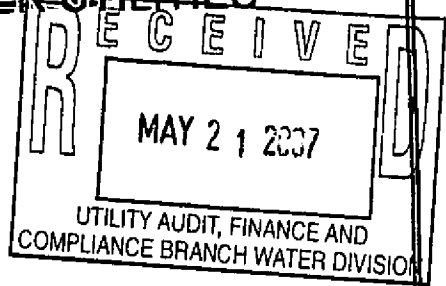


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Received _____
Examined _____

SEWER UTILITIES



U# _____

**2006
ANNUAL REPORT
OF**

Rolling Green Utilities, Inc. - Sewer Division

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

139 Elmcrest Street, Big Pine, CA 93513

(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)

CLASS D SEWER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

Rolling Green Utilities, Inc. Sewer Division

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

139 Elmcrest Street, Big Pine, CA 93513

(Official mailing address)

Big Pine, Inyo County

(Service area-town and county)

GENERAL INFORMATION

**RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES**

- 1 If a corporation show:
 (A) Date of organization 3/29/1965 incorporated in the State of California
 (B) Names, titles and addresses of principal officers: Don Kanen, VP, PO Box 995 Alamosa, CO 81101; Arnold Peterson, GM 139 Elmcrest St, Big Pine, CA 93513, Kathy Peterson, Sec. 139 Elmcrest St. Big Pine, CA 93513
- 2 If unincorporated give the name and address of owner or of each partner:

- 3 Name and telephone number of:
 (A) One person listed above to receive correspondence: Kathy Peterson 760-938-3311
 (B) Person responsible for operations and services: Arnold Peterson 760-938-3311
- 4 Were any contracts or agreements in effect with any organization or person covering service, supervision and/or management of your business affairs during the year? (Yes or No)
 If so, what was the nature and the amount of each payment made under the agreement, to whom were payments made, and to what account was each payment charged?
- 5 State the names of associated companies or persons which, directly or indirectly, or through one or more intermediaries, control, or are controlled by, or are under common control with respondent:

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		4-Dec

- 11 List Name, Grade, and License Number of all Licensed Operators:

SELECTED FINANCIAL DATA - CLASS D SEWER COMPANIES
2006

NAME OF UTILITY Rolling Green Utilities, Inc. Sewer

PHONE 760-938-3311

PERSON RESPONSIBLE FOR THIS REPORT Frank Brommenschenkel, Consultant
(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	\$ 8,608	\$ 8,608	\$ 8,608
3 Depreciable Plant	\$ 180,654	\$ 180,709	\$ 180,682
4 Gross Plant in Service	\$ 189,262	\$ 189,317	\$ 189,290
5 Less: Accumulated Depreciation	\$ (154,817)	\$ 163,491	\$ 4,337
6 Net Water Plant in Service	\$ 34,445	\$ 25,826	\$ 30,135
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	\$ 34,445	\$ 25,826	\$ 30,135
CAPITALIZATION			
14 Common Stock			\$ -
15 Proprietary Capital (Individual or Partnership)			\$ -
16 Paid-in Capital			\$ -
17 Retained Earnings	\$ (104,037)	\$ (101,072)	\$ (102,555)
18 Common Stock and Equity (Lines 14 through 17)	\$ (104,037)	\$ (101,072)	\$ (102,555)
19 Preferred Stock			\$ -
20 Long-Term Debt			\$ -
21 Notes Payable	\$ 46,506	\$ 41,880	\$ 44,193
22 Total Capitalization (Lines 18 through 21)	\$ (57,531)	\$ (59,193)	\$ (58,362)

(Revised 10/97)

NAME OF UTILITY Rolling Green Utilities, Inc. Sewer

PHONE 760-938-3311

Annual
Amount

INCOME STATEMENT

23	Unmetered Revenue	<u>\$ 83,074</u>
24	Metered Revenue	
25	Total Operating Revenue	<u>\$ 83,074</u>
26	<u>Operating Expenses</u>	<u>\$ 64,030</u>
27	Depreciation Expense (Composite Rate _____)	<u>\$ 4,337</u>
28	Amortization and Property Losses	
29	Property Taxes	<u>\$ 2,305</u>
30	Taxes Other Than Income Taxes	<u>\$ 3,272</u>
31	Total Operating Revenue Deduction Before Taxes	<u>\$ 73,944</u>
32	California Corp. Franchise Tax	<u>\$ 1,681</u>
33	Federal Corporate Income Tax	
34	Total Operating Revenue Deduction After Taxes	<u>\$ 75,625</u>
35	Net Operating Income (Loss) - California Water Operations	<u>\$ 7,449</u>
36	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	
37	Income Available for Fixed Charges	
38	Interest Expense	<u>\$ (3,341)</u>
39	Net Income (Loss) Before Dividends	
40	Preferred Stock Dividends	
41	Net Income (Loss) Available for Common Stock	<u>\$ 4,108</u>

OTHER DATA

42	Refunds of Advances for Construction	
43	Total Payroll Charged to Operating Expenses	<u>\$ 30,348</u>
44	Purchased Water	
45	Power	<u>\$ -</u>

Active Service Connections (Exc. Fire Protect.) _____

	Jan. 1	Dec. 31	Annual Average
46 Metered Service Connections			0
47 Flat Rate Service Connections	280	280	280
48 Total Active Service Connections	280	280	280

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2006)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Plant in service	\$ 189,317	201	Common Stock (Corporations only)	
2	103	Plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Plant purchased or sold		215	Retained earnings	\$ (101,072)
4	105	Plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of plant	\$ (163,491)	224	Long term debt	\$ 41,880
6	114	Plant acquisition adjustments			Current Liabilities	\$ 8,370
7	124	Other investments		252	Advances for construction	
8	131	Cash	\$ 5,358	253	Other deferred credits	\$ 85,601
9	141	Accounts receivable - customers	\$ 3,052	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies			Inter-departmental accounts payable	
12	174	Other current assets	\$ 543	283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets	\$ 34,779		Total Equity and Liabilities	\$ 34,779

SCHEDULE B - SEWER 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	\$ 8,608				\$ 8,608
18	304	Structures	\$ 2,325				\$ 2,325
19	307	Sewer System	\$152,969				\$ 152,969
20	317	Other source plant					\$ -
21	311	Pumping equipment	\$ 257				\$ 257
22	320	Treatment plant					\$ -
23	330	Reservoirs					\$ -
24	331	Mains					\$ -
25	333	Services and meter installations					\$ -
26	334	Meters					\$ -
27	339	Other equipment	\$ 13,696				\$ 13,696
28	340	Office furniture and equipment	\$ 9,708				\$ 9,708
29	341	Transportation equipment	\$ 1,754				\$ 1,754
30		Total Plant in service	\$189,317	\$ -	\$ -	\$ -	\$ 189,317

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

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Account 106 Plant	
32	Balance in reserves at beginning of year	\$159,154	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	\$ 4,337	
35	(b) Charged to Account No. 272		
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	\$ 4,337	covered by this report \$
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	\$163,491	
46	(1) Explanation of all other credits		
47	(2) Explanation of all other debits		

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2006)

Line				List persons owning more than 5% of outstanding stock and number of shares owned by each:
1	Common - (Shares	, \$	par)	
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	D.W. Night & Sons	1965	Sep-08	\$ 73,555	\$ 41,880	11%	\$ 4,606.80	
6								
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxxx	
10	460 Unmetered revenue	\$ 79,721	
11	470 Metered revenue		
12	480 Other revenue	\$ 3,353	
13	Total Operating Revenue	\$ 83,074	
14	Operating revenue deductions	xxxxxxxxxxx	
15	Operating expenses	xxxxxxxxxxx	
16	610 Purchased water		
17	615 Power		
18	618 Other volume related expenses		
19	630 Employee labor	\$ 6,263	
20	640 Materials	\$ 1,013	
21	650 Contract work	\$ 87	
22	660 Transportation expenses	\$ 4,621	
23	664 Other plant maintenance expense	\$ 382	
24	670 Office salaries	\$ 4,085	
25	671 Management salaries	\$ 20,000	
26	674 Employee pensions and benefits	\$ 8,088	7500
27	676 Uncollectible accounts expense	\$ 831	
28	678 Office services and rentals	\$ 1,522	
29	681 Office supplies and expense	\$ 3,084	
30	682 Professional services	\$ 2,888	
31	684 Insurance	\$ 3,014	
32	688 Regulatory commission expense	\$ 5,020	2000
33	689 General expenses	\$ 3,133	
34	Total Operating Expenses	\$ 64,030	
35	403 Depreciation expense	\$ 4,337	
36	408 Taxes other than income taxes	\$ 5,577	
37	409 State corporate income tax expense	\$ 1,681	
38	410 Federal corporate income tax expense		
39	Total Operating Revenue Deductions	\$ 75,625	
40	Utility Operating Income	\$ 7,449	
41	421 Non-utility income		
42	426 Miscellaneous non-utility expense		
43	427 Interest expense	\$ (3,341)	
44	Net Income	\$ 4,108	

SCHEDULE G - 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
45	630	Employee Labor	1	\$ 6,263		\$ 6,263
46	670	Office salaries	2	\$ 4,085		\$ 4,085
47	671	Management salaries	1	\$ 20,000		\$ 20,000
48		Total	4	\$ 30,348		\$ 30,348

SCHEDULE H - 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 I - TOTAL METERS AND SERVICES (active and inactive)

Size	Meters	Services
-in		
-in		
-in		
-in		
-in		
Total		

SCHEDULE J - METER-TESTING DATA

Number of meters tested during year	
1	Used, before repair.....
2	Used, after repair
3	Fast, requiring refund

SCHEDULE K - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences		280	280					280
Industrial			0					
Other (specify)			0					
Total		280	280					280

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

SCHEDULE L - STORAGE FACILITIES

SCHEDULE M - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)


Description	No.	Combined capacity in gallons	Description	2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)		Totals
				6"					
Concrete			Cast Iron						
Earth			Welded steel						
Wood			Standard screw						
Steel			Cement-asbestos						
Other			Plastic				2,000		
			Other (specify)						
			Transite				2,000		
Total			Total				4,000		4,000

DECLARATION

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

I, the undersigned (officer, partner or owner) of **General Manager, Arnie Anderson of Rolling Green Utilities, 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 January 1, 2006, to and including December 31, 2006


 Signed
 General Manager
 Title
 5-15-07
 Date