

47

Received _____

Examined _____

CLASS D
WATER UTILITIES

U# _____

2001
ANNUAL REPORT
OF

*See revised
copy
of 2001*

INTERSTATE 5 UTILITY COMPANY, INC.

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

2000 - 18TH STREET

BAKERSFIELD, CA 93301

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2001

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2002
(FILE TWO COPIES IF THREE RECEIVED)

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

INTERSTATE 5 UTILITY COMPANY, INC.

(Name under which corporation, partnership or individual is doing business)

2000 - 18TH STREET, BAKERSFIELD, CA 93301

(Official mailing address)

INTERSTATE 5 AND HIGHWAY 58, NEAR BUTTONWILLOW, KERN COUNTY

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

- 1 If a corporation show:
 - (A) Date of organization 10/25/1972 incorporated in the State of CALIFORNIA
 - (B) Names, titles and addresses of principal officers:
JAMES P. SEARS, PRESIDENT, 2000 - 18TH STREET, BAKERSFIELD, CA 93301
- 2 If unincorporated give the name and address of owner or of each partner:
NOT APPLICABLE
- 3 Name and telephone number of:
 - (A) One person listed above to receive correspondence: JAMES P. SEARS (661) 325-5981
 - (B) Person responsible for operations and services: JAMES P. SEARS
- 4 Were any contracts or agreements in effect with any organization or person covering service, supervision and/or management of your business affairs during the year? (Yes or No) YES
If so, what was the nature and the amount of each payment made under the agreement, to whom were payments made, and to what account was each payment charged? \$ 1,200 MANAGEMENT FEE
PAID TO DARDANA, INC., CHARGED TO ACCOUNT 671
- 5 State the names of associated companies or persons which, directly or indirectly, or through one or more intermediaries, control, or are controlled by, or are under common control with respondent:
JAMES P. SEARS, DARDANA, INC., HERBERT P. SEARS CO., INC., AND
MCKITTRICK 5 PROPERTIES

PUBLIC HEALTH STATUS

- 6 Has state or local health department inspection been made during the year?
- 7 Are routine laboratory tests of water being made?
- 8 Has state health department water supply permit been obtained? (Indicate date)
- 9 If no permit has been obtained, state whether application has been made and when.
- 10 Show expiration date if state permit is temporary.

Yes	No	Latest Date
X		
X		WEEKLY
X		Oct-01
		N/A
		N/A

SPECIAL INSTRUCTIONS (over)

SPECIAL INSTRUCTIONS

- 1 Beginning of year balances must agree with end of year balances shown in report for previous year.
Attach a supplementary statement to explain any differences.
- 2 Attach a supplementary statement to explain adjustments in Schedule B - Water Plant in Service.
- 3 Complete all schedules, using the words "None" or "Not applicable" if appropriate.
- 4 Report must be prepared legibly in ink or by typewriter.

Sandra V. Steward

CERTIFIED PUBLIC ACCOUNTANT

10516 Loughton Avenue
Bakersfield, CA 93311

svstewardcpa@ncinternet.net

Tel (661) 663-9921
Fax (661) 663-9947

California Public Utilities Commission
Water Division
505 Van Ness Avenue, Room 3105
San Francisco, CA 94102-3298

I have compiled the balance sheets of Interstate 5 Utility Co., Inc., as of January 1, 2001 and December 31, 2001, and the related statement of water income for the year ended December 31, 2001, and the related disclosures, in the accompanying prescribed forms in accordance with Statements for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

My compilation was limited to presenting in the form prescribed by the Public Utilities Commission – State of California, information that is the representation of the owner. I have not audited or reviewed the financial statements and related disclosures referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements, including related disclosures are presented in accordance with the requirements of the Public Utilities Commission – State of California, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Sandra V. Steward, CPA

Sandra V. Steward, CPA
March 12, 2002

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2001

NAME OF UTILITY INTERSTATE 5 UTILITY COMPANY, INC. PHONE (661) 663-9921

PERSON RESPONSIBLE FOR THIS REPORT SANDRA V. STEWARD, CPA
(Prepared from Information in the 2001 Annual Report)

	1/1/01	12/31/01	Average
BALANCE SHEET DATA			
1 Intangible Plant	4,320	4,320	4,320
2 Land and Land Rights			
3 Depreciable Plant	494,363	508,745	501,554
4 Gross Plant in Service	498,683	513,065	505,874
5 Less: Accumulated Depreciation	(422,871)	(433,878)	(428,375)
6 Net Water Plant in Service	75,812	79,187	77,500
7 Water Plant Held for Future Use			
8 Construction Work in Progress			
9 Materials and Supplies			
10 Less: Advances for Construction	()	()	()
11 Less: Contribution in Aid of Construction	()	()	()
12 Less: Accumulated Deferred Income and Investment Tax Credits	()	()	()
13 Net Plant Investment	75,812	79,187	77,500
CAPITALIZATION			
14 Common Stock	154,453	154,453	154,453
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			
17 Retained Earnings	18,911	9,805	14,358
18 Common Stock and Equity (Lines 14 through 17)	173,364	164,258	168,811
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable	38,757	44,708	41,733
22 Total Capitalization (Lines 18 through 21)	212,121	208,966	210,544

(Revised 2/01)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2001
(continued)

NAME OF UTILITY INTERSTATE 5 UTILITY CO., INC. PHONE (661) 663-9921

INCOME STATEMENT	Annual Amount
23 Unmetered Water Revenue	_____
24 Fire Protection Revenue	_____
25 Irrigation Revenue	_____
26 Metered Water Revenue	50,611
27 Total Operating Revenue	50,611
28 <u>Operating Expenses</u>	37,785
29 Depreciation Expense (Composite Rate _____)	462
30 Amortization and Property Losses	_____
31 Property Taxes	375
32 Taxes Other Than Income Taxes	469
33 Total Operating Revenue Deduction Before Taxes	39,091
34 California Corp. Franchise Tax	240
35 Federal Corporate Income Tax	_____
36 Total Operating Revenue Deduction After Taxes	39,331
37 Net Operating Income (Loss) - California Water Operations	11,280
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	1,213
39 Income Available for Fixed Charges	12,493
40 Interest Expense	_____
41 Net Income (Loss) Before Dividends	12,493
42 Preferred Stock Dividends	_____
43 Net Income (Loss) Available for Common Stock	12,493
OTHER DATA	
44 Refunds of Advances for Construction	_____
45 Total Payroll Charged to Operating Expenses	1,200
46 Purchased Water	_____
47 Power	12,814

<u>Active Service Connections</u>	(Exc. Fire Protect.) _____	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections		18	18	18
49 Flat Rate Service Connections		_____	_____	_____
50 Total Active Service Connections		18	18	18

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

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA) loan outstanding during the 12 month reporting period. (Use one sheet for each loan.)

1. Current Fiscal Agent: N/A

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

2. Former Fiscal Agent: N/A

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

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

\$ _N/A_____

4. Summary of the trust bank account activities showing: N/A

Balance at beginning of year	\$ _____
Deposits during the year	_____
Withdrawals made for loan payments	_____
Other withdrawals from this account	_____
Balance at end of year	_____

5. Account information: N/A

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

6. Plant amounts included in Schedule A, Account No. 101--Water Plant in Service which were funded using SDWBA funds: N/A

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 - BALANCE SHEET (DECEMBER 31, 2001)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	513,065	201	Common Stock (Corporations only)	154,453
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Water plant purchased or sold		215	Retained earnings	102,110
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(282,981)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	44,708
7	124	Other investments		252	Advances for construction	
8	131	Cash	102,085	253	Other deferred credits	
9	141	Accounts receivable - customers	24,199	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies			depreciation	
12	174	Other current assets	3,427	283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	232,720
14				272	Accumulated amortization of contributions	(174,196)
15		Total Assets	359,795		Total Equity and Liabilities	359,795

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	Plt Additions During year	Plt Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant					-
17	303	Land					-
18	304	Structures	11,170				11,170
19	307	Wells					-
20	317	Other water source plant					-
21	311	Pumping equipment	25,127				25,127
22	320	Water treatment plant	2,745				2,745
23	330	Reservoirs tanks and sandpipes					-
24	331	Water mains	104,164				104,164
25	333	Services and meter installations					-
26	334	Meters	4,934				4,934
27	335	Hydrants	296				296
28	339	Other equipment					-
29	340	Office furniture and equipment					-
30	341	Transportation equipment					-
31		Total water plant in service	148,436				148,436

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

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Account 106 Water Plant	Account 106.1 SDWBA Loans	
32	Balance in reserves at beginning of year	114,987		A. Method used to compute depreciation
33	Add: Credits to reserves during year	2,507		expense (Acct. 403) and rate.
34	(a) Charged to Account No. 403	462		SL 50 YEARS
35	(b) Charged to Account No. 272			
36	(c) Charged to clearing accounts			B. Amount of depreciation expense claimed
37	(d) Salvage recovered			or to be claimed on utility property in
38	(e) All other credits			your federal income tax return for the year
39	Total credits	2,969		covered by this report \$ 281
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired			
42	(b) Cost of removal			C. State method used to compute tax
43	(c) All other debits			depreciation.
44	Total debits	-		SL; 15-25 YEARS
45	Balance in reserve at end of year	117,956		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2001)

Line			
1	Common - (10 Shares @ \$100.00 Par)	1,000	List persons owning more than 5% of outstanding stock
2	Common - (153,453 Shares @ \$1.00 Par)	153,453	and number of shares owned by each:
3	Dividends - Common Rate - \$		JAMES P. SEARS - 100%
4	- Preferred Rate - \$		

SCHEDULE E - LONG TERM DEBT

	Class	Date of Issue	Date of Maturity	Principal Amount Authorized	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
5	NOT APPLICABLE							
6								
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	50,611
14	480 Other water revenue	
15	Total Operating Revenue	50,611
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	
19	615 Power	12,814
20	618 Other volume related expenses	
21	630 Employee labor	
22	640 Materials	
23	650 Contract work	10,001
24	660 Transportation expenses	
25	664 Other plant maintenance expense	3,330
26	670 Office salaries	
27	671 Management salaries	1,200
28	674 Employee pensions and benefits	
29	676 Uncollectible accounts expense	154
30	678 Office services and rentals	5,040
31	681 Office supplies and expense	
32	682 Professional services	3,120
33	684 Insurance	1,728
34	688 Regulatory commission expense	
35	689 General expenses	398
36	Total Operating Expenses	37,785
37	403 Depreciation expense	462
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	844
40	409 State corporate income tax expense	240
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	39,331
43	Utility Operating Income	11,280
44	421 Non-utility income	1,213
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	
47	Net Income	12,493

SCHEDULE G - SOURCES OF SUPPLY AND WATER DEVELOPED WELLS

Location	No.	Diam. Inch	Depth to water feet	Pumping capacity (g.p.m.)	Annual quantities pumped
I-5 & HWY 58	1	12"	500	175/260	192,704
I-5 & HWY 58	2	12"	500	320	5,374,274

OTHER

Streams or springs location of diversion point		(Unit) Diversions		Annual quantities diverted (Unit)
NOT APPLICABLE	Capacity	Max	Min	(Unit)
Purchased water (unit)				Annual quantity
Supplier:				
NOT APPLICABLE				

SCHEDULE H - OPTIONAL WATER DELIVERED TO METERED CUSTOMERS
(If figures are available) (specify unit)

Classification of service	Max. mo. Mo. Of JULY	Min. mo. DECEMBER	Total for year
Residential & business	715,496	344,930	5,566,978
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total	715,496	344,930	5,566,978

SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION

Line	Acct	Account	Number at end of year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
48	630	Employee Labor				
49	670	Office salaries				
50	671	Management salaries	1	1,200		1,200
51		Total	1	1,200		1,200

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	N/A
Additions during year	
Subtotal - Beginning balance plus additions during year	
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	

SCHEDULE K - TOTAL METERS AND SERVICES (active and inactive)

Size	Meters	Services
5/8 x 3/4-in		
3/4-in		
1-in	6	
2-in	6	
3-in	6	
Total	18	

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year		
1	Used, before repair...	2
2	Used, after repair	2
3	Fast, requiring refund ..	0
Numbers of meters in service requiring test per General Order No. 103		

SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences								
Industrial								
Other (specify)								
BUSINESS	18		18				18	
Subtotal	18		18				18	
Fire protection (Hydrants)								
Total	18		18				18	

NOTE: Total connections (metered plus flat) should agree with total services in Schedule K.

SCHEDULE N - STORAGE FACILITIES

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

Description	No.	Combined capacity in gallons		Description	2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)		Totals
			40K each					6"	8"	
Concrete				Cast Iron						
Earth				Welded steel						
Wood				Standard screw						
Steel-CONCRETE	1	60,000		Cement-asbestos			700	700	4,720	6,120
Other				Plastic						
METAL WATER	2	80,000	40K each	Other (specify)						
COLL/REV	1	50,000		CLAY SEWER					7,000	7,000
				PVC WATER					1,880	1,880
Total	4	190,000		Total			700	700	13,600	15,000

DECLARATION

(BEFORE SIGNING PLEASE CHECK TO SEE THAT ALL SCHEDULES HAVE BEEN COMPLETED)

I, the undersigned (officer, partner or owner) of INTERSTATE 5 UTILITY COMPANY, INC., under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, papers and records of the respondent; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of the above-named respondent and the operations of its property for the period

From and including JANUARY 1, 2001, to and including DECEMBER 31, 2001

x 

Signed
PRESIDENT

Title
x 7-26-02

Date