

Received _____
Examined _____

CLASS B and C
WATER UTILITIES

U# 53W

2008
ANNUAL REPORT
OF

Graeagle Water Company, Inc.

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

P. O. Box 310

Graeagle, CA.

96103

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2008

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2009
(FILE TWO COPIES IF THREE RECEIVED)

INSTRUCTIONS

1. One completed copy of this report (two copies if three received) must be filed NOT LATER THAN MARCH 31, following the year covered by the report, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION
WATER DIVISION
ATTN: KAYODE KAJOPAIYE
505 VAN NESS AVENUE, ROOM 3105
SAN FRANCISCO, CALIFORNIA 94102-3298**

kok@cpuc.ca.gov

2. Failure to file the report on time may subject a utility to the penalties and sanctions provided by the Public Utilities Code.
3. The Oath, on the last page, must be signed by an officer, partner or owner.
4. The report must be prepared in ink or by the use of a typewriter. Computer generated report forms may be substituted.
5. The report must be filled in, and every question answered. LEAVE NO SCHEDULE BLANK. Insert the words "none" or "not applicable" or "n/a" when appropriate.
6. Certain balance sheet and income statement accounts refer to supplemental schedules. The totals of the details in the latter must agree with the balances of the accounts to which they refer.
7. Some schedules provide for a "balance at beginning of year." The amount shown should agree with the "balance at end of year" as shown in the report for the previous year. If there is a difference it should be explained by footnote.
8. When there is insufficient space in a schedule to permit a complete statement of the requested information, insert sheets should be prepared and identified by the number of the schedule to which it refers. Be certain that the inserts are securely attached to the report.
9. This report must cover a calendar year, from January 1 through December 31. Fiscal year reports will not be accepted.

INSTRUCTIONS

FOR PREPARATION OF

SELECTED FINANCIAL DATA SHEET

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

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

Please follow the instruction below:

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

GENERAL INFORMATION

1 Name under which utility is doing business:

 Graeagle Water Company, Inc.

2 Official mailing address: P. O. Box 310

 Graeagle, CA. ZIP 96103

3 Name and title of person to whom correspondence should be addressed:
 Daniel E. West, President Telephone: (530) 836-2612

4 Address where accounting records are maintained: Gilbert Associates, Inc.
 2880 Gateway Oaks Drive, Suite 100, Sacramento, CA. 95833

5 Service Area: (Refer to district reports if applicable.)
 Graeagle & Vicinity - Graeagle, Plumas County

6 Service Manager (if located in or near Service Area): (Refer to district reports if applicable.)
 Name: Harvey E. West, Jr.
 Address: P. O. Box 310 Telephone: (530) 836-2612
 Graeagle, CA. 956103

7 OWNERSHIP. Check and fill in appropriate line:

	Individual (name of owner) _____
	Partnership (name of partner) _____
	Partnership (name of partner) _____
	Partnership (name of partner) _____
XX	Corporation (corporate name) ___ Graeagle Water Company, Inc. Organized under laws of (state) _____

Principal Officers:

(Name) Daniel E. West	(Title) President
(Name) James E. West	(Title) Vice-President
(Name) Stephen O'Neill	(Title) Sec./Treas.
(Name) Harvey E. West, Jr.	(Title) Director

8 Names of associated companies:
 Graeagle Land & Water Company, Inc.

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

Smith Creek Mutual Water Company	Date: 1/1/2008
	Date: _____
	Date: _____
	Date: _____

10 Use the space below for supplementary information or explanations concerning this report:
 None

11 List Name, Grade, and License Number of all Licensed Operators:
 Daniel E. West, Grade T2 & D1, License #2584 & #19367
 Stephen O'Neill, Grade T2 & D1, License #2582 & #19369
 Barry P. Buchholtz, Grade T3 & D3, License #3769 & #12820

NAME OF UTILITY Graeagle Water Co., Inc. PHONE (530)836-2612

PERSON RESPONSIBLE FOR THIS REPORT Stephen O'Neill

(Prepared from Information in the 2008 Annual Report)

	<u>1/1/08</u>	<u>12/31/08</u>	<u>Average</u>
BALANCE SHEET DATA			
1 Intangible Plant	1,479	1,479	1479
2 Land and Land Rights	13,558	13,558	13558
3 Depreciable Plant	1,706,542	1,718,945	1712744
4 Gross Plant in Service	1,721,579	1,733,982	1727781
5 Less: Accumulated Depreciation	745,971	787,419	766695
6 Net Water Plant in Service	975,608	946,563	961085.5
7 Water Plant Held for Future Use	0	0	0
8 Construction Work in Progress	0	-48,711	-24355.5
9 Materials and Supplies	734	734	734
10 Less: Advances for Construction	0	0	0
11 Less: Contribution in Aid of Construction	-54,617	-52,045	-53331
12 Less: Accumulated Deferred Income and Investment Tax Credits	0	0	0
13 Net Plant Investment	<u>921,725</u>	<u>846,541</u>	<u>884,133</u>
CAPITALIZATION			
14 Common Stock	168,730	168,730	168730
15 Proprietary Capital (Individual or Partnership)	0	0	0
16 Paid-in Capital *	117,488	117,488	117488
17 Retained Earnings	611,535	644,092	627813.5
18 Common Stock and Equity (Lines 14 through 17)	897,753	930,310	914031.5
19 Preferred Stock	0	0	0
20 Long-Term Debt	166,627	155,719	161173
21 Notes Payable	0	0	0
22 Total Capitalization (Lines 18 through 21)	<u>1,064,380</u>	<u>1,086,029</u>	<u>1075205</u>

* Paid in capital is the difference between CPUC and Tax reporting at date of incorporation

NAME OF UTILITY Graeagle Water Co. Inc. PHONE (530) 836-2612

INCOME STATEMENT

	Annual Amount
23 Unmetered Water Revenue	<u>359,446</u>
24 Fire Protection Revenue	<u>12,107</u>
25 Irrigation Revenue & Other Water Revenue	<u>37,046</u>
26 Metered Water Revenue	<u>110,482</u>
27 Total Operating Revenue	<u>519,081</u>
28 <u>Operating Expenses</u>	<u>-373,009</u>
29 Depreciation Expense (Composite Rate <u>2.42%</u>)	<u>-38,876</u>
30 Amortization and Property Losses	<u>0</u>
31 Property Taxes	<u>-9,320</u>
32 Taxes Other Than Income Taxes	<u>-8,736</u>
33 Total Operating Revenue Deduction Before Taxes	<u>-429,941</u>
34 California Corp. Franchise Tax	<u>-800</u>
35 Federal Corporate Income Tax	<u>0</u>
36 Total Operating Revenue Deduction After Taxes	<u>-430,741</u>
37 Net Operating Income (Loss) - California Water Operations	<u>88,340</u>
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u>1,343</u>
39 Income Available for Fixed Charges	<u>89,683</u>
40 Interest Expense	<u>-10,326</u>
41 Net Income (Loss) Before Dividends	<u>79,357</u>
42 Preferred Stock Dividends	<u>0</u>
43 Net Income (Loss) Available for Common Stock	<u>79,357</u>

OTHER DATA

44 Refunds of Advances for Construction	<u>0</u>
45 Total Payroll Charged to Operating Expenses	<u>0</u>
46 Purchased Water	<u>0</u>
47 Power	<u>7,338</u>

Active Service Connections (Exc. Fire Protect.) 86

	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections	<u>194</u>	<u>244</u>	<u>219</u>
49 Flat Rate Service Connections	<u>708</u>	<u>684</u>	<u>696</u>
50 Total Active Service Connections	<u>902</u>	<u>928</u>	<u>915</u>

Excess Capacity and Non-Tariffed Services

N/A

NOTE: In D.00-07-018, D.03-04-028, and D. 04-12-023, the CPUC set forth rules and requirements regarding water utilities provision of non-tariffed services using excess capacity. These decisions require water utilities to: 1)file an advice letter requesting Commission approval of that service, 2) provide information regarding non-tariffed goods/services in each companies Annual Report to the Commission.

N/A

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

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter

Row Number	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue derived from Non-Tariffed Good/Service (by account)	Revenue Account Number	Total Expenses incurred to provide Non-Tariffed Good/Service (by Account)	Expense Account Number	Advice Letter and/or Resolution Number approving Non-Tariffed Good/Service	Total Income Tax Liability incurred because of non-tariffed Good/Service (by Account)	Income Tax Liability Account Number	Gross Value of Regulated Assets used in the provision of a Non-Tariffed Good/Service (by account).	Regulated Asset Account Number
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CLASS A, B, C AND D WATER COMPANIES **N/A**
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA) or Safe Drinking Water State Revolving Fund loan surcharge collection for the calendar year. Please use one page per loan.

1. Current Fiscal Agent:

Name: _____
 Address: _____
 Phone Number: _____
 Account Number: _____
 Date Hired: _____

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

	Meter Size	No. of Metered Customers	Monthly Surcharge Per Customer
\$ _____	3/4 inch		
	1 inch		
	1 1/2 inch		
	2 inch		
	3 inch		
	4 inch		
	6 inch		
	Flat Rate		
	Total		

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ _____
Deposits during the year	_____
Interest earned for calendar year	_____
Withdrawals from this account	_____
Balance at end of year	_____

4. Reason or Purpose of Withdrawal from this bank account:

CLASS A, B, C AND D WATER COMPANIES N/A
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA (cont.)

5. Plant amounts included in Schedule A-1a, Account No. 101--Water Plant in Service which were funded using SDWBA or SRF funds:

Line No.	Acct. No.	Title of Account (a)	Balance Beginning of Year (b)	Plant Additions During Year (c)	Plant Retirements During Year (d)	Other Debits* or (Credits) (e)	Balance End of Year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible plant					
3	303	Land					
4		Total non-depreciable plant					
5		DEPRECIABLE PLANT					
6	304	Structures					
7	307	Wells					
8	317	Other water source plant					
9	311	Pumping equipment					
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes					
12	331	Water mains					
13	333	Services and meter installations					
14	334	Meters					
15	335	Hydrants					
16	339	Other equipment					
17	340	Office furniture and equipment					
18	341	Transportation equipment					
19		Total depreciable plant					
20		Total water plant in service					

SCHEDULE A
COMPARATIVE BALANCE SHEETS
Assets and other Debits

Line No.	Acct. No.	Title of Account (a)	Schedule No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		UTILITY PLANT			
2	101	Water plant in service	A-1	1,733,982	1,721,579
3	103	Water plant held for future use	A-1 & A-1b	0	0
4	104	Water plant purchased or sold	A-1	0	0
5	105	Water plant construction work in progress	A-1	-48,711	0
6		Total utility plant		1,685,271	1,721,579
7	106	Accumulated depreciation of water plant	A-3	787,419	745,971
8	114	Water plant acquisition adjustments	A-1	0	0
9		Total amortization and adjustments		0	0
10		Net utility plant		897,852	975,608
11		INVESTMENTS			
12	121	Non-utility property and other assets		1,937	1,937
13	122	Accumulated depreciation of non-utility property	A-3	-1,937	-1,937
14		Net non-utility property		0	0
15	123	Investments in associated companies		0	0
16	124	Other investments		0	0
17		Total investments		0	0
18		CURRENT AND ACCRUED ASSETS			
19	131	Cash		176,621	120,983
20	132	Special accounts Charles Schwab		49,663	0
21	141	Accounts receivable - customers		158	0
22	142	Receivables from associated companies		0	0
23	143	Accumulated provision for uncollectible accounts		0	0
24	151	Materials and supplies		734	734
25	174	Other current assets		11,020	19,654
26		Total current and accrued assets		238,196	141,371
27	180	Deferred charges	A-5	2,026	2,018
28		Total assets and deferred charges		1,138,074	1,118,997

SCHEDULE A
COMPARATIVE BALANCE SHEETS
Liabilities and Other Credits

Line No.	Acct. No.	Title of Account (a)	Schedule No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		CORPORATE CAPITAL AND SURPLUS			
2	201	Common stock	A-6	168,730	168,730
3	204	Preferred stock	A-6	0	0
4	211	Other paid-in capital	A-8	117,488	117,488
5	215	Retained earnings	A-9	644,092	611,535
6		Total corporate capital and retained earnings		930,310	897,753
7		PROPRIETARY CAPITAL			
8	218	Proprietary capital	A-10	0	0
9	218.1	Proprietary drawings		0	0
10		Total proprietary capital		0	0
11		LONG TERM DEBT			
12	224	Long term debt	A-11	155,719	166,627
13	225	Advances from associated companies	A-12	0	0
14		CURRENT AND ACCRUED LIABILITIES			
15	231	Accounts payable		0	0
16	232	Short term notes payable		0	0
17	233	Customer deposits		0	0
18	235	Payables to associated companies	A-13	0	0
19	236	Accrued taxes		0	0
20	237	Accrued interest		0	0
21	241	Other current liabilities	A-14	0	0
22		Total current and accrued liabilities		0	0
23		DEFERRED CREDITS			
24	252	Advances for construction	A-15	0	0
25	253	Other credits		0	0
26	255	Accumulated deferred investment tax credits	A-16	0	0
27	282	Accumulated deferred income taxes - ACRS depreciation	A-16	0	0
28	283	Accumulated deferred income taxes - other	A-16	0	0
29		Total deferred credits		0	0
30		CONTRIBUTIONS IN AID OF CONSTRUCTION			
31	271	Contributions in aid of construction	A-17	106,273	106,273
32	272	Accumulated amortization of contributions		54,228	51,656
33		Net contributions in aid of construction		52,045	54,617
34		Total liabilities and other credits		1,138,074	1,118,997

**SCHEDULE A-1
UTILITY PLANT**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plt Additions During year (c)	Plt Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1	101	Water plant in service	1,721,579	12,403	0	0	1,733,982
2	103	Water plant held for future use	0	0	0	0	0
3	104	Water plant purchased or sold	0	0	0	0	0
4	105	Construction work in progress - water plant	0	0	xxxxxxxxxxxx	-48,711	-48,711
5	114	Water plant acquisition adjustments	0	0	xxxxxxxxxxxx	0	0
6		Total utility plant	1,721,579	12,403	0	-48,711	1,685,271

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

Charles Schwab acct. that will be used to pay Graeagle Land & Water Co. for installation of water meters at Goldridge Estates.

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

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plt Additions During year (c)	Plt Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible plant	1,479				1,479
3	303	Land	13,558				13,558
4		Total non-depreciable plant	15,037				15,037
5		DEPRECIABLE PLANT					
6	304	Structures	32,834				32,834
7	307	Wells	96,516				96,516
8	317	Other water source plant	30,855				30,855
9	311	Pumping equipment	36,551	2,908			39,459
10	320	Water treatment plant	287,451	2,397			289,848
11	330	Reservoirs, tanks and sandpipes	362,717				362,717
12	331	Water mains	568,287				568,287
13	333	Services and meter installations	106,017	3,775			109,792
14	334	Meters	59,341	3,323			62,664
15	335	Hydrants	79,614				79,614
16	339	Other equipment	13,186				13,186
17	340	Office furniture and equipment	33,173				33,173
18	341	Transportation equipment	0				0
19		Total depreciable plant	1,706,542	12,403			1,718,945
20		Total water plant in service	1,721,579	12,403			1,733,982

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

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

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

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

Line No.	Name and Description of Property (a)	Book Value End of Year (b)
1	Organization Expense - Other Assets	1,937
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	1,937

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

Line No.	Item (a)	Account 106 Water Plant (b)	Account 106.1 SDWBA Loans (c)	Account 122 Non-utility Property (d)
1	Balance in reserves at beginning of year	745,971	0	1,937
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1) *	38,876		
4	(b) Charged to Account No 272 *	2,572		
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered			
7	(e) All other credits (Footnote 2)			
8	Total Credits	41,448		
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired	0		
11	(b) Cost of removal	0		
12	(c) All other debits (Footnote 3)	0		
13	Total debits	0		
14	Balance in reserve at end of year	787,419	0	1,937
15	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE			2.42%
16	Depreciation claimed on "S" Corporation Shareholder Tax Returns.....		\$ 46,556	
17	(2) EXPLANATION OF ALL OTHER CREDITS: N/A			
18				
19				
20				
21				
22				
23	(3) EXPLANATION OF ALL OTHER DEBITS: N/A			
24				
25				
26				
27				
28				
29	(4) METHOD USED TO COMPUTE INCOME TAX DEPRECIATION			
30	(a) Straight line	XX		
31	(b) Liberalized	[]		
32	(1) Sum of the years digits	[]		
33	(2) Double declining balance	[]		
34	(3) Other	[]		
35	(c) Both straight line and liberalized	[]		

* Footnote 1 - See attached Schedule for Accounts #403 & #272

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

Line No.	Acct No.	Depreciable Plant (a)	Balance Beginning of Year (b)	Credits to Reserve During Year Excl. Salvage (c)	Debits to Reserve During Year Excl. Cost of Removal (d)	Salvage and Cost of Removal Net (Dr.) or (Cr.) (e)	Balance End of Year (f)
1	304	Structures					
2	307	Wells					
3	317	Other water source plant					
4	311	Pumping equipment					
5	320	Water treatment plant					
6	330	Reservoirs, tanks and sandpipes					
7	331	Water mains					
8	333	Services and meter installations					
9	334	Meters					
10	335	Hydrants					
11	339	Other equipment					
12	340	Office furniture and equipment					
13	341	Transportation equipment					
14		Total					

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

Line No.	Item (a)	Amount (b)
1	Memorandum Account for Department of Health Services Surcharge	8,826
2	Memorandum Account for Dam Repair	2,194
3		
4		
5		
6		
7		
8		
9		
10	Total	11,020

SCHEDULE A-5

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

1 Report under separate subheadings for Unamortized Debt Discount and Expense and Unamortized Premium on Debt, particulars of discount and expense or premium applicable to each class and series of long-term debt.

2 Show premium amounts in red or by enclosure in parentheses.

3 In column (b) show the principal amount of bonds or other long-term debt originally issued.

4 In column (c) show the discount and expense or premium with respect to the amount of bonds or other long-term debt originally issued.

5 Furnish particulars regarding the treatment of debt discount and expense or premium, redemption premiums, and redemption expenses associated with issues redeemed during the year,

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

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

Line No.	Designation of long-term debt (a)	Principal amount of securities to which discount and expense, or premium minus expense, relates (b)	Total discount and expense or net premium (c)	AMORTIZATION PERIOD		Balance beginning of year (f)	Debits during year (g)	Credits during year (h)	Balance end of year (i)
				From -- (d)	To -- (e)				
1	Water Tank	200,000	2,875	5/21/2004	11/20/2019	2,018	278	286	2,026
2									
3									
4									
5									
6									
7									
8									
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28									

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

Line No.	Class of Stock (a)	Date of Issue (b)	Number of Shares Authorized by Articles of Incorporation (c)	Par or Stated Value (d)	Number of Shares Outstanding (e)	Amount Outstanding End of Year (f)	Dividends Declared During Year	
							Rate (g)	Amount (h)
1	Common	7/1/1988	100,000	\$5.00	33,746	33,746	*	46,800
2								
3								
4								
5								
6							Total	46,800

* As an "S" Corporation, there are no dividends, only disbursements

SCHEDULE A-7
Record of Stockholders at End of Year

Line No.	COMMON STOCK Name (a)	Number of Shares (b)	COMMON STOCK Name (c)	Number of Shares (d)
1	Harvey E. West, Jr.	11,251	Marion L. West	468.5
2	Robert O. West	11,251	Nancy E. Herd	937
3	Daniel E. West	5,622	Janet A. Gillett	937
4	James E. West	937	Robert A. West	937
5	Marion L. West, Trustee of the Dovid O. West Trust	468.5	Cathy E. West	937
6				
7			Total number of shares	33,746

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

Line No.	Type of Paid in Capital (a)	Balance End of Year (b)
1	Difference between value of Corporation stock (tax basis) and total CPUC proprietary capital at	
2	time of transfer	117,488
3		
4	Total	117,488

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

Line No	Item (a)	Amount (b)
1	Balance beginning of year	611,535
2	CREDITS	
3	Net income	79,357
4	Prior period adjustments	0
5	Other credits (detail)	0
6	Total credits	79,357
7		
8	DEBITS	
9	Net losses	0
10	Prior period adjustments	0
11	Dividend appropriations - preferred stock	0
12	Disbursement appropriations - common stock	46,800
13	Other debits (detail)	0
14	Total debits	46800
15	Balance end of year	644,092

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

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

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

Line No.	Class (a)	Name of Issue (b)	Date of Issue (c)	Date of Maturity (d)	Principal Amount Authorized (e)	Outstanding Per Balance Sheet (f)	Rate of Interest (g)	Interest Accrued During Year (h)	Sinking Fund (l)	Interest Paid During Year (j)
1	Secured	Loan	5/21/2004	11/20/2019	200,000	155,719	6.77%	0	0	10,326
2										
3										
4										
5										
6										

SCHEDULE A-12

Account No. 225 - Advances from Associated Companies

N/A

Line No.	Nature of Obligation (a)	Amount of Obligation (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1					
2					
3					
4	Totals				

Schedule A-13

Account No. 235 - Payables to Associated Companies

N/A

Line No.	Nature of Obligation (a)	Balance End of Year (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1					
2					
3					
4	Totals				

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

N/A

Line No.	Description (a)	Balance End of Year (b)
1		
2		
3		
4		
5	als	

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

N/A

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

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

N/A

Line No.	Item (a)	Account 255 Investment Tax Credit (b)	Account 282 Income Tax - ACRS Depreciation (c)	Account 283 - Other (d)
1				
2				
3				
4				
5	Totals			

SCHEDULE A-17
Account No. 271 - Contributions in Aid of Construction
Instructions for Preparation of Schedule of Contributions in Aid of Construction

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

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

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

Line No.	Item (a)	Total All Columns (b)	Subject to Amortization		Not Subject to Amortization	
			Property in Service After Dec. 31, 1954		Property Retired Before Jan. 1, 1955 ² (e)	Depreciation Accrued Through Dec. 31, 1954 on Property in Services at Dec. 31, 1954 ³ (f)
			Depreciable (c)	Non-Depreciable ¹ (d)		
1	Balance beginning of year	54,617	49,468	5,149	0	0
2	Add: Credits to account during year	0	0	0	0	0
3	Contributions received during year	0	0	0	0	0
4	Other credits*	0	0	0	0	0
5	Total credits	0	0	0	0	0
6	Deduct: Debits to Account during year	0	0	0	0	0
7	Depreciation charges for year	2,572	2,572	0	0	0
8	Nondepreciable donated property retired	0	0	0	0	0
9	Other debits*	0	0	0	0	0
10	Total debits	2572	2,572	0	0	0
11	Balance end of year	52,045	46,896	5,149	0	0

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

SCHEDULE B-1
Account No. 400 - Operating Revenues

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
1		WATER SERVICE REVENUES			
2	460	Unmetered water revenue			
3		460.1 Single - family residential	316,099	298,155	17,944
4		460.2 Commercial and multi-residential	43,347	39,166	4,181
5		460.3 Large water users	0	0	0
6		460.5 Safe Drinking Water Bond Surcharge	0	0	0
7		460.9 Other unmetered revenue	0	0	0
8		Sub-total	359,446	337,321	22,125
9	462	Fire protection revenue			
10		462.1 Public fire protection	11,084	10,742	342
11		462.2 Private fire protection	1,023	1,113	-90
12		Sub-total	12,107	11,855	252
13	465	Irrigation revenue	36,821	32,965	3,856
14	470	Metered water revenue			
15		470.1 Single-family residential	90,259	52,236	38,023
16		470.2 Commercial and multi-residential	20,223	30,933	-10,710
17		470.3 Large water users	0	0	0
18		470.5 Safe Drinking Water Bond Surcharge	0	0	0
19		470.9 Other metered revenue	0	0	0
20		Sub-total	110,482	83,169	27,313
21		Total water service revenues	518,856	465,310	53,546
22	480	Other water revenue	225	511	-286
23		Total operating revenues	519,081	465,821	53,260

SCHEDULE B-2
Account No. 401 - Operating Expenses

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
1		PLANT OPERATION AND MAINTENANCE EXPENSES			
2		VOLUME RELATED EXPENSES			
3	610	Purchased water	0	0	0
4	615	Power	7,338	6,149	1,189
5	618	Other volume related expenses	4,690	5,507	-817
6		Total volume related expenses	12,028	11,656	372
7		NON-VOLUME RELATED EXPENSES			
8	630	Employee labor	0	0	0
9	640	Materials	9,229	6,987	2,242
10	650	Contract work	184,268	163,937	20,331
11	660	Transportation expenses	15,179	0	15,179
12	664	Other plant maintenance expenses	5,987	4,905	1,082
13		Total non-volume related expenses	214,663	175,829	38,834
14		Total plant operation and maintenance exp.	226,691	187,485	39,206
15		ADMINISTRATIVE AND GENERAL EXPENSES			
16	670	Office salaries	66,995	69,440	-2,445
17	671	Management salaries	37,000	36,000	1,000
18	674	Employee pensions and benefits	0	0	0
19	676	Uncollectible accounts expense	0	0	0
20	678	Office services and rentals	725	10	715
21	681	Office supplies and expenses	9,744	10,040	-296
22	682	Professional services	12,362	16,469	-4,107
23	684	Insurance	5,027	5,017	10
24	688	Regulatory commission expense	6,672	5,784	888
25	689	General expenses	7,793	3,655	4,138
26		Total administrative and general expenses	146,318	146,415	-97
27	800	Expenses capitalized	0	0	0
28		Net administrative and general expense	146,318	146,415	-97
29		Total operating expenses	373,009	333,900	39,109

SCHEDULE B-3
Account No. 408, 409, 410 - Taxes Charged During the Year

Line No.	Type of Tax (a)	Total Taxes Charged During Year (b)	Distribution of Taxes Charged	
			Water (c)	Nonutility (d)
1	Taxes on real and personal property	9,320	9,320	0
2	State corporate franchise tax	800	800	0
3	State unemployment insurance tax	0	0	0
4	Other state and local taxes	8,736	8,736	0
5	Federal unemployment insurance tax	0	0	0
6	Federal insurance contributions act	0	0	0
7	Other federal taxes	0	0	0
8	Federal income taxes	0	0	0
9				
10				
11	Totals	18,856	18,856	0

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

- 1 Report hereunder a reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount.

- 2 If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, inter-company amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

- 3 Show taxable year if other than calendar year from ----- to -----.

Line No.	Particulars (a)	Amount (b)
1	Net income for the year per Schedule B, page 23	79,357
2	Reconciling amounts (list first additional income and unallowable deductions,	
3	followed by additional deductions and non-taxable income):	
4	1. Depreciation for tax purposes verses that for CPUC purposes.....	-7,680
5		
6		
7		
8		
9		
10	Federal tax net income	71,677
11	Computation of tax:	
12	Graeagle Water Company is an "S" Corporation that pays taxes both Federal	
13	& State on the shareholders level. Because of this, the computation of taxes	
14	is impossible and it is possible that some shareholders may not get economic	
15	benefits from tax credits.	
16		
17		

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

Line No.	Description (a)	Revenues Acct. 421 (b)	Expenses Acct. 426 (c)
1	Interest Income	1,509	
2	Purchase Discounts	9	
3	Returned Check Charges	10	
4	Misc. Non-utility Expense		185
5	Total	1,528	185

SCHEDULE B-6
Account No. 427 - Interest Expense

Line No.	Description (a)	Amount (b)
1	Interest Expense - Long term loan	10,326
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	10,326

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

Line No.	Acct. No.	Account (a)	Number at End of Year (b)	Salaries Charged to Expense (c)	Salaries Charged to Plant Accounts (d)	Total Salaries and Wages Paid (e)
1	630	Employee Labor	0	0	0	0
2	670	Office salaries	3	66,995	0	66,995
3	671	Management salaries	1	37,000	0	37,000
4						
5						
6		Total	4	103,995	0	103,995

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

N/A

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

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

N/A

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

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

STREAMS				FLOW IN (Unit) 2				Annual Quantities Diverted(Unit) 2	Remarks
Line No.	Diverted Into *	From Stream or Creek (Name)	Location of Diversion Point	Priority Right		Diversions			
				Claim	Capacity	Max.	Min.		
1	Main Line	Gray Eagle Creek				1	1	1,000 Acre Ft.	
2									
3									
4									
5									
WELLS						Pumping Capacity (Unit) 2	Annual Quantities Pumped(Unit) 2	Remarks	
Line No.	At Plant (Name or Number)	Location	Number	Dimensions	1 Depth to Water				
6	Well No. 1	Meadow	1	8" x 200'	21 ft.	145 gals./min.	0	inactive	
7	Well No. 2	Meadow	1	10" x 325'	0 ft.	704 gals./min.	0	inactive	
8									
9									
10									
TUNNELS AND SPRINGS				N/A	FLOW IN (Unit) 2		Annual Quantities Pumped(Unit) 2	Remarks	
Line No.	Designation	Location	Number	Maximum	Minimum				
11									
12									
13									
14									
15									
Purchased Water for Resale						N/A			
16	Purchased from								
17	Annual Quantities purchased						(Unit chosen) 1		
18									
19									
<p>* State ditch pipeline reservoir, etc., with name, if any. 1 Average depth to water surface below ground surface 2 The quantity unit in established use for experiencing water stored and used in large amounts is the acre foot, which equals 43,560 cubic feet; in domestic use the thousand gallon or the hundred cubic feet. The rate of flow or discharge in larger amounts is expressed in cubic feet per second. In gallons per minute, in gallons per day, or in the miner's inch. Please be careful to state the unit used.</p>									

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

Line No	Type	Number	Combined Capacity (Gallons or Acre Feet)	Remarks
1	A. Collecting reservoirs			
2	Concrete			
3	Earth			
4	Wood			
5	B. Distribution reservoirs			
6	Concrete			
7	Earth			
8	Wood			
9	C. Tanks			
10	Wood			
11	Metal	4	1,286,000 Gals.	
12	Concrete			
13	Totals	4	1,286,000 Gals.	

SCHEDULE D-3

Description of Transmission and Distribution Facilities

N/A

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

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

Line No.		0 to 5	6 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 75	76 to 100
1	Ditch								
2	Flume								
3	Lined conduit								
4									
5	Totals								

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

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

Line No.		101 to 200	201 to 300	301 to 400	401 to 500	501 to 750	751 to 1000	Over 1000	Total All Lengths
6	Ditch								
7	Flume								
8	Lines conduit								
9									
10	Totals								

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

Line No.		1	1 1/2	2	2 1/2	3	4	5	6	8
11	Cast Iron									
12	Cast iron (cement lined)									
13	Concrete									
14	Copper									
15	Riveted steel									
16	Standard screw	(See Attached Schedule D-3, B.)								
17	Screw or welded casing									
18	Cement - asbestos									
19	Welded steel									
20	Wood									
21	Other (specify)									
22	Totals									

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

Line No.		10	12	14	16	18	20	Other Sizes (Specify Sizes)	Total All Sizes	
23	Cast Iron									
24	Cast iron (cement lined)									
25	Concrete									
26	Copper									
27	Riveted steel									
28	Standard screw	(See Attached Schedule D-3, B.)								
29	Screw or welded casing									
30	Cement - asbestos									
31	Welded steel									
32	Wood									
33	Other (specify)									
34	Totals									

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

Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior	Current	Prior	Current
	Year	Year	Year	Year
Single family residential	181	231	635	616
Commercial and Multi-residential	7	7	40	40
Large water users	0	0	0	0
Public authorities	1	1	0	0
Industrial	0	0	0	0
Irrigation	5	5	28	28
Other (specify)	0	0	0	0
Subtotal	194	244	703	684
Private fire connections	0	0	5	5
Public fire hydrants	0	0	86	86
Total	194	244	794	775

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

Size	Meters	Services
5/8 x 3/4 - in	261	xxxxxxxxxxxx
3/4 - in	3	1,045
1 - in	4	32
2 - in	0	4
3 - in	1	1
4 - in	1	9
6 - in	0	1
- in		
Other		
Total	270	1,092

**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	None
2. Used, before repair	None
3. Used, after repair	None
4. Found fast, requiring billing adjustment	None
B. Number of Meters in Service Since Last Test	
1. Ten years or less	243
2. More than 10, but less than 15 years	1
3. More than 15 years	None

SCHEDULE D-7

Water delivered to Metered Customers by Months and Years in Million Gals. (Unit Chosen)¹

Classification of Service	During Current Year							Subtotal	
	January	February	March	April	May	June	July		
Single-family residential	0.2738	0.2738	0.8263	0.7865	2.5908	3.3606	4.3689	12.4807	
Commercial and Multi-residential	0.0651	0.0651	0.1863	0.1115	0.1608	0.1653	0.2401	0.9942	
Large water users	0	0	0	0	0	0	0	0	
Public authorities	0.0112	0.0112	0.0471	0.0359	0.1129	0.3964	0.4428	1.0575	
Irrigation	0.0045	0.0045	0.0136	0.0134	0.7184	0.8419	1.6989	3.2952	
Other (specify)	0	0	0	0	0	0	0	0	
Total	0.3546	0.3546	1.0733	0.9473	3.5829	4.7642	6.7507	17.8276	
Classification of Service	During Current Year						Subtotal	Total	Total Prior Year
	August	September	October	November	December				
Single-family residential	4.6769	3.409	1.5783	0.7398	0.2962	10.7002	23.1809	22.4384	
Commercial and Multi-residential	0.187	0.0441	0.0755	0.0441	0.0232	0.3739	1.3681	2.2283	
Large water users	0	0	0	0	0	0	0	0	
Public authorities	0.2955	0.4077	0.095	0.1556	0.0112	0.965	2.0225	1.9269	
Irrigation	0.0672	0.7248	0.4907	0.0082	0.0015	1.2924	4.5876	4.2665	
Other (specify)	0	0	0	0	0	0	0	0	
Total	5.2266	4.5856	2.2395	0.9477	0.3321	13.3315	31.1591	30.8601	

¹ Quantity units to be in hundreds of cubic feet, thousands of gallons, acre-feet, or miner's inch-days.

Total acres irrigated N/A

Total population served N/A

FACILITIES FEES DATA

N/A

Class B: Please provide the following information relating to Facilities Fees for districts or subsidiaries serving 2,000 or fewer customers for the calendar year (per D.91-04-068).

Class C: Please provide the following information relating to Facilities Fees collected for the calendar year, pursuant to Resolution No. W-4110.

1. Trust Account Information:

Bank Name: _____
Address: _____
Account Number: _____
Date Opened: _____

2. Facilities Fees collected for new connections during the calendar year:

A. Commerical

NAME	AMOUNT
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

B. Residential

NAME	AMOUNT
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ _____
Deposits during the year	_____
Interest earned for calendar year	_____
Withdrawals from this account	_____
Balance at end of year	_____

4. Reason or Purpose of Withdrawal from this bank account:

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SCHEDULE D-3, B.

FOOTAGES OF PIPE BY OUTSIDE DIAMETERS IN INCHES (EXCLUDING SERVICE PIPES)

Description	2" and	2 1/2" To	4"	6"	8"	10"	12"	24"	Totals
	Under	3 1/2"							
Cast Iron		175		2,169.50					2,344.50
Welded Steel			475		1,640	2,040	10	851	5,016
Standard Screw	5,371	975		56		108			6,510
Cement-Asbestos			15	20,778	2,529	841	2,798		26,961
Plastic		1,400	10,067	15,195.50	6,481	970			34,113.50
Other (Specify)									
									8,100
									14,924
									2,634
									52
Totals	5,371	2,550	10,557	38,199	10,650	3,959	2,808	851	100,655.00

**ANNUAL DEPRECIATION - ACCRUAL DETERMINATION
STRAIGHT - LINE REMAINING LIFE METHOD**

Account #	Description	(1) Gross Plant 1/1/2008	(2) Estimated Future Net Salvage Value	(3) Depreciation Reserve 1/1/2008	(4) Net Balance (1)-(2)-(3)	(5) Remaining Life Years	(6) Annual Accrual	(E) % of Gross Plant (Rate)
304	Structures	\$32,834						
307	Wells	96,516						
311	Pumping Equipment	36,551						
317	Other Source of Supply Plant	30,855						
320	Water Treatment Equipment	287,451						
330	Reservoir, Tanks & Standpipes	362,717						
331	Water Mains	568,287						
333	Services & Meter Installation	106,017						
334	Meters	59,341						
335	Hydrants	79,614						
339	Other Equipment	13,186						
340	Office Furniture & Equipment	33,173						
341	Transportation Equipment	0						
		<u>\$1,706,542</u>		<u>\$737,416</u>	<u>\$969,126</u>	<u>11 years</u>	<u>\$41,298</u>	<u>2.42%</u>

Average 2008 Additions
X Composite Rate

	\$6,202
x	.0242
	<u>\$150</u>
	<u>150</u>
	<u>\$41,448</u>

2008 Depreciation - Actual Determination

SCHEDULE FOR ACCOUNT #272

Contribution in Aid of Construction, Depreciable Plant

Account #	Description	Value (Value is Donor's Cost)	Amortization Remaining Life Years	Reserve 1/1/2008	Annual Accrual	% of Gross Plant (Rate)
331	Water Mains (Received 12/31/86)	<u>\$106,273</u>	<u>11 Years</u>	<u>\$51,656</u>	<u>\$2,572</u>	<u>2.42%</u>