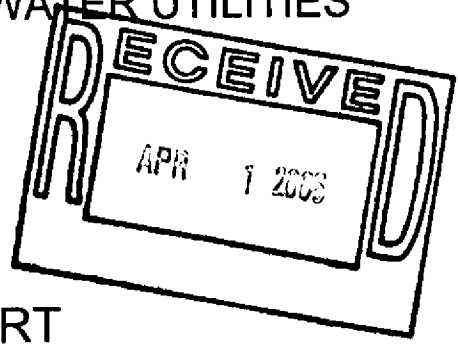


J4

Received _____
Examined _____

CLASS D
WATER UTILITIES



U# 405-WTD

2004
ANNUAL REPORT
OF

SIERRA CITY WATER WORKS, INC

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

732 BUTLER STREET

GRASS VALLEY, CALIFORNIA

(OFFICIAL MAILING ADDRESS)

95945

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2004

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2005
(FILE TWO COPIES IF THREE RECEIVED)

Account Number	Operating Revenue	
470	Metered	17,112
460	Unmetered	9,763
465	Irrigation	
462-480	Private Fire Protection	2,670
	Total Revenue	29,544
	Operating Expenses	
610	Purchased Water	
615	Purchased Power	
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	
630	Employee Labor	
640	Materials	4,411
650	Contract Work	450
	Water Testing	601
660	Transportation Expense	7,421
664	Other Plant Maintenance	1,077
670	Office Salaries	
671	Management Salaries	
674	Employee Pensions and Benefits	
676	Uncollectables	
678	Office Service and Rentals	754
681	Office Supplies and Expense	1,535
682	Professional Services	850
684	Insurance	1,996
688	Regulatory Expense	779
689	General Expense	666
	Subtotal	20,540
403	Depreciation Expense	7,675
	Ad Valorem Taxes	
	Payroll taxes	
408	Taxes other than income	927
409	State Income Tax	800
410	Federal Income Tax	
	Total Deductions	29,942
	Net Revenue	(398)

	Rate Base	
	Average Plant	158,393
	Average Depreciation Reserve	158,393
	Net Plant	85,419
	Less: Advances	1,450
	Less: Contributions	
	Plus: Construction Work in Progress	
	Plus: Working Cash	697
	Plus: Material & Supplies	4,000
	Rate Base	88,666
	ROR=Net Rev/Rate Base	-0.45%

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

SIERRA CITY WATER WORKS, INC

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

732 BUTLER STREET

(Official mailing address)

GRASS VALLEY, CALIFORNIA 95959

SIERRA COUNTY

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

1 If a corporation show:

(A) Date of organization 01/06/88 incorporated in the State of CALIFORNIA

(B) Names, titles and addresses of principal officers: CHARLES K. SMITH, PRESIDENT AND WINBETH SMITH
VICE PRESIDENT. 732 BUTLER STREET, GRASS VALLEY, CALIFORNIA

2 If unincorporated give the name and address of owner or of each partner: N/A

3 Name and telephone number of:

(A) One person listed above to receive correspondence: CHARLES K. SMITH, 530-273-6447

(B) Person responsible for operations and services: CHARLES K. SMITH

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: 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	1999
X		
X		04/25/96

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

SPECIAL INSTRUCTIONS (over)

NAME OF UTILITY SIERRA CITY WATER WORKS, INCPHONE 530-273-6447PERSON RESPONSIBLE FOR THIS REPORT CONNIE STONE, CPA

(Prepared from Information in the 20__ Annual Report)

	01/01/04	12/31/04	Average
BALANCE SHEET DATA			
1 Intangible Plant	0		
2 Land and Land Rights	37,541	37,541	37,541
3 Depreciable Plant	204,228	208,312	206,270
4 Gross Plant in Service	241,769	245,853	243,811
5 Less: Accumulated Depreciation	154,555	162,230	158,393
6 Net Water Plant in Service	87,214	83,623	85,419
7 Water Plant Held for Future Use			
8 Construction Work in Progress			
9 Materials and Supplies	5,500	4,000	4,750
10 Less: Advances for Construction	0	1,450	725
11 Less: Contribution in Aid of Construction	()	()	()
12 Less: Accumulated Deferred Income and Investment Tax Credits	()	()	()
13 Net Plant Investment	92,714	87,623	90,169
CAPITALIZATION			
14 Common Stock	1,000	1,000	1,000
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			
17 Retained Earnings	(66,867)	(66,507)	(66,687)
18 Common Stock and Equity (Lines 14 through 17)			
19 Preferred Stock			
20 Long-Term Debt	165,931	162,200	164,066
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	100,064	96,693	98,379

(Revised 2/01)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
20004

NAME OF UTILITY SIERRA CITY WATER WORKS, IN PHONE 530-273-6447

	Annual Amount
INCOME STATEMENT	
23 Unmetered Water Revenue	9,763
24 Fire Protection Revenue	2,670
25 Irrigation Revenue	17,112
26 Metered Water Revenue	29,544
27 Total Operating Revenue	<u> </u>
28 <u>Operating Expenses</u>	<u>20,540</u>
29 Depreciation Expense (Composite Rate _____)	<u>7,675</u>
30 Amortization and Property Losses	<u> </u>
31 Property Taxes	<u>927</u>
32 Taxes Other Than Income Taxes	<u> </u>
33 Total Operating Revenue Deduction Before Taxes	<u>29,142</u>
34 California Corp. Franchise Tax	<u>800</u>
35 Federal Corporate Income Tax	<u> </u>
36 Total Operating Revenue Deduction After Taxes	<u>29,942</u>
37 Net Operating Income (Loss) - California Water Operations	<u>(398)</u>
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u>36</u>
39 Income Available for Fixed Charges	<u>(362)</u>
40 Interest Expense	<u>0</u>
41 Net Income (Loss) Before Dividends	<u>(362)</u>
42 Preferred Stock Dividends	<u>0</u>
43 Net Income (Loss) Available for Common Stock	<u>(362)</u>

OTHER DATA		
44 Refunds of Advances for Construction		<u>0</u>
45 Total Payroll Charged to Operating Expenses		<u>0</u>
46 Purchased Water		<u>0</u>
47 Power		<u>0</u>

<u>Active Service Connections</u>	(Exc. Fire Protect.) _____	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections		30	35	33
49 Flat Rate Service Connections		47	47	47
50 Total Active Service Connections		77	82	80

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 company's 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 2001.

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											

**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: N/A

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: _____

6. Plant amounts included in Schedule A, Account No. 101--Water Plant in Service which were funded using SDWBA funds: N/A

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					

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2004)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	245,731	201	Common Stock (Corporations only)	1,000
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	(67,227)
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(162,230)	224	Long term debt	162,200
6	114	Water plant acquisition adjustments			Current Liabilities	
7	124	Other investments		252	Advances for construction	1,450
8	131	Cash	9,442	253	Other deferred credits	
9	141	Accounts receivable - customers	480	255	Accumulated deferred investment tax	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes -	
11	151	Materials and supplies	4,000		depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes -	
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributi	
15		Total Assets	97,423		Total Equity and Liabilities	97,423

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	PRI Additions During year	PRI Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant					
17	303	Land	37,541				37541
18	304	Structures					
19	307	Wells					
20	317	Other water source plant	33,512				33512
21	311	Pumping equipment					
22	320	Water treatment plant					
23	330	Reservoirs tanks and sandpipes	53,805				53805
24	331	Water mains	38,212				38212
25	333	Services and meter installations					
26	334	Meters	8,352				8352
27	335	Hydrants	18,100				18100
28	339	Other equipment	9,701	4085			13786
29	340	Office furniture and equipment	4,430				4430
30	341	Transportation equipment	38,115				38115
31		Total water plant in service	241,768	4085			245853

* 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 108.1 SDWBA Loans	
32	Balance in reserves at beginning of year	154,555		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	7,675		
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	7,675		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	0		
45	Balance in reserve at end of year	162,230		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2004)

Line				
1	Common - (Shares	\$1	par)	1,000
2	Preferred - (Shares	\$	par)	
3	Dividends - Common	Rate - \$		CHARLES K SMITH 50%
4	- Preferred	Rate - \$		WINBETH SMITH 50%

SCHEDULE E - LONG TERM DEBT

	Class	Date of Issue	Date of Maturity	Principal Amount	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	9762
11	462 Fire protection revenue	2670
12	465 Irrigation revenue	
13	470 Metered water revenue	17112
14	480 Other water revenue	
15	Total Operating Revenue	29544
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	
19	615 Power	
20	618 Other volume related expenses	
21	630 Employee labor	
22	640 Materials	4411
23	650 Contract work	450
24	660 Transportation expenses	7421
25	664 Other plant maintenance expense	1077
26	670 Office salaries	
27	671 Management salaries	
28	674 Employee pensions and benefits	
29	676 Uncollectible accounts expense	
30	678 Office services and rentals	754
31	681 Office supplies and expense	1535
32	682 Professional services	850
33	684 Insurance	1996
34	688 Regulatory commission expense	779
35	689 General expenses	1267
36	Total Operating Expenses	20,540
37	403 Depreciation expense	7675
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	927
40	409 State corporate income tax expense	800
41	410 Federal corporate income tax expense	0
42	Total Operating Revenue Deductions	29942
43	Utility Operating Income	
44	421 Non-utility income	36
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	
47	Net Income	-362

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) Diversions		Annual quantities diverted (Unit)
	Claim	Capacity	Max	Min	
SHUBERT WATER RIGHT			170	5	136
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	N/A Account	Number of employees	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries & Wages Paid
48	630	Employee Labor				
49	670	Office salaries				
50	671	Management salaries				
51		Total				