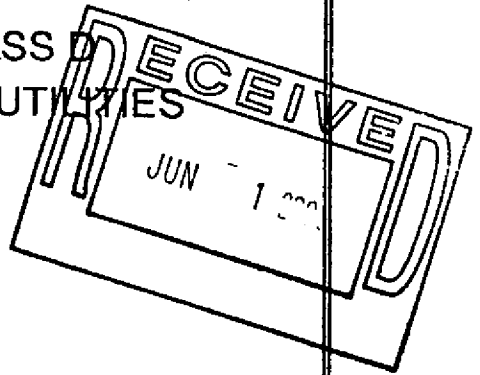


Extra's J

Received _____
Examined _____

CLASS D
WATER UTILITIES



U# _____

4
200~~3~~
ANNUAL REPORT
OF

Union Pacific Railroad Company,

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

10031 Foothills Blvd., Suite 200

Roseville CA 95747
(OFFICIAL MAILING ADDRESS) ZIP

TO THE
 PUBLIC UTILITIES COMMISSION
 STATE OF CALIFORNIA
 FOR THE
 YEAR ENDED DECEMBER 31, 200~~3~~⁴

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 200~~3~~⁵
 (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
ATTENTION: KAYODE KAJOPAIYE
505 VAN NESS AVENUE, ROOM 3105
SAN FRANCISCO, CALIFORNIA 94102-3298**

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 calander year, from Janauary 1 through December 31. Fiscal year reports will not be accepted.

Footnotes

1. Residents in Upper Keene and Lower Keene are served through a master meter at each location. No revenues were received from residents in Upper Keene and Lower Keene during the calendar year.
2. The Keene Water System is part of Union Pacific Railroad Company. Union Pacific Railroad Company does not separately allocate certain expenses or items to the Keene Water System. The Keene Water System is not capitalized separately. Money management is performed as part of the Union Pacific Railroad company operations.
3. The rate base for the Keene Water System has not been determined by the Commission. It is under review in A.04-11-004.

Account Number	Operating Revenue		
470	Metered	\$ 10,413	①
460	Unmetered	0	
465	Irrigation	0	
462-480	Private Fire Protection	0	
	Total Revenue	10,413	①
	Operating Expenses		
610	Purchased Water	14,054	
615	Purchased Power	6,000	
	Pump Taxes	0	
	Purchased Chemicals	5,727	
618	Other Vol. Related exp.	0	
630	Employee Labor	73,128	
640	Materials	16,995	
650	Contract Work	0	
	Water Testing	3,389	
660	Transportation Expense	12,000	
664	Other Plant Maintenance	0	
670	Office Salaries	NOM	②
671	Management Salaries	NOM	
674	Employee Pensions and Benefits	(incl. in labor)	
676	Uncollectables	16,067	
678	Office Service and Rentals	NOM	
681	Office Supplies and Expense	NOM	
682	Professional Services	NOM	
684	Insurance	NOM	
688	Regulatory Expense	4,827	
689	General Expense	NOM	
	Subtotal	\$ 152,187	
403	Depreciation Expense	15,230	⑤
	Ad Valorem Taxes	NOM	⑥
	Payroll taxes	NOM	⑦
408	Taxes other than Income	NOM	⑧
409	State Income Tax	NOM	⑨
410	Federal Income Tax	NOM	⑩
	Total Deductions	\$ 167,417	⑪
	Net Revenue	(157,004)	
	Rate Base	609,226	⑫

Average Plant	609,226	③
Average Depreciation Reserve	106,614	③
Net Plant	502,612	③
Less: Advances	NONE	
Less: Contributions		
Plus: Construction Work in Progress	NONE	
Plus: Working Cash	NONE	
Plus: Material & Supplies	NONE	
Rate Base	502,612	
ROR=Net Rev/Rate Base	(Loss - - 31.25%)	

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

Union Pacific Railroad Company Keen Water System
 (Name under which corporation, partnership or individual is doing business)

10031 Foxhills Blvd. Suite 200, Roseville, CA 95747
 (Official mailing address)

Keen, California Kern County
 (Service area-town and county)

GENERAL INFORMATION

**RETURN ORIGINAL
 TO COMMISSION
 NO PHOTOCOPIES**

- 1 If a corporation show:
 - (A) Date of organization _____ incorporated in the State of DELAWARE
 - (B) Names, titles and addresses of principal officers: The Keen Water System is part of Union Pacific Railroad Company
- 2 If unincorporated give the name and address of owner or of each partner: Pacific Railroad Company
- 3 Name and telephone number of:
 - (A) One person listed above to receive correspondence: A) Robert Dyloma: (916) 789-6222
 - (B) Person responsible for operations and services: B) Bill Gafford: (661) 444-1834
- 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)
 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?
- 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: The Keen Water System is part of Union Pacific Railroad Company.

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	5/03
X		12-23-04
X		6-98
		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.

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2004

NAME OF UTILITY Union Pacific Railroad Company, PHONE (916) 789-6222
Keene Water System

PERSON RESPONSIBLE FOR THIS REPORT Rich Robinson
(Prepared from Information in the 2004 Annual Report)

BALANCE SHEET DATA		1/1/04	12/31/04	Average	
1	Intangible Plant	NDM	NDM	NDM	(2)
2	Land and Land Rights	NDM	NDM	NDM	(2)
3	Depreciable Plant	609,226	609,226	609,226	(3)
4	Gross Plant in Service	609,226	609,226	609,226	(3)
5	Less: Accumulated Depreciation	91,384	106,614	106,614	(3)
6	Net Water Plant in Service	517,842	502,611	502,611	(3)
7	Water Plant Held for Future Use	0	0	0	(3)
8	Construction Work in Progress	0	0	0	
9	Materials and Supplies	0	0	0	
10	Less: Advances for Construction	(0)	(0)	(0)	
11	Less: Contribution in Aid of Construction	(0)	(0)	(0)	
12	Less: Accumulated Deferred Income and Investment Tax Credits	(517,842)	(502,611)	(502,611)	(3)
13	Net Plant Investment	849			
CAPITALIZATION					
14	Common Stock			N/A	(2)
15	Proprietary Capital (Individual or Partnership)				
16	Paid-in Capital				
17	Retained Earnings				
18	Common Stock and Equity (Lines 14 through 17)				
19	Preferred Stock				
20	Long-Term Debt				
21	Notes Payable				
22	Total Capitalization (Lines 18 through 21)			N/A	(2)

(Revised 2/01)

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

2004
(continued)

NAME OF UTILITY Union Pacific Railroad Company PHONE (916) 789-6222
Keene Water System

INCOME STATEMENT

	Annual Amount	
23 Unmetered Water Revenue	0	
24 Fire Protection Revenue	0	
25 Irrigation Revenue	0	
26 Metered Water Revenue	0	
27 Total Operating Revenue	<u>10,413</u>	①
28 Operating Expenses	<u>10,413</u>	
29 Depreciation Expense (Composite Rate _____)	<u>152,187</u>	
30 Amortization and Property Losses	<u>13,220</u>	②
31 Property Taxes	<u>None</u>	
32 Taxes Other Than Income Taxes	<u>None</u>	
33 Total Operating Revenue Deduction Before Taxes	<u>None</u>	
34 California Corp. Franchise Tax	<u>167,417</u>	
35 Federal Corporate Income Tax	<u>None</u>	②
36 Total Operating Revenue Deduction After Taxes	<u>None</u>	
37 Net Operating Income (Loss) - California Water Operations	<u>167,417</u>	
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u>(157,004)</u>	
39 Income Available for Fixed Charges	<u>None</u>	
40 Interest Expense	<u>_____</u>	
41 Net Income (Loss) Before Dividends	<u>_____</u>	②
42 Preferred Stock Dividends	<u>_____</u>	
43 Net Income (Loss) Available for Common Stock	<u>(157,004)</u>	

OTHER DATA

44 Refunds of Advances for Construction	0
45 Total Payroll Charged to Operating Expenses	<u>73,128</u>
46 Purchased Water	<u>14,054</u>
47 Power	<u>6,000</u>

Active Service Connections (Exc. Fire Protect.) _____

48 Metered Service Connections	①
49 Flat Rate Service Connections	
50 Total Active Service Connections	①

	Jan. 1	Dec. 31	Annual Average
	7	7	7
	7	7	7

6. Plant amounts included in Schedule A, Account No. 101--Water Plant in Service which were funded using SDWBA funds: *Not Applicable*

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					N/A
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					N/A

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2004)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service (3)	609,221	201	Common Stock (Corporations only)	N/A
2	103	Water plant held for future use	0	211	Other paid-in capital (Corporations only)	
3	104	Water plant purchased or sold	0	215	Retained earnings	
4	105	Water plant construction work in progress	0	218	Proprietary capital	
5	108	Accumulated depreciation of water plant (3)	106,614	224	Long term debt	
6	114	Water plant acquisition adjustments	0		Current Liabilities	0
7	124	Other investments	0	252	Advances for construction	0
8	131	Cash	0	253	Other deferred credits	
9	141	Accounts receivable - customers	0	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies	0	282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies	0		depreciation	
12	174	Other current assets	0	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	0	271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets (3)	502,612		Total Equity and Liabilities	N/A (2)

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	N/A	N/A	N/A	N/A	N/A
17	303	Land					
18	304	Structures					
19	307	Wells					
20	317	Other water source plant					
21	311	Pumping equipment					
22	320	Water treatment plant					
23	330	Reservoirs tanks and sandpipes					
24	331	Water mains	517,842	0	0	(15,230)	502,612
25	333	Services and meter installations	N/A	N/A	N/A	N/A	N/A
26	334	Meters					
27	335	Hydrants					
28	339	Other equipment					
29	340	Office furniture and equipment					
30	341	Transportation equipment					
31		Total water plant in service	517,842			(15,230)	502,612

* 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 (3)	91384		A. Method used to compute depreciation expense (Acct. 403) and rate.
33	Add: Credits to reserves during year (3)	15230		straight line - 30 yr.
34	(a) Charged to Account No. 403			
35	(b) Charged to Account No. 272			
36	(c) Charged to clearing accounts			B. Amount of depreciation expense claimed or to be claimed on utility property in your federal income tax return for the year covered by this report \$
37	(d) Salvage recovered			
38	(e) All other credits			
39	Total credits			
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired			
42	(b) Cost of removal			
43	(c) All other debits			C. State method used to compute tax depreciation.
44	Total debits			
45	Balance in reserve at end of year (3)	106614		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

Line

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2004)

1	Common - (Shares	\$	par)			List persons owning more than 5% of outstanding stock and number of shares owned by each:
2	Preferred - (Shares	\$	par)			
3	Dividends - Common	Rate - \$				
4	- Preferred	Rate - \$			N/A (2)	

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	N/A (2)							
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	10,413
14	480 Other water revenue	
15	Total Operating Revenue	10,413
16	Operating revenue deductions	XXXXXXXXXX
17	Operating expenses	XXXXXXXXXX
18	610 Purchased water	14,054
19	615 Power	6,000
20	618 Other volume related expenses	5,727
21	630 Employee labor	73,128
22	640 Materials	16,995
23	650 Contract work <i>water main</i>	3,389
24	660 Transportation expenses	12,000
25	664 Other plant maintenance expense (2)	non
26	670 Office salaries (2)	non
27	671 Management salaries (2)	non
28	674 Employee pensions and benefits	ind.
29	676 Uncollectible accounts expense	16,607
30	678 Office services and rentals (2)	non
31	681 Office supplies and expense (2)	non
32	682 Professional services (2)	non
33	684 Insurance (2)	non
34	688 Regulatory commission expense	4,927
35	689 General expenses (2)	non
36	Total Operating Expenses	132,187
37	403 Depreciation expense	15,220
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	
40	409 State corporate income tax expense	
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	167,417
43	Utility Operating Income	10,413
44	421 Non-utility income	333
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	
47	Net Income	Loss (157,004)

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
Keene, Ca	2	6 1/2	80	30	5,053,520
Keene, Ca	3	6 1/2	70	8	88,610
Keene, Ca	4	6 1/2	120	10	464,470

OTHER

Streams or springs location of diversion point	Flow in		(Unit) Diversions		Annual quantities diverted (Unit)
	Priority right	Claim Capacity	Max	Min	
N/A					
Purchased water (unit) Gallons					Annual quantity
Supplier: Union Pacific Railroad Company					
					202,400

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

Classification of service	Max. mo. Mo. of	Min. mo. Mo. of	Total for year
Residential & business	Jul	Dec	5,720,710
Industrial			
Public authorities	June	Feb	998,955,200 gals
Irrigation			
Other (specify)			
Total			6,705,910 gals

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	1	73,128	0	73,128
49	670	Office salaries (2)	non	non	non	non
50	671	Management salaries (2)	non	non	non	non
51		Total	1	73,128	0	73,128

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	
Additions during year	NONE
Subtotal - Beginning balance plus additions during year	
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	NONE

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

Size	Meters	Services
5/8 x 3/4-in		
3/4-in	3	3
1-in		
2-in ①	4	4
-in		
Total ①	7	7

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year	
1 Used, before repair...	0
2 Used, after repair	0
3 Fast, requiring refund ..	0
Numbers of meters in service requiring test per General Order No. 103 ...7...	

SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences ①	6		6	0		0	6	
Industrial								
Other (specify) <i>public serv.</i>	1		1	0		0	1	
Subtotal	7		7	0		0	7	
Fire protection (Hydrants)	0		0	0		0	0	
Total	7		7	0		0	7	

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	6"				Totals
				2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)	
Concrete			Cast Iron					
Earth			Welded steel					
Wood			Standard screw					
Steel	252	50,000	Cement-asbestos					
Other			Plastic	165'	105'	16,268'	35,376'	54,456
			Other (specify)					
Total	252	50,000	Total					54,456

DECLARATION

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

I, the undersigned (officer, partner or owner) of Union Pacific Railroad (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

From and including January 1, 2004, to and including December 31, 2004

Signed [Signature]
 Title Regional Environmental Counsel
 Date 5/26/06