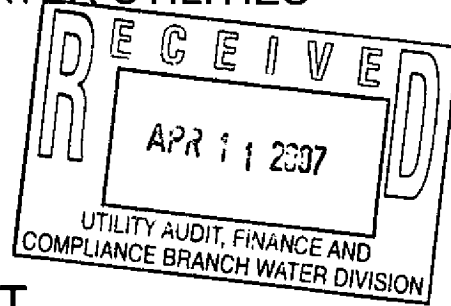


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Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____



2006
ANNUAL REPORT
OF
Live Oak Springs Water Company

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

PO Box 1241 Boulevard, CA 91905
(OFFICIAL MAILING ADDRESS) ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2006

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2007
(FILE TWO COPIES IF THREE RECEIVED)

L

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
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 calendar year, from January 1 through December 31. Fiscal year reports will not be accepted.

Live Oak Springs Water Company

Account Number	Operating Revenue	
470	Metered	\$ 15,096
460	Unmetered	\$ 125
465	Irrigation	
462-480	Private Fire Protection	
	Total Revenue	\$ 15,221
	Operating Expenses	
610	Purchased Water	
615	Purchased Power	\$ 4,181
	Pump Taxes	
	Purchased Chemicals	\$ 6,279
618	Other Vol. Related exp.	
630	Employee Labor	
640	Materials	
650	Contract Work	\$ 8,916
	Water Testing	\$ 3,560
660	Transportation Expense	\$ 450
664	Other Plant Maintenance	\$ 6,438
670	Office Salaries	\$ 4,458
671	Management Salaries	\$ 13,000
674	Employee Pensions and Benefits	
676	Uncollectables	\$ 40
678	Office Service and Rentals	\$ 4,392
681	Office Supplies and Expense	\$ 849
682	Professional Services	\$ 500
684	Insurance	\$ 2,086
688	Regulatory Expense	\$ 3,040
689	General Expense	\$ 534
	Subtotal	\$ 58,724
403	Depreciation Expense	\$ 5,654
	Ad Valorem Taxes	
	Interest	\$ 2,223
408	Taxes other than income	\$ 202
409	State Income Tax	
410	Federal Income Tax	
	Total Deductions	\$ 8,078
	Net Revenue	\$ (51,582)
	Rate Base	
	Average Plant	\$ 183,443
	Average Depreciation Reserve	\$ 68,969
	Net Plant	\$ 114,474
	Less: Advances	
	Less: Contributions	
	Plus: Construction Work in Progress	
	Plus: Working Cash	\$ 4,894
	Plus: Material & Supplies	\$ 958
	Rate Base	\$ 120,326
	ROR=Net Rev/Rate Base	-43%

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

Live Oak Springs Water Compnay

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

Post Office Box 1241, Boulevard, CA 91905

(Official mailing address)

Boulevard, CA, San Diego 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 _____
(B) Names, titles and addresses of principal officers:

- 2 If unincorporated give the name and address of owner or of each partner:
Elia Najor
PO Box 1241 Boulevard, CA 91915

- 3 Name and telephone number of:
(A) One person listed above to receive correspondence:
(B) Person responsible for operations and services:
Nazar Najor PO Box 1241 Boulevard, CA 91915

- 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:

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		
X		12/26/2005
		5/4/2007

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
2006

NAME OF UTILITY Live Oak Springs Water Company

PHONE 619-766-4288

PERSON RESPONSIBLE FOR THIS REPORT Nazar Najar

(Prepared from Information in the 2005 Annual Report)

	1/1/2005	12/31/2005	Average
BALANCE SHEET DATA			
1 Intangible Plant			\$ -
2 Land and Land Rights	\$ 2,300	\$ 2,300	\$ 2,300
3 Depreciable Plant	\$ 176,464	\$ 185,822	\$ 181,143
4 Gross Plant in Service	\$ 178,764	\$ 188,122	\$ 183,443
5 Less: Accumulated Depreciation	\$ 66,142	\$ 71,796	\$ 68,969
6 Net Water Plant in Service	\$ 112,622	\$ 116,326	\$ 114,474
7 Water Plant Held for Future Use			\$ -
8 Construction Work in Progress		\$ 5,777	\$ 2,888
9 Materials and Supplies	\$ 200	\$ 958	\$ 579
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	<u>\$ 112,822</u>	<u>\$ 123,062</u>	<u>\$ 117,942</u>
CAPITALIZATION			
14 Common Stock			\$ -
15 Proprietary Capital (Individual or Partnership)	\$ 130,863	\$ 69,294	\$ 100,079
16 Paid-in Capital			\$ -
17 Retained Earnings			\$ -
18 Common Stock and Equity (Lines 14 through 17)			\$ -
19 Preferred Stock			\$ -
20 Long-Term Debt	\$ 12,700	\$ 12,700	\$ 12,700
21 Notes Payable			\$ -
22 Total Capitalization (Lines 18 through 21)	<u>\$ 143,563</u>	<u>\$ 81,994</u>	<u>\$ 112,779</u>

(Revised 2/01)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2006
(continued)

NAME OF UTILITY Live Oak Springs Water Co. PHONE 619-766-4288

	Annual Amount
INCOME STATEMENT	
23 Unmetered Water Revenue	\$ 15,221
24 Fire Protection Revenue	_____
25 Irrigation Revenue	_____
26 Metered Water Revenue	_____
27 Total Operating Revenue	\$ 15,221
28 <u>Operating Expenses</u>	\$ 58,724
29 Depreciation Expense (Composite Rate 3%)	\$ 5,654
30 Amortization and Property Losses	_____
31 Property Taxes	\$ -
32 Taxes Other Than Income Taxes	\$ 202
33 Total Operating Revenue Deduction Before Taxes	\$ 64,580
34 California Corp. Franchise Tax	_____
35 Federal Corporate Income Tax	_____
36 Total Operating Revenue Deduction After Taxes	_____
37 Net Operating Income (Loss) - California Water Operations	\$ (49,359)
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	_____
39 Income Available for Fixed Charges	_____
40 Interest Expense	\$ 2,223
41 Net Income (Loss) Before Dividends	_____
42 Preferred Stock Dividends	_____
43 Net Income (Loss) Available for Common Stock	\$ (51,582)

OTHER DATA	
44 Refunds of Advances for Construction	_____
45 Total Payroll Charged to Operating Expenses	_____
46 Purchased Water	_____
47 Power	_____

<u>Active Service Connections</u>	(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections		97	97	97
49 Flat Rate Service Connections		_____	_____	0
50 Total Active Service Connections		97	97	97

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2006)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	\$ 188,122	201	Common Stock (Corporations only)	
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	
4	105	Water plant construction work in progress	\$ 5,777	218	Proprietary capital	\$ 69,294
5	108	Accumulated depreciation of water plant	\$ (71,796)	224	Long term debt	\$ 12,700
6	114	Water plant acquisition adjustments			Current Liabilities	\$ 36,182
7	124	Other investments		252	Advances for construction	
8	131	Cash	\$ 91	253	Other deferred credits	\$ 2,068
9	141	Accounts receivable - customers	\$ (2,375)	255	Accumulated deferred investment tax credits	\$ 2,194
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies	\$ 958		depreciation Customer Deposit	\$ 25
12	174	Other current assets	\$ 1,686	283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets	\$ 122,463		Total Equity and Liabilities	\$ 122,463

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	\$ 2,300				\$ 2,300
18	304	Structures	\$ 134				\$ 134
19	307	Wells	\$ 2,525	\$ 340			\$ 2,865
20	317	Other water source plant	\$ 14,643				\$ 14,643
21	311	Pumping equipment	\$ 5,365	\$ 596			\$ 5,961
22	320	Water treatment plant	\$ 7,865	\$ 4,832			\$ 12,697
23	330	Reservoirs tanks and sandpipes					\$ -
24	331	Water mains	\$ 95,505	\$ 2,875			\$ 98,380
25	333	Services and meter installations	\$ 19,472	\$ 607			\$ 20,079
26	334	Meters	\$ 4,954				\$ 4,954
27	335	Hydrants	\$ 1,320				\$ 1,320
28	339	Other equipment	\$ 1,509	\$ 109			\$ 1,618
29	340	Office furniture and equipment	\$ 5,899				\$ 5,899
30	341	Transportation equipment	\$ 17,273				\$ 17,273
31		Total water plant in service	\$178,764	\$ 9,358	\$ -	\$ -	\$ 188,122

* 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	\$ 66,142		A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 403	\$ 5,654		
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			covered by this report \$
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			
45	Balance in reserve at end of year	\$ 71,796		
46	(1) Explanation of all other credits (See attached spreadsheet for recalculation of the reserve going back to 1998)			
47	(2) Explanation of all other debits			

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 and inactive)

Size	Meters	Services
5/8 x 3/4-in		
3/4-in		
1-in		
-in		
-in		
Total	0	0

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year	
1	Used, before repair... _____
2	Used, after repair _____
3	Fast, requiring refund .. _____
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	93		93			0	93	0
One RV Park	1		1				1	0
15 Mobile Homes	1		1				1	0
3 Small Business's	1		1				1	0
Restaurant, Deli, & 10 Unit Motel	1		1				1	0
Subtotal			0				0	0
Fire protection (Hydrants)			0				0	0
Total	97	0	97		0	0	97	0

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)

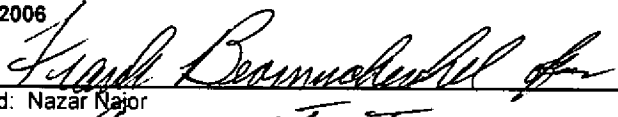
Description	No.	Combined capacity in gallons	Description	Pipe Sizes				Totals
				2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)	
Concrete			Cast Iron					0
Earth			Welded steel					0
Wood			Standard screw					0
Steel	2	10,500	Cement-asbestos					0
Other			Plastic					0
			Other (specify)					0
								0
Total	2	10,500	Total					0

DECLARATION

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

I, the undersigned (officer, partner or owner) **Nazar Najor** (Name of utility), **Live Oak Springs Water Company** 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, 2006**, to and including **December 31, 2006**


 Signed: Nazar Najor
 Title Owner *Consultant*
 Date *4/9/07*