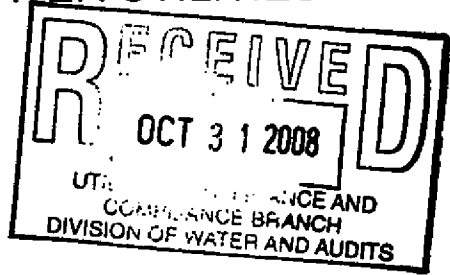


JU

Received _____
Examined _____

CLASS D
WATER UTILITIES



U# _____

2007
ANNUAL REPORT
OF

Spreckels Water Company, Inc.

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

P.O. Box 7187 Spreckels, CA 93962
(OFFICIAL MAILING ADDRESS) ZIP

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2007**

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2008
(FILE TWO COPIES IF THREE RECEIVED)

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

Spreckels Water Company, Inc.

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

P.O. Box 7187 Spreckels, CA 93962

(Official mailing address)

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: **Bob Antle, President; Gary Tanimura, Vice President Kerry L. Varney, Vice President, CFO, & Secretary P.O. Box 4070 Salinas, CA 93912**
- 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: **Kerry L Varney 831-455-4005**
 - (B) Person responsible for operations and services: **Russell Hatch, MCSI 831-659-5360**
- 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?
Payments to MCSI - Administration - \$7,500 Repairs \$1,706 Operations - \$3,500
- 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:
Tanimura & Antle Supply Company, Inc. controls 100%

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	
X		Dec-07
	X	
X		11/15/2007
		N/A

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

Ross Hatch D2 #15001
Autumn Knight D2 #25936

CLASS A, B, C AND D WATER COMPANIES
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA

N/A

Please provide the following information relating to each State Drinking Water Bond Act (SDWBA) or Safe Drinking Water State Revolving Fund loan surcharge collection for the calendar year. Please use one page per loan.

1. Current Fiscal Agent:

Name: _____
Address: _____
Phone Number: _____
Account Number: _____
Date Hired: _____

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

\$ _____

Water Size	No. of Metered Customers	Monthly Surcharge Per Customer
3/4 inch	_____	_____
1 inch	_____	_____
1 1/2 inch	_____	_____
2 inch	_____	_____
3 inch	_____	_____
4 inch	_____	_____
6 inch	_____	_____
Number of Flat Rate Customers	_____	_____
Total	_____	_____

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ _____
Deposits during the year	_____
Interest earned for calendar year	_____
Withdrawals from this account	_____
Balance at end of year	_____

CLASS A, B, C AND D WATER COMPANIES

NIA

SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA (cont.)

6. Plant amounts included in Schedule A-1a, Account No. 101—Water Plant in Service which were funded using SDWBA or SRP funds:

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 sandpiles					
12	331	Water mains					
13	333	Services and meter installations					
14	334	Meters					
15	336	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, 2007)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	\$ 211,100	201	Common Stock (Corps only)	\$ 235,000
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	\$ (7,680)
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	\$ (1,059)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	\$ 111
7	124	Other investments		252	Advances for construction	
8	131	Cash	\$ 13,595	253	Other deferred credits	
9	141	Accounts receivable - customers	\$ 3,795	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	\$ 227,431		Total Equity and Liabilities	\$ 227,431

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					\$ -
19	307	Wells	\$ -	\$ 50,000			\$ 50,000
20	317	Other water source plant					\$ -
21	311	Pumping equipment	\$ -	\$ 5,000			\$ 5,000
22	320	Water treatment plant					\$ -
23	330	Reservoirs tanks and sandpipes	\$ -	\$ 12,000			\$ 12,000
24	331	Water mains	\$ -	\$ 138,000			\$ 138,000
25	333	Services and meter installations					\$ -
26	334	Meters					\$ -
27	335	Hydrants					\$ -
28	339	Other equipment	\$ -	\$ 6,100			\$ 6,100
29	340	Office furniture and equipment					\$ -
30	341	Transportation equipment					\$ -
31		Total water plant in service	\$ -	\$ 211,100	\$ -		\$ 211,100

* 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	\$ -		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	\$ 1,059		0.5%
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)			your federal income tax return for the year
39	Total credits	\$ 1,059		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	\$ 1,059	\$ -	
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 1,000)	\$ 235,000		List persons owning more than 5% of outstanding stock
2	Common - (Shares)			and number of shares owned by each:
3	Dividends - Common Rate - \$			1,000 shares owned by Tanimura & Antle Supply Company, Inc.
4	- Preferred Rate - \$ Total	\$ 235,000		

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	None						\$ -	\$ -
6							\$ -	\$ -
7							\$ -	\$ -
8	Totals				\$ -		\$ -	\$ -

SCHEDULE F - INCOME STATEMENT

9		Operating revenues	xxxxxxxxxx
10	460	Unmetered water revenue	\$ 5,042
11	462	Fire protection revenue	\$ 107
12	465	CPUC Fee	
13	470	Metered water revenue	\$ 2,251
14	480	Other water revenue	
15		Total Operating Revenue	\$ 7,400
16		Operating revenue deductions	xxxxxxxxxx
17		Operating expenses (DHS Fees)	
18	610	Purchased water	
19	615	Power	
20	618	Other volume related expenses	
21	630	Employee labor	
22	640	Materials	\$ 679
23	650	Contract work (Return on Service Provided)	\$ 11,000
24	660	Transportation expenses	
25	664	Other plant maintenance expense	\$ 1,706
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	\$ 467
32	682	Professional services	\$ 116
33	684	Insurance	
34	688	Regulatory commission expense	
35	689	General expenses	\$ 52
36		Total Operating Expenses	\$ 14,020
37	403	Depreciation expense	\$ 1,059
38	407	SDWBA loan amortization expense	
39	408	Taxes other than income taxes	
40	409	State corporate income tax expense	
41	410	Federal corporate income tax expense	
42		Total Operating Revenue Deductions	\$ 15,079
43		Utility Operating Income	\$ (7,679)
44	421	Non-utility income	
45	426	Miscellaneous non-utility expense	
46	427	Interest expense	\$ -
47		Net Income	\$ (7,679)

**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	700	392,000
Spreckels BL	2	16	96	850	8,770,000
					Gallons

OTHER

Streams or springs location of diversion point	Flow in		(Unit)		Annual quantities diverted (Unit)
	Priority right		Diversions		
	Claim	Capacity	Max	Min	
N/A					N/A
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			
Commercial			2,814
Industrial			
Fire Protection			
Irrigation			
Other (specify)			
Total		Gallons	2,814

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	0			\$ -
49	670	Office salaries	0			\$ -
50	671	Management salaries	0			\$ -
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
5/8 x 3/4-in	6	6
3/4-in		14
1-in		196
1.5-in		
2-in	2	10
3-in	2	26
Total	10	252

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 CONNECTS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences		196	196			0		196
Industrial/Commercial	9	6	15	1		1	10	6
Other (specify) Public & Farm		0	0			0		0
			0			0		
Subtotal	9	202	211	1		1	10	202
Fire protection (Public)								
Fire protection (Private)		26	26	4		4	4	26
Other (specify)		10	10			0		10
Total	9	238	247	5		5	14	238

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)

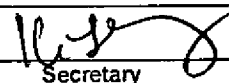
Description	No.	Combined capacity in gallons	Description	2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)		Totals
							6"	8"	
Concrete			Cast Iron		2,614	4,299	3,807	90	10,810
Earth			Welded steel						-
Wood			Standard screw	1,825	526				2,351
Steel	2	5,000	Cement-asbestos		540	254			794
Other			Plastic	13,650		205	520		14,755
			Other (specify)						-
			Other (specify)						-
			Copper						-
Total	2	5,000	Total	15,475	3,680	4,758	90		28,710

DECLARATION

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

I, the undersigned (officer, partner or owner) of Kerry L Varney (Name of utility), Spreckels Water Company, Inc. 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 November 1, 2007, to and including December 31, 2007

Signed 
 Title Secretary
 Date 10/28/2008

FACILITIES FEES DATA

N/A

Please provide the following information relating to Facilities Fees collected for the calendar year, pursuant to Resolution No. W-4110.

1. Trust Account Information:

Bank Name: _____
 Address: _____
 Account Number: _____
 Date Opened: _____

2. Facilities Fees collected for new connections during the calendar year:

A. Commercial

NAME	AMOUNT
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

B. Residential

NAME	AMOUNT
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ _____
Deposits during the year	_____
Interest earned for calendar year	_____
Withdrawals from this account	_____
Balance at end of year	_____

4. Reason or Purpose of Withdrawal from this bank account:

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