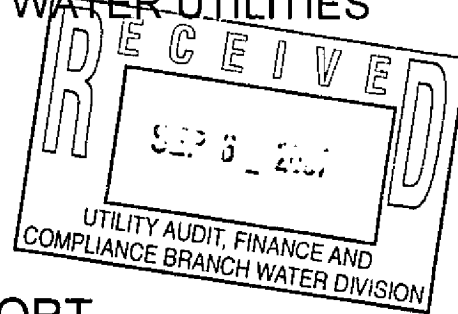


JK

Received _____
Examined _____

CLASS B and C
WATER UTILITIES



U# _____

2006
ANNUAL REPORT
OF

LUKINS BROTHERS WATER CO., INC.

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

2031 WEST WAY

SOUTH LAKE TAHOE, CA

96150

(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)

INSTRUCTIONS

FOR PREPARATION OF

SELECTED FINANCIAL DATA SHEET

FOR CLASS A, B, C AND D, WATER UTILITIES

To prepare the attached data sheets, refer to the Balance Sheet, Income Statement and supporting detail schedules in the annual report for the required data.

Please follow the instruction below:

1. Common plant allocated to water should be indicated with water plant figures in Net Plant Investment.
2. The capitalization section for those reporting on both California Only and Total System Forms should be identical and completed with Total Company Data. Be sure that Advances for Construction include California water data only.
3. Complete the operation section with California water revenues and expenses, but if necessary, remove interdepartmental revenues and expenses.
4. All other utility and nonutility revenues and expenses are netted on Line No. 38.

NAME OF UTILITY Lukins Brothers Water Co., Inc.

PHONE (530) 541-2606

PERSON RESPONSIBLE FOR THIS REPORT _____

(Prepared from Information in the 20__ Annual Report)

1/1/___ 12/31/___ Average

BALANCE SHEET DATA

1	Intangible Plant			
2	Land and Land Rights	24,150	24,150	24,150
3	Depreciable Plant	Not Available		
4	Gross Plant in Service		Not available	
5	Less: Accumulated Depreciation			
6	Net Water Plant in Service			
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			

CAPITALIZATION

14	Common Stock	25,000	25,000	25,000
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)			

NAME OF UTILITY Lukins Brothers Water Co., Inc. PHONE (530) 541-2606

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	<u>315,545</u>
24	Fire Protection Revenue	<u>2,594</u>
25	Irrigation Revenue	<u> </u>
26	Metered Water Revenue	<u>16,626</u>
27	Total Operating Revenue	<u>334,765</u>
28	<u>Operating Expenses</u>	<u>285,617</u>
29	Depreciation Expense (Composite Rate _____)	not available
30	Amortization and Property Losses	<u> </u>
31	Property Taxes	<u>18,826</u>
32	Taxes Other Than Income Taxes	<u>15,589</u>
33	Total Operating Revenue Deduction Before Taxes	<u>14,733</u>
34	California Corp. Franchise Tax	<u>372</u>
35	Federal Corporate Income Tax	<u> </u>
36	Total Operating Revenue Deduction After Taxes	<u>14,361</u>
37	Net Operating Income (Loss) - California Water Operations	<u>14,361</u>
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u>211</u>
39	Income Available for Fixed Charges	<u> </u>
40	Interest Expense	<u>6,736</u>
41	Net Income (Loss) Before Dividends	<u>7,414</u>
42	Preferred Stock Dividends	<u> </u>
43	Net Income (Loss) Available for Common Stock	<u>7,414</u>

OTHER DATA		
44	Refunds of Advances for Construction	<u>339</u>
45	Total Payroll Charged to Operating Expenses	<u>95,053</u>
46	Purchased Water	<u>5,882</u>
47	Power	<u>24,131</u>

<u>Active Service Connections</u>		(Exc. Fire Protect.) _____		Annual Average
	Jan. 1	Dec. 31		
48	Metered Service Connections	<u>17</u>	<u>15</u>	<u>16</u>
49	Flat Rate Service Connections	<u>919</u>	<u>933</u>	<u>926</u>
50	Total Active Service Connections	<u>936</u>	<u>948</u>	<u>942</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 companies 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 :

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

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

N/A

**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: _____

**CLASS B, C AND D WATER COMPANIES
SAFE DRINKING WATER BOND ACT DATA (continued)**

6. Plant amounts included in Schedule A-1a, 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					

GENERAL INFORMATION

1 Name under which utility is doing business: Lukins Brothers Water Co., Inc.

2 Official mailing address: 2031 West Way
South Lake Tahoe, CA ZIP 96150

3 Name and title of person to whom correspondence should be addressed:
Danielle Lukins, Secretary/Treasurer Telephone: (530) 541-2606

4 Address where accounting records are maintained:
Same as above

5 Service Area: (Refer to district reports if applicable.)
Portion of Tahoe Valley area near State Route 89

6 Service Manager (if located in or near Service Area): (Refer to district reports if applicable.)
 Name: _____
 Address: _____ Telephone: _____

7 OWNERSHIP. Check and fill in appropriate line:

<input type="checkbox"/>	Individual (name of owner) _____
<input type="checkbox"/>	Partnership (name of partner) _____
<input type="checkbox"/>	Partnership (name of partner) _____
<input type="checkbox"/>	Partnership (name of partner) _____
<input checked="" type="checkbox"/>	Corporation (corporate name) <u>Lukins Brothers Water Co., Inc.</u> Organized under laws of (state) <u>California</u>

Principal Officers:

(Name)	<u>Danny G. Lukins</u>	(Title)	<u>President</u>
(Name)	<u>Larry L. Lukins</u>	(Title)	<u>Vice-President</u>
(Name)	<u>Danielle Lukins</u>	(Title)	<u>Secretary/Treasurer</u>
(Name)	_____	(Title)	_____

8 Names of associated companies: None

9 Names of corporations, firms or individuals whose property or portion of property have been acquired during the year, together with date of each acquisition:
None Date: _____
 _____ Date: _____
 _____ Date: _____
 _____ Date: _____

10 Use the space below for supplementary information or explanations concerning this report:
The Corporation has hired a new CPA. Final year end journal entries have not been made by the CPA. Certain information was not available at the time that this report was completed. This report will be amended after the CPA has finished her review of the Corporation's financial information and the books have been closed and the tax return finalized.

11 List Name, Grade, and License Number of all Licensed Operators:
Danny G. Lukins, Grade D-2 Perator License # 17533

SCHEDULE A
COMPARATIVE BALANCE SHEETS
Assets and other Debits

Line No.	Acct. No.	Title of Account (a)	Schedule No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		UTILITY PLANT			
2	101	Water plant in service	A-1		843,077
3	103	Water plant held for future use	A-1 & A-1b		
4	104	Water plant purchased or sold	A-1		
5	105	Water plant construction work in progress	A-1		
6		Total utility plant			843,077
7	106	Accumulated depreciation of water plant	A-3		(669,620)
8	114	Water plant acquisition adjustments	A-1		
9		Total amortization and adjustments			(669,620)
10		Net utility plant			173,457
11		INVESTMENTS			
12	121	Non-utility property and other assets			
13	122	Accumulated depreciation of non-utility property	A-3		
14		Net non-utility property			
15	123	Investments in associated companies			
16	124	Other investments			
17		Total investments			
18		CURRENT AND ACCRUED ASSETS			
19	131	Cash		46,106	10,764
20	132	Special accounts			
21	141	Accounts receivable - customers		31,277	35,871
22	142	Receivables from associated companies			
23	143	Accumulated provision for uncollectible accounts		659	659
24	151	Materials and supplies			
25	174	Other current assets			
26		Total current and accrued assets		78,042	47,295
27	180	Deferred charges	A-5		
28		Total assets and deferred charges		277,196	220,751

SCHEDULE A
COMPARATIVE BALANCE SHEETS
Liabilities and Other Credits

Line No.	Acct. No.	Title of Account (a)	Schedule No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		CORPORATE CAPITAL AND SURPLUS			
2	201	Common stock	A-6	25,000	25,000
3	204	Preferred stock	A-6	(462,489)	(475,272)
4	211	Other paid-in capital	A-8	(437,489)	(450,272)
5	215	Retained earnings	A-9		
6		Total corporate capital and retained earnings			
7		PROPRIETARY CAPITAL			
8	218	Prt	A-10		
9	218.1	Proprietary drawings			
10		Total proprietary capital			
11		LONG TERM DEBT			
12	224	Long term debt	A-11		
13	225	Advances from associated companies	A-12	38,960	
14		CURRENT AND ACCRUED LIABILITIES			
15	231	Accounts payable		646,015	630,588
16	232	Short term notes payable			5,874
17	233	Customer deposits			
18	235	Payables to associated companies	A-13		
19	236	Accrued taxes		175	4,737
20	237	Accrued interest			
21	241	Other current liabilities	A-14	11,530	11,258
22		Total current and accrued liabilities		657,720	652,457
23		DEFERRED CREDITS			
24	252	Advances for construction	A-15	18,005	18,566
25	253	Other credits			
26	255	Accumulated deferred investment tax credits	A-16		
27	282	Accumulated deferred income taxes - ACRS depreciation	A-16		
28	283	Accumulated deferred income taxes - other	A-16		
29		Total deferred credits		18,005	18,566
30		CONTRIBUTIONS IN AID OF CONSTRUCTION			
31	271	Contributions in aid of construction	A-17		
32	272	Accumulated amortization of contributions			
33		Net contributions in aid of construction			
34		Total liabilities and other credits		277,196.00	220,751

**SCHEDULE A-1
UTILITY PLANT**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plt Additions During year (c)	Plt Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1	101	Water plant in service					
2	103	Water plant held for future use					
3	104	Water plant purchased or sold					
4	105	Construction work in progress - water plant			xxxxxxxxxxxx		
5	114	Water plant acquisition adjustments			xxxxxxxxxxxx		
6		Total utility plant					

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

**SCHEDULE A-1a
Account No. 101 - Water Plant in Service**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plt Additions During year (c)	Plt 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 depreciabel plant					
20		Total water plant in service					

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

SCHEDULE A-1b
Account No. 103 - Water Plant Held for Future Use

Line No.	Description and Location of Property (a)	Date of Acquisition (b)	Approximate Date When Property will be placed in Service (c)	Balance End of Year (d)
1	N/A			
2				
3				
4				
5				
6				
7				
8				
9				
10	Total			

SCHEDULE A-2
Account No. 121 - Non-utility Property and Other Assets

Line No.	Name and Description of Property (a)	Book Value End of Year (b)
1	N/A	
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	

SCHEDULE A-3
Account Nos. 108 and 122 - Depreciation and Amortization Reserves

Line No.	Item (a)	Account 106 Water Plant (b)	Account 106.1 SDWBA Loans (c)	Account 122 Non-utility Property (d)
1	Balance in reserves at beginning of year			
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1)			
4	(b) Charged to Account No 272		This information was not available at time that this report was completed. After the CPA completes their review of the Corporation's financial information, this report will be amended.	
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered			
7	(e) All other credits (Footnote 2)			
8	Total Credits			
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired			
11	(b) Cost of removal			
12	(c) All other debits (Footnote 3)			
13	Total debits			
14	Balance in reserve at end of year			
15	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE			%
16				
17	(2) EXPLANATION OF ALL OTHER CREDITS:			
18				
19				
20				
21				
22				
23	(3) EXPLANATION OF ALL OTHER DEBITS:			
24				
25				
26				
27				
28				
29	(4) METHOD USED TO COMPUTE INCOME TAX DEPRECIATION			
30	(a) Straight line	[]		
31	(b) Liberalized	[]		
32	(1) Sum of the years digits	[]		
33	(2) Double declining balance	[]		
34	(3) Other	[]		
35	(c) Both straight line and liberalized	[]		

SCHEDULE A-3a
Account No. 108 - Analysis of Entries in Depreciation Reserve

Line No.	Acct No.	Depreciable Plant (a)	Balance Beginning of Year (b)	Credits to Reserve During Year Excl. Salvage (c)	Debits to Reserve During Year Excl. Cost of Removal (d)	Salvage and Cost of Removal Net (Dr.) or (Cr.) (e)	Balance End of Year (f)
1	304	Structures					
2	307	Wells					
3	317	Other water source plant		This information was not available at the time that this report was completed. After the CPA completes their review of the Corporation's financial information, this report will be amended.			
4	311	Pumping equipment					
5	320	Water treatment plant					
6	330	Reservoirs, tanks and sandpipes					
7	331	Water mains					
8	333	Services and meter installations					
9	334	Meters					
10	335	Hydrants					
11	339	Other equipment					
12	340	Office furniture and equipment					
13	341	Transportation equipment					
14		Total					

SCHEDULE A-4
Account No. 174 - Other Current Assets

Line No.	Item (a)	Amount (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

SCHEDULE A-5

Accounts Nos. 180 and 253 - Unamortized debt discount and expense and unamortized premium on debt

1 Report under separate subheadings for Unamortized Debt Discount and Expense and Unamortized Premium on Debt, particulars of discount and expense or premium applicable to each class and series of long-term debt.
 2 Show premium amounts in red or by enclosure in parentheses.
 3 In column (b) show the principal amount of bonds or other long-term debt originally issued.

4 In column (c) show the discount and expense or premium with respect to the amount of bonds or other long-term debt originally issued.
 5 Furnish particulars regarding the treatment of unauthorized debt discount and expense or premium, redemption premiums, and redemption expenses associated with issues redeemed during the year,

also, date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
 6 Set out separately and identify undisposed amounts applicable to issues which were redeemed in prior years.

Line No.	Designation of long-term debt (a)	Principal amount of securities to which discount and expense, or premium minus expense, relates (b)	Total discount and expense or net premium (c)	AMORTIZATION PERIOD		Balance beginning of year (f)	Debits during year (g)	Credits during year (h)	Balance end of year (i)
				From -- (d)	To -- (e)				
1	N/A								
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
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24									
25									
26									
27									
28									

SCHEDULE A-6
Account Nos. 201 and 204 - Capital Stock

Line No.	Class of Stock (a)	Date of Issue (b)	Number of Shares Authorized by Articles of Incorporation (c)	Par or Stated Value (d)	Number of Shares Outstanding (e)	Amount Outstanding End of Year (f)	Dividends Declared During Year	
							Rate (g)	Amount (h)
1	Common	1973	100	250	100	25,000	none	none
2								
3								
4								
5								
6							Total	none

SCHEDULE A-7
Record of Stockholders at End of Year

Line No.	COMMON STOCK		PREFERRED STOCK	
	Name (a)	Number of Shares (b)	Name (c)	Number of Shares (d)
1	Danny G Lukins	50		
2	Larry L Lukins	50		
3				
4				
5				
6				
7	Total number of shares		Total number of shares	

SCHEDULE A-8
Account No. 211 - Other Paid in Capital (Corporations only)

Line No.	Type of Paid in Capital (a)	Balance End of Year (b)
1		
2		
3		
4	Total	

SCHEDULE A-9
Account No. 215 - Retained Earnings
(Corporations Only)

Line No	Item (a)	Amount (b)
1	Balance beginning of year	Not available.
2	CREDITS	
3	Net income	
4	Prior period adjustments	
5	Other credits (detail)	
6	Total credits	
7		
8	DEBITS	
9	Net losses	
10	Prior period adjustments	
11	Dividend appropriations - preferred stock	
12	Dividend appropriations - common stock	
13	Other debits (detail)	
14	Total debits	
15	Balance end of year	

SCHEDULE A-10
Account No. 218 - Proprietary Capital
(Sole Proprietor or Partnership)

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	
2	CREDITS	N/A
3	Net income	
4	Additional investments during year	
5	Other credits (detail)	
6	Total credits	
7	DEBITS	
8	Net losses	
9	Withdrawals during year	
10	Other debits (detail)	
11	Total debits	
12	Balance end of year	

SCHEDULE A-11
Account No. 224 - Long Term Debt

Line No.	Class (a)	Name of Issue (b)	Date of Issue (c)	Date of Maturity (d)	Principal Amount Authorized (e)	Outstanding Per Balance Sheet (f)	Rate of Interest (g)	Interest Accrued During Year (h)	Sinking Fund (i)	Interest Paid During Year (j)
1	N/A									
2										
3										
4										
5										
6										

SCHEDULE A-12
Account No. 225 - Advances from Associated Companies

Line No.	Nature of Obligation (a)	Amount of Obligation (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1	T Zwijacz	5,119	12	745	745
2	Melvin L. Lukins & Sons, Inc.	31,019	12	2,822	0
3					
4	Totals	36,138		3,567	745

Schedule A-13
Account No. 235 - Payables to Associated Companies

Line No.	Nature of Obligation (a)	Balance End of Year (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1	N/A				
2					-
3					
4	Totals				

SCHEDULE A-14
Account No. 241 - Other Current Liabilities

Line No.	Description (a)	Balance End of Year (b)
1	Payroll Taxes Payable	175
2	PUC tax Payable	4,734
3		
4		
5	als	4,909

SCHEDULE A-15
Account No. 252 - Advances for Construction

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year	xxxxxxxxxxxxxxxx	18,344
2	Additions during year	xxxxxxxxxxxxxxxx	
3	Subtotal - Beginning balance plus additions during year	xxxxxxxxxxxxxxxx	
4	Charges during year:	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
5	Refunds	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
6	Percentage of revenue basis		xxxxxxxxxxxxxxxx
7	Proportionate cost basis		xxxxxxxxxxxxxxxx
8	Present worth basis		xxxxxxxxxxxxxxxx
9	Total refunds	339	xxxxxxxxxxxxxxxx
10	Transfers to Acct. 271, Contributions in aid of Construction	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
11	Due to expiration of contracts		xxxxxxxxxxxxxxxx
12	Due to present worth discount		xxxxxxxxxxxxxxxx
13	Total transfers to Acct. 271		xxxxxxxxxxxxxxxx
14	Securities Exchanged for Contracts (Enter detail below)		xxxxxxxxxxxxxxxx
15	Subtotal - charges during year		
16	Balance end of year	xxxxxxxxxxxxxxxx	18,005

SCHEDULE A-16
Account Nos. 255, 282, and 283 - Deferred Taxes

Line No.	Item (a)	Account 255 Investment Tax Credit (b)	Account 282 Income Tax - ACRS Depreciation (c)	Account 283 - Other (d)
1	N/A			
2				
3				
4				
5	Totals			

SCHEDULE A-17

Account No. 271 - Contributions in Aid of Construction

Instructions for Preparation of Schedule of Contributions in Aid of Construction

- 1 The credit balance in the account other than that portion of the balance relating to nondepreciable property (column d), to property retired prior to January 1, 1955 (column e), shall be written off through charges to this account and credits to Account No. 106, Accumulated depreciation of water plant, over a period equal to the estimated service life of the property involved. Upon retirement of depreciable property for which a depreciation reserve has been created through charges to this account, the cost thereof shall be credited to the appropriate plant account and concurrently charged to Account No. 106. If the property is retired prior to the service life originally estimated, the balance in this account with respect to the retired property shall be transferred to the depreciation reserve account.

- 2 That portion of the balance applicable to nondepreciable property shall remain unchanged until the property is sold or otherwise retired. Upon retirement, the cost of such nondepreciable property acquired by donation or through use of donated funds shall be credited to the appropriate plant account and charged to this account to clear the credit balance carried herein.

- 3 That portion of the balance representing donations on property retired prior to January 1, 1955 (column e), and the amount of depreciation accrued to January 1, 1955, on property in service (column f), shall not be transferred from this account or otherwise disposed of without first receiving written authorization from the Commission.

Line No.	Item (a)	Total All Columns (b)	Subject to Amortization		Not Subject to Amortization	
			Property in Service After Dec. 31, 1954		Property Retired Before Jan. 1, 1955 (e)	Depreciation Accrued Through Dec. 31, 1954 on Property in Services at Dec. 31, 1954 (f)
			Depreciable (c)	Non-Depreciable (d)		
1	Balance beginning of year					
2	Add: Credits to account during year					
3	Contributions received during year					
4	Other credits*					
5	Total credits					
6	Deduct: Debits to Account during year					
7	Depreciation charges for year					
8	Nondepreciable donated property retired					
9	Other debits*					
10	Total debits					
11	Balance end of year					

* Indicate nature of these items and show the accounts affected by the contra entries

SCHEDULE B-1
Account No. 400 - Operating Revenues

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
1		WATER SERVICE REVENUES			
2	460	Unmetered water revenue			
3	460.1	Single - family residential	235,509	231,477	4,032
4	460.2	Commercial and multi-residential	80,036	81,675	(1,639)
5	460.3	Large water users			
6	460.5	Safe Drinking Water Bond Surcharge			
7	460.9	Other unmetered revenue			
8		Sub-total	315,545	313,152	2,393
9	462	Fire protection revenue			
10	462.1	Public fire protection			
11	462.2	Private fire protection	2,594	2,594	0
12		Sub-total	2,594	2,594	0
13	465	Irrigation revenue			
14	470	Metered water revenue			
15	470.1	Single-family residential			
16	470.2	Commercial and multi-residential	16,626	13,294	3,332
17	470.3	Large water users			
18	470.5	Safe Drinking Water Bond Surcharge			
19	470.9	Other metered revenue			
20		Sub-total	16,626	13,294	3,332
21		Total water service revenues	334,765	329,040	5,725
22	480	Other water revenue	3,955	1,260	2,695
23		Total operating revenues	338,720	330,300	8,420

SCHEDULE B-2
Account No. 401 - Operating Expenses

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
1		PLANT OPERATION AND MAINTENANCE EXPENSES			
2		VOLUME RELATED EXPENSES			
3	610	Purchased water	5,882	3,108	2,774
4	615	Power	24,131	23,840	291
5	616	Other volume related expenses			
6		Total volume related expenses	30,013	26,944	3,069
7		NON-VOLUME RELATED EXPENSES			
8	630	Employee labor			
9	640	Materials	5,686	8,145	(2,459)
10	650	Contract work	75,313	8,973	66,340
11	660	Transportation expenses	7,724	8,426	(702)
12	664	Other plant maintenance expenses	5,061	3,516	1,545
13		Total non-volume related expenses	93,784	29,060	64,724
14		Total plant operation and maintenance exp.	123,797	56,004	67,793
15		ADMINISTRATIVE AND GENERAL EXPENSES			
16	670	Office salaries	53,611	29,727	23,884
17	671	Management salaries	41,442	65,000	(23,558)
18	674	Employee pensions and benefits	63		
19	676	Uncollectible accounts expense			
20	678	Office services and rentals	21,600	21,600	0
21	681	Office supplies and expenses	20,329	18,042	2,287
22	682	Professional services	10,786	17,749	(6,963)
23	684	Insurance	5,959	12,727	(6,768)
24	688	Regulatory commission expense			
25	689	General expenses	8,030	7,108	922
26		Total administrative and general expenses	161,820	171,954	(10,134)
27	800	Expenses capitalized			
28		Net administrative and general expense	161,820	171,954	(10,134)
29		Total operating expenses	285,617	227,957	57,660

SCHEDULE B-3
Account No. 408, 409, 410 - Taxes Charged During the Year

Line No.	Type of Tax (a)	Total Taxes Charged During Year (b)	Distribution of Taxes Charged	
			Water (c)	Nonutility (d)
1	Taxes on real and personal property	18,826		
2	State corporate franchise tax	372		
3	State unemployment insurance tax	1,362		
4	Other state and local taxes	6,779		
5	Federal unemployment insurance tax	176		
6	Federal insurance contributions act			
7	Other federal taxes	7,272		
8	Federal income taxes			
9				
10				
11	Totals	34,787		

SCHEDULE B-4
Reconciliation of Reported Net Income for Federal Income Taxes

- 1 Report hereunder a reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount.

- 2 If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, inter-company amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

- 3 Show taxable year if other than calendar year from _____ to _____.

Line No.	Particulars (a)	Amount (b)
1	Net income for the year per Schedule B, page 4	
2	Reconciling amounts (list first additional income and unallowable deductions,	
3	followed by additional deductions and non-taxable income):	
4		
5		
6	Lukins Brothers Water Co., Inc. has elected an S Corp Status	
7		
8		
9		
10	Federal tax net income	
11	Computation of tax:	
12		
13		
14		
15		
16		
17		

SCHEDULE B-5
Account No. 421 and 426 - Income from Nonutility Operations

Line No.	Description (a)	Revenues Acct. 421 (b)	Expenses Acct. 426 (c)
1			
2			
3			
4			
5	Total		

SCHEDULE B-6
Account No. 427 - Interest Expense

Line No.	Description (a)	Amount (b)
1	Finance charges	3,169
2	Interest	3,567
3		
4		
5		
6		
7		
8		
9		
10	Total	6,736

SCHEDULE C-1
Compensation of Individual Proprietor, Partners and Employees Included in Expenses

Line No.	Acct. No.	Account (a)	Number at End of Year (b)	Salaries Charged to Expense (c)	Salaries Charged to Plant Accounts (d)	Total Salaries and Wages Paid (e)
1	630	Employee Labor				
2	670	Office salaries	54,091	54,091		54,091
3	671	Management salaries	40,962	40,962		40,962
4						
5						
6		Total	95,053	95,053		95,053

**SCHEDULE C-2
Loans to Directors, Officers, or Shareholders**

Line No.	Name (a)	Title (b)	Amount (c)	Interest Rate (d)	Maturity Date (e)	Security Given (f)	Date of Shareholder Authorization (g)	Other Information (h)
1	None							
2								
3								
4								
5								
6								
7	Total							

**SCHEDULE C-3
Engineering and Management Fees and Expenses, Etc., During Year**

Line No.	<p>Give the required particulars of all contracts or other agreements in effect in the course of the year between the respondent and any corporation, association, partnership, or person covering supervision and/or management of any department of the respondent's affairs, such as accounting, engineering, financing, construction or operation, and show the payments under such agreements and also the payments for advice and services to a corporation or corporations which directly or indirectly control respondent through stock ownership.</p>
1	1. Did the respondent have a contract or other agreement with any organization or person covering supervision
2	and/or management of its own affairs during the year? Answer: (Yes or No) None
3	(If the answer is in the affirmative, make appropriate replies to the following questions)*
4	2. Name of each organization or person that was a party to such a contract or agreement.
5	
6	3. Date of original contract or agreement.
7	4. Date of each supplement or agreement.
8	5. Amount of compensation paid during the year for supervision or management \$
9	6. To whom paid
10	7. Nature of payment (salary, traveling expenses, etc.)
11	8. Amounts paid for each class of service.
12	
13	9. Basis for determination of such amounts
14	
15	10. Distribution of payments: Amount
16	(a) Charged to operating expenses \$
17	(b) Charged to capital amounts \$
18	(c) Charged to other account \$
19	Total \$
20	11. Distribution of charges to operating expenses by primary accounts
21	Number and Title of Account Amount
22	\$
23	\$
24	\$
25	Total \$
26	12. What relationship, if any, exists between respondent and supervisory and/or managing concerns?
27	
<p>* File with this report a copy of every contract, agreement, supplement or amendment mentioned above unless a copy of the instrument in due form has been furnished, in which case a definite reference to the report of the respondent relative to which it was furnished will suffice.</p>	

SCHEDULE D-1
Sources of Supply and Water Developed

STREAMS					FLOW IN (Unit) 2			Annual Quantities Diverted (Unit) 2	Remarks
Line No.	Diverted Into *	From Stream or Creek (Name)	Location of Diversion Point	Priority Right		Diversions			
				Claim	Capacity	Max.	Min.		
1	None								
2									
3									
4									
5									

WELLS						Pumping Capacity (Unit) 2	Annual Quantities Pumped (Unit) 2	Remarks
Line No.	At Plant (Name or Number)	Location	Number	Dimensions	1 Depth to Water			
6								
7								
8								
9								
10								

TUNNELS AND SPRINGS				FLOW IN (Unit) 2		Annual Quantities Pumped (Unit) 2	Remarks
Line No.	Designation	Location	Number	Maximum	Minimum		
11							
12							
13							
14							
15							

Purchased Water for Resale	
16	Purchased from
17	Annual Quantities purchased (Unit chosen) 1
18	
19	

* State ditch pipeline reservoir, etc., with name, if any.
1 Average depth to water surface below ground surface
2 The quantity unit in established use for experiencing water stored and used in large amounts is the acre foot, which equals 43,560 cubic feet; in domestic use the thousand gallon or the hundred cubic feet. The rate of flow or discharge in larger amounts is expressed in cubic feet per second. In gallons per minute, in gallons per day, or in the miner's inch. Please be careful to state the unit used.

SCHEDULE D-2
Description of Storage Facilities

Line No	Type	Number	Combined Capacity (Gallons or Acre Feet)	Remarks
1	A. Collecting reservoirs			
2	Concrete			
3	Earth			
4	Wood			
5	B. Distribution reservoirs			
6	Concrete			
7	Earth			
8	Wood			
9	C. Tanks			
10	Wood			
11	Metal			
12	Concrete			
13	Totals			

SCHEDULE D-3
Description of Transmission and Distribution Facilities

A. LENGTH OF DITCHES, FLUMES AND LINKED CONDUITS IN MILES FOR VARIOUS CAPACITIES

Capacities in Cubic Feet Per Second or Miner's Inches (state which) _____

Line No.			0 to 5	6 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 75	76 to 100
1	Ditch	None								
2	Flume	None								
3	Lined conduit	None								
4										
5		Totals								

A. LENGTH OF DITCHES, FLUMES AND LINKED CONDUITS IN MILES FOR VARIOUS CAPACITIES - Concluded

Capacities in Cubic Feet Per Second or Miner's Inches (state which) _____

Line No.			101 to 200	201 to 300	301 to 400	401 to 500	501 to 750	751 to 1000	Over 1000	Total All Lengths
6	Ditch	None								
7	Flume	None								
8	Lines conduit	None								
9										
10		Totals								

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING

Line No.		1	1 1/2	2	2 1/2	3	4	5	6	8
11	Cast Iron									
12	Cast iron (cement lined)									
13	Concrete									
14	Copper									
15	Riveted steel									
16	Standard screw									
17	Screw or welded casing									
18	Cement - asbestos									
19	Welded steel						48,363		7,581	1,000
20	Wood									
21	Other (specify)									
22		Totals					48,363		7,581	1,000

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING - Concluded

Line No.		10	12	14	16	18	20	Other Sizes (Specify Sizes)		Total All Sizes
23	Cast Iron									
24	Cast iron (cement lined)									
25	Concrete									
26	Copper									
27	Riveted steel									
28	Standard screw									
29	Screw or welded casing									
30	Cement - asbestos									
31	Welded steel	40								56,984
32	Wood									
33	Other (specify)									
34		Totals	40							56,984

**SCHEDULE D-4
Number of Active Service Connections**

Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior Year	Current Year	Prior Year	Current Year
Single family residential			811	824
Commercial and Multi-residential	17	15	108	109
Large water users				
Public authorities				
Irrigation				
Other (specify)				
Subtotal	17	15	919	938
Private fire connections			6	5
Public fire hydrants				
Total	17	15	925	938

**SCHEDULE D-5
Number of Meters and Services on
Pipe Systems at End of Year**

Size	Meters	Services
5/8 x 3/4 - in		xxxxxxxxxxxx
3/4 - in		922
1 - in	7	
- in	4	
- in	4	
- in		
- in		
- in		
Other		
Total	15	922

**SCHEDULE D-6
Meter Testing Data**

A. Number of Meters Tested During Year as Prescribed in Section VI of General Order No. 103:	
1. New, after being received	_____
2. Used, before repair	_____
3. Used, after repair	_____
4. Found fast, requiring billing adjustment	_____
B. Number of Meters in Service Since Last Test	
1. Ten years or less	_____
2. More than 10, but less than 15 years	_____
3. More than 15 years	_____

**SCHEDULE D-7
Water delivered to Metered Customers by Months and Years in _____ (Unit Chosen):**

Classification of Service	During Current Year							Subtotal	
	January	February	March	April	May	June	July		
Single-family residential									
Commercial and Multi-residential									
Large water users									
Public authorities									
Irrigation									
Other (specify)									
Total									
Classification of Service	During Current Year						Subtotal	Total	Total Prior Year
	August	September	October	November	December				
Single-family residential									
Commercial and Multi-residential									591,039
Large water users									
Public authorities									
Irrigation									
Other (specify)									
Total									

Quantity units to be in hundreds of cubic feet, thousands of gallons, acre-feet, or miner's inch-days.

Total acres irrigated _____

Total population served _____

SCHEDULE D-8
Status With State Board of Public Health

1	Has the State or Local Health Department reviewed the sanitary condition of your water system during the past year?		
2	Are you having routine laboratory tests made of water served to your consumers?		
3	Do you have a permit from the State Board of Public Health for operation of your water system?		
4	Date of permit:	5	If permit is "temporary", what is the expiration date?
6	If you do not hold a permit, has an application been made for such permit?		7 If so, on what date?

SCHEDULE D-9
Statement of Material Financial Interest

Use this space to report the information required by Section 2 of General Order No. 104-A. If no material financial interest existed during the year or contemplated at the end of the year, such fact shall be so stated. If additional space is required, attach a supplementary statement with reference made thereto.

None

DECLARATION
Before Signing, Please Check to See That All Schedules Have Been Completed
(See instruction 3 on front cover)

I, the undersigned _____ Danielle Lukins
Officer, Partner or Owner

of _____ Lukins Brothers Water Co., Inc
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 _____ 1-Jan-06

to and including _____ 31-Dec-06
(date)

SIGNED *Danielle Lukins*
(date)
Title _____ Secretary/Treasurer

Date _____ 4-Sep-07

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