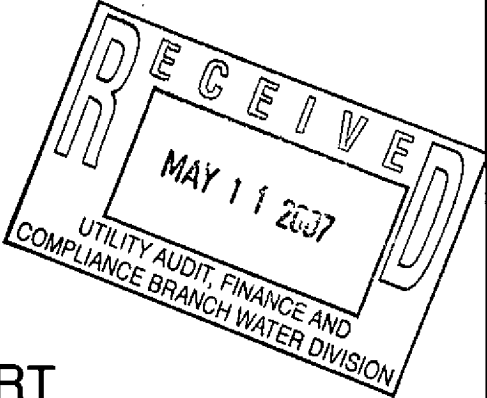


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2006
ANNUAL REPORT
OF
DISTRICT WATER SYSTEM OPERATIONS
OF

Golden State Water Company

(NAME OF CORPORATION)

Name of District: Orange County Location: Los Alamitos, Orange
(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	1,585				1,585
3	302	Franchises and consents (Schedule A-1b)	17,734				17,734
4	303	Other intangible plant	1,671,909	6,902			1,678,811
5		Total intangible plant	1,691,227	6,902	0	0	1,698,129
6							
7		II. LANDED CAPITAL					
8	306	Land and land rights	770,988			(13,533)	757,455
9							
10		III. SOURCE OF SUPPLY PLANT					
11	311	Structures and improvements	111,076				111,076
12	312	Collecting and impounding reservoirs					0
13	313	Lake, river and other intakes					0
14	314	Springs and tunnels					0
15	315	Wells	4,012,892				4,012,892
16	316	Supply mains	2,070,196				2,070,196
17	317	Other source of supply plant	5,732				5,732
18		Total source of supply plant	6,199,896	0	0	0	6,199,896
19							
20		IV. PUMPING PLANT					
21	321	Structures and improvements	1,293,819	39,406			1,333,225
22	322	Boiler plant equipment	0				0
23	323	Other power production equipment	0				0
24	324	Pumping equipment	7,134,275	157,701	(826)		7,291,149
25	325	Other pumping plant	285,971				285,971
26		Total pumping plant	8,714,066	197,107	(826)	0	8,910,346
27							
28		V. WATER TREATMENT PLANT					
29	331	Structures and improvements	1,242,042	115,100			1,357,142
30	332	Water treatment equipment	777,089	1,611,294			2,388,383
31		Total water treatment plant	2,019,131	1,726,394	0	0	3,745,525

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	8,834				8,834
3	342	Reservoirs and tanks	3,420,558	62,076			3,482,633
4	343	Transmission and distribution mains	36,389,747	288,927	(4,304)		36,674,370
5	344	Fire mains	0				0
6	345	Services	13,461,672	483,773	(15,498)		13,929,946
7	346	Meters	8,516,129	98,317			8,614,446
8	347	Meter installations	0				0
9	348	Hydrants	7,079,681	111,701	(14,245)		7,177,137
10	349	Other transmission and distribution plant	403,370				403,370
11		Total transmission and distribution plant	69,279,991	1,044,793	(34,047)	0	70,290,737
12							
13		VII. GENERAL PLANT					
14	371	Structures and improvements	539,705				539,705
15	372	Office furniture and equipment	373,442	1,774			375,216
16	373	Transportation equipment	727,324			18,702	746,026
17	374	Stores equipment	0				0
18	375	Laboratory equipment	2,770				2,770
19	376	Communication equipment	63,946				63,946
20	377	Power operated equipment	278,585	67,634			346,219
21	378	Tools, shop and garage equipment	205,507				205,507
22	379	Other general plant	56				56
23		Total general plant	2,191,334	69,408	0	18,702	2,279,443
24							
25		VIII. UNDISTRIBUTED ITEMS					
26	390	Other tangible property	14,050				14,050
27	391	Utility plant purchased	1,839,244				1,839,244
28	392	Utility plant sold					0
29		Total undistributed items	1,853,294	0	0	0	1,853,294
30		Total utility plant in service	92,719,927	3,044,604	(34,873)	5,169	95,734,826

**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		95,734,826	92,719,927
5		Construction Work in Progress		1,669,478	1,574,890
6		General Office Prorate		53,344	53,344
7		Total Gross Plant (Line 4 + Line 5 + Line 6)		97,457,648	94,348,161
8					
9		Less Accumulated Depreciation			
10		Plant in Service		29,044,674	26,434,542
11		General Office Prorate			
12		Total Accumulated Depreciation (Line 10 + Line 11)		29,044,674	26,434,542
13					
14		Less Other Reserves			
15		Deferred Income Taxes		7,178,301	6,814,510
16		Deferred Investment Tax Credit		347,170	356,686
17		Other Reserves			
18		Total Other Reserves (Line 15 + Line 16 + Line 17)		7,525,471	7,171,196
19					
20		Less Adjustments			
21		Contributions in Aid of Construction		5,630,116	5,232,091
22		Advances for Construction		8,052,277	8,285,146
23		Other			
24		Total Adjustments (Line 21 + Line 22 + Line 23)		13,682,393	13,517,237
25					
26		Add Materials and Supplies		158,719	150,831
27					
28		Add Working Cash (From Schedule A-1d(2))		1,838,006	1,838,006
29		Add General office, Regions, District office, CSA allocation		5,745,680	6,292,447
30		TOTAL DISTRICT RATE BASE		54,947,516	55,506,470
31		=Line 7 - Line 12 - Line 18 - Line 24 + Line 26 + Line			
32		28+Line 29			
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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
12-Feb-07

SOUTHERN CALIFORNIA WATER COMPANY
REGION 3 - ORANGE COUNTY

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	7,075.4	46.0	325,470.5
2	72600 POWER FOR PUMPING	1,169.4	42.0	49,112.9
3	73500 PUMP TAXES	3,714.6	100.0	371,462.3
4	74400 CHEMICALS	138.6	62.0	8,594.5
5	77300 COMMON CUSTOMER ACCOUNT	418.1	13.7	5,742.5
6	77325 POSTAGE	0.0	0.0	0.0
7	77500 UNCOLLECTIBLES	68.9	0.0	0.0
8	78000 OPERATION LABOR	994.3	12.5	12,428.8
9	78100 ALL OTHER OPERATION EXPENSES	475.1	22.0	10,452.2
10	78700 MAINTENANCE LABOR	291.6	12.5	3,845.0
11	78800 ALL OTHER MAINTENANCE EXPENSES	628.7	46.0	28,920.2
12	79200 OFFICE SUPPLIES AND EXPENSE	118.1	23.0	2,718.3
13	79300 PROPERTY INSURANCE	37.3	(168.0)	(6,258.2)
14	79400 INJURIES AND DAMAGES	301.1	(149.0)	(44,857.1)
15	79500 PENSIONS AND BENEFITS	1,307.2	23.0	30,065.4
16	79600 BUSINESS MEALS	3.1	17.0	52.7
17	79700 REGULATORY COMMISSION	89.4	18.0	1,609.1
18	79800 OUTSIDE SERVICES	6.1	34.7	211.7
19	79900 MISCELLANEOUS	4.6	27.0	124.2
20	79910 ALLOCATED GENERAL OFFICE	3,688.1	13.7	50,649.6
21	80500 ALL OTHER MAINT. GENERAL PLANT	5.3	30.0	159.4
22	81100 RENT	40.5	16.7	676.7
23	81500 A&G LABOR	240.6	12.5	3,007.5
24	50300 DEPRECIATION AND AMORTIZATION	2,508.6	0.0	0.0
25	50710 PROPERTY TAXES	372.8	40.0	14,911.6
26	50720 PAYROLL TAXES	123.1	4.0	492.5
27	50730 LOCAL TAXES	335.1	263.0	88,143.9
28	STATE INCOME TAX	888.1	96.0	83,335.2
29	FEDERAL INCOME TAX	3,231.9	106.0	342,585.9
30	TOTAL OPERATING EXPENSES	28,255.8		1,383,455.2
31	CPUC FEE (1.4% OF REVENUE)	494.4	80.0	44,497.1
32	TOTAL	28,750.2		1,427,952.3
33	AVERAGE LAG ----->			48.96

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	46.30 days
35	(2) Avg. Lag in Payment of Expenses, Taxes and Accruing Depreciation	48.96 days
36	(3) Excess of Collection Lag over Payment Lag	-2.66 days
37	(4) Total of Expenses, Taxes and Depreciation	\$28,750.2
38	(5) Daily Total of Expenses, Taxes and Depreciation	\$78.8
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	(\$209.7)

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	25,643,072	791,471		
2	Add: Credits to reserves during year				
3	(a) Charged to Account 503, 504, 505	2,401,552	116,743		
4	(b) Charged to Account 265	122,735			
5	(c) Charged to Clearing Accounts	24,898			
6	(d) Salvage recovered	11,195			
7	(e) All other credits1/				
8	Total credits	2,560,380	116,743	0	0
9	Deduct: Debits to reserves during year				
10	(a) Book cost of property retired	34,873			
11	(b) Cost of removal	32,117			
12	(c) All other debits1/				
13	Total debits	66,990	0	0	0
14	Balance in reserve at end of year	28,136,462	908,214	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	(5,244)	(2,466)			(7,710)
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	(523,415)	(145,740)		1,168	(667,987)
7	316	Supply mains	(473,251)	(43,060)			(516,311)
8	317	Other source of supply plant					0
9		Total source of supply plant	(1,001,910)	(191,266)	0	1,168	(1,192,008)
10							
11		II. PUMPING PLANT					
12	321	Structures and improvements	(316,230)	(29,282)			(345,512)
13	322	Boiler plant equipment	0				0
14	323	Other power production equipment	0				0
15	324	Pumping equipment	(1,462,312)	(292,362)	826	16,909	(1,736,939)
16	325	Other pumping plant	(64,944)	(7,901)			(72,845)
17		Total pumping plant	(1,843,486)	(329,545)	826	16,909	(2,155,296)
18							
19		III. WATER TREATMENT PLANT					
20	331	Structures and improvements	(232,121)	(34,776)			(266,897)
21	332	Water treatment equipment	(489,104)	(18,160)			(507,264)
22		Total water treatment plant	(721,225)	(52,936)	0	0	(774,161)
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	(2,864)	(98)			(2,962)
3	342	Reservoirs and tanks	(1,008,386)	(89,961)			(1,098,347)
4	343	Transmission and distribution mains	(9,175,161)	(811,491)	4,304	12,212	(9,970,136)
5	344	Fire mains	0				0
6	345	Services	(4,619,051)	(421,351)	15,498	(245)	(5,025,149)
7	346	Meters	(2,739,597)	(391,742)		(10,950)	(3,142,289)
8	347	Meter installations	0				0
9	348	Hydrants	(2,201,522)	(130,974)	14,245	1,828	(2,316,423)
10	349	Other transmission and distribution plant	(250,847)	(13,311)			(264,158)
11		Total trans. and distribution plant	(19,997,428)	(1,858,928)	34,047	2,845	(21,819,464)
12							
13		V. GENERAL PLANT					
14	371	Structures and improvements	(149,347)	(13,439)			(162,786)
15	372	Office furniture and equipment	(206,449)	(18,896)			(225,345)
16	373	Transportation equipment	(435,684)	(12,685)			(448,369)
17	374	Stores equipment	0				0
18	375	Laboratory equipment	(1,698)				(1,698)
19	376	Communication equipment	(63,946)				(63,946)
20	377	Power operated equipment	(179,998)	(11,199)			(191,197)
21	378	Tools, shop and garage equipment	(90,837)	(9,844)			(100,681)
22	379	Other general plant	(56)				(56)
23	390	Other tangible property	(8,943)	(603)			(9,546)
24	391	Water plant purchased	(942,067)	(49,844)			(991,911)
25		Total general plant	(2,079,025)	(116,510)	0	0	(2,195,535)
26		TOTAL	(25,643,074)	(2,549,185)	34,873	20,922	(28,136,464)

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	30,765,923	28,019,239	2,746,684
4		601.2 Industrial sales	114,966	100,114	14,852
5		601.3 Sales to public authorities	1,859,350	1,588,579	270,771
6		Sub-total	32,740,239	29,707,932	3,032,307
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	1,240,888	1,080,378	160,510
14		603.2 Unmetered sales			-
15		Sub-total	1,240,888	1,080,378	160,510
16	604	Private fire protection service	276,967	273,673	3,294
17	605	Public fire protection service			-
18	606	Sales to other water utilities for resale	69,863	61,760	8,103
19	607	Sales to governmental agencies by contracts			-
20	608	Interdepartmental sales			-
21	609	Other sales or service	50,029	52,997	(2,968)
22		Sub-total	396,859	388,430	8,429
23		Total water service revenues	34,377,986	31,176,740	3,201,246
24		II. OTHER WATER REVENUES			
25	611	Miscellaneous service revenues	28,708	23,901	4,807
26	612	Rent from water property	19,748	17,575	2,173
27	613	Interdepartmental rents			-
28	614	Other water revenues	100,213	326,739	(226,526)
29		Total other water revenues	148,669	368,215	(219,546)
30	501	Total operating revenues	34,526,655	31,544,955	2,981,700

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		590,351	(2,226,356)	2,816,707
4	701	Operation supervision, labor and expenses			C			
5	702	Operation labor and expenses	A	B		160	1,024	(864)
6	703	Miscellaneous expenses	A			1,843	0	1,843
7	704	Purchased water	A	B	C	5,352,021	5,466,725	(114,704)
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			710	12,243	(11,533)
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			170	42,938	(42,768)
17	712	Maintenance of supply mains	A			181	174	7
18	713	Maintenance of other source of supply plant	A	B		0	0	0
19		Total source of supply expense				5,945,436	3,296,748	2,648,688

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		1,196	0	1,196
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		263,830	237,319	26,511
9	725	Miscellaneous expenses	A			43,697	72,392	(28,695)
10	726	Fuel or power purchased for pumping	A	B	C	956,018	861,202	94,816
11		Maintenance						
12	729	Maintenance supervision and engineering	A	B		432	587	(155)
13	729	Maintenance of structures and equipment			C			
14	730	Maintenance of structures and improvements	A	B		2,233	8,615	(6,382)
15	731	Maintenance of power production equipment	A	B		0	0	0
16	732	Maintenance of pumping equipment	A	B		196,516	158,102	38,414
17	733	Maintenance of other pumping plant	A	B		0	0	0
18		Total pumping expenses				1,463,922	1,338,217	125,705
19		III. WATER TREATMENT EXPENSES						
20		Operation						
21	741	Operation supervision and engineering	A	B		433	517	(84)
22	741	Operation supervision, labor and expenses			C			
23	742	Operation labor and expenses	A			191,482	109,514	81,968
24	743	Miscellaneous expenses	A	B		0	0	0
25	744	Chemicals and filtering materials	A	B		63,767	46,034	17,733
26		Maintenance						
27	746	Maintenance supervision and engineering	A	B		276	0	276
28	746	Maintenance of structures and equipment			C			
29	747	Maintenance of structures and improvements	A	B		3,296	1,329	1,967
30	748	Maintenance of water treatment equipment	A	B		56,472	29,862	26,610
31		Total water treatment expenses				315,726	187,256	128,470

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		13,852	14,407	(555)
4	751	Operation supervision, labor and expenses			C			
5	752	Storage facilities expenses	A			0	73	(73)
6	752	Operation labor and expenses		B				
7	753	Transmission and distribution lines expenses	A			115,860	150,200	(34,540)
8	754	Meter expenses	A			118,438	163,682	(45,244)
9	755	Customer installations expenses	A			38,068	38,556	1,512
10	756	Miscellaneous expenses	A			257,067	278,276	(22,206)
11		Maintenance						
12	756	Maintenance supervision and engineering	A	B		13,848	13,998	(150)
13	756	Maintenance of structures and plant			C			
14	759	Maintenance of structures and improvements	A	B		0	0	0
15	760	Maintenance of reservoirs and tanks	A	B		43,308	29,502	13,806
16	761	Maintenance of trans. and distribution mains	A			180,536	188,159	(7,623)
17	761	Maintenance of mains		B				
18	762	Maintenance of fire mains	A			0	0	0
19	763	Maintenance of services	A			276,940	223,563	53,377
20	763	Maintenance of other trans. and distribution plant		B				
21	764	Maintenance of meters	A			59,789	52,390	7,399
22	765	Maintenance of hydrants	A			146,791	131,904	14,887
23	766	Maintenance of miscellaneous plant	A			0	0	0
24		Total transmission and distribution expenses				1,264,207	1,264,770	(473)

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	Transferred Customer Expenses				506,724	503,933	2,791
4	771	Supervision	A	B		162,080	128,820	32,160
5	771	Superv., meter read., other customer acct expenses			C			
6	772	Meter reading expenses	A	B		185,243	170,147	15,096
7	773	Customer records and collection expenses	A			51,838	63,576	(11,738)
8	773	Customer records and accounts expenses		B				
9	774	Miscellaneous customer accounts expenses	A			0	0	0
10	775	Uncollectible accounts	A	B		37,883	5,312	32,571
11		Total customer account expenses				943,768	872,888	70,880
12		VI. SALES EXPENSES						
13		Operation						
14	781	Supervision	A	B		0	0	0
15	781	Sales expense			C			
16	782	Demonstrating and selling expenses	A			157	840	(683)
17	783	Advertising expenses	A			2,525	2,857	(332)
18	784	Miscellaneous sales expenses	A			0	0	0
19	785	Merchandising, jobbing and contract work	A			(897)	7,153	(7,850)
20		Total sales expenses				1,985	10,850	(8,865)

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				8,014,238	5,603,156	411,081
4	791	Administrative and general salaries	A	B		101,690	84,860	17,124
5	792	Office supplies and other expenses	A	B		140,691	144,225	(3,534)
6	793	Property insurance	A			0	0	0
7	793	Property insurance, injuries and damages		B				
8	794	Injuries and damages	A			0	309	(309)
9	795	Employees' pensions and benefits	A	B		58,501	75,288	(16,787)
10	796	Franchise requirements	A	B		40,715	44,300	(3,585)
11	797	Regulatory commission expenses	A	B		95,939	270,080	(174,121)
12	798	Outside services employed	A			4,852	10,268	(5,416)
13	799	Miscellaneous other general expenses		B				
14	799	Miscellaneous other general operation expenses			C			
15	799	Miscellaneous general expenses	A			4,180	5,226	(1,046)
16		Maintenance						
17	805	Maintenance of general plant	A	B		5,569	4,853	736
18		Total administrative and general expenses				6,466,496	6,242,559	223,937
19		VIII. MISCELLANEOUS						
20	811	Rents	A	B		37,471	38,602	(1,131)
21	812	Administrative expenses transferred - Cr.				0	0	0
22	813	Duplicate changes - Cr.	A	B		0	0	0
23		Total miscellaneous				37,471	38,602	(1,131)
24		Total operating expenses				18,439,101	13,251,890	3,187,211

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	417,888	417,888			
2	State corporation franchise tax	623,715	623,715			
3	State unemployment insurance tax	4,023	4,023			
4	Other state and local taxes	473,733	473,733			
5	Federal unemployment insurance tax	1,214	1,214			
6	Federal insurance contributions act	101,018	101,018			
7	Other federal taxes	-	-			
8	Federal income tax	1,391,251	1,391,251			
9	Pump Taxes	4,616,378	4,616,378			
10						
11						
12						
13						
14						
15						
16						
17	Totals	7,629,220	7,629,220	-	-	-

**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 (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 D-1*		
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			

Plant Facility Index

Region: Ill
 District: Orange County
 CSA: Los Alamitos
 System: West Orange County

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	
Ball Road	Well 1	1961		366,340	990	16	145	V.T.	Elec	100	800	300			Well to PRV to sand trap to system.
Baskerville	Well 2	1960		-	500	16	188	Sub	Elec	75	700	300			Well to system with pressure regulator and sand trap.
Beach	Well 1	1988		686,941	600	14	135	V.T.	Elec	125	1000	279			Well to system.
Bloomfield	Well 2	1997		284,882	690	16	220	V.T.	Elec	200	1800	334			Well to system. Mn Filters Under Construction
Cherry	Well 3	1940		4,356	632	12	160	V.T.	Elec	40	375	200			Well to system. Mn Filters Under Construction
Clair	Well 3	1926		106,722	585	12	165	V.T.	Elec	30	350	260			Wells to sand trap to system.
	Well 4	1950		135,472	530	14	185	V.T.	Elec	50	515	275			
Dale	Well 1	1953		184,259	562	12	150	V.T.	Elec	40	475	300			Well to system.
Florida	Well 1	1990		213,880	720	18	280	V.T.	Elec	100	950	250			Well to aerator & reservoir.
	Booster A						400'	V.T.	Elec	40	600	180			
	Booster B							V.T.	Elec	60	1000	185			
	Booster D							V.T.	Elec	75	1000	190			
	Booster E							V.T.	Elec	75	1000	190			
	Booster F							V.T.	Elec	75	1000	190			
	Booster G							V.T.	Elec	75	1000	190			
	West Resv Center Resv							V.T.	Elec	75	1000	190			
	East Resv							V.T.	Elec	75	1000	190			
Howard	Well 1	1954		115,434	520	14	160	V.T.	Elec	100	900	310			Well to system
Lowden	Well 1	1958		66,647	778	12	170	V.T.	Elec	25	200	326			Well to system.
Lowell	Well 1	1924		436	564	12	165	Sub	Elec	50	600	260			Well to system.
Montecito	Well 1	1959		-	720	16	156	Sub	Elec	60	500	333			Well to sand trap to system through pressure regulator.
OC-26	MWDOC Connection			1,532,876							4500				Connection thru PRV to System
OC-55	MWDOC Connection			1,602,572							11200				Connection thru PRV to System
OC-61	MWDOC Connection			1,585,584							9000				Connection thru PRV to System
Orangewood	Well 1	1944		209,088	302	14	143	Sub	Elec	50	700	265			Well to system with pressure regulator.
Santa Paula	Well 1	1953		436	602	12	166.5	V.T.	Elec	50	475	260			Well to system.

Plant Facility Index

Region: III
 District: Orange County
 CSA: Los Alamitos
 System: West Orange County

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	
Sherrill	Well 1	1963		147,668	618	12	150	V.T.	Elec	75	800	282			Well to system.
Simone	Well 1	1961		-	900	16	211	V.T.	Elec	100	750	325			Well to system with pressure regulator.
South Cypress	Well 1	1949		194,713	600	12 & 14	160	V.T.	Elec	100	650	312			Well to pressure regulator to system.
Sycamore	Well 1	1950		130,244	568	12	138	V.T.	Elec	40	400	300			Well to system.
Valley View	Well 1	1964		105,415	670	14	220	V.T.	Elec	100	650	335			Well to system.
Yellowtail	Well 1	1960		143,312	812	16	153	Sub	Elec	75	875	306			Well to system with pressure regulator.

Plant Facility Index

Region: Ill
 District: Orange County
 CSA: Placentia
 System: Placentia

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
Bradford 3S10W36H01V 3S10W36H02V	Well 3	1934		201,247	496	14	260	V.T.	Elec	50	400	300		Wells to South Zone		
	Well 4	1955		598,514	550	16	210	V.T.	Elec	100	900	307				
Chapman	Booster A							Subm.	Elec	40	350	255		Boosters to North System		
	Booster B							Subm.	Elec	40	500	187				
	Booster C							Subm.	Elec	40	500	187				
Golden	Reservoir												0.05	Elevated	Steel	Tank out of Service
	Booster A							V.T.	Elec	75	1000	173		Boosters to system		
	Booster B							V.T.	Elec	40	800	160				
La Jolla 4S10W01B01V OC-37	Booster C							V.T.	Elec	60	1175	175	1.50	Ground	Conc	
	Reservoir															
OC-37	Well 2	1948		491,792	505	12	230	V.T.	Elec	100	900	333		Well to South Zone		
	MWDOC Connection			1,217,938							4500			Connection thru PRV to System		
OC-56	MWDOC Connection			556,697							9000			Connection thru PRV to System		
	Well 1	1998		325,829	500	16		V.T.	Elec.	100	720	436		Well to North Zone, VFD		

Plant Facility Index

Region: III
 District: Orange County
 CSA: Placentia
 System: Yorba Linda

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
Ballad College	Reservoir OC-90 Connection		695	46,174									Pressure Elev. Resv	Steel	
Concerto 3S9W35M03S	Well 2	1992	279	392,040	600	18	160	V.T.	Elec.	200	1900	352			Floats on College Zone Altitude Valve to Reservoir
Fairmont	Booster A Booster B							V.T. V.T.	Elec. Elec.	40 40	600 600	152 152			Well 2 to system using Ion Exchange and variable speed control. Boosters to College zone.
Larkridge	Booster A Booster B North Tank South Tank							H.S.C. E.S.	Elec. Elec.	15 20	200 300	160 138			Boosters to Larkridge Booster Zone Reservoirs float on Larkridge Zone Boosters to Larkridge Zone
Linda Vista	Booster A Booster B Booster C Reservoir		366 366 366					V.T. V.T. V.T.	Elec. Elec. Elec.	30 40 50	400 500 600	225 250 223			Boosters to Larkridge Zone Forebay

Plant Facility Index

Region: Ill
 District: Orange County
 CSA: Placentia
 System: Cowan Heights/Lemon Heights

Plant	Major Facility	Year Built	Base Elev.	2006 Prod CCF	2006 Prod (AF)	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
Clearview	Booster A		790						H.S.C.	Elec.	15	200	150	0.124	Elev. Resv	Conc	Boosts to Timberline Zone
	Booster B								E.S.	Elec.	15	200	150	0.085	Elev. Resv	Conc	
	North Resv																
Fairhaven	Well 1	1965		274,864	631	954	15.5	360	Subm.	Elec.	125	750	419				Well #1 to sand separator. Wells to Newport Reservoir.
	Well 2	Ukn		304,049	698		21.5	358	Subm.	Elec.	100	750	432				
Fox Run	Booster A								H.S.C.	Elec.	50	600	210				Boosters pump from E.O.C.W.D. to Timberline Gradient
	Booster B								E.S.	Elec.	50	600	210				
	Booster C								E.S.	Elec.	50	600	210				
	Booster D								H.S.C.	Elec.	50	600	210				
Hunting Horn	EOCWD Connection			351,529	807							2000					Floats on Hunting Horn Zone.
	Reservoir		629											0.44	Elev. Resv	Conc	
Kimberwicke	Booster A	1984							V. In-Line	Elec.	5	150	80				Boost water from Clearview Gradient to Kimberwicke Gradient.
	Booster B	1984							V. In-Line	Elec.	5	150	80				
La Vereda	Booster A								H.S.C.	Elec.	40	600	185				Pumps to Hunting Horn. Floats on system.
	Booster B		448						H.S.C.	Elec.	30	425	185				
Newport	Booster A								V.T.	Elec.	75	700	350				Boosters A and B pump from Resv or EOCWD to Peacock Zone Boosters C and D pump from Resv to La Vereda
	Booster B								V.T.	Elec.	75	700	350				
	Booster C								V.T.	Elec.	25	385	183				
	Booster D			257,004	590				V.T.	Elec.	25	355	184				
Peacock Hill	EOCWD Connection			68,825	158							700					Boosters to Clearview Zone. EOCWD to Reservoir
	EOCWD Connection		293											0.26	Ground	W. Steel	
	Reservoir								V.T.	Elec.	50	550	225				
Skyline	Booster A								V.T.	Elec.	100	1100	300				Floats on Peacock Zone Altitude Valve to Hunting Horn Resv
	Booster B			164,657	378				V.T.	Elec.	100	1000	300				
Timberline	EOCWD Connection		624									900		2.00	Elev. Resv	Conc	Pump to Timberline Booster Gradient
	Reservoir		588	6,970	16							700					
Timberline	Booster A								E.S.	Elec.	5	75	85				Floats on Timberline Gradient.
	Booster B								E.S.	Elec.	5	75	85				

**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			220			20,706		33,041
12	Ductile iron (cement lined)						1,698		8,539
13	Concrete								
14	Copper			605					
15	Riveted Steel								
16	Standard Steel	7,255	1,106	33,480		22,693	6,760		10,474
17	Screw or Welded Casing								
18	Cement - Asbestos		790			130	172,464	75	655,126
19	Welded Steel								
20	Polyvinylchloride	140		660			845		2,233
21	Other - Plastic			389			3,509		6,797
22	Totals	7,395	1,896	35,354	-	22,623	206,182	75	716,210

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
								18 & 22	12.5	
23	Cast Iron	15,162	2,550	1,720	443	175				74,017
24	Ductile Iron (cement lined)	113,264	5,406	48,211	668	5,418	4,254			187,658
25	Concrete									-
26	Copper									605
27	Riveted Steel									-
28	Standard Steel	4,610	712	3,168	214	1	84	10,076	156	100,791
29	Screw or Welded Casing									-
30	Cement - Asbestos	578,397	157,849	165,191	13,739	5,042				1,748,803
31	Welded Steel									-
32	Polyvinylchloride	47,749	1,303	23,350	13	4,955				81,248
33	Other - Plastic	7,935	2,576	494						21,700
33a	Unclassified								30	30
34	Totals	767,117	170,396	242,134	15,077	15,591	4,338	10,076	188	2,214,852

**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)	40,867	40,940		
Industrial	41	43		
Public authorities	258	261		
Irrigation	448	456		
Other (specify)	15	16		
Resale		1		
Subtotal	41,629	41,717	-	-
Private fire connections			619	639
Public fire hydrants				
Total	41,629	41,717	619	639

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

Size	Meters	Services
5/8 x 3/4 - in	32,255	32,410
3/4 - in	499	483
1 - in	7,168	7,331
1 1/2 - in	652	653
2 - in	1,804	1,721
3 - in	338	289
4 - in	54	28
6 - in	76	39
8 - in	33	17
Other	12	8
Total	42,891	42,979

**SCHEDULE D-6
Meter Testing Data**

<p>A. Number of Meters Tested During Year as Prescribed in Section VI of General Order No. 103:</p> <p>1. New, after being received . . . _____</p> <p>2. Used, before repair _____</p> <p>3. Used, after repair _____</p> <p>4. Found fast, requiring billing adjustment _____</p>	
<p>B. Number of Meters in Service Since Last Test</p> <p>1. Ten years or less _____</p> <p>2. More than 10, but less than 15 years _____</p> <p>3. More than 15 years _____</p>	

SCHEDULE D-7

Water delivered to Metered Customers by Months and Years in CCF (Unit Chosen)¹

Classification of Service	January	February	March	April	May	June	July	Subtotal
	Commercial	825,768	782,398	704,685	680,551	711,070	901,050	1,071,008
Industrial	2,492	2,940	2,162	2,825	2,274	3,566	4,529	20,788
Public authorities	44,920	44,674	35,204	24,963	45,408	62,351	107,429	364,949
Irrigation	33,740	22,904	22,445	13,505	20,607	29,385	51,606	194,192
Other (specify)	160	778	(62)	903	542	619	754	3,694
Resale	2,271	2,446	2,150	1,984	2,711	2,909	3,833	18,304
Total	909,351	856,140	766,584	724,731	782,612	999,880	1,239,159	6,278,457

Classification of Service	August	September	October	November	December	Subtotal	Total	Total Prior Year
	Commercial	1,142,778	1,213,668	1,090,644	971,630	894,349	5,313,069	10,989,599
Industrial	4,356	5,338	3,799	4,143	3,959	21,595	42,383	39,184
Public authorities	107,215	123,059	90,728	77,917	73,422	472,341	837,290	765,060
Irrigation	48,405	71,857	46,652	50,614	32,695	250,223	444,415	406,061
Other (specify)	1,557	1,432	1,353	10	1,671	6,023	9,717	43,017
Resale	3,526	4,199	2,753	2,911	2,406	15,795	34,099	
Total	1,307,837	1,419,553	1,235,929	1,107,225	1,008,502	6,079,046	12,357,503	12,053,787

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 _____ 169,424

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>158,719</u>
100.3	Construction work in progress	\$	<u>1,669,478</u>
241	Advances for construction	\$	<u>8,052,277</u>
265	Contributions in aid of construction	\$	<u>5,630,116</u>

SIGNATURE

District Management

Name of District Manager Sunil Pillai Telephone: (714) 535-8010

Address 1920 Corporate Way, Anaheim, CA 92801

This report sets forth book or allocated figures and other data pertaining to the Orange County district for the period from January 1, 2005, to December 31, 2005.

Melody Jarrow
 Signature

Controller
 Title

5/8/07
 Date

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