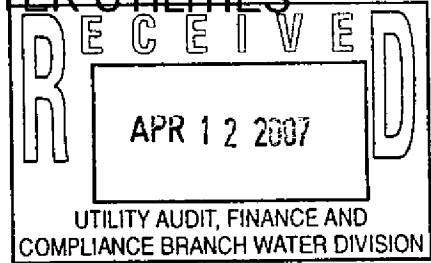


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Received _____
Examined _____

CLASS D
WATER UTILITIES



U# _____

2006
ANNUAL REPORT
OF
Long Canyon Water Company

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

7908 Calle Torcido, Bakersfield, CA 93309
(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.

Long Canyon Water Company

Account Number	Operating Revenue	
470	Metered	
460	Unmetered	\$ 13,265
465	Irrigation	
462-480	Private Fire Protection	
	Total Revenue	\$ 13,265
	Operating Expenses	
610	Purchased Water	
615	Purchased Power	\$ 9,749
	Pump Taxes	
	Purchased Chemicals	\$ 704
618	Other Vol. Related exp.	
630	Employee Labor	\$ 3,600
640	Materials	\$ 877
650	Contract Work	
	Water Testing	\$ 966
660	Transportation Expense	\$ 1,440
664	Other Plant Maintenance	\$ 2,026
670	Office Salaries	\$ 3,000
671	Management Salaries	\$ 3,000
674	Employee Pensions and Benefits	
676	Uncollectables	\$ 200
678	Office Service and Rentals	\$ 1,713
681	Office Supplies and Expense	\$ 252
682	Professional Services	\$ 1,751
684	Insurance	
688	Regulatory Expense	\$ 900
689	General Expense	\$ 870
	Subtotal	\$ 31,049
403	Depreciation Expense	\$ 2,167
	Ad Valorem Taxes (01-06)	\$ 3,746
	Interest	
408	Taxes other than income	
409	State Income Tax	\$ 800
410	Federal Income Tax	
	Total Deductions	\$ 6,713
	Net Revenue	\$ (24,497)
	Rate Base	
	Average Plant	\$ 163,068
	Average Depreciation Reserve	\$ 55,250
	Net Plant	\$ 107,818
	Less: Advances	
	Less: Contributions	\$ (52,708)
	Plus: Construction Work in Progress	
	Plus: Working Cash	
	Plus: Material & Supplies	\$ 500
	Rate Base	\$ 55,610
	ROR=Net Rev/Rate Base	-44.05%

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

Long Canyon Water Company

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

7908 Calle Torcido, Bakersfield, CA 93309

(Official mailing address)

Weldon, Kern County

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

1 If a corporation show:

(A) Date of organization 23-Aug-70 incorporated in the State of California

(B) Names, titles and addresses of principal officers:

7908 Calle Torcido, Bakersfield, CA 93309

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: **David L. Prince, 661-831-2701**

(B) Person responsible for operations and services: **David L. Prince, D-1 #21441**

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: **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.

County Health Permitted on July 1988, awaiting DHS Permit

Yes	No	Latest Date
	X	
X		
	X	
	X	

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 Long Canyon Water Company

PHONE 661-831-2701

PERSON RESPONSIBLE FOR THIS REPORT David Prince

(Prepared from Information in the 2005 Annual Report)

	1/1/2006	12/31/2006	Average
BALANCE SHEET DATA			
1 Intangible Plant	\$ 1,252	\$ 1,252	\$ 1,252
2 Land and Land Rights	\$ 12,039	\$ 12,039	\$ 12,039
3 Depreciable Plant	\$ 146,763	\$ 152,791	\$ 149,777
4 Gross Plant in Service	\$ 160,054	\$ 166,082	\$ 163,068
5 Less: Accumulated Depreciation	\$ 54,799	\$ 55,250	\$ 55,025
6 Net Water Plant in Service	\$ 105,255	\$ 110,832	\$ 108,043
7 Water Plant Held for Future Use			\$ -
8 Construction Work in Progress			\$ -
9 Materials and Supplies	\$ 200	\$ 200	\$ 200
10 Less: Advances for Construction			\$ -
11 Less: Contribution in Aid of Construction	\$ (60,986)	\$ (52,708)	\$ (56,847)
12 Less: Accumulated Deferred Income and Investment Tax Credits			\$ -
13 Net Plant Investment	<u>\$ 44,469</u>	<u>\$ 58,324</u>	<u>\$ 51,396</u>
CAPITALIZATION			
14 Common Stock	\$ 31,280	\$ 31,280	\$ 31,280
15 Proprietary Capital (Individual or Partnership)			\$ -
16 Paid-in Capital	\$ 192,448	\$ 186,620	\$ 189,534
17 Retained Earnings	\$ (195,299)	\$ (219,796)	\$ (207,547)
18 Common Stock and Equity (Lines 14 through 17)			\$ -
19 Preferred Stock			\$ -
20 Long-Term Debt		\$ -	\$ -
21 Notes Payable	\$ 35,000	\$ 37,400	\$ 36,200
22 Total Capitalization (Lines 18 through 21)	<u>\$ 63,429</u>	<u>\$ 35,504</u>	<u>\$ 49,467</u>

(Revised 2/01)

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

NAME OF UTILITY Long Canyon Water Company PHONE 661-831-2701

		Annual Amount
23	Unmetered Water Revenue	\$ 13,265
24	Fire Protection Revenue	_____
25	Irrigation Revenue	_____
26	Metered Water Revenue	_____
27	Total Operating Revenue	\$ 13,265
28	<u>Operating Expenses</u>	\$ 31,049
29	Depreciation Expense (Composite Rate 1.24%)	\$ 2,167
30	Amortization and Property Losses	_____
31	Property Taxes	\$ 3,746
32	Taxes Other Than Income Taxes	_____
33	Total Operating Revenue Deduction Before Taxes	\$ 36,962
34	California Corp. Franchise Tax	\$ 800
35	Federal Corporate Income Tax	\$ -
36	Total Operating Revenue Deduction After Taxes	_____
37	Net Operating Income (Loss) - California Water Operations	\$ (24,497)
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	_____
39	Income Available for Fixed Charges	_____
40	Interest Expense	\$ -
41	Net Income (Loss) Before Dividends	_____
42	Preferred Stock Dividends	_____
43	Net Income (Loss) Available for Common Stock	\$ (24,497)

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			
49	Flat Rate Service Connections	66	66	66
50	Total Active Service Connections	66	66	66

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2006)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	\$ 166,082	201	Common Stock (Corporations only)	\$ 31,280
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	\$ 186,620
3	104	Water plant purchased or sold		215	Retained earnings	\$ (219,796)
4	105	Water plant construction work in progress		218	Proprietary capital (Note Payable)	\$ 37,400
5	108	Accumulated depreciation of water plant	\$ (55,250)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	\$ 24,497
7	124	Other investments		252	Advances for construction	
8	131	Cash	\$ (6,305)	253	Other deferred credits	\$ 5,000
9	141	Accounts receivable - customers	\$ 13,183	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		283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	\$ 52,708
14				272	Accumulated amortization of contributions	
15		Total Assets	\$ 117,709		Total Equity and Liabilities	\$ 117,709

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	\$ 1,252				\$ 1,252
17	303	Land	\$ 12,039				\$ 12,039
18	304	Structures	\$ 374				\$ 374
19	307	Wells	\$ 18,640				\$ 18,640
20	317	Other water source plant (Spring)					\$ -
21	311	Pumping equipment	\$ 16,980	\$ 6,753	\$ (1,567)		\$ 22,166
22	320	Water treatment plant					\$ -
23	330	Reservoirs tanks and sandpipes	\$ 26,307				\$ 26,307
24	331	Water mains	\$ 77,926				\$ 77,926
25	333	Services and meter installations	\$ 3,916				\$ 3,916
26	334	Meters	\$ 2,620	\$ 991	\$ (149)		\$ 3,462
27	335	Hydrants					\$ -
28	339	Other equipment					\$ -
29	340	Office furniture and equipment					\$ -
30	341	Transportation equipment					\$ -
31		Total water plant in service	\$160,054	\$ 7,744	\$ (1,716)		\$ 166,082

* 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	\$ 54,799		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	\$ 2,167		
35	(b) Charged to Account No. 272	\$ 1,141		
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	\$ 3,308		covered by this report \$
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired	\$ (1,716)		C. State method used to compute tax
42	(b) Cost of removal			depreciation.
43	(c) All other debits			
44	Total debits			
45	Balance in reserve at end of year	\$ 55,250		
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		

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		65	65		6	6		71
Industrial								0
Other (specify)		1						1
Subtotal								0
Fire protection (Hydrants)		3	3					3
Total		69	68		6	6		75

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	2" and under				6" and 8"		Totals
				2"	2 1/4 to 3 1/4"	4"	6"	8"		
Concrete			Cast Iron							
Earth			Welded steel							
Wood			Standard screw							
Steel	1	200,000	Cement-asbestos			1310	1036	5923		
Other			Plastic							
			Other (specify)							
Total	1	200,000	Total			1310	1036	5923		

DECLARATION

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

I, the undersigned (officer, partner or owner) **David L. Prince** (Name of utility), **Long Canyon 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: *David L. Prince*
David L. Prince

Title **President**

Date **4/10/07**