneous service revenues	355	235	120
26	612	Rent from water property			-
27	613	Interdepartmental rents			-
28	614	Other water revenues	12,852	(8,422)	21,274
29		Total other water revenues	13,207	(8,187)	21,394
30	501	Total operating revenues	1,940,056	1,973,207	(33,151)

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		(14,297)	21,371	(35,668)
4	701	Operation supervision, labor and expenses			C			
5	702	Operation labor and expenses	A	B		207	184	23
6	703	Miscellaneous expenses	A			275	332	(57)
7	704	Purchased water	A	B	C	0	0	0
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			0	15	(15)
13	708	Maintenance of source of supply facilities		B				
14	709	Maintenance of lake, river and other intakes	A			0	0	0
15	710	Maintenance of springs and tunnels	A			0	0	0
16	711	Maintenance of wells	A			0	53	(53)
17	712	Maintenance of supply mains	A			339	0	339
18	713	Maintenance of other source of supply plant	A	B		0	0	0
19		Total source of supply expense				(13,476)	21,955	(35,431)

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		2,880	0	2,880
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		42,241	40,588	1,653
9	725	Miscellaneous expenses	A			16,026	11,913	4,113
10	726	Fuel or power purchased for pumping	A	B	C	171,287	148,878	22,409
11		Maintenance						
12	729	Maintenance supervision and engineering	A	B		386	85	301
13	729	Maintenance of structures and equipment			C			
14	730	Maintenance of structures and improvements	A	B		6,946	3,344	3,602
15	731	Maintenance of power production equipment	A	B		0	0	0
16	732	Maintenance of pumping equipment	A	B		22,358	45,881	(23,523)
17	733	Maintenance of other pumping plant	A	B		0	0	0
18		Total pumping expenses				262,124	250,689	11,435
19		III. WATER TREATMENT EXPENSES						
20		Operation						
21	741	Operation supervision and engineering	A	B		3,437	3	3,434
22	741	Operation supervision, labor and expenses			C			
23	742	Operation labor and expenses	A			76,518	55,154	21,364
24	743	Miscellaneous expenses	A	B		0	0	0
25	744	Chemicals and filtering materials	A	B		63,500	8,097	55,403
26		Maintenance						
27	746	Maintenance supervision and engineering	A	B		313	0	313
28	746	Maintenance of structures and equipment			C			
29	747	Maintenance of structures and improvements	A	B		3,163	507	2,656
30	748	Maintenance of water treatment equipment	A	B		11,033	5,303	5,730
31		Total water treatment expenses				157,964	69,064	88,900

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		930	198	734
4	751	Operation supervision, labor and expenses	A		C			
5	752	Storage facilities expenses	A			2,225	353	1,872
6	752	Operation labor and expenses	A	B				
7	753	Transmission and distribution lines expenses	A			1,535	1,141	394
8	754	Motor expenses	A			13,835	11,957	1,878
9	755	Customer installations expenses	A			2,303	3,838	(1,535)
10	756	Miscellaneous expenses	A			27,863	24,201	3,662
11		Maintenance						
12	756	Maintenance supervision and engineering	A	B		989	78	891
13	756	Maintenance of structures and plant	A		C			
14	759	Maintenance of structures and improvements	A	B		0	0	0
15	760	Maintenance of reservoirs and tanks	A	B		1,126	40,030	(38,904)
16	761	Maintenance of trans. and distribution mains	A			10,908	12,048	(1,082)
17	761	Maintenance of mains	A	B				
18	762	Maintenance of fire mains	A			0	0	0
19	763	Maintenance of services	A			17,058	15,220	1,838
20	763	Maintenance of other trans. and distribution plant	A	B				
21	764	Maintenance of meters	A			3,187	1,885	1,312
22	765	Maintenance of hydrants	A			2,158	1,381	777
23	760	Maintenance of miscellaneous plant	A			0	0	0
24		Total transmission and distribution expenses				83,965	112,428	(28,463)

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 (c)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
			A	B	C			
1		V. CUSTOMER ACCOUNT EXPENSES						
2		Operation						
3	760	Transferred Customer Expenses				26,512	28,696	(184)
4	771	Supervision	A	B		16,181	18,409	(228)
5	771	Superv., meter read, other customer acct expenses	A		C			
6	772	Meter reading expenses	A	B		35,434	27,460	7,974
7	773	Customer records and collection expenses	A			2,058	2,478	(420)
8	773	Customer records and accounts expenses	A	B				
9	774	Miscellaneous customer accounts expenses	A			0	0	0
10	775	Uncollectible accounts	A	B	C	3,659	2,786	863
11		Total customer account expenses				85,844	77,838	8,005
12		VI. SALES EXPENSES						
13	781	Supervision	A	B		0	0	0
14	781	Sales expenses	A		C			
15	782	Demonstrating and selling expenses	A			0	0	0
16	783	Advertising expenses	A			840	0	840
17	784	Miscellaneous sales expenses	A			0	0	0
18	785	Merchandising, jobbing and contract work	A			0	0	0
19		Total sales expenses				840	0	840

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				325,845	327,026	(1,181)
4	791	Administrative and general salaries	A	B	C	15,855	15,355	500
5	792	Office supplies and other expenses	A	B	C	45,864	31,824	14,040
6	793	Property insurance	A			0	0	0
7	793	Property insurance, injuries and damages	A	B	C			
8	794	Injuries and damages	A			15	105	(90)
9	795	Employees' pensions and benefits	A	B	C	6,886	6,900	(14)
10	796	Franchise requirements	A	B	C	2,454	1,880	774
11	797	Regulatory commission expenses	A	B	C	4,838	2,008	2,831
12	798	Outside services employed	A			53,278	55,437	(2,161)
13	798	Miscellaneous other general expenses	A	B				
14	798	Miscellaneous other general operation expenses	A		C			
15	799	Miscellaneous general expenses	A			225	225	0
16		Maintenance						
17	805	Maintenance of general plant	A	B	C	3,823	14,465	(10,662)
18		Total administrative and general expenses				458,882	454,845	4,037
19		VIII. MISCELLANEOUS						
20	811	Rents	A	B	C	6,000	0	6,000
21	812	Administrative expenses transferred - C.	A	B	C	0	0	0
22	813	Duplicate charges - Cr.	A	B	C	0	0	0
23		Total miscellaneous				6,000	0	6,000
24		Total operating expenses				1,041,943	888,820	153,123

**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	59,595	59,595			
2	State corporation franchise tax	23,207	23,207			
3	State unemployment insurance tax	597	597			
4	Other state and local taxes	-	-			
5	Federal unemployment insurance tax	180	180			
6	Federal insurance contributions act	14,670	14,670			
7	Other federal taxes	-	-			
8	Federal income tax	51,764	51,764			
9	Pump tax	-	-			
10						
11						
12						
13						
14						
15						
16						
17	Totals	150,013	150,013	-	-	-

**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			"None"	
31									
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 feet; 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			

GOLDEN STATE WATER COMPANY

Region I Plant Facility Index
February 23, 2006
Wells

System	Major Facility	Year Built	Base Elev.	Unit No.	Status		Wells		2006 (CCF)	Pumps			Remarks			
					Inactive	Active	Depth (ft)	Casing Diam (in)		Pump Setting	Pump Type	Energy Type		Size (HP)	Design Flow (gpm)	Design Head (ft)
LOS OSOS	Cabrillo Estates 30S10E24C01	1963	178.5	Well No. 1		Active	508	10	367	41,742	Submersible	Elec	25	245	272	Pumps to forebay through filler
	Highland 30S10E24A01	1965	180.0	Well No. 1	Inactive		248	8	194	0	Submersible	Elec	15	was 100	350	Well inactive due to sand and high nitrate levels.
	Los Olivos 30S11E18K03	1969	120.0	Well No. 3		Active	232	8	180	55,616	DWT	Elec	30	150	210	Well to sand trap to Los Olivos Tank.
	Pecho 30S10E13L04	1977	69.0	Well No. 1		Active	390	14	200	20,358	DWT	Elec	75	450	365	Well to system & Bayview storage.
	Rosina 30S10E13J01	1980	93.0	Well No. 1		Active	408	14	250	167,625	DWT	Elec	60	400	420	Well to system & Bayview storage.
	Skyline 30S10E13F01	1988		Well No. 1	Inactive		195	14	150	8	DWT	Elec	25	was 180	345	Inactive due to nitrates
	South Bay 30S11E17N1DM	2001		Well No. 1	Active		715	12	310	135,554	DWT	Elec	50	270		Well to system & Bayview storage.
				7	2	5			420,903	subtotal	7	wells	1,515			
EDNA RD.	Country Club 31S13E19L01	1958		Well No. 1		Active	193	14	160	8,992	DWT	Elec	20	150	340	Well pumps to system to Country Club Tanks.
	Lewis Lane No.3 31S13E-19R03	1992		Well No. 3		Active	440	14	200	165,596	DWT	Elec	75	500	430	Well pumps to filters at Country Club to system to Country Club Tanks.
	Lewis Lane No. 4	2001		Well No. 4		Active	520	12		0	DWT	Elec		400		
	Rolling Hills No.2 31S12E-13J01	1965		Well No. 2	Inactive		112	12-8	101	0	Submersible	Elec	20	was 150		Inactive due to Surface Water Influence Rule.
				4	1	3			174,588	subtotal	4	wells	1,050			

GOLDEN STATE WATER COMPANY											
Region I Plant Facility Index											
February 23, 2006											
Boosters											
System	Major Facility	Year Built	Base Elev.	Unit No.	Status	Pump Type	Energy Type	Pumps			Remarks
								Size (HP)	Design Flow (gpm)	Design Head (ft)	
LOS OSOS											
	Bay View Heights										
		2006	275.0	Booster A	Active	VT	Elec	7.5	80		Tank rides on system. Boost from tank to Bayview Booster Zone
		2006	275.0	Booster B	Active	VT	Elec	7.5	80		Boost from tank to Bayview Booster Zone
		2006	275.0	Booster C	Active	VT	Elec	30	500		Boost from tank to Calle Cordonez tank and zone.
		2006	275.0	Booster D	Active	VT	Elec	30	500		Boost from tank to Calle Cordonez tank and zone.
Cabrillo Estates											
		2006	175.0	Booster A	Active	VT	Elec				Well pumps thru sand trap to tank. Boosters A & B boost water from lower tank through system into Alamo Reservoir.
		2006	175.0	Booster B	Active	VT	Elec				
		2006	175.0	Booster C	Active	VT	Elec				
Los Olivos											
			125.0	Booster A	Active	Turbine Eng. Driven	Gas	35	300		Boosts from Los Olivos Tank to system.
			125.0	Booster B	Active	VT	Elec	30	400	190	Boosts from Los Olivos Tank to system.
				subtotal			9		1,880		
EDNA RD.											
	Edna Road										
				Booster A	Active	VT	Elec	25	550	140	Booster pumps from Edna reservoir to system.
				Booster B	Active	VT	Elec	25	550	140	Booster pumps from Edna reservoir to system.
				subtotal			2		1,100		

GOLDEN STATE WATER COMPANY									
Region I Plant Facility Index									
February 23, 2006									
Reservoirs									
System	Major Facility	Year Built	Base Elev.	Unit No.	Status	Volume (MG)	Tanks		Remarks
							Type	Material	
LOS OSOS	Alamo	1964	640.0	Reservoir	Active	0.08	Bolt	Steel	Floats on Alamo Zone; Feeds Rodman Zone thru PRVs.
	Bayview	1959	250.0	Reservoir	Active	0.22	Weld	Steel	Floats on Bayview Zone; Boosters to Calle Cardoniz Res. & Bayview Booster Zone
	Cabrillo	1971	171.0	Reservoir	Active	0.04	Bolt	Steel	Forebay for boosters to Alamo Tank.
	Calle Cardoniz	1995	385.0	Reservoir	Active	0.29	Bolt	Steel	Floats on Calle Cardoniz Zone; Feeds Sea Oak Zone through PRV.
	Los Olivos	1975	114.5	Reservoir	Active	0.50	Bolt	Steel	Forebay for boosters to Bayview Zone.
					subtotal	1.13	5		
EDNA RD.	Country Club								
		1955	452.0	Reservoir 1	Active	0.044	Bolt	Steel	
		1955	452.0	Reservoir 2	Active	0.044	Bolt	Steel	
	Edna Road	1998		Reservoir	Active	0.20	Ground	Concrete	Concrete with hypalon liner
					subtotal	0.29	3		

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						365		585
12	Ductile iron (cement lined)								1,250
13	Concrete								
14	Copper								
15	Riveted Steel								
16	Standard Steel			164		14,117	210	1,408	1,555
17	Screw or Welded Casing								
18	Cement - Asbestos						40,275		61,558
19	Welded Steel								
20	Polyvinylchloride	140		2,350			788		5,012
21	Other - Plastic			80					15,892
22	Totals	140	-	2,594	-	14,117	41,638	1,408	85,852

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
23	Cast Iron	730							1,680
24	Ductile iron (cement lined)	7,538							8,788
25	Concrete								-
26	Copper								-
27	Riveted Steel								-
28	Standard Steel	39							17,493
29	Screw or Welded Casing								-
30	Cement - Asbestos	35,204			247				137,284
31	Welded Steel								-
32	Polyvinylchloride	7,769	1,499						17,558
33	Other - Plastic	15,900	230						32,102
33a	Unclassified							(11,217)	(11,217)
34	Totals	67,180	1,729	-	247	-	-	(11,217)	203,688

**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)	3,249	3,256		
Industrial		1		
Public authorities	8	8		
Irrigation	1	1		
Other (specify)	3	2		
Subtotal	3,261	3,268	-	-
Private fire connections			17	17
Public fire hydrants				
Total	3,261	3,268	17	17

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

Size	Meters	Services
5/8 x 3/4 - in	2,612	2,630
3/4 - in	410	410
1 - in	240	250
1 1/2 - in	12	12
2 - in	44	43
3 - in	9	12
4 - in		
6 - in	3	2
Other		
Total	3,330	3,359

**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-7

Water delivered to Metered Customers by Months and Years in CCF (Unit Chosen):

Classification of Service	January	February	March	April	May	June	July	Subtotal
	Commercial	34,452	26,203	31,501	23,776	32,779	40,569	57,920
Industrial							114	114
Public authorities	177	350	262	601	378	2,387	1,246	5,401
Irrigation	6		1				54	61
Other (specify)	713		1					714
								-
Total	35,348	26,553	31,765	24,377	33,157	42,956	59,334	253,490

Classification of Service	August	September	October	November	December	Subtotal	Total	Total Prior Year
	Commercial	68,032	57,038	57,544	49,746	42,590	274,950	522,150
Industrial		112		125		237	351	-
Public authorities	3,605	1,310	3,623	868	3,418	12,824	18,225	22,596
Irrigation		58		55		113	174	308
Other (specify)			4	1	21	26	740	5,683
Total	71,637	58,518	61,171	50,795	46,029	288,150	541,640	569,029

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 13,140

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>12,865</u>
100.3	Construction work in progress	\$	<u>479,146</u>
241	Advances for construction	\$	<u>927,467</u>
265	Contributions in aid of construction	\$	<u>933,204</u>

SIGNATURE

District Management

Name of District Manager Skip Faria Telephone: (805) 528-2287

Address 1140 Los Olivos, Los Osos, CA 93402

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

Gladyes Farrow
 Signature
 Controller
 Title
5/8/07
 Date

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