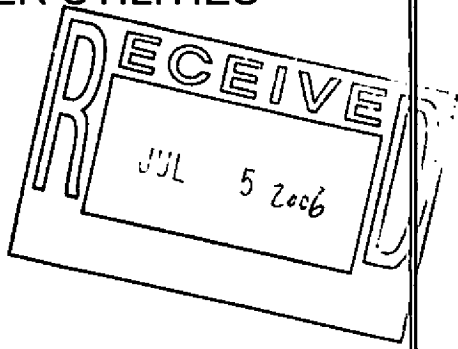


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**CLASS D
WATER UTILITIES**

U# _____



**2005
ANNUAL REPORT
OF**

**Spreckels Consolidated Industries, DBA
Spreckels Water Company**

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

140 John James Audubon Parkway, Amherst, NY 14228
(OFFICIAL MAILING ADDRESS) ZIP

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2005**

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2006
(FILE TWO COPIES IF THREE RECEIVED)

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

Spreckels Consolidated Industries dba Spreckels Water Company
 (Name under which corporation, partnership or individual is doing business)

140 John James Audubon Parkway, Amherst, NY 14228
 (Official mailing address)

Town of Spreckels, County of Monterey
 (Service area-town and county)

GENERAL INFORMATION

**RETURN ORIGINAL
 TO COMMISSION
 NO PHOTOCOPIES**

- 1 If a corporation show:
 (A) Date of organization 9/2/1986 incorporated in the State of Delaware
 (B) Names, titles and addresses of principal officers: Timothy T Tevens, President; Karen T Howard, Treasurer;
 Timothy R Harvey, Secretary. Address: 140 John James Audubon Parkway, Amherst, NY 14228
- 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: **Timothy R. Harvey - 716-689-5400**
 (B) Person responsible for operations and services: **California Water Service Company**
Michael L. Jones, Assistant District Manager 831-769-9713, Local Contact
Calif. Water Service is under contract with Spreckels for systems operations since 9/1/1996
- 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) YES
 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		9/20/1995
X		2/7/1996
X		12/28/1995
		N/A
		N/A

SPECIAL INSTRUCTIONS (over)

SPECIAL INSTRUCTIONS

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2005

NAME OF UTILITY Spreckels Water Company

PHONE 805-525-4200

PERSON RESPONSIBLE FOR THIS REPORT: Frank Brommenschenkel, Consultant

(Prepared from Information in the 1995 Annual Report & Resolution W-3742)

	12/31/1995 RES W-3742	12/31/2005	Average
BALANCE SHEET DATA			
1 Intangible Plant			\$ -
2 Land and Land Rights			\$ -
3 Depreciable Plant	\$ 199,196	\$ 199,196	\$ 199,196
4 Gross Plant in Service	\$ 199,196	\$ 199,196	\$ 199,196
5 Less: Accumulated Depreciation	\$ 143,887	\$ 148,155	\$ 146,021
6 Net Water Plant in Service	\$ 55,309	\$ 51,041	\$ 53,175
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	\$ 55,309	\$ 51,041	\$ 53,175
CAPITALIZATION			
14 Common Stock	\$ 31,807	\$ 31,807	\$ 31,807
15 Proprietary Capital (Individual or Partnership)			\$ -
16 Paid-in Capital	\$ 51,551	\$ 10,656	\$ 31,104
17 Retained Earnings	\$ 37,511	\$ 8,578	\$ 23,045
18 Common Stock and Equity (Lines 14 through 17)	\$ 120,869	\$ 51,041	\$ 85,955
19 Preferred Stock			\$ -
20 Long-Term Debt		\$ -	\$ -
21 Notes Payable		\$ -	\$ -
22 Total Capitalization (Lines 18 through 21)	\$ 120,869	\$ 51,041	\$ 85,955

(Revised 10/97)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2005

NAME OF UTILITY Spreckels Water Company

PHONE 805-525-4200

INCOME STATEMENT

		Annual Amount
23	Unmetered Water Revenue	\$ 74,799
24	Fire Protection Revenue	
25	Other Water Revenue	\$ 1,037
26	Metered Water Revenue	\$ -
27	Total Operating Revenue	\$ 75,836
28	<u>Operating Expenses</u> (Under contract with California Water Service Company)	\$ 70,774
29	Depreciation Expense (Composite Rate 1.7%)	\$ 4,268
30	Amortization and Property Losses	\$ -
31	Property Taxes	
32	Taxes Other Than Income Taxes	\$ 794
33	Total Operating Revenue Deduction Before Taxes	\$ 75,836
34	California Corp. Franchise Tax	\$ -
35	Federal Corporate Income Tax	\$ -
36	Total Operating Revenue Deduction After Taxes	\$ 75,836
37	Net Operating Income (Loss) - California Water Operations	\$ (0)
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense) Non Util Income	
39	Income Available for Fixed Charges	
40	Interest Expense	\$ -
41	Net Income (Loss) Before Dividends	\$ (0)
42	Preferred Stock Dividends	
43	Net Income (Loss) Available for Common Stock	\$ (0)

OTHER DATA

44	Refunds of Advances for Construction	
45	Total Payroll Charged to Operating Expenses	\$ -
46	Purchased Water	\$ -
47	Power	\$ 1,106

	<u>Active Service Connections</u> (Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48	Metered Service Connections	3	3	3
49	Flat Rate Service Connections	209	209	209
50	Total Active Service Connections	212	212	212

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2005)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	\$ 199,196	201	Common Stock (Corps only)	\$ 32,807
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	\$ 10,656
3	104	Water plant purchased or sold		215	Retained earnings	\$ 8,578
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	\$ (148,155)	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 (Interest)		283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	
14		Accrue Interest		272	Accumulated amortization of contributions	
15		Total Assets	\$ 51,041		Total Equity and Liabilities	\$ 52,041

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	\$ 2,555				\$ 2,555
19	307	Wells	\$ 6,393				\$ 6,393
20	317	Other water source plant					\$ -
21	311	Pumping equipment	\$ 19,572				\$ 19,572
22	320	Water treatment plant					\$ -
23	330	Reservoirs tanks and sandpipes	\$ 15,943				\$ 15,943
24	331	Water mains	\$ 130,664				\$ 130,664
25	333	Services and meter installations	\$ 18,972				\$ 18,972
26	334	Meters	\$ 461				\$ 461
27	335	Hydrants	\$ 4,418				\$ 4,418
28	339	Other equipment	\$ 219				\$ 219
29	340	Office furniture and equipment					\$ -
30	341	Transportation equipment					\$ -
31		Total water plant in service	\$ 199,196	\$ -	\$ -		\$ 199,196

* 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 '95	\$ 101,203		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	\$ 4,268		2.1%
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 (1996 to 2005)	\$ 42,684		your federal income tax return for the year
39	Total credits	\$ 46,952		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			S/L
45	Balance in reserve at end of year	\$ 148,155	\$ -	
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2005)

Line				
1	Common - (Shares 383	\$83.046 par	\$ 31,807	List persons owning more than 5% of outstanding stock and number of shares owned by each: N/A
2	Common - (Shares 1,000)	\$1 Par	\$ 1,000	
3	Dividends - Common	Rate - \$		
4	- Preferred	Rate - \$ Total	\$ 32,807	

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	\$ 74,799
11	462 Fire protection revenue	
12	465 CPUC Fee	\$ 1,037
13	470 Metered water revenue	
14	480 Other water revenue	
15	Total Operating Revenue	\$ 75,836
16	Operating revenue deductions	XXXXXXXXXX
17	Operating expenses (DHS Fees)	
18	610 Purchased water	
19	615 Power	\$ 1,106
20	618 Other volume related expenses	
21	630 Employee labor	\$ 6,333
22	640 Materials	
23	650 Contract work (Return on Service Provided)	\$ 39,516
24	660 Transportation expenses	
25	664 Other plant maintenance expense	\$ 524
26	670 Office salaries	
27	671 Management salaries	
28	674 Employee pensions and benefits	
29	676 Uncollectible accounts expense	\$ 1,702
30	678 Office services and rentals	\$ 4,536
31	681 Office supplies and expense	\$ 9,438
32	682 Professional services	
33	684 Insurance	\$ 1,375
34	688 Regulatory commission expense	
35	689 General expenses	\$ 6,244
36	Total Operating Expenses	\$ 70,774
37	403 Depreciation expense	\$ 4,268
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	\$ 794
40	409 State corporate income tax expense	
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deduction	\$ 75,836
43	Utility Operating Income	\$ (0)
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	\$ -
47	Net Income	\$ (0)

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
Spreckels BL	1	12	80	400	6,831 AF
Spreckels BL	2	16	96	250	261.472 AF
				Total '04	268.034 AF
				Total '05	174.01 AF

OTHER

Streams or springs location of diversion point	Flow in		(Unit)		Annual quantities diverted
	Priority right		Diversions		
	Claim	Capacity	Max	Min	(Unit)
N/A					N/A
Purchased water (unit)					Annual quantity
Supplier:					
					N/A

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	July		
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total			Not Available

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	0	\$ -		\$ -

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	\$ -
Additions during year	
Subtotal - Beginning balance plus additions during year	N/A
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
3/4 x 3/4-in		9
1/4-in		0
1-in		196
1.5-in		
2-in	1	3
3+4-in	2	1
Total	3	209

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year	0
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 Primary		176	176			0		176
Secondary		21	21			0		21
Industrial/Commerical	3	3	6	1		1	4	3
Other (specify) Public & Farm		9	9			0		9
			0			0		
Subtotal	3	209	212	1		1	4	209
Fire protection (Hydrants)		26	26			0		26
Total	3	235	238	1		1	4	235

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"	Other sizes (specify)		Totals
							6"	8"	
Concrete			Cast Iron		2814	4299	3,607	90	10,810
Earth			Welded steel						-
Wood			Standard screw	1,825	526				2,351
Steel			Cement-asbestos			254			254
Other			Plastic	13,650	540	205	380	520	15,295
			Other (specify)						-
			Other (specify)						-
			Copper						-
Total	N/A	-	Total	15,475	3,680	4,758	4,187	610	28,710

DECLARATION

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

I, the undersigned (officer, partner or owner) of **Timothy Harvey** (Name of utility), **Spreckels Water Company** 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, 2005, to and including December 31, 2005


 Signed **Owner** *per Timothy Harvey*
 Title **Secretary**
 Date *6/30/06*