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Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____

2001
ANNUAL REPORT
OF

TIMBERLAND WATER COMPANY

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

P.O. Box 7573

Tahoe City, CA
(OFFICIAL MAILING ADDRESS)

96145
ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2001

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2002
(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
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 or by the use of a typewriter. Computer generated report forms may be substituted.
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 refer 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.

**Summary of Earnings
Test Year 2001**

Account Number	Operating Revenue	
470	Metered	8331
460	Unmetered	29389
465	Irrigation	
462-480	Private Fire Protection	
	Total Revenue	37720
	Operating Expenses	
610	Purchased Water	
615	Purchased Power	1232
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	
630	Employee Labor	
640	Materials	
650	Contract Work	4056
	Water Testing	1420
660	Transportation Expense	2000
664	Other Plant Maintenance	
670	Office Salaries	2000
671	Management Salaries	17500
674	Employee Pensions and Benefits	
676	Uncollectables	
678	Office Service and Rentals	
681	Office Supplies and Expense	1603
682	Professional Services	1305
684	Insurance	2050
688	Regulatory Expense	
689	General Expense	225
	Subtotal	33391
403	Depreciation Expense	2884
	Ad Valorem Taxes	
	Payroll taxes	1828
408	Taxes other than income	20
409	State Income Tax	800
410	Federal Income Tax	
	Total Deductions	38923
	Net Revenue	(1203)
	Rate Base	
	Average Plant	117985
	Average Depreciation Reserve	59756
	Net Plant	56729
	Less: Advances	
	Less: Contributions	13756
	Plus: Construction Work in Progress	
	Plus: Working Cash	
	Plus: Material & Supplies	
	Rate Base	
	ROR=Net Rev/Rate Base	42913 142973

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

TIMBERLAND WATER COMPANY

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

P.O. Box 7573

(Official mailing address)

Timberland

Tahoe West Shore

Placer County

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

Subchapter "S" Corporation

- 1 If a corporation show:
 - (A) Date of organization 1993 incorporated in the State of California
 - (B) Names, titles and addresses of principal officers:
- 2 If unincorporated give the name and address of owner or of each partner:
John Ballard, President - P.O. Box 7573, Tahoe City, CA 96145
- 3 Name and telephone number of: John Ballard (530)583-3478
 - (A) One person listed above to receive correspondence: same
 - (B) Person responsible for operations and services: same
- 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)
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?
County
- 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		Monthly
X		Sept. 2000

SPECIAL INSTRUCTIONS (over)

SPECIAL INSTRUCTIONS

- 1 Beginning of year balances must agree with end of year balances shown in report for previous year.
Attach a supplementary statement to explain any differences.**
- 2 Attach a supplementary statement to explain adjustments in Schedule B - Water Plant in Service.**
- 3 Complete all schedules, using the words "None" or "Not applicable" if appropriate.**
- 4 Report must be prepared legibly in ink or by typewriter.**

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2001

NAME OF UTILITY TIMBERLAND WATER COMPANY PHONE (530) 583-3478

PERSON RESPONSIBLE FOR THIS REPORT John A. Fulton
(Prepared from Information in the 2001 Annual Report)

	<u>1/1/01</u>	<u>12/31/01</u>	<u>Average</u>
BALANCE SHEET DATA			
1 Intangible Plant			
2 Land and Land Rights	<u>3061</u>	<u>3061</u>	<u>3061</u>
3 Depreciable Plant	<u>106115</u>	<u>120732</u>	<u>113423</u>
4 Gross Plant in Service	<u>109176</u>	<u>123793</u>	<u>117985</u>
5 Less: Accumulated Depreciation	<u>58126</u>	<u>61386</u>	<u>59756</u>
6 Net Water Plant in Service	<u>51050</u>	<u>62407</u>	<u>56729</u>
7 Water Plant Held for Future Use			
8 Construction Work in Progress	<u>10935</u>	<u>32066</u>	<u>21501</u>
9 Materials and Supplies			
10 Less: Advances for Construction	<u>()</u>	<u>()</u>	<u>()</u>
11 Less: Contribution in Aid of Construction	<u>(13944)</u>	<u>(13568)</u>	<u>(13756)</u>
12 Less: Accumulated Deferred Income and Investment Tax Credits	<u>()</u>	<u>()</u>	<u>()</u>
13 Net Plant Investment	<u>48041</u>	<u>80905</u>	<u>64473</u>
CAPITALIZATION			
14 Common Stock	<u>26875</u>	<u>26875</u>	<u>26875</u>
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital	<u>4741</u>	<u>17955</u>	<u>11348</u>
17 Retained Earnings	<u>16784</u>	<u>15580</u>	<u>16182</u>
18 Common Stock and Equity (Lines 14 through 17)			
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	<u>48400</u>	<u>60410</u>	<u>54405</u>

(Revised 2/01)

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

20 01
(continued)

NAME OF UTILITY TIMBERLAND WATER COMPANY PHONE (530) 583-3478

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	29389
24	Fire Protection Revenue	_____
25	Irrigation Revenue	_____
26	Metered Water Revenue	8331
27	Total Operating Revenue	37720
28	<u>Operating Expenses</u>	33392
29	Depreciation Expense (Composite Rate <u>2.7</u>)	2884
30	Amortization and Property Losses	_____
31	Property Taxes	_____
32	Taxes Other Than Income Taxes	1848
33	Total Operating Revenue Deduction Before Taxes	38124
34	California Corp. Franchise Tax	800
35	Federal Corporate Income Tax	_____
36	Total Operating Revenue Deduction After Taxes	38924
37	Net Operating Income (Loss) - California Water Operations	(1204)
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	_____
39	Income Available for Fixed Charges	_____
40	Interest Expense	_____
41	Net Income (Loss) Before Dividends	_____
42	Preferred Stock Dividends	_____
43	Net Income (Loss) Available for Common Stock	(1204)
 OTHER DATA		
44	Refunds of Advances for Construction	_____
45	Total Payroll Charged to Operating Expenses	19500
46	Purchased Water	_____
47	Power	1232

<u>Active Service Connections</u>		(Exc. Fire Protect.)		Annual Average
		Jan. 1 01	Dec. 31 01	
48	Metered Service Connections	10	12	11
49	Flat Rate Service Connections	124	129	127
50	Total Active Service Connections	134	141	138

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

NONE

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:

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: _____

NONE

6. Plant amounts included in Schedule A, Account No. 101–Water Plant in Service which were funded using SDWBA 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 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, 20__)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	123793	201	Common Stock (Corporations only)	26875
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	17955
3	104	Water plant purchased or sold		215	Retained earnings	15580
4	105	Water plant construction work in progress	32066	218	Proprietary capital	
5	108	Accumulated depreciation of water plant	61386	224	Long term debt	
6	114	Water plant acquisition adjustments	94473		Current Liabilities	
7	124	Other investments		252	Advances for construction	
8	131	Cash	325	253	Other deferred credits	21000
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	13944
14				272	Accumulated amortization of contributions -	376
15		Total Assets	94473		Total Equity and Liabilities	94798

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	3061				3061
18	304	Structures	3255				3255
19	307	Wells	5493				5493
20	317	Other water source plant					
21	311	Pumping equipment	31425				31425
22	320	Water treatment plant					
23	330	Reservoirs tanks and sandpipes	4513				4513
24	331	Water mains	34520	11767			46287
25	333	Services and meter installations	7028				7028
26	334	Meters	6974	1143			8117
27	335	Hydrants	3000				3000
28	339	Other equipment	428	1707			2135
29	340	Office furniture and equipment	4996				4996
30	341	Transportation equipment	4483				4483
31		Total water plant in service	109176	14617			123793

* 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	58126		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	2884		2.7% Straight Line
35	(b) Charged to Account No. 272	376		
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	3260		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			Straight Line
45	Balance in reserve at end of year	61386		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2001)

Line				
1	Common - (Shares	, \$	par)	2687
2	Preferred - (Shares	, \$	par)	
3	Dividends - Common	Rate - \$		John Ballard 100%
4	- Preferred	Rate - \$		

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	N O N E							
6								
7								
8		Totals						

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	29389
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	8331
14	480 Other water revenue	
15	Total Operating Revenue	37720
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	
19	615 Power	1232
20	618 Other volume related expenses	1420
21	630 Employee labor	
22	640 Materials	
23	650 Contract work	4056
24	660 Transportation expenses	2000
25	664 Other plant maintenance expense	
26	670 Office salaries	2000
27	671 Management salaries	17500
28	674 Employee pensions and benefits	
29	676 Uncollectible accounts expense	
30	678 Office services and rentals	
31	681 Office supplies and expense	1604
32	682 Professional services	1305
33	684 Insurance	2050
34	688 Regulatory commission expense	
35	689 General expenses	225
36	Total Operating Expenses	33392
37	403 Depreciation expense	2884
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	1848
40	409 State corporate income tax expense	800
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	5532
43	Utility Operating Income	(1204)
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	
47	Net Income	(1204)

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
860					N
Sugar Pine	1	4"	220	240	R E C O R D

OTHER

Streams or springs location of diversion point	Flow in		(Unit)		Annual quantities diverted
	Priority right		Diversions		
	Claim	Capacity	Max	Min	(Unit)
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	N		
Public authorities			
Irrigation	R		
Other (specify)	E C O R D		
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	1	2000		
50	671	Management salaries	1	17500		
51		Total				

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	
Additions during year	N
Subtotal - Beginning balance plus additions during year	O
Refunds	N
Transfers to Acct. 271 - Contributions in Aid of Construction	E
Balance end of year	

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

Size	Meters	Services
5/8 x 3/4-in		
3/4-in	5	129
1-in	5	
-in	1	
-in	1	
Total	12	141

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	11							
Industrial								
Other (specify) <u>School</u>	1							
Subtotal								
Fire protection (Hydrants)								
Total								

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"	6"			Totals
							Other sizes (specify)			
Concrete			Cast Iron							
Earth			Welded steel			7000	1437			8437
Wood			Standard screw	5758	500					6258
Steel	1	12000	Cement-asbestos							
Other			Plastic				75			75
			Other (specify)							
Total			Total							14770

DECLARATION

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

I, the undersigned (officer, partner or owner) of TIMBERLAND WATER COMPANY (Name of utility), 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, 2001, to and including December 31, 2001

Signed

John B. ...
President

Title

3-29-02

Date