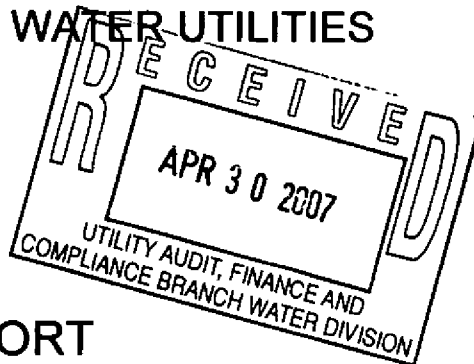


30

Received _____
Examined _____

CLASS D
WATER UTILITIES



U# 436 W _____

2006
ANNUAL REPORT
OF

THE CASMITE CORPORATION

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

P.O. BOX 1069, SAN LUIS OBISPO, CALIFORNIA 93406
(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)

THE CASMITE CORPORATION

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

P.O. BOX 1069, SAN LUIS OBISPO, CALIFORNIA 93406

(Official mailing address)

CASMALIA AND NEARBY AREA, SANTA BARBARA COUNTY

(Service area-town and county)

Telephone Number: 805.784.0492 Fax Number: 805.784.0493 Email Address: kaduran@chevron.com

GENERAL INFORMATION

(Attach a supplementary statement, if necessary)

RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

- 1 If a corporation show:
 (A) Date of organization 10/30/1936 incorporated in the State of Nevada
 (B) Names, titles and addresses of principal officers:
 Steven A. Berg, President, 6001 Bollinger Canyon Road, San Ramon, CA 94528
 Brian J. Kelly, Vice President, 145 State College Blvd., 4th Floor, Brea, CA 92821
 Donald Means, Vice President, 6001 Bollinger Canyon Road, San Ramon, CA 94528
 Karl H. Endries, Vice President/Secretary, 6001 Bollinger Canyon Road, San Ramon, CA 94528
 Howard B. Sheppard, Treasurer, 6001 Bollinger Canyon Road, San Ramon, CA 94528
 Kelly Duran, Assistant Secretary, 276 Tank Farm Road, P.O. Box 1069, San Luis Obispo, CA 93406
- 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: Kelly A. Duran, 805-784-0492
 (B) Person responsible for operations and services: Kelly A. Duran, 805-784-0492
- 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
 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?
 \$25,183.91; Contract Labor; David McNabb Construction, P.O. Box 645, Santa Maria, CA 93456
 \$12,180.14; Contract Labor; Fluid Resource Management Inc., 225 Suburban Road, San Luis Obispo, CA 93401
- 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:
 The Casmite Corporation is, indirectly, a wholly owned subsidiary of Chevron Corporation, an entity which has over 2,000 subsidiaries.

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	6/15/2005
X		12/29/06
X		9/7/2006
		n/a
		n/a

- 11 List Name, Grade, and License Number of all Licensed Operators:
Fluid Resource Management Inc; Grade: T2; License #21850 Grade: D3; Licence #9743

Excess Capacity and Non-Tariffed Services

NOTE: In D-00-07-018, D-03-04-023, and D-04-12-023, the CPUC set forth rules and requirements regarding vector utilities provision of non-tariffed services using excess capacity. These decisions require vector utilities to: 1) file an advice letter requesting Commission approval of that service; 2) provide information regarding non-tariffed goods/services in each complete Annual Report to the Commission.

Based on the information and filings required in D-00-07-018, D-03-04-023, and D-04-12-023, provide the following information by each individual non-tariffed good and service provided in 2009:

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
<p>Address to All Non-Tariffed Goods/Services that require Approval by Advice Letter</p>											

Not Applicable

**CLASS B, C AND D WATER COMPANIES
SAFE DRINKING WATER BOND ACT DATA**

Please COMPLETE 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: **Not Applicable**

Name: _____

Address: _____

Phone Number: _____

Date Hired: _____

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

\$ _____

3. 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	_____

**CLASS B, C AND D WATER COMPANIES
SAFE DRINKING WATER BOND ACT DATA**

4. Plant amounts which were funded using SDWBA funds should also be included in Schedule A, Account No. 101--Water Plant in Service

Not Applicable

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, 2006)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	204,760	201	Common Stock (Corporations only)	500
2	103	Water plant held for future use	n/a	211	Other paid-in capital (Corporations only)	984,063
3	104	Water plant purchased or sold	n/a	215	Retained earnings	(982,444)
4	105	Water plant construction work in progress	30,960	218	Proprietary capital	n/a
5	108	Accumulated depreciation of water plant	(114,015)	224	Long term debt	n/a
6	114	Water plant acquisition adjustments	n/a		Current Liabilities	125,468
7	124	Other investments	n/a	252	Advances for construction	n/a
8	131	Cash	n/a	253	Other deferred credits	22,698
9	141	Accounts receivable - customers	3,837	255	Accumulated deferred investment tax credits	n/a
10	142	Receivables from associated companies	n/a	282	Accumulated deferred income taxes - Acrs	n/a
11	151	Materials and supplies	n/a		depreciation	n/a
12	174	Other current assets	8,023	283	Accumulated deferred income taxes - other	n/a
13	180	Deferred charges	16,720	271	Contributions in aid of construction	n/a
14			n/a	272	Accumulated amortization of contributions	n/a
15		Total Assets	150,285		Total Equity and Liabilities	150,285

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	Pit Additions During year	Pit Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant	n/a	n/a	n/a	11,868	11,868
17	303	Land	n/a	n/a	n/a	n/a	n/a
18	304	Structures	n/a	n/a	n/a	n/a	n/a
19	307	Wells	n/a	n/a	n/a	n/a	n/a
20	317	Other water source plant	n/a	n/a	n/a	n/a	n/a
21	311	Pumping equipment	204,760	n/a	n/a	(11,868)	192,892
22	320	Water treatment plant	n/a	n/a	n/a	n/a	n/a
23	330	Reservoirs tanks and sandpipes	n/a	n/a	n/a	n/a	n/a
24	331	Water mains	n/a	n/a	n/a	n/a	n/a
25	333	Services and meter installations	n/a	n/a	n/a	n/a	n/a
26	334	Meters	n/a	n/a	n/a	n/a	n/a
27	335	Hydrants	n/a	n/a	n/a	n/a	n/a
28	339	Other equipment	n/a	n/a	n/a	n/a	n/a
29	340	Office furniture and equipment	n/a	n/a	n/a	n/a	n/a
30	341	Transportation equipment	n/a	n/a	n/a	n/a	n/a
31		Total water plant in service	204,760			-	204,760

* 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	96,315	n/a	A. Method used to compute depreciation expense (Acct. 403) and rate.
33	Add: Credits to reserves during year	n/a	n/a	
34	(a) Charged to Account No. 272	n/a	n/a	s/l 8.6%
35	(b) Charged to Account No. 403	17,700	n/a	
36	(c) Charged to Account No. 407	n/a	n/a	B. Amount of depreciation expense claimed or to be claimed on utility property in your federal income tax return for the year covered by this report \$
37	(d) Salvage recovered	n/a	n/a	
38	(e) All other credits	n/a	n/a	
39	Total credits	17,700	n/a	
40	Deduct: Debits to reserves during year	n/a	n/a	C. State method used to compute tax depreciation.
41	(a) Book cost of property retired	n/a	n/a	
42	(b) Cost of removal	n/a	n/a	
43	(c) All other debits	n/a	n/a	
44	Total debits	n/a	n/a	
45	Balance in reserve at end of year	114,015	n/a	
46	(1) Explanation of all other credits	n/a	n/a	
47	(2) Explanation of all other debits	n/a	n/a	

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

Line

1	Common - (Shares 10 , \$ 50 par)	\$500		List persons owning more than 5% of outstanding stock
2	Preferred - (Shares n/a , \$ par)	n/a		and number of shares owned by each:
3	Dividends - Common Rate - \$ n/a	n/a		Union Oil Company of California - 100% of shares
4	- Preferred Rate - \$ n/a	n/a		

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	n/a						

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	n/a
11	462 Fire protection revenue	n/a
12	465 Irrigation revenue	n/a
13	470 Metered water revenue	19,278
14	480 Other water revenue	n/a
15	Total Operating Revenue	19,278
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	n/a
19	615 Purchased power	18,517
20	618 Other volume related expenses	n/a
21	630 Employee labor	n/a
22	640 Materials	n/a
23	650 Contract work	37,556
24	660 Transportation expenses	n/a
25	664 Other plant maintenance expense	n/a
26	670 Office salaries	n/a
27	671 Management salaries	n/a
28	674 Employee pensions and benefits	n/a
29	676 Uncollectible accounts expense	n/a
30	678 Office services and rentals	n/a
31	681 Office supplies and expense	93
32	682 Professional services	120,309
33	684 Insurance	n/a
34	688 Regulatory commission expense	n/a
35	689 General expenses	330
36	Total Operating Expenses	176,805
37	403 Depreciation expense	17,700
38	407 SDWBA loan amortization expense	n/a
39	408 Taxes other than income taxes	n/a
40	409 State income tax expense	n/a
41	410 Federal income tax expense	(67,181)
42	Total Operating Revenue Deductions	127,324
43	Utility Operating Income	(108,046)
44	421 Non-utility income	n/a
45	426 Miscellaneous non-utility expense	n/a
46	427 Interest expense	n/a
47	Net Income	(108,046)

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
Black Rd., Santa Maria	1	12	160	200	89.06 AF

OTHER

Streams or springs location of diversion point	Flow in Priority right		(Unit) Diversions		Annual Quantities Diverted
	Claim	Capacity	Max	Min	Unit
n/a					n/a
Purchased water (unit)			n/a		
Supplier:			Annual Quantity		
			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			n/a
Industrial/Commercial			n/a
Fire Protection			n/a
Irrigation			n/a
Other (specify)			n/a
Total			n/a

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	n/a	0	0	0
49	670	Office salaries	n/a	0	0	0
50	671	Management salaries	n/a	0	0	0
51		Total	n/a	0	0	0

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	n/a
Additions during year	n/a
Subtotal - Beginning balance plus additions during year	n/a
Refunds	n/a
Transfers to Acct. 271 - Contributions in Aid of Construction	n/a
Balance end of year	n/a

SCHEDULE K - TOTAL METERS AND SERVICES (active and inactive)

Size	Meters	Services
5/8 x 3/4-in	n/a	n/a
3/4-in	n/a	n/a
1-in	11	11
2-in	2	2
-in	n/a	n/a
Total	13	13

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year	
1 Used, before repair....	n/a
2 Used, after repair	n/a
3 Fast, requiring refund ..	n/a
Numbers of meters in service requiring test per General Order No. 103	
	n/a

SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences	3	0	3	2	0	2	5	0
Industrial/Commercial	2	0	2	0	0	0	2	0
Irrigation	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fire Protection (public)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fire Protection (private)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other (specify) Casmalia CSD	1	0	1	0	0	0	1	0
Water Troughs	3	3	6	0	0	0	3	3
Total	9	3	12	2	0	2	11	3

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	Footage			Other sizes (specify)	Totals
				2" and under	2 1/4 to 3 1/4	4"		
Concrete	n/a	n/a	Cast Iron	n/a	7,400	n/a	7,400	
Earth	n/a	n/a	Welded steel	n/a	n/a	n/a	n/a	
Wood	n/a	n/a	Standard screw	n/a	n/a	n/a	n/a	
Steel	1	84,000	Cement-asbestos	n/a	n/a	n/a	n/a	
Other			Plastic	n/a	n/a	15,300	15,300	
Black Poly	2	21,000	Other (specify)	n/a	n/a	n/a	n/a	
Total	3	105,000	Total	n/a	7,400	15,300	22,700	

DECLARATION

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

I, the undersigned (officer, partner or owner) of THE CASMITE CORPORATION, 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

Assistant Secretary

Title

4/27/2007

Date