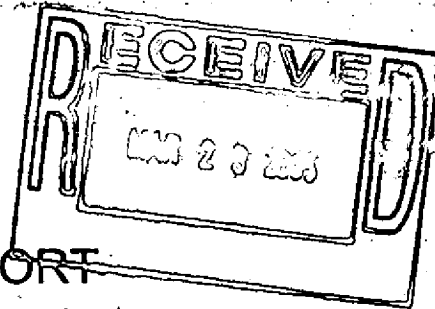


T 4

Received _____
Examined _____

**CLASS D
WATER UTILITIES**

U# _____



**2004
ANNUAL REPORT
OF**

Llano Del Rio Water Company

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

328 10-165th Street East

Llano, CA

93544

(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)

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
ATTN: SEANEEN M WILSON
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.

Account Number	Operating Revenue	
470	Metered	91,394
460	Unmetered	395
465	Irrigation	32,610
462-480	Private Fire Protection (Other)	8,950
	Total Revenue	133,349
	Operating Expenses	
610	Purchased Water	15,096
615	Purchased Power	18,091
	Pump Taxes	-
	Purchased Chemicals	-
618	Other Vol. Related exp.	934
630	Employee Labor	19,898
640	Materials	8,449
650	Contract Work	11,564
	Water Testing	-
660	Transportation Expense	6,849
664	Other Plant Maintenance	-
670	Office Salaries	11,363
671	Management Salaries	15,891
674	Employee Pensions and Benefits	-
676	Uncollectables	193
678	Office Service and Rentals	2,100
681	Office Supplies and Expense	3,320
682	Professional Services	485
684	Insurance	4,826
688	Regulatory Expense	-
689	General Expense	2,193
	Subtotal	121,252
403	Depreciation Expense	10,852
	Ad Valorem Taxes	-
	Payroll taxes	-
408	Taxes other than income	2,113
409	State Income Tax	800
410	Federal Income Tax	-
	Total Deductions	13,507
	Net Revenue	<1,668>
	Rate Base	

	Average Plant	
	Average Depreciation Reserve	
	Net Plant	
	Less: Advances	
	Less: Contributions	
	Plus: Construction Work in Progress	
	Plus: Working Cash	
	Plus: Material & Supplies	
	Rate Base	
	ROR=Net Rev/Rate Base	

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

Llano Del Rio Water Company

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

32810 - 165th Street East

(Official mailing address)

Llano, CA 93544

Los Angeles County

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

- 1 If a corporation show:
 - (A) Date of organization June 21, 1956 incorporated in the State of California
 - (B) Names, titles and addresses of principal officers: Pres. John Blalock 32810-165th St. E. Llano, CA 93544
Secy. Treas. James Lombardi
V. Pres. Ruth Rappmann
- 2 If unincorporated give the name and address of owner or of each partner.
- 3 Name and telephone number of:
 - (A) One person listed above to receive correspondence: John Blalock 661-944-2939
 - (B) Person responsible for operations and services: John Blalock
- 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?
24hr. availability \$1200 Blalock-Eddy Ranch - Vehicle Expense
- 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:
Richard Blalock Trust 10%, Blalock-Eddy Ranch 90%

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
/		
/		
/		

- 11 List Name, Grade, and License Number of all Licensed Operators:
Jim Lombardi - operator / inc. since 1975; Barry Fear - water operator I;
Dwight Coleman - water operator I (in renewal).

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 Llano Del Rio Water Company PHONE 661-944-2939

PERSON RESPONSIBLE FOR THIS REPORT Karon Blalock
(Prepared from Information in the 2003 Annual Report)

	1/1/04	12/31/04	Average
BALANCE SHEET DATA			
1 Intangible Plant			
2 Land and Land Rights	<u>15990</u>	<u>15990</u>	<u>15990</u>
3 Depreciable Plant	<u>341371</u>	<u>341354</u>	<u>341363</u>
4 Gross Plant in Service	<u>357361</u>	<u>357344</u>	<u>357353</u>
5 Less: Accumulated Depreciation	<u>241175</u>	<u>252027</u>	<u>246601</u>
6 Net Water Plant in Service	<u>116186</u>	<u>105317</u>	<u>110752</u>
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	<u>116186</u>	<u>105317</u>	<u>110752</u>
CAPITALIZATION			
14 Common Stock	<u>127250</u>	<u>127250</u>	<u>127250</u>
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			
17 Retained Earnings	<u>388396</u>	<u>390051</u>	<u>389219</u>
18 Common Stock and Equity (Lines 14 through 17)	<u>261136</u>	<u>262801</u>	<u>261969</u>
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	<u>261136</u>	<u>262801</u>	<u>261969</u>

(Revised 2/01)

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

2004
(continued)

NAME OF UTILITY Llano Del Rio Water Co. PHONE 661-944-2939

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	<u>395</u>
24	Fire Protection Revenue	<u>-</u>
25	Irrigation Revenue	<u>32,610</u>
26	Metered Water Revenue	<u>91,394</u>
27	Total Operating Revenue <i>other Revenue</i>	<u>82,950</u>
28	Operating Expenses	<u>123,519</u>
29	Depreciation Expense (Composite Rate _____)	<u>10,852</u>
30	Amortization and Property Losses	<u>-</u>
31	Property Taxes	<u>1,466</u>
32	Taxes Other Than Income Taxes	<u>647</u>
33	Total Operating Revenue Deduction Before Taxes	<u>(868)</u>
34	California Corp. Franchise Tax	<u>800</u>
35	Federal Corporate Income Tax	<u>-</u>
36	Total Operating Revenue Deduction After Taxes	<u>(1,668)</u>
37	Net Operating Income (Loss) - California Water Operations	<u>(1,668)</u>
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u>-</u>
39	Income Available for Fixed Charges	<u>(1,668)</u>
40	Interest Expense	<u>-</u>
41	Net Income (Loss) Before Dividends	<u>(1,668)</u>
42	Preferred Stock Dividends	<u>-</u>
43	Net Income (Loss) Available for Common Stock	<u>(1,668)</u>

OTHER DATA		
44	Refunds of Advances for Construction	<u>-</u>
45	Total Payroll Charged to Operating Expenses	<u>-</u>
46	Purchased Water	<u>15,096</u>
47	Power	<u>18,091</u>

Active Service Connections	(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
		48	Metered Service Connections	<u>173</u>
49	Flat Rate Service Connections	<u>1</u>	<u>1</u>	<u>1</u>
50	Total Active Service Connections	<u>173</u>	<u>178</u>	<u>176</u>

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.

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 good and service provided in 200_{XX}:

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter

Row Number	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue derived from Non-Tariffed Good/Service (by account)	Revenue Account Number	Total Expenses incurred to provide Non-Tariffed Good/Service (by Account)	Expense Account Number	Advice Letter and/or Resolution Number approving Non-Tariffed Good/Service	Total Income Tax Liability incurred because of non-tariffed Good/Service (by Account)	Income Tax Liability Account Number	Gross Value of Regulated Assets used in the provision of a Non-Tariffed Good/Service (by account)	Regulated Asset Account Number

**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:

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

2. Former Fiscal Agent:

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

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

\$ _____

4. Summary of the trust bank account activities showing:

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:

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:

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, 2004)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	357344	201	Common Stock (Corporations only)	127250
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	(39005)
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(252027)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	427469
7	124	Other investments		252	Advances for construction	
8	131	Cash	13171	253	Other deferred credits	
9	141	Accounts receivable - customers	2755	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	6455	283	Accumulated deferred income taxes - other	
* 13	480	Deferred charges - Bigg Peers & A.G.	36000	271	Contributions in aid of construction	
14	132	Preliminary Services	965	272	Accumulated amortization of contributions	
15		Total Assets	164663		Total Equity and Liabilities	164663

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	15989				15989
18	304	Structures					
19	307	Wells					
20	317	Other water source plant	149				149
21	311	Pumping equipment	29046	1164			30210
22	320	Water treatment plant	23090				23090
23	330	Reservoirs tanks and sandpipes	49958				49958
24	331	Water mains	165846			(1180)	164665
25	333	Services and meter installations	3305				3305
26	334	Meters	15004				15004
27	335	Hydrants	1980				1980
28	339	Other equipment	52993				52993
29	340	Office furniture and equipment					
30	341	Transportation equipment					
31		Total water plant in service	357360				357343

* 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	241175		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	10852		S/L 3.19%
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	10852		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			S/L
45	Balance in reserve at end of year	252027		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

* Investment in a mutual water company dating back to 1912. This is the par value of the stock.

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

Line	1	Common - (Shares	12725	(\$10.00 par)	127250	List persons owning more than 5% of outstanding stock and number of shares owned by each: Blalock - Fidd Ranch 11525 Richard Blalock Trust 1200
	2	Preferred - (Shares		\$ par)		
	3	Dividends - Common	Rate - \$			
	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								
6								
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	395
11	462 Fire protection revenue	-
12	465 Irrigation revenue	32610
13	470 Metered water revenue	91394
14	480 Other water revenue	8950
15	Total Operating Revenue	133349
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	15096
19	615 Power	18091
20	618 Other volume related expenses	934
21	630 Employee labor	19898
22	640 Materials	8449
23	650 Contract work	11564
24	660 Transportation expenses	6849
25	664 Other plant maintenance expense	-
26	670 Office salaries	11363
27	671 Management salaries	15891
28	674 Employee pensions and benefits	-
29	676 Uncollectible accounts expense	193
30	678 Office services and rentals	2100
31	681 Office supplies and expense	3320
32	682 Professional services	485
33	684 Insurance	4826
34	688 Regulatory commission expense	-
35	689 General expenses	2193
36	Total Operating Expenses	121252
37	403 Depreciation expense	10852
38	407 SDWBA loan amortization expense	-
39	408 Taxes other than income taxes	2113
40	409 State corporate income tax expense	800
41	410 Federal corporate income tax expense	-
42	Total Operating Revenue Deductions	135017
43	Utility Operating Income	1668
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	
47	Net Income	1668

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
NE 1/4 Sec. 6 R9W T4N	3	20"	30	500	Acrot. 1365
	5	20"	30	500	acre ft.

OTHER

Streams or springs location of diversion point	Flow in		(Unit) Divisions		Annual quantities diverted (Unit)
	Priority right	Capacity	Max	Min	
NE 1/4 SW 1/4 Sec. 6 R9W	Big Rock	2500	900		13 Surface Flow
	Ajudication				

Purchased water (unit) Supplier:	Annual quantity

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			
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total			

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	2	19898		19898
49	670	Office salaries	2	11363		11363
50	671	Management salaries	2	15891		15891
51		Total	6	47152		47152

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	22	
1-in	153	1
-in 1/2	1	
-in 2	2	
Total	178	1

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	160		160				160	
Industrial <i>Golf Course</i>	7	1					7	1
Other <i>Scraping</i>	3						3	
<i>Lodge</i>	8						8	
Subtotal	178	1	179				178	1
Fire protection (Hydrants)		22						22
Total	178	23					178	23

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	Other sizes (specify)						Totals	
				2" and under	2 1/4 to 3 1/4	4"	6"	8"	12"		
Concrete			Cast Iron								
Earth			Welded steel			3800	9570	10150	400	24720	
Wood			Standard screw	2220	220	600				3540	
Steel	3	338000	Cement-asbestos					1488			
Other			Plastic	1380		400	3180	5750	3760	400	14870
			Other (specify)								
Total	3	338000	Total	1380	2220	1120	7580	15320	1588	1600	44618

DECLARATION

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

I, the undersigned (officer, partner or owner) of Llano Del Rio 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 1, 2004, to and including December 31, 2004

Signed [Signature]
President

Title 3/15/04

Date