

Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____

2001
ANNUAL REPORT
OF

Altos Sonoma Corporation

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

4984 Sonoma Highway

Santa Rosa, Calif. 95409
(OFFICIAL MAILING ADDRESS) ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2001

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2002
(FILE TWO COPIES IF THREE RECEIVED)

Summary of Earnings
Test Year 2001

Account Number	Operating Revenue	
470	Metered	449353
460	Unmetered	949
465	Irrigation	
462-480	Private Fire Protection	
	Total Revenue	450302
	Operating Expenses	
610	Purchased Water	92451
615	Purchased Power	5963
	Pump Taxes	
	Purchased Chemicals	283
618	Other Vol. Related exp.	
630	Employee Labor	14077
640	Materials	3728
650	Contract Work	17476
	Water Testing	1966
660	Transportation Expense	1727
664	Other Plant Maintenance	139
670	Office Salaries	13707
671	Management Salaries	46015
674	Employee Pensions and Benefits	20841
676	Uncollectables	190
678	Office Service and Rentals	3780
681	Office Supplies and Expense	7368
682	Professional Services	6043
684	Insurance	6141
688	Regulatory Expense	
689	General Expense	6725
	Subtotal	248620
403	Depreciation Expense	26317
	Ad Valorem Taxes	
	Payroll taxes	6477
408	Taxes other than income	8081
409	State Income Tax	14215
410	Federal Income Tax	5711
	Total Deductions	360981
	Net Revenue	89421
	Rate Base	
	Average Plant	1,767,483
	Average Depreciation Reserve	<318,369>
	Net Plant	1,449,114
	Less: Advances	<40813>
	Less: Contributions	<609851>
	Plus: Construction Work in Progress	
	Plus: Working Cash	20,718
	Plus: Material & Supplies	3979
	Rate Base	823,147
	ROR=Net Rev/Rate Base	11%

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

Pennorove Water Company

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

4984 Sonoma Highway Santa Rosa, Ca. 95409

(Official mailing address)

Pennorove & vicinity Sonoma County

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

- 1 If a corporation show:
 - (A) Date of organization 8/95 incorporated in the State of Calif.
 - (B) Names, titles and addresses of principal officers: James B. & Kathleen S. Downey
26000 Newbridge Rd. Los Altos Hills, Ca. 94022
- 2 If unincorporated give the name and address of owner or of each partner:
- 3 Name and telephone number of: Karen L. Bell
 - (A) One person listed above to receive correspondence: (707) 539-6397
 - (B) Person responsible for operations and services:
- 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) J.P.B. Environmental Services
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? Field service operations, Acct # 650
- 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: N/A

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	8/97
X		12/01
X		renewed 8/97
	N/A	
	N/A	

SPECIAL INSTRUCTIONS (over)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2001

NAME OF UTILITY Pennorove Water Co PHONE (701) 539-6397

PERSON RESPONSIBLE FOR THIS REPORT Karen L. Ball
(Prepared from Information in the 2001 Annual Report)

	1/1/01	12/31/01	Average
BALANCE SHEET DATA			
1 Intangible Plant	<u>4000</u>	<u>4000</u>	<u>4000</u>
2 Land and Land Rights	<u>1694559</u>	<u>1832406</u>	<u>1763483</u>
3 Depreciable Plant	<u>1698559</u>	<u>1836406</u>	<u>1767483</u>
4 Gross Plant in Service	<u>1698559</u>	<u>1836406</u>	<u>1767483</u>
5 Less: Accumulated Depreciation	<u>(296654)</u>	<u>(340083)</u>	<u>(318369)</u>
6 Net Water Plant in Service	<u>1401905</u>	<u>1496323</u>	<u>1449114</u>
7 Water Plant Held for Future Use	<u>68762</u>	<u>43222</u>	<u>55992</u>
8 Construction Work in Progress	<u>5686</u>	<u>2271</u>	<u>3979</u>
9 Materials and Supplies	<u>(41810)</u>	<u>(39816)</u>	<u>(40813)</u>
10 Less: Advances for Construction	<u>(731239)</u>	<u>(744909)</u>	<u>(738074)</u>
11 Less: Contribution in Aid of Construction <u>dep. # 271</u>	<u>119209</u>	<u>137236</u>	<u>128223</u>
12 Less: Accumulated Deferred Income and Investment Tax Credits	<u>822513</u>	<u>994327</u>	<u>858420</u>
13 Net Plant Investment			
CAPITALIZATION			
14 Common Stock	<u>832995</u>	<u>921365</u>	<u>877180</u>
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)	<u>832995</u>	<u>921365</u>	<u>877180</u>

(Revised 2/01)

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

2001
(continued)

NAME OF UTILITY Penngrove Water Co. PHONE (707) 539-6397

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	<u>949</u>
24	Fire Protection Revenue	<u> </u>
25	Irrigation Revenue	<u> </u>
26	Metered Water Revenue	<u>449353</u>
27	Total Operating Revenue	<u>450302</u>
28	<u>Operating Expenses</u>	<u>248620</u>
29	Depreciation Expense (Composite Rate <u>2.42%</u>)	<u>26317</u>
30	Amortization and Property Losses	<u> </u>
31	Property Taxes	<u>8081</u>
32	Taxes Other Than Income Taxes	<u>6477</u>
33	Total Operating Revenue Deduction Before Taxes	<u>160807</u>
34	California Corp. Franchise Tax	<u>14215</u>
35	Federal Corporate Income Tax	<u>57171</u>
36	Total Operating Revenue Deduction After Taxes	<u> </u>
37	Net Operating Income (Loss) - California Water Operations	<u>89421</u>
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u> </u>
39	Income Available for Fixed Charges	<u> </u>
40	Interest Expense	<u> </u>
41	Net Income (Loss) Before Dividends	<u> </u>
42	Preferred Stock Dividends	<u> </u>
43	Net Income (Loss) Available for Common Stock	<u>89421</u>

OTHER DATA		Annual Amount
44	Refunds of Advances for Construction	<u>1994</u>
45	Total Payroll Charged to Operating Expenses	<u>43799</u>
46	Purchased Water	<u>92451</u>
47	Power	<u>5963</u>

<u>Active Service Connections</u>		(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48	Metered Service Connections		<u>508</u>	<u>544</u>	<u>526</u>
49	Flat Rate Service Connections		<u> </u>	<u> </u>	<u> </u>
50	Total Active Service Connections		<u>493</u>	<u>528</u>	<u>511</u>

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: _____ **N/A** _____
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		NIA			
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, 2021)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	1836406	201	Common Stock (Corporations only)	
2	103	Water plant held for future use	43222	211	Other paid-in capital (Corporations only)	
3	104	Water plant purchased or sold		215	Retained earnings	921365
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(1940093)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	22297
7	124	Other investments		252	Advances for construction	39816
8	131	Cash	8786	253	Other deferred credits	
9	141	Accounts receivable - customers	40549	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies	2271		depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	744909
14				272	Accumulated amortization of contributions	(137236)
15		Total Assets	1591151		Total Equity and Liabilities	1591151

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	4000				4000
18	304	Structures	16575	288			16863
19	307	Wells	2832				2832
20	317	Other water source plant	33352				33352
21	311	Pumping equipment	91366	8898	(915)		99289
22	320	Water treatment plant	3967				3967
23	330	Reservoirs tanks and sandpipes	140745				140745
24	331	Water mains	1055861	98172			1154033
25	333	Services and meter installations	181566	18290			199856
26	334	Meters	53242	10219			63461
27	335	Hydrants	93704	1750			95454
28	339	Other equipment	3131	984			4115
29	340	Office furniture and equipment	13726	221			13947
30	341	Transportation equipment	4492				4492
31		Total water plant in service	1699559	138762	(915)		1836406

* 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	296654		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	26317		2.42% S.L.
35	(b) Charged to Account No. 272	18027		
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	44344		covered by this report \$
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired	915		C. State method used to compute tax
42	(b) Cost of removal			depreciation.
43	(c) All other debits			
44	Total debits	915		
45	Balance in reserve at end of year	340083		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2011)

Line	Common - (Shares)	\$	par)		List persons owning more than 5% of outstanding stock and number of shares owned by each:
1	Common - (Shares)	\$	par)		
2	Preferred - (Shares)	\$	par)	N/A	
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					N/A			
6								
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	XXXXXXXXXX
10	460 Unmetered water revenue	949
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue (7)	445713
14	480 Other water revenue	3640
15	Total Operating Revenue	450,302
16	Operating revenue deductions	XXXXXXXXXX
17	Operating expenses	XXXXXXXXXX
18	610 Purchased water	92,451
19	615 Power	5,963
20	618 Other volume related expenses	183
21	630 Employee labor	14,077
22	640 Materials	3,728
23	650 Contract work (8)	19,442
24	660 Transportation expenses	1,727
25	664 Other plant maintenance expense	139
26	670 Office salaries	13,707
27	671 Management salaries	46,015
28	674 Employee pensions and benefits	20,841
29	676 Uncollectible accounts expense	190
30	678 Office services and rentals	3,780
31	681 Office supplies and expense	7,368
32	682 Professional services (9)	6,043
33	684 Insurance	6,141
34	688 Regulatory commission expense	
35	689 General expenses (10)	6,725
36	Total Operating Expenses	248,620
37	403 Depreciation expense	2,637
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes (11)	14,558
40	409 State corporate income tax expense	14,215
41	410 Federal corporate income tax expense	5,771
42	Total Operating Revenue Deductions	360,881
43	Utility Operating Income	89,421
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	
47	Net Income	89,421

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
Canon Manor	1	12	188	300	11.81 MG
OTHER					
Streams or springs location of diversion point	Flow in		(Unit)		Annual quantities diverted (Unit)
	Priority right	Diversions	Max	Min	
	Claim	Capacity	Max	Min	
Purchased water (unit) M.G.					Annual quantity
Supplier: Sonoma County Water Agency					69.49 MG

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			76.31 MG
Industrial			
Public authorities			
Irrigation Nursery/Park			1.06 MG
Other (specify)			
Total			77.37 MG

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	1	14,077	834	14,911
49	670	Office salaries	1	13,707	-	13,707
50	671	Management salaries	2	46,015	3,245	49,260
51		Total	4	43,799	4,079	47,878

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	44910
Additions during year	-
Subtotal - Beginning balance plus additions during year	44910
Refunds	1994
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	39816

SCHEDULE K - TOTAL METERS AND SERVICES (active and inactive)

Size	Meters	Services
5/8 x 3/4-in	499	499
3/4-in		
1-in	28	28
2-in	4	4
-in		
Total	544	544

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year	
1 - Used, before repair...	83 tested
2 - Used, after repair...	62 replaced
3 - Fast, requiring refund...	1
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	505			16		16	521	
Industrial <i>Parks</i>	2						2	
Other (specify) <i>Business</i>	18						18	
<i>School</i>	3						3	
Subtotal	528						544	
Fire protection (Hydrants)	64						64	
Total	592			16		16	608	

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	2 1/4 to 3 1/4	4"	6" 8" 10" Other sizes (specify)			Totals
Concrete			Cast Iron						2420	2420
Earth			Welded steel							
Wood			Standard screw	6080	5382	380				11,842
Steel	1	212,000 gal	Cement-asbestos			2565	30880			33,445
Other			Plastic	2020		1920	19304	9680		32,924
			Other (specify)							
Total			Total	9100	5882	4965	50184	9680	2420	80831

DECLARATION

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

I, the undersigned (officer, partner or owner) of Penngrove 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, 2001, to and including December 31, 2001

Signed Karen L. Ball
 Title Manager
 Date 3/28/02

Notes for 2001 Penngrove Annual Report

1. Money Market	1864
Checking Account	6922
	<hr/>
	8786
2. Canon Manor Storage Bldg. Shelving	
3. Canon Manor pump & motor	
4. Nessco	92213
6' 6" main line @ Oak and East	2161
Reconfigure @ Adobe & Main for Co. of Sonoma	1909
Aqueduct turnout refurbishing	940
	<hr/>
	97223 Company
Palm Avenue air release valve	949 CIAC
	<hr/>
	98172 Total
	<hr/>
5. Davis Lane	230
Hatchery Court	488
Jamboree Drive	182
Main/Negro	1560
PHR/ Shaw	3500
Chester Dr./ Annala	660
Jamboree Dr./Farina	300
Penngrove & Palm/Wilkinson	4025
	<hr/>
	10945 CIAC
Service Renewals	
Oak & Adobe	596
Oak Street	1749
Nita Way	1614
Woodward Conversions (5)	2841
Meter sets (3)	545
	<hr/>
	7345 Company
	<hr/>
	18290 Total
	<hr/>
6. Penngrove & Palm/ Wilkinson	1750 CIAC
7. Late Fees	
8. Laboratory	1966
Field Service Operations	17476
	<hr/>
	19442
9. Accounting	5280
Computer Services	763
	<hr/>
	6043

10. User Use Fees
General

4799

1926

6725

11. Payroll
Property

6477

8081

14558