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# SEWER UTILITIES

U# SWR #292

## 2011 ANNUAL REPORT OF

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INTERSTATE 5 UTILITY COMPANY, INC

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

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P.O. BOX 13458 BAKERSFIELD, CA 93389

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
FOR THE YEAR ENDED DECEMBER 31, 2011

REPORT MUST BE FILED NOT LATER THAN APRIL 2, 2012

## TABLE OF CONTENTS

	<u>Page</u>
Instructions	2
General Information	3
Excess Capacity and Non-Tariffed Services	4
Schedule A - Balance Sheet	5
Schedule B - Sewer Plant In Service	5
Schedule C - Reserve for Depreciation of Utility Plant	5
Schedule D - Capital Stock Outstanding (As of December 31, 2011)	6
Schedule E - Long-Term Debts	6
Schedule F - Income Statement	6
Schedule G - Employees and Their Compensation	6
Schedule H - Advances for Construction	7
Schedule I - Total Meters and Services (Active and Inactive)	7
Schedule J - Meter-Testing Data	7
Schedule K - Service Connections at End of Year	7
Schedule L - Storage Facilities	7
Schedule M - Footages of Pipe (Excluding Service Pipes)	7
Declaration	8

## INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN APRIL 2, 2012**, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION  
DIVISION OF WATER AND AUDITS  
ATTN: KAYODE KAJOPAIYE  
505 VAN NESS AVENUE, ROOM 3105  
SAN FRANCISCO, CALIFORNIA 94102-3298  
[kok@cpuc.ca.gov](mailto: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 Page 8, must be signed by an authorized 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. If inserts are needed, prepare all inserts in one separate electronic file in Microsoft Excel format and file it with the electronic file of this report.
9. This report must cover the calendar year from January 1, 2011, through December 31, 2011. Fiscal year reports will not be accepted.

**CLASS D SEWER UTILITIES**  
(HAVING LESS THAN 500 SERVICE CONNECTIONS)

INTERSTATE 5 UTILITY COMPANY INC.

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

P.O. BOX 13458 BAKERSFIELD, CA 93389

(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:  
 JEFFREY FARRELL, PRESIDENT, 12352 OBRAD DRIVE, SARATOGA 95070
- 2 If unincorporated give the name and address of owner or of each partner:

- 3 Name and telephone number of: JEFFREY FARRELL, 408-499-0783  
 (A) One person listed above to receive correspondence: JEFFREY FARRELL  
 (B) Person responsible for operations and services: JEFFREY FARRELL

- 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?  
 \$13,500 OF MANGEMENT 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. TBA PROPERTIES, LLC AND MCKITTRICK 5 PROPERTIES, LP

**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		May-98
		n/a
		n/a

- 11 List Name, Grade, and License Number of all Licensed Operators:  
LOU WOLFE, GRADE 2, 11-8337 (WASTEWATER)

## Excess Capacity and Non-Tariffed Services

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 company's Annual Report to the Commission.  
**NOT APPLICABLE**

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 goods and services provided in calendar year 2011:

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter										
Row No.	Description of Non-Tariffed Good/Service	Active or Passive (by account)	Total Revenue Derived From Non-Tariffed Goods/ Services (by account)	Total Expenses Incurred to Provide Non-Tariffed Goods/ Services (by Account)	Expense Account Number	Advice Letter and/or Resolution Number Approving Non-Tariffed Goods/ Services	Total Income Tax Liability Incurred Because of Non-Tariffed Goods/ Services (by Account)	Income Tax Liability Account Number	Gross Value of Regulated Assets Used in the Provision of a Non-Tariffed Goods/ Services (by Account)	Regulated Asset Account Number

### SCHEDULE A - BALANCE SHEET (AS OF DECEMBER 31, 2011)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Plant in service	572,792	201	Common Stock (Corporations only)	154,453
2	101.1	SDWA Plant		211	Other paid-in capital (Corporations only)	
3	103	Plant held for future use		215	Retained earnings	50,960
4	104	Plant purchased or sold		218	Proprietary capital	
5	105	Plant construction work in progress		224	Long term debt	
6	108	Accumulated depreciation of plant	(388,199)		Current Liabilities	2,988
7	114	Plant acquisition adjustments		252	Advances for construction	
8	124	Other investments		253	Other deferred credits	
9	131	Cash	14,000	255	Accumulated deferred investment tax credits	
10	141	Accounts receivable - customers	18,985	282	Accumulated deferred income taxes - ACRS	
11	142	Receivables from associated companies			Depreciation	
12	151	Materials and supplies		283	Accumulated deferred income taxes - other	
13	174	Other current assets	17,082	271	Contributions in aid of construction	245,561
14	180	Deferred charges		272	Accumulated amortization of contributions	(219,302)
15		Total Assets	234,660		Total Equity and Liabilities	234,660

### SCHEDULE B - SEWER 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
1	301	Intangible plant	4,320				4,320
2	303	Land					
3	304	Structures	86,925				86,925
4	307	Wells	20,641				20,641
5	317	Other source plant					
6	311	Pumping equipment	60,257				60,257
7	320	Treatment plant	178,411				178,411
8	330	Reservoirs	13,075				13,075
9	331	Mains	3,720				3,720
10	333	Services and meter installations					
11	334	Meters					
12	339	Other equipment					
13	340	Office furniture and equipment					
14	341	Transportation equipment					
15		Total Plant in service	367,349				367,349

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

### SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Account 106 Plant	
1	Balance in reserves at beginning of year	230,939	A. Method used to compute depreciation
2	Add: Credits to reserves during year	2,100	expense (Acct. 403) and rate.
3	(a) Charged to Account No. 403	4,713	SL 50 Years
4	(b) Charged to Account No. 272		
5	(c) Charged to cleaning accounts		B. Amount of depreciation expense claimed
6	(d) Salvage recovered		or to be claimed on utility property in
7	(e) All other credits		your federal income tax return for the year
8	Total credits	6,813	covered by this report \$ 719
9	Deduct: Debits to reserves during year		
10	(a) Book cost of property retired		
11	(b) Cost of removal		C. State method used to compute tax
12	(c) All other debits		depreciation.
13	Total debits		SL: 7 TO 25 YEARS
14	Balance in reserve at end of year	237,752	
15	(1) Explanation of all other credits		
16	(2) Explanation of all other debits		

SCHEDULE D - CAPITAL STOCK OUTSTANDING (AS OF DECEMBER 31, 2011)				
1	Common - (Shares	154,453	\$ 1 par)	List persons owning more than 5% of outstanding stock
2	Preferred - (Shares		\$ par)	and number of shares owned by each: Sears Living Trust (100%)
3	Dividends - Common	Rate - \$		
4	- Preferred	Rate - \$		

SCHEDULE E - LONG-TERM DEBTS								
Line	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
1	Not Applicable							
2								
3								
4	Totals							

SCHEDULE F - INCOME STATEMENT			
Line	Acct	Operating revenues	
1	460	Unmetered revenue	135,209
2	470	Metered revenue	-
3	475	Approved Total Surcharge Revenue(s)	
4	480	Other revenue	139
5		<b>Total Revenue Received</b>	<b>135,348</b>
6		Less: Revenue Deductions	
		SDWBA/SRF surcharge revenue	
		<b>Total Operating Revenue</b>	<b>135,348</b>
7		<b>Operating expenses</b>	
9	610	Purchased water	
10	615	Power	22,517
11	618	Other volume related expenses	
12	630	Employee labor	
13	640	Materials	7,309
14	650	Contract work	22,314
15	660	Transportation expenses	
16	664	Other plant maintenance expense	9,400
17	670	Office salaries	
18	671	Management salaries	13,500
19	674	Employee pensions and benefits	
20	676	Uncollectible accounts expense	
21	678	Office services and rentals	22,628
22	681	Office supplies and expense	2,637
23	682	Professional services	9,455
24	684	Insurance	11,121
25	688	Regulatory commission expense	
26	689	General expenses	
27		<b>Total Operating Expenses</b>	<b>120,880</b>
28	403	Depreciation expense	4,713
29	408	Taxes other than income taxes	7,394
30	409	State corporate income tax expense	531
31	410	Federal corporate income tax expense	
32		<b>Total Operating Revenue Deductions</b>	<b>12,637</b>
33		Utility Operating Income	1,831
34	421	Non-utility income	
35	426	Miscellaneous non-utility expense	
36	427	Interest expense	
37		<b>Net Income</b>	<b>1,831</b>

SCHEDULE G - 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
1	630	Employee Labor				
2	670	Office salaries				
3	671	Management salaries	1	13,500		13,500
4		Total	1	13,500		13,500

SCHEDULE H - ADVANCES FOR CONSTRUCTION	
Balance beginning of year	Not Applicable
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 I - TOTAL METERS AND SERVICES (active and inactive)			
Size	Meters	Services	
1 -in	5	5	
2 -in	9	9	
3 -in	6	6	
-in			
-in			
Total	20	20	

SCHEDULE J - METER-TESTING DATA		
Number of meters tested during year		
1	Used, before repair	0
2	Used, after repair	0
3	Fast, requiring refund	0

SCHEDULE K - SERVICE CONNECTIONS AT END OF YEAR								
Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences								
Industrial								
Other:								
RETAIL/COMMERCIAL		20	20					20
Total		20	20					20

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

SCHEDULE L - STORAGE FACILITIES			SCHEDULE M - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)						
Description	No.	Combined capacity in gallons	Description	2" and under	2 1/4 to 3 1/4	4"	6"	8"	Total
Concrete			Cast Iron						
Earth			Welded steel						
Wood			Standard screw						
Steel			Cement-asbestos			700	700	4,720	6,120
Other			Plastic						
METAL/WATER	2	80,000	Other (specify)						
COLL/REV	1	50,000	CLAY/SEWER					7,000	7,000
			PVC/WATER					1,880	1,880
Total	3	130,000	Total					13,600	15,000



**DECLARATION**

**(PLEASE VERIFY THAT ALL SCHEDULES ARE ACCURATE AND COMPLETE BEFORE SIGNING)**

I, the undersigned \_\_\_\_\_ **JEFFREY FARRELL, PRESIDENT**  
Officer, Partner, or Owner (Please Print)

of \_\_\_\_\_ **INTERSTATE 5 UTILITY COMPANY, INC.**  
Name of Utility

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 of January 1, 2011, through December 31, 2011.

\_\_\_\_\_ **PRESIDENT**  
Title (Please Print)

 \_\_\_\_\_  
Signature

\_\_\_\_\_ **408-499-0783**  
Telephone Number

\_\_\_\_\_ **MARCH 15, 2012**  
Date