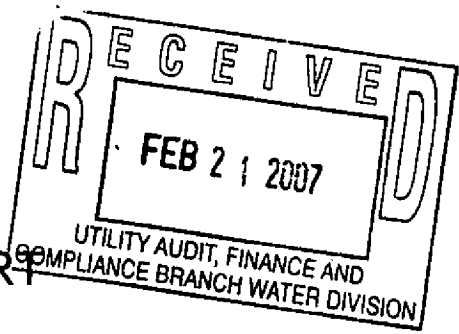


319

Received _____
Examined _____

CLASS B and C
WATER UTILITIES

U# 319



2006
ANNUAL REPORT
OF

Rio Plaza Water Company, Inc.

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

8698 Roseland Avenue RR#1 Moorpark, CA 93021
(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

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, not by a public accountant.
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 calander year, from January 1 through December 31. Fiscal year reports will not be accepted.

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.

GENERAL INFORMATION

1 Name under which utility is doing business: **Rio Plaza Water Company, Inc.**

2 Official mailing address: **8698 Roseland Avenue RR#1 Moorpark, CA 93021**
ZIP

3 Name and title of person to whom correspondence should be addressed: **John Chris Nickel**
Telephone: **805-529-2470**

4 Address where accounting records are maintained: **8698 Roseland Avenue RR#1 Moorpark, CA 93021**

5 Service Area: (Refer to district reports if applicable.) **El Rio/Oxnard**

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

Name: **Robert Eranio**

Address: **2188 Johnson Drive Ventura, CA 93004** Telephone: **805-650-8331**

7 OWNERSHIP. Check and fill in appropriate line:

- Individual (name of owner) _____
- Partnership (name of partner) _____
- Partnership (name of partner) _____
- Partnership (name of partner) _____
- Corporation (corporate name) **Rio Plaza Water Company, Inc.**
Organized under laws of (state) **California**

Principal Officers:

(Name)	John Chris Nickel	(Title)	President
(Name)		(Title)	President
(Name)	John Chris Nickel	(Title)	Secretary/Treasurer
(Name)		(Title)	

8 Names of associated companies:

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:

	Date:
	Date:
	Date:
	Date:

10 Use the space below for supplementary information or explanations concerning this report:

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

NAME OF UTILITY Rio Plaza Water Company, Inc.

PHONE 805-529-2470

PERSON RESPONSIBLE FOR THIS REPORT Frank Brommenschenkel
(Prepared from Information in the 2005 Annual Report)

	1/1/2006	12/31/2006	Average
BALANCE SHEET DATA			
1 Intangible Plant			-
2 Land and Land Rights	499	499	499
3 Depreciable Plant	432,742	451,458	442,100
4 Gross Plant in Service	433,241	451,957	442,599
5 Less: Accumulated Depreciation	222,100	198,447	210,274
6 Net Water Plant in Service	211,141	253,510	232,325
7 Water Plant Held for Future Use			
8 Construction Work in Progress			
9 Materials and Supplies	1,990	1,990	1,990
10 Less: Advances for Construction	()	()	()
11 Less: Contribution in Aid of Construction	48,895	48,895	48,895
12 Less: Accumulated Deferred Income and Investment Tax Cre	()	()	()
13 Net Plant Investment	164,236	206,605	185,420
CAPITALIZATION			
14 Common Stock	14,000	14,000	14,000
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital	8,432	22,470	15,451
17 Retained Earnings			
18 Common Stock and Equity (Lines 14 through 17)	22,432	36,470	29,451
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable	23,943	66,008	44,976
22 Total Capitalization (Lines 18 through 21)	46,375	102,478	74,427

(Revised 10/97)

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

NAME OF UTILITY Rio Plaza Water Company, Inc.

PHONE 805-529-2470

INCOME STATEMENT

	Annual Amount
23 Unmetered Water Revenue (SDWBA Surcharge)	\$ 37,644
24 Fire Protection Revenue (Investment Income)	\$ -
25 Credit for GMA Balancing Account Collections	\$ 17,910
26 Metered Water Revenue	\$ 225,635
27 Total Operating Revenue	<u>\$ 263,279</u>
28 <u>Operating Expenses</u>	<u>\$ 194,298</u>
29 Depreciation Expense (Composite Rate 2.6%)	\$ 15,620
30 Amortization and Property Losses	\$ 33,541
31 Property Taxes	\$ 1,759
32 Taxes Other Than Income Taxes	\$ 8,684
33 Total Operating Revenue Deduction Before Taxes	<u>\$ 253,902</u>
34 California Corp. Franchise Tax	\$ 800
35 Federal Corporate Income Tax	\$ -
36 Total Operating Revenue Deduction After Taxes	<u>\$ 8,577</u>
37 Net Operating Income (Loss) - California Water Operations	<u>\$ 8,577</u>
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	_____
39 Income Available for Fixed Charges	_____
40 Interest Expense	\$ 9,549
41 Net Income (Loss) Before Dividends	<u>\$ (973)</u>
42 Preferred Stock Dividends	_____
43 Net Income (Loss) Available for Common Stock	<u>\$ (973)</u>

OTHER DATA

44 Refunds of Advances for Construction	_____
45 Total Payroll Charged to Operating Expenses	_____
46 Purchased Water	_____
47 Power	<u>\$ 19,966</u>

	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections	<u>520</u>	<u>520</u>	<u>520</u>
49 Flat Rate Service Connections	_____	_____	_____
50 Total Active Service Connections	<u>520</u>	<u>520</u>	<u>520</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: MERRILL LYNCH, WORKING CAPITAL MANAGEMENT ACCOUNT _____
 Address: 400 Esplanade Drive, Oxnard CA 93030 _____
 Phone Number: 805-983-6053 _____
 Date Hired: February 4, 1994 _____

2. Former Fiscal Agent:

Name: Bank of a-levy (Merged with 1st Interstate) _____
 Address: Oxnard, CA 93030 _____
 Phone Number: _____
 Date Hired: 1980 _____

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

\$37,643.50

4. Summary of the trust bank account activities showing:

Balance at beginning of year	<u>\$0.00</u>
Deposits during the year	<u>\$ 37,643.50</u>
Withdrawals made for loan payments	<u>\$ 37,643.50</u>
Other withdrawals from this account	
Balance at end of year	<u>\$ -</u>

5. Account information:

**Refinanced Loan on 12/14/05
Trust Acct Balance Used to Pay Down Loan**

Bank Name: MERRILL LYNCH, WORKING CAPITAL MANAGEMENT ACCOUNT _____
 Account Number: 228-07587 _____
 Date Opened: February 4, 1994 _____

See Repayment Schedule Attached

6. Plant amounts included in Schedule A-1a, Account No. 101--Water Plant in Service which were funded using SDWBA funds: **Refinanced Loan on 12/14/05**

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	Moved to the Accounts below Per Herb Chow 6/12/03				
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	\$ 284,498				\$ 284,498
13	333	Services and meter installations	\$ 75,400				\$ 75,400
14	334	Meters					
15	335	Hydrants	\$ 4,800				\$ 4,800
16	339	Other equipment					
17	340	Office furniture and equipment					
18	341	Transportation equipment					
19		Total depreciable plant	\$ 364,698	\$ -	\$ -	\$ -	\$ 364,698
20		Total water plant in service	\$ 364,698	\$ -	\$ -	\$ -	\$ 364,698

Rio Plaza Water Company, Inc.

Refinanced SDWBA New Amortization Schedule/John Chris Nickel

DWR Payoff Amount 12/14/05 \$ 114,536.05
 Trust Account Balance 11/30/05 \$ 39,586.70
 New Loan Amount \$ 74,949.35

2/13/2007

Month	Total Payment	Interest @ 6.5%	Principal Payment	Loan Balance	Billing Period	Totals Report
01/31/06	\$ 3,162.50	\$ 640.66	\$ 2,521.84	\$ 72,427.51	Dec-05	Billing \$ 3,162.50
02/28/06	\$ 3,114.50	\$ 392.32	\$ 2,722.18	\$ 69,705.33	Jan-06	Billing \$ 3,156.50
03/31/06	\$ 3,156.50	\$ 377.57	\$ 2,778.93	\$ 66,926.40	Feb-06	Billing \$ 3,114.50
04/30/06	\$ 3,138.50	\$ 362.52	\$ 2,775.98	\$ 64,150.42	Mar-06	Billing \$ 3,138.50
05/31/06	\$ 3,144.50	\$ 347.48	\$ 2,797.02	\$ 61,353.40	Apr-06	Billing \$ 3,144.50
06/30/06	\$ 3,132.50	\$ 332.33	\$ 2,800.17	\$ 58,553.23	May-06	Billing \$ 3,132.50
07/31/06	\$ 3,132.50	\$ 317.16	\$ 2,815.34	\$ 55,737.89	Jun-06	Billing \$ 3,132.50
08/31/06	\$ 3,144.50	\$ 301.91	\$ 2,842.59	\$ 52,895.31	Jul-06	Billing \$ 3,144.50
09/30/06	\$ 3,138.50	\$ 286.52	\$ 2,851.98	\$ 50,043.32	Aug-06	Billing \$ 3,138.50
10/31/06	\$ 3,141.80	\$ 271.07	\$ 2,870.73	\$ 47,172.59	Sep-06	Billing \$ 3,141.80
11/30/06	\$ 3,129.80	\$ 255.52	\$ 2,874.28	\$ 44,298.31	Oct-06	Billing \$ 3,129.80
12/31/06	\$ 3,129.80	\$ 239.95	\$ 2,889.85	\$ 41,408.46	Nov-06	Billing \$ 3,129.80
01/31/07	\$ 3,140.10	\$ 224.30	\$ 2,915.80	\$ 38,492.65	Dec-06	Billing \$ 3,140.10
02/28/07	\$ 3,140.10	\$ 208.50	\$ 2,931.60	\$ 35,561.06	Jan-07	Billing \$ 3,140.10
03/31/07	\$ 3,100.00	\$ 192.62	\$ 2,907.38	\$ 32,653.68	Feb-07	Billing
04/30/07	\$ 3,100.00	\$ 176.87	\$ 2,923.13	\$ 29,730.55	Mar-07	Billing
05/31/07	\$ 3,100.00	\$ 161.04	\$ 2,938.96	\$ 26,791.59	Apr-07	Billing
06/30/07	\$ 3,100.00	\$ 145.12	\$ 2,954.88	\$ 23,836.71	May-07	Billing
07/31/07	\$ 3,100.00	\$ 129.12	\$ 2,970.88	\$ 20,865.83	Jun-07	Billing
08/31/07	\$ 3,100.00	\$ 113.02	\$ 2,986.98	\$ 17,878.85	Jul-07	Billing
09/30/07	\$ 3,100.00	\$ 96.84	\$ 3,003.16	\$ 14,875.70	Aug-07	Billing
10/31/07	\$ 3,100.00	\$ 80.58	\$ 3,019.42	\$ 11,856.27	Sep-07	Billing
11/30/07	\$ 3,100.00	\$ 64.22	\$ 3,035.78	\$ 8,820.49	Oct-07	Billing
12/31/07	\$ 3,100.00	\$ 47.78	\$ 3,052.22	\$ 5,768.27	Nov-07	Billing
01/31/08	\$ 3,100.00	\$ 31.24	\$ 3,068.76	\$ 2,699.52	Dec-07	Billing
02/29/08	\$ 3,100.00	\$ 14.62	\$ 3,085.38	\$ (385.86)	Jan-08	Billing
03/31/08	\$ 147.92	\$ (2.09)	\$ 150.01	\$ (535.87)	Feb-08	Billing
Totals for 2006		\$ 4,125.01	\$ 33,540.89	\$ 41,408.46		\$40,783.60

SCHEDULE A
COMPARATIVE BALANCE SHEETS
Liabilities and Other Credits

Line No.	Acct. No.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		CORPORATE CAPITAL AND SURPLUS			
2	201	Common stock	9	14,000	14,000
3	204	Preferred stock	9		
4	211	Other paid-in capital	9	22,470	8,432
5	215	Retained earnings	10	164,978	165,951
6		Total corporate capital and retained earnings		201,448	188,383
7		PROPRIETARY CAPITAL			
8	218	Proprietary capital	10		
9	218.1	Proprietary drawings			
10		Total proprietary capital			
11		LONG TERM DEBT			
12	224	Long term debt	11	41,408	74,949
13	225	Advances from associated companies	12		
14		CURRENT AND ACCRUED LIABILITIES			
15	231	Accounts payable		11,711	37,520
16	232	Short term notes payable		66,008	23,943
17	233	Customer deposits		6,531	6,645
18	235	Payables to associated companies (UW)	12	13,778	13,388
19	236	Accrued taxes (Groundwater Pumping Surcharges)		5,507	18,000
20	237	Accrued interest			
21	241	Other current liabilities (PUC)	13	3,046	2,928
22		Total current and accrued liabilities		106,582	102,423
23		DEFERRED CREDITS			
24	252	Advances for construction	13		
25	253	Other credits	8		
26	255	Accumulated deferred investment tax credits	13		
27	282	Accumulated deferred income taxes - ACRS depreciation	13		
28	283	Accumulated deferred income taxes - other	13		
29		Total deferred credits			
30		CONTRIBUTIONS IN AID OF CONSTRUCTION			
31	271	Contributions in aid of construction	14	62,651	65,814
32	272	Accumulated amortization of contributions		21,306	19,179
33		Net contributions in aid of construction		41,345	46,635
34		Total liabilities and other credits		390,783	412,392
				(0)	

**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	\$433,241	\$ 66,349	\$ (48,637)	1,004	451,957
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	\$433,241	\$ 66,349	\$ (48,637)		\$451,957

* 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	499				499
4		Total non-depreciable plant	499				499
5		DEPRECIABLE PLANT					
6	304	Structures	8,976	3,890	(500)		12,366
7	307	Wells	19,001			(72)	18,929
8	317	Other water source plant					-
9	311	Pumping equipment	88,727			1	88,728
10	320	Water treatment plant	16,235				16,235
11	330	Reservoirs, tanks and sandpipes	17,654				17,654
12	331	Water mains	71,867	1,868	(150)	1,074	74,659
13	333	Services and meter installations	54,891	7,749	(300)		62,340
14	334	Meters	44,070	3,655	(1,440)		46,285
15	335	Hydrants	2,408	3,595	(450)		5,553
16	339	Other equipment	59,280			(1,549)	57,731
17	340	Office furniture and equipment	12,112		(8,277)	1,550	5,385
18	341	Transportation equipment	37,520	45,593	(37,520)		45,593
19		Total depreciable plant	432,742	66,349	(48,637)	1,004	451,458
20		Total water plant in service	433,241				451,957

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

New Roof of Generator Room, New Front Gate
Service Replacements
Completed Meter Replacements
Hydrant Replacements
Vehicle was traded in 2005 but not recorded

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		
2	N/A	
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	222,100	289,749	
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1)	15,620	33,541	
4	(b) Charged to Account No 272			
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	(39,273)		
11	(b) Cost of removal			
12	(c) All other debits (Footnote 3)			
13	Total debits			
14	Balance in reserve at end of year	198,447.02	323,289.52	
		521,737		
15	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE 2.62%			
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	4,206	254	(500)		3,960
2	307	Wells	19,001			(72)	18,929
3	317	Other water source plant					-
4	311	Pumping equipment	45,099	2,115			47,214
5	320	Water treatment plant	15,887	387			16,274
6	330	Reservoirs, tanks and sandpipes	5,399	421			5,820
7	331	Water mains	30,885	1,759	(150)		32,494
8	333	Services and meter installations	30,605	1,397	(300)		31,702
9	334	Meters	6,887	1,077	(1,440)		6,524
10	335	Hydrants	2,408	95	(450)		2,053
11	339	Other equipment	21,242	1,376			22,618
12	340	Office furniture and equipment	1,350	227	(8,277)		(6,700)
13	341	Transportation equipment	-	6,513		9,857	16,370
14		Total	182,969	15,619.97	(11,117)	9,785	197,256.97

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-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	1955	280	50	280	280	0	0
2								
3								
4								
5								
6							Total	

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	Lee Linden	28		
2	JC Nickel Trust	252		
3				
4				
5				
6				
7	Total number of shares	280	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	From John Chris Nickel	\$ 22,470.00
2		
3		
4	Total	\$ 22,470.00

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

Line No	Item (a)	Amount (b)
1	Balance beginning of year	165,951
2	CREDITS	
3	Net income	(973)
4	Prior period adjustments (Overstatement of County Franchise Fee)	
5	Other credits (detail)	
6	Total credits	(973)
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	bits	
15	Balance end of year	164,978

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	
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-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					
2	N/A				
3					
4	Totals				

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					
2	N/A				
3					
4	Totals				

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

Line No.	Description (a)	Balance End of Year (b)
1		
2		
3		
4		
5	als	

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

Line No.	(a)	(b)	Amount (c)
	N/A		
1	Balance beginning of year	xxxxxxxxxxxxxxxx	
2	Additions during year	xxxxxxxxxxxxxxxx	
3	Subtotal - Beginning balance plus additions during year	xxxxxxxxxxxxxxxx	
4	Charges during year:		
5	Refunds	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
6	Percentage of revenue basis		xxxxxxxxxxxxxxxx
7	Proportionate cost basis		xxxxxxxxxxxxxxxx
8	Present worth basis		xxxxxxxxxxxxxxxx
9	Total refunds		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	

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				
2	N/A			
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	\$ 48,359	\$ 48,359			
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	\$ (1,641)	\$ (1,641)			
8	Nondepreciable donated property retired	\$ -				
9	Other debits*	\$ (2,090)	\$ (2,090)			
10	Total debits	\$ -				
11	Balance end of year	\$ 44,628	\$ 44,628.00			

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

*Adjustment from prior year to the depreciation rate of 2.62%

\$ -

SCHEDULE B-1
Account No. 400 - Operating Revenues

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceeding 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			
4		460.2 Commercial and multi-residential			
5		460.3 Large water users			
6		460.5 Safe Drinking Water Bond Surcharge			
7		460.9 Other unmetered revenue			
8		Sub-total			
9	462	Fire protection revenue			
10		462.1 Public fire protection			
11		462.2 Private fire protection			
12		Sub-total			
13	465	Irrigation revenue			
14	470	Metered water revenue			
15		470.1 Single-family residential	\$ 205,141.95	\$ 197,554.47	\$ 7,587.48
16		470.2 Commercial	\$ 7,316.25	\$ 5,565.78	\$ 1,750.47
17		470.3 Large water users, School	\$ 13,176.83	\$ 12,856.06	\$ 320.77
18		470.5 Loan Surcharge	\$ 37,643.50	\$ 37,836.00	\$ (192.50)
19		470.9 GMA Surcharge	\$ 17,910.08		\$ 17,910.08
20		Sub-total	\$ 281,188.61	\$ 253,812.31	\$ 27,376.30
21		Total water service revenues	\$ 281,188.61	\$ 253,812.31	\$ 27,376.30
					\$ -
22	480	Other water revenue, PUC Fees			\$ -
23		Total operating revenues	\$ 281,188.61	\$ 253,812.31	\$ 27,376.30

SCHEDULE B-2
Account No. 401 - Operating Expenses

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceeding 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			
4	615	Power	\$ 19,965.81	\$ 16,838.27	\$ 3,127.54
5	616	Other volume related expenses	\$ 29,612.50	\$ 30,126.45	\$ (513.95)
6		Total volume related expenses	\$ 49,578.31	\$ 46,964.72	\$ 2,613.59
7		NON-VOLUME RELATED EXPENSES			
8	630	Employee labor		\$ 180.00	\$ (180.00)
9	640	Materials	\$ 2,171.49	\$ 2,675.50	\$ (504.01)
10	650	Contract work	\$ 27,459.49	\$ 23,441.90	\$ 4,017.59
11	660	Transportation expenses	\$ 7,930.16	\$ 8,894.93	\$ (964.77)
12	664	Other plant maintenance expenses	\$ 4,647.34		\$ 4,647.34
13		Total non-volume related expenses	\$ 42,208.48	\$ 35,192.33	\$ 7,016.15
14		Total plant operation and maintenance exp.	\$ 91,786.79	\$ 82,157.05	\$ 9,629.74
15		ADMINISTRATIVE AND GENERAL EXPENSES			
16	670	Office salaries			
17	671	Management salaries	\$ 22,954.52	\$ 24,062.88	\$ (1,108.36)
18	674	Employee pensions and benefits	\$ 23,416.24	\$ 17,489.40	\$ 5,926.84
19	676	Uncollectible accounts expense	\$ 658.14		\$ 658.14
20	678	Office services and rentals	\$ 7,693.27	\$ 3,709.06	\$ 3,984.21
21	681	Office supplies and expenses	\$ 782.34	\$ 2,783.09	\$ (2,000.75)
22	682	Professional services	\$ 34,688.10	\$ 35,505.51	\$ (817.41)
23	684	Insurance	\$ 3,013.00	\$ 2,988.00	\$ 25.00
24	688	Regulatory commission expense	\$ 6,589.50	\$ 2,489.18	\$ 4,100.32
25	689	General expenses	\$ 2,716.26	\$ 6,521.10	\$ (3,804.84)
26		Total administrative and general expenses	\$ 102,511.37	\$ 95,548.22	\$ 6,963.15
27	800	Expenses capitalized			
28		Net administrative and general expense	\$ 102,511.37	\$ 95,548.22	\$ 6,963.15
29		Total operating expenses	\$ 194,298.16	\$ 177,705.27	\$ 16,592.89

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	\$ 1,758.86	\$ 1,758.86	
2	State corporate franchise tax	\$ 800.00	\$ 800.00	
3	State unemployment insurance tax		\$ -	
4	Other state and local taxes (Franchise)	\$ 4,319.53	\$ 4,319.53	
5	Federal unemployment insurance tax	\$ 4,364.70	\$ 4,364.70	
6	Federal insurance contributions act		\$ -	
7	Other federal taxes		\$ -	
8	Federal income taxes		\$ -	
9			\$ -	
10				
11	Totals	\$ 11,243.09	\$ 11,243.09	

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	\$ (972.96)
2	Reconciling amounts (list first additional income and unallowable deductions,	
3	followed by additional deductions and non-taxable income):	
4		
5		
6		
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	GMAC Truck	\$ 1,331.13
2	Santa Barbara Bank and Trust	\$ 4,057.54
3	Interest on Customer Deposits	\$ 35.70
4	Refinanced Loan JC Nickel	\$ 4,125.01
5		
6		
7		
8		
9		
10	Total	\$ 9,549.38

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	1	\$ -		\$ -
2	670	Office salaries	Contracted			\$ -
3	671	Management salaries	1	\$ 22,954.52		\$ 22,954.52
4						\$ -
5						
6		Total	2	\$ 22,954.52	\$ -	\$ 22,954.52

**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								
2			N/A					
3								
4								
5								
6								
7	Total							

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

Line No.	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.	
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)	
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 \$	\$ 22,954.52
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	\$ 22,954.52
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	\$ 22,954.52
21	Number and Title of Account	Amount
22		\$
23	671 Management Salaries	\$ 22,954.52
24		\$
25	Total	\$ 22,954.52
26	12. What relationship, if any, exists between respondent and supervisory and/or managing concerns?	
27		
* 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.		

**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		N/A						
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	#2	Reservoir		16"	64.2'		1,150	
7	#3	End of Cortez		14"	60.4'		608	
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		N/A						
13								
14								
15								
Purchased Water for Resale								
16	Purchased from							
17	Annual Quantities purchased					(Unit chosen) 1		
18								
19	N/A							
<p>* 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.</p>								

**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	4	60,000 Gallons	2ea 20,000 & 2 ea 10,000
12	Concrete			
13	Totals	4	60,000 Gallons	

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								
2	Flume								
3	Lined conduit								
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								
7	Flume								
8	Lined conduit								
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						11,650		4,100	3,950
19	Welded steel									
20	Wood									
21	Other (specify)									
22	Totals						11,650	-	4,100	3,950

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	650							20,350
31	Welded steel	375							375
32	Wood								
33	Other (specify)								
34	Totals	1,025	-	-	-	-	-	-	20,725

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

Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior	Current	Prior	Current
	Year	Year	Year	Year
Single family residential	513	513		
Commercial and Multi-resi	6	6		
Large water users	1	1		
Public authorities				
Irrigation				
Other (specify)				
Subtotal	520	520		
Private fire connections	3	3		
Public fire hydrants			32	32
Total	523	523	32	32

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

Size	Meters	Services
3/8 x 3/4 - in		xxxxxxxxxxxx
3/4 - in	515	515
1 - in	3	3
1.5 - in	1	1
2 - in		0
3 - in	1	1
- in		
- in		
Other		
Total	520	520

**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 2005 (Unit Chosen) HCF**

Classification of Service	During Current Year							Subtotal
	January	February	March	April	May	June	July	
Single-family residential	5,759	6,833	5,392	6,819	8,056	8,844	12,575	54,278
Commercial and Multi-residential	90	137	123	148	146	156	193	993
Large water users	140	244	439	772	1,037	1,070	1,241	4,943
Public authorities								-
Irrigation								-
Other (specify)								-
Total	5,989	7,214	5,954	7,739	9,239	10,070	14,009	60,214
Classification of Service	During Current Year						Subtotal	Total Prior Year
	August	September	October	November	December	Subtotal		
Single-family residential	9,390	10,778	7,710	8,131	7,769	43,778	98,056	98,459
Commercial and Multi-residential	143	175	153	209	184	864	1,857	2,111
Large water users	985	1,336	658	824	843	4,646	9,589	9,730
Public authorities						-		
Irrigation						-		
Other (specify)						-		
Total	10,518	12,289	8,521	9,164	8,796	49,288	109,502	110,300

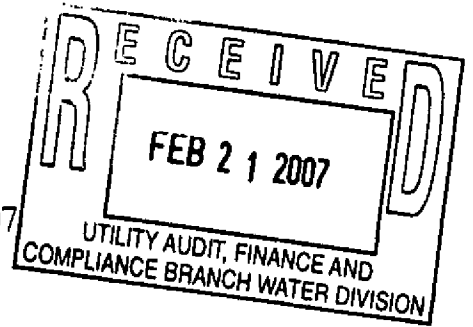
¹Quantity units to be in hundreds of cubic feet, thousands of gallons, acre-feet, or miner's inch-days.

Total acres irrigated None

Total population served 2,200

FRANK B & ASSOCIATES

WATER MANAGEMENT CONSULTING



February 15, 2007

California Public Utilities Commission
Attn. Kayode Kajopaiye
505 Van Ness Avenue, Room 3105
San Francisco, CA 94102

Subject: Annual Report Rio Plaza Water Company, Inc.

Attached is the annual report for the Rio Plaza Water Company for 2006. A second copy has been sent with Advice Letter 45-W for COLA adjustment and DHS annual fee recovery.

Should you have any question please call me at 805-525-4200

Sincerely,

A handwritten signature in cursive script that reads "Frank Brommenschenkel".

Frank Brommenschenkel
Frank B & Associates