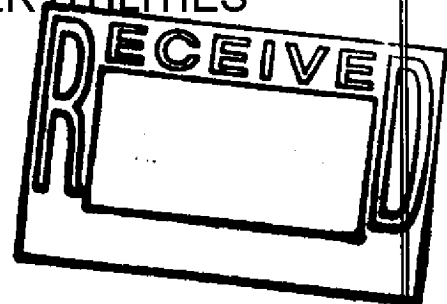


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Received _____
Examined _____

CLASS D
WATER UTILITIES



U# W-148

2004
ANNUAL REPORT
OF

LAKE ALPINE WATER COMPANY, INC.

LAKE ALPINE WATER COMPANY

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

9601 State Route #4

Farmington CA 95230

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2004

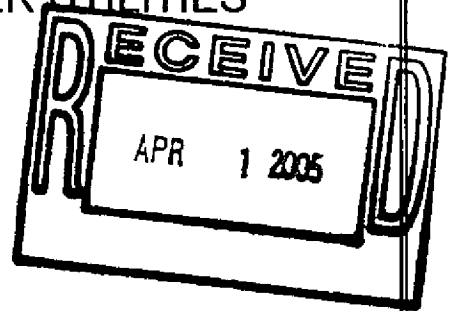
REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2005
(FILE TWO COPIES IF THREE RECEIVED)

AY

Received _____
Examined _____

CLASS D
WATER UTILITIES

U# W-148



2004
ANNUAL REPORT
OF

LAKE ALPINE WATER COMPANY, INC.

LAKE ALPINE WATER COMPANY

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

9601 State Route #4

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TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2004

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2005
(FILE TWO COPIES IF THREE RECEIVED)

CLASS D WATER UTILITIES
(HAVING LESS THAN 500 SERVICE CONNECTIONS)

LAKE ALPINE WATER COMPANY, INC.

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

9601 State Route #4, Farmington CA 95230

(Official mailing address)

Bear Valley – Alpine County

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

- 1 If a corporation show:
 - (A) Date of organization 06-30-68 incorporated in the State of California
 - (B) Names, titles and addresses of principal officers: C Bruce Orvis, Pres., 9601 State Route 4, Farmington Ca 95230, Roma P Orvis, Sec-Treas, 9601 State Route 4, Farmington CA 95230, Charles J Toeniskoetter, Vice-Pres, 1960 The Alameda, San Jose Ca 95123
- 2 If unincorporated gave the name and address of owner or of each partner:
3. Name and telephone number of:
 - (A) One person listed above to receive correspondence: Roma P Orvis, (209) 899-2460
 - (B) Person responsible for operations and services: C Bruce Orvis III, (209) 795-2580, 753-6241
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?
Western Water Constructors, New Treatment Plant, \$157,410, Account 1052, Construction In progress
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: None

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	10-28-03
X		03-17-05
X		1971

- 11 List Name, Grade, and License Number of all Licensed operators:
C. Bruce Orvis, III T2, D2 Interim #13442

SPECIAL INSTRUCTIONS (over)

**Summary of Earnings
Year 2004**

Account Number	Operating Revenue	
4702	Metered	16098
4601	Unmetered	274454
4622	Private Fire Protection	2002
4800	Other Income	3273
	Total Revenue	295827
	Operating Expenses	
6150	Purchased Power	9189
	Purchased Chemicals	5718
6180	Other Vol. Related Exp.	0
6300	Employee Labor	8387
6400	Materials	7234
6501	Contract Work	2494
6502	Water Testing	6512
6600	Transportation Expense	4064
6640	Other Plant Maintenance	2034
6700	Office Salaries	25086
6710	Management Salaries	58984
6740	Employee Pensions & Benefits	12159
6780	Uncollectables	148
6780	Office Service and Rentals	3600
6810	Office Supplies and Expense	6237
6820	Professional Services	7342
6840	Insurance	14972
6880	Regulatory Expense	2862
6895	Director's Fees	3600
6890	General Expense	17
	Subtotal	180639
4030	Depreciation Expense	22636
	Ad Valorem Taxes	0
4082	Payroll Taxes	7878
4080	Taxes other than Income	22371
4090	State Income Tax	3053
4100	Federal Income Tax	8429
	Total Deductions	245006
	Net Revenue	50821
	Rate Base	
	Average Plant	1281162
	Average Depreciation Reserve	449591
	Net Plant	831571
	Less: Advances	
	Less: Contributions	-312142
	Plus: Construction Work in Pro	659493
	Plus: Working Cash	1683
	Plus: Material & supplies	6777
	Rate Base	1187382
	ROR=Net Rev/Rate Base	4.28%

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

NAME OF UTILITY Lake Alpine Water Company PHONE 209-899-2460

PERSON RESPONSIBLE FOR THIS REPORT Roma P. Orvis
 (Prepared from information in the 2004 Annual Report)

	12/31/03	12/31/04	Average
BALANCE SHEET DATA			
1 Intangible Plant	0	0	0
2 Land and Land rights	28433	28433	28433
3 Depreciation Plant	1236172	1269285	1252729
4 Gross Plant in Service	1264605	1297718	1281162
5 Less: Accumulated Depreciation	437079	462103	449591
6 Net Water Plant in Service	827526	835615	831571
7 Water Plant Held for Future Use	0	0	0
8 Construction Work in Progress	107639	659493	383566
9 Materials & Supplies	3486	6777	5132
10 Less: Advances for Construction	0	0	0
11 Less: Contribution in Aid of Construction	(312142)	(312142)	(312142)
12 Less: Accumulated Deferred Income & Investment Tax Crec	0	0	0
13 Net Plant Investment	626509	1189743	908126
CAPITALIZATION			
14 Common Stock	100000	100000	100000
15 Proprietary Cap. (Ind. or Part.)	0	0	0
16 Paid-In Capital	156467	156467	156467
17 Retained Earnings	395463	429088	412276
18 Common Stock and Equity (Lines 14 through 17)	651930	685555	668743
19 Preferred Stock	0	0	0
20 Long-Term Debt	40097	6726	23412
21 Notes Payable	49148	232405	140777
22 Total Capitalization (Lines 18 through 21)	741175	924686	832931

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

2004

NAME OF UTILITY Lake Alpine Water Company 209-899-2460

INCOME STATEMENT	Annual Amount
23 Unmetered Water Revenue	274454
24 Fire Protection Revenue	<u>2002</u>
25 Irrigation Revenue	<u>0</u>
26 Metered Water Revenue	<u>16098</u>
27 Total Operating Revenue	<u>292554</u>
28 Operating Expenses	<u>180639</u>
29 Depreciation Expenses (Composite Rate 2.72)	<u>22636</u>
30 Amortization and Property Losses	<u>2388</u>
31 Property Taxes	<u>6481</u>
32 Taxes Other Than Income Taxes	<u>15900</u>
33 Total Operating Revenue Deductions Before Taxes	<u>228044</u>
34 California Corp. Franchise Tax	<u>3053</u>
35 Federal Corporate Income Tax	<u>8429</u>
36 Total Operating Revenue Deduction After Taxes	<u>239526</u>
37 Net Operating Income (Loss) - California Water Operations	<u>53028</u>
38 Other Operating & Nonoper. Income and Exp. - Net (Exclude Interest Exp.)	<u>3273</u>
39 Income Available for Fixed Charges	<u>56301</u>
40 Interest Expense	<u>5074</u>
41 Net Income (Loss) Before Dividends	<u>51227</u>
42 Preferred Stock Dividends	<u>0</u>
43 Net Income (Loss) Available for Common Stock	<u>51227</u>

OTHER DATA

44 Refunds of Advances for Construction	<u>0</u>
45 Total Payroll Charged to Operating Expenses	<u>92457</u>
46 Purchased Water	<u>0</u>
47 Power	<u>9189</u>

<u>Active Service Connections</u> (Exc.Fire Protect.) <u>464</u>	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections	<u>18</u>	<u>18</u>	<u>18</u>
49 Flat Rate Service Connections	<u>446</u>	<u>448</u>	<u>447</u>
50 Total Active Service Connections	<u>464</u>	<u>466</u>	<u>465</u>

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2004)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	1297718	201	Common Stock (Corporations only)	100000
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	156467
3	104	Water plant purchased or sold		215	Retained earnings	429088
4	105	Water plant construction work in progress	659493	218	Proprietary Capital	
5	106	Accumulated depreciation of water plant	-462103	224	Long term debt	6726
6	114	Water plant acquisition adjustments			Current liabilities	602491
7	124	Other investments		252	Advances for construction	
8	131	Cash	1683	253	Other deferred credits	
9	141	Accounts receivable - customers	7080	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies	0	282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies	6777		depreciation	
12	174	Other current assets	7293	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	9100	271	Contributions in aid of construction	312142
7				272	Accumulated amortization of contributions	-79873
15		Total Assets	1527041		Total Equity and Liabilities	1527041

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct.	Title of Account	Balance Beg of year	Plt. Additions During year	Plt. Retirement During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant					0
17	303	Land	28433				28433
18	304	Structures	120169	0			120169
19	307	Wells	0				0
20	317	Other water source plant	13850			0	13850
21	311	Pumping equipment	42378	2798			45176
22	320	Water treatment plant	231333	5107			236440
23	330	Reservoirs, tanks and standpipes	265257	0			265257
24	331	Water mains	253893	8541			262434
25	333	Services and meter installations	16182	5082		0	21264
26	334	Meters	15916	0			15916
27	335	Hydrants	188984	6907		0	195891
28	339	Other equipment	43982	4378		0	48360
29	340	Office furniture and equipment	5842	0		0	5842
30	341	Transportation equipment	38386	300		0	38686
31		Total water plant in service	1264605	33113		0	1297718

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

C17 SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Acct 108 Water Plant	Acct 108.1 SDWBA Loans	
32	Balances in reserves at beginning of year	437079		A. Method used to compute depreciation expense (Acct. 403) and rate.
33	Add: Credits to reserves during year			2.72 Composite
34	(a) Charged to Account No. 403	22636		
35	(b) Charged to Account No. 272	2388		
36	(c) Charged to clearing accounts	0		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	0		\$64,819
38	(e) All other credits (1)			
39	Total Credits	25024		
40	Deduct: Debits to reserve at end of year			C. State method used to compute tax depreciation.
41	(a) Book cost of property retired			5 - 30 Year Life
42	(b) Cost of removal			
43	(c) All other debits (2)			
44	Total Debits	0		
45	Balance in reserve at end of year	462103		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits:			

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

Line					
1	Common - (Shares 10,000	\$10.00	Par)	100000	List persons owning more than 5% of outstanding stock
2	Preferred - (Shares	\$			and number of shares owned by each: TBH Partners 5000
3	Dividends - Common Rate	\$2.00		20000	C.B.Orvis 520 / R.P.Orvis 520
4	--- Preferred Rate	\$			C.B.Orvis III 2180 / P.D.Orvis 1780

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		6/23/97	2/1/03	186680	0	Prime + 1%		
6		8/25/02	8/25/07	11460	6726	8.19%	0	481
7							0	650
8		Totals		198140	6726		0	1131

SCHEDULE F - INCOME STATEMENT

6	Acct	Operating Revenues	xxxxxxx
10	460	Unmetered water revenue	274454
11	462	Fire protection Revenue	2002
12	465	Irrigation revenue	0
13	470	Metered water revenue	16098
14	480	Other water revenue	3273
15		Total operating revenues	295827
16		Operating Revenue Deductions	xxxxxxx
17		Operating Expenses	xxxxxxx
18	610	Purchased water	0
19	615	Power	9189
20	618	Other volume related expenses	5718
21	630	Employee Labor	8387
22	640	Materials	7234
23	650	Contract work	9006
24	660	Transportation Expense	4064
25	664	Other plant maintenance expense	2034
26	670	Office Salaries	25086
27	671	Management salaries	58984
28	674	Employee pensions and benefits	12159
29	676	Uncollectible accounts expense	148
30	678	Office services and rentals	3600
31	681	Office supplies and expenses	6237
32	682	Professional services	7342
33	684	Insurance	14972
34	688	Regulatory commission expense	2862
35	689	General expenses	3617
36		Total Operating Expenses	180639
37	403	Depreciation expense	22644
38	407	SDWBA loan amortization expense	0
39	408	Taxes other than income taxes	21160
40	409	State corporate income tax expense	3053
41	410	Federal corporate income tax expense	8429
42		Total Operating Revenue Deduction	55286
43		Utility Operating Revenue	59902
44	421	Non-utility income	0
45	426	Miscellaneous non-utility expense	0
46	427	Interest expense	5074
47		Net Income	54828

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
	NA				

OTHER

Streams or springs location of diversion point	Flow in (Unit)				Annual Quantities Diverted (Unit)
	Priority right	Deverlsons			
	Claim	Capacity	Max	Min	
Bloods Creek Tributary		.075 CFS			5-8 MG
Purchased water (unit)					Annual quantity
Supplier:					

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

Classification of service	Max.mo Mo. Of	Min.mo Mo. Of	Total for Year
Residential & Business			
Industrial			
Public Authorities			
Irrigation			
Other (specify)			
	Not Available		

SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION

Line	Acct.	Account	Numbers at end of year	Salaries charged to expense	Salaries Chrgd. to Plant Accts.	Total Salaries & Wages Paid
48	630	Employee Labor	3	8387	0	8387
49	670	Office Salaries	1	25086	0	25086
50	671	Management Salaries	1	58984	0	58984
51		Total	5	92457	0	92457

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year					
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 & inactive)

Size	Meters	Services
3/4 In	8	447
1 In	4	
1 1/2 In	1	
2 In	4	1
3 In		1
4 In	1	3
Hydrants		46
Totals	18	498

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	
Number 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		447	447		2	2	0	449
Commercial	13		13	0		0	13	0
County	5		5			0	5	0
Private Firelines		5	5			0	0	5
Subtotal	18	452	470	0	2	2	18	454
Fire Protection (Hydrants)		46	46			0	0	46
Total	18	498	516	0	2	2	18	500

Note: Total connexions(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" & under					Totals	
				2 1/4" to 3 1/4"	4"	6"	8"	12"		
Concrete			Cast Iron							
Earth			Welded Steel							
Wood	4	440,000	Standard							
Steel			Cement-asbestos	10345	2100	22100	14222	280	4105	
Other			Plastic	280	6302	7577	2395		16554	
			Other (specify)							
			More of the above is plastic and some lead-ins are steel. I do not have exact figures.							
Totals	4	440000	Totals	10625	8402	29677	16617	280	4105	69706

DECLARATION

(Before signing please check to see that all schedules have been completed)

I, the undersigned (officer, partner or owner) of LAKE ALPINE WATER COMPANY (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 01, 2004 to and including December 31, 2004

Roma P. O'Neil
 Signed _____
 Secretary - Treasurer
 Title _____
 March 22, 2005
 Date _____