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Examined _____

CLASS D  
WATER UTILITIES

U# \_\_\_\_\_

2002  
ANNUAL REPORT  
OF

Pierpoint Springs Water Co.

Po Box 85 Camp Nelson 93208

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

TR 322-392-490

above Springville, Calif., Tulare Co.

(OFFICIAL MAILING ADDRESS)

ZIP 93208.

TO THE  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
FOR THE  
YEAR ENDED DECEMBER 31, 2002

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2003  
(FILE TWO COPIES IF THREE RECEIVED)

**Summary of Earnings  
Test Year 2002**

Account Number	Operating Revenue	
470	Metered	
460	Unmetered	19,173
465	Irrigation	
462-480	Private Fire Protection	
	<b>Total Revenue</b>	<b>19,173</b>
	<b>Operating Expenses</b>	
610	Purchased Water	
615	Purchased Power	4911
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	
630	Employee Labor	
640	Materials	974
650	Contract Work	
	Water Testing	
660	Transportation Expense	
664	Other Plant Maintenance	864
670	Office Salaries	
671	Management Salaries	5,000
674	Employee Pensions and Benefits	
676	Uncollectables <i>donation</i>	125
678	Office Service and Rentals	
681	Office Supplies and Expense	323
682	Professional Services	
684	Insurance	1,869
688	Regulatory Expense	634
689	General Expense <i>testing</i>	298
	<b>Subtotal</b>	
403	Depreciation Expense	1,500
	Ad Valorem Taxes	
	Payroll taxes	
408	Taxes other than income	538
409	State Income Tax	
410	Federal Income Tax	
	<b>Total Deductions</b>	<b>2038</b>
	<b>Net Revenue</b>	<b>3017</b>
	<b>Rate Base</b>	
	Average Plant	
	Average Depreciation Reserve	
	Net Plant	
	Less: Advances	
	Less: Contributions	
	Plus: Construction Work in Progress	
	Plus: Working Cash	
	Plus: Material & Supplies	
	<b>Rate Base</b>	
	<b>ROR=Net Rev/Rate Base</b>	

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

*Pierpoint Springs Water Co.*

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

*PO Box 85 Camp Nelson 93208*

(Official mailing address)

*TR's 322-392-490 - Camp Nelson*

(Service area-town and county)

**GENERAL INFORMATION**

RETURN ORIGINAL  
TO COMMISSION  
NO PHOTOCOPIES

- 1 If a corporation show:  
(A) Date of organization \_\_\_\_\_ incorporated in the State of \_\_\_\_\_  
(B) Names, titles and addresses of principal officers:
  
- 2 If unincorporated give the name and address of owner or of each partner:  
*Ben and Michelle Ray PO Box 85 Camp Nelson 93208.*
  
- 3 Name and telephone number of:  
(A) One person listed above to receive correspondence: *Ben Ray*  
(B) Person responsible for operations and services: *Ben Ray.*
  
- 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) *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.

Yes	No	Latest Date
✓		<i>12-2001</i>
✓		<i>12-2001</i>
✓		<i>12-61</i>

**SPECIAL INSTRUCTIONS (over)**

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

20.03

NAME OF UTILITY Pierpoint Springs Water Co PHONE 559 542 2551

PERSON RESPONSIBLE FOR THIS REPORT Mike Cahill  
 (Prepared from Information in the 2002 Annual Report)

	1/1/02	12/31/02	Average
<b>BALANCE SHEET DATA</b>			
1 Intangible Plant			
2 Land and Land Rights			
3 Depreciable Plant			
4 Gross Plant in Service			
5 Less: Accumulated Depreciation	43222	44722	
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	(14095)	(15595)	( )
13 Net Plant Investment			

<b>CAPITALIZATION</b>			
14 Common Stock			
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)	60317	60317	

(Revised 2/01)

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

20\_\_\_\_  
(continued)

NAME OF UTILITY \_\_\_\_\_ PHONE \_\_\_\_\_

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	<u>19173</u>
24	Fire Protection Revenue	_____
25	Irrigation Revenue	_____
26	Metered Water Revenue	_____
27	Total Operating Revenue	<u>19173</u>
28	Operating Expenses	_____
29	Depreciation Expense (Composite Rate <u>2 1/2%</u> )	<u>1500</u>
30	Amortization and Property Losses	_____
31	Property Taxes <u>and license fees</u>	<u>538</u>
32	Taxes Other Than Income Taxes	_____
33	Total Operating Revenue Deduction Before Taxes	<u>17135</u>
34	California Corp. Franchise Tax	_____
35	Federal Corporate Income Tax	_____
36	Total Operating Revenue Deduction After Taxes	_____
37	Net Operating Income (Loss) - California Water Operations	<u>+ 3017</u>
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	_____

*(see pages)*

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

*(See page 8)*

<u>Active Service Connections</u>		(Exc. Fire Protect.) _____	Jan. 1	Dec. 31	Annual Average
48	Metered Service Connections	<i>w/ hydrants</i>	<u>99</u>	<u>99</u>	<u>99</u>
49	Flat Rate Service Connections	<i>without hydrants</i>	<u>81</u>	<u>81</u>	<u>81</u>
50	Total Active Service Connections		_____	_____	_____

**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: Michael Cahill  
Address: PO 95 Camp Nelson, Calif 93208.  
Phone Number: 539 542 2822  
Date Hired: April 1998.

2. Former Fiscal Agent:

Name: Jack Young CPA.  
Address: 3325 W. Cambridge Ave Visalia 93277  
Phone Number: 539 562 6151  
Date Hired: 1992.

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

\$ NONE.

4. Summary of the trust bank account activities showing:

Balance at beginning of year	\$ <u>NONE.</u>
Deposits during the year	_____
Withdrawals made for loan payments	_____
Other withdrawals from this account	_____
Balance at end of year	_____

5. Account information:

Bank Name: No trust account is maintained  
Account Number: because no customer money  
Date Opened: is managed.

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	2166				
8	317	Other water source plant					
9	311	Pumping equipment					
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes	12124				
12	331	Water mains	24865				
13	333	Services and meter installations	1781				
14	334	Meters					
15	335	Hydrants	387				
16	339	Other equipment					
17	340	Office furniture and equipment					
18	341	Transportation equipment					
19		Total depreciable plant					
20		Total water plant in service	60317				60317.

**SCHEDULE A - BALANCE SHEET (DECEMBER 31, 20\_\_)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	60317	201	Common Stock (Corporations only)	
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Water plant purchased or sold		215	Retained earnings	
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	44722	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	
7	124	Other investments		252	Advances for construction	
8	131	Cash		253	Other deferred credits	
9	141	Accounts receivable - customers		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	
14				272	Accumulated amortization of contributions	
15		<b>Total Assets</b>	<b>15,595</b>		<b>Total Equity and Liabilities</b>	

**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					
18	304	Structures					
19	307	Wells	21160				21160
20	317	Other water source plant					
21	311	Pumping equipment					
22	320	Water treatment plant					
23	330	Reservoirs tanks and sandpipes	12121				12121
24	331	Water mains	24865				24865
25	333	Services and meter installations	1781				1781
26	334	Meters	387				387
27	335	Hydrants					
28	339	Other equipment					
29	340	Office furniture and equipment					
30	341	Transportation equipment					
31		<b>Total water plant in service</b>	<b>60317</b>				<b>60317</b>

\* 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	43222		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			<i>S.L. 2 1/2% on plant</i>
35	(b) Charged to Account No. 272			<i>in service</i>
36	(c) Charged to clearing accounts			B. Amount of depreciation expense claimed
37	(d) Salvage recovered			or to be claimed on utility property in
38	(e) All other credits			your federal income tax return for the year
39	Total credits			covered by this report \$ <i>1,508</i>
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired			
42	(b) Cost of removal			C. State method used to compute tax
43	(c) All other debits			depreciation.
44	Total debits			
45	Balance in reserve at end of year			
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits	<i>44722</i>		



**SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 20\_\_)**

Line				
1	Common - (Shares	, \$	par)	List persons owning more than 5% of outstanding stock and number of shares owned by each:
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	19,173
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	
14	480 Other water revenue	
15	Total Operating Revenue	19,173
16	Operating revenue deductions	XXXXXXXXXX
17	Operating expenses	XXXXXXXXXX
18	610 Purchased water	
19	615 Power	4,911
20	618 Other volume related expenses	
21	630 Employee labor	
22	640 Materials	974
23	650 Contract work	
24	660 Transportation expenses	
25	664 Other plant maintenance expense	884
26	670 Office salaries	
27	671 Management salaries	5,000
28	674 Employee pensions and benefits	
29	676 Uncollectible accounts expense	
30	678 Office services and rentals donation	125
31	681 Office supplies and expense	323
32	682 Professional services	
33	684 Insurance	1,869
34	688 Regulatory commission expense	634
35	689 General expenses <i>testing</i>	298
36	Total Operating Expenses	14,118
37	403 Depreciation expense	1,500
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	538
40	409 State corporate income tax expense	
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	20,38
43	Utility Operating Income	
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	
47	Net Income	3,017

**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

**OTHER**

Streams or springs location of diversion point	Flow in		(Unit)		Annual quantities diverted (Unit)
	Priority right		Diversions		
	Claim	Capacity	Max	Min	
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				
49	670	Office salaries				
50	671	Management salaries				
51		Total				

**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		79	79					
Industrial								
Other (specify) <i>com</i>		2	2					
Subtotal								
Fire protection (Hydrants)		18	18					
Total		99	99					

NOTE: Total connections (metered plus flat) should agree with total services in Schedule K.

**SCHEDULE N - STORAGE FACILITIES**

**SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)**

Description	No.	Combined capacity in gallons	Description	Pipe Sizes				Totals
				2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)	
Concrete			Cast Iron					
Earth			Welded steel					
Wood			Standard screw					
Steel		63000	Cement-asbestos		8265			8265
Other			Plastic	425				425
			Other (specify)					
Total			Total	425	8265			8690

**DECLARATION**

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

I, the undersigned (officer, partner or owner) of (agent) Pierpoint Springs Water Co. (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 Jan 1, 2002, to and including Dec 31, 2002

Signature: Michael Cahill  
 Title: Michael Cahill - Fiscal agent  
 Date: 3-27-03.