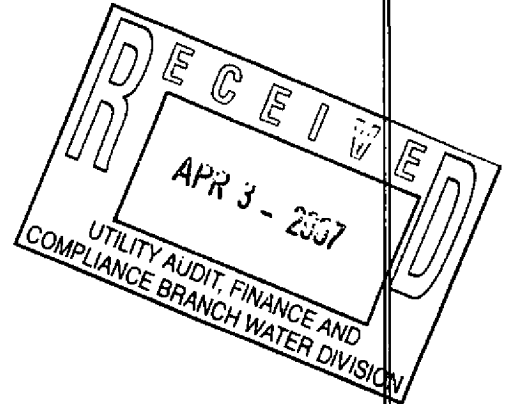


Received \_\_\_\_\_  
Examined \_\_\_\_\_

CLASS D  
WATER UTILITIES

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

2006  
ANNUAL REPORT  
OF



Spreckels Water Company, Inc., Sole Shareholder of

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

Spreckels Consolidated Industries, Inc.

140 John James Audubon Parkway, Amherst, New York 14228

(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  
ATTN: Kayode Kajoypaiye  
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.
4. The report must be prepared in ink, typed or computer generated.
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 flow 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 calendar year, from January 1 through December 31. Fiscal year reports will not be accepted.

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

Spreckels Water Company, Inc. Sole Shareholder of Spreckels Consolidated Industries, Inc.  
(Name under which corporation, partnership or individual is doing business)

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

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

Telephone Number:

Fax Number:

Email Address:

**GENERAL INFORMATION**

(Attach a supplementary statement, if necessary)

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, New York 14228
- 2 If unincorporated provide the name and address of the owner(s) or the partners: N/A

- 3 Name, title, 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  
California Water Service Company 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		6/23/2006
X		12/5/2006
X		2/23/1961
		N/A
		N/A

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2006)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	\$ 250,299	201	Common Stock (Corporations only)	\$ 32,807
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	\$ 5,389
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	\$ (152,423)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	\$ 51,102
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>\$ 97,876</b>		<b>Total Equity and Liabilities</b>	<b>\$ 97,876</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	\$ 2,555				\$ 2,555
19	307	Wells	\$ 6,393	\$ 51,102			\$ 57,495
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		<b>Total water plant in service</b>	<b>\$ 199,197</b>	<b>\$ 51,102</b>			<b>\$250,299</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	\$ 148,155		A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 272	\$ 4,268		
35	(b) Charged to Account No. 403			
36	(c) Charged to Account No. 407			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	\$ 4,268		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	\$ 152,423		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

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

Line				
1	Common - (Shares 383	, %8:	par)	\$ 31,807
2	Preferred - (Shares 1,000)	, \$1	par)	\$ 1,000
3	Dividends - Common	Rate - \$		
4	- Preferred	Rate - \$		

List persons owning more than 5% of outstanding stock and number of shares owned by each:

**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	
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	
14	480 Other water revenue	\$ 74,712
15	Total Operating Revenue	\$ 74,712
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	
19	615 Purchased power	\$ 7,332
20	618 Other volume related expenses	
21	630 Employee labor	\$ 7,628
22	640 Materials	
23	650 Contract work	\$ 10,776
24	660 Transportation expenses	
25	664 Other plant maintenance expense	\$ 1,406
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	
31	681 Office supplies and expense	\$ 8,652
32	682 Professional services	\$ 15,885
33	684 Insurance	\$ 1,296
34	688 Regulatory commission expense	\$ 6,018
35	689 General expenses	\$ 9,276
36	Total Operating Expenses	\$ 68,269
37	403 Depreciation expense	\$ 4,268
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	\$ 1,374
40	409 State income tax expense	\$ 800
41	410 Federal income tax expense	
42	Total Operating Revenue Deductions	\$ 6,442
43	Utility Operating Income	
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
Spreckles	1	12	80	700	14,612
Spreckles	2	16	96	850	38,088
Total					52,700

**OTHER**

Streams or springs location of diversion point	Flow in Priority right		(Unit) Diversions		Annual Quantities Diverted Unit
	Claim	Capacity	Max	Min	
Purchased water (unit)					Annual Quantity
Supplier:					

**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/Commercial			
Fire Protection			
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		XXX
3/4-in		9
1-in		196
2-in	2	5
3 & 4-in	2	26
<b>Total</b>	<b>4</b>	<b>236</b>

**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		197	197				197	
Industrial/Commercial	3	6	9	1		1	4	15
Irrigation								
Fire Protection (public)								
Fire Protection (private)		26	26	1		1	4	32
Other (specify) Public		10	10					10
<b>Total</b>	<b>3</b>	<b>239</b>	<b>242</b>	<b>2</b>		<b>2</b>	<b>8</b>	<b>254</b>

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	2 1/4 to	4"	6" 8"	Totals	
				under	3 1/4	Other sizes (specify)			
Concrete			Cast Iron		2814	4299	3807	90	10810
Earth			Welded steel						0
Wood			Standard screw	1825	526				2351
Steel			Cement-asbestos		540	254			794
Other			Plastic	13650		205	380	520	14755
			Other (specify)						0
									0
<b>Total</b>		N/A	<b>Total</b>	<b>15475</b>	<b>3680</b>	<b>4758</b>	<b>4187</b>	<b>610</b>	<b>28710</b>

**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, documents, 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 calendar year.

January 1, 2006 through December 31, 2006.

Signed

Title

Date

*Timothy Harvey*  
Secretary  
3-27-07