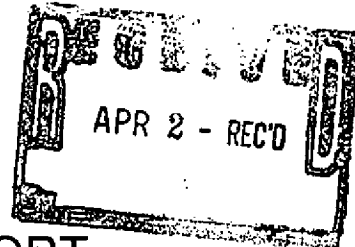


J 4

Received _____
Examined _____

CLASS D  
- WATER UTILITIES

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



2002  
ANNUAL REPORT  
OF

Twin Lakes Enterprises, Inc.

Twin Lakes Enterprises, Inc.

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

P.O. Box 455

Bridgeport, CA

(OFFICIAL MAILING ADDRESS)

93517

ZIP

TO THE  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
FOR THE  
YEAR ENDED DECEMBER 31, 2002

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2003  
(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.

Financial statements and accountants' compilation report

**Twin Lakes Enterprises, Inc.**

December 31, 2002

Accountants' Compilation Report

**Twin Lakes Enterprises, Inc.**

We have compiled the financial statements and additional information of Twin Lakes Enterprises, Inc. for the year ended December 31, 2002, included in Schedules A, B, C, D, F, I, M, N and O, the selected financial data, and the supplementary schedules on the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting, in the form prescribed by the Public Utilities Commission - State of California, information that is the representation of management. We have not audited or reviewed the financial statements, nor the additional information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Public Utilities Commission - State of California, which differ from accounting principles generally accepted in the United States of America. Accordingly, these financial statements are not designed for those who are not informed about such differences.



Reno, Nevada  
March 7, 2003

**Summary of Earnings**  
**Test Year 2002**

<b>Account Number</b>	<b>Operating Revenue</b>	
470	Metered	-
460	Unmetered	40,285
462	Fire protection revenue	-
465	Irrigation	-
462-480	Private Fire Protection	-
	<b>Total Operating Revenue</b>	<b>40,285</b>
	<b>Operating expenses</b>	
610	Purchased Water	-
615	Power	1,870
	Pump Taxes	-
	Purchased Chemicals	-
618	Other Volume Related Expenses	448
630	Employee Labor	2,169
640	Materials	-
650	Contract Work	-
	Water Testing	-
660	Transportation Expenses	-
664	Other Plant Maintenance Expense	5,870
670	Office Salaries	-
671	Management Salaries	-
674	Employee Pensions And Benefits	-
676	Uncollectible Accounts Expense	-
678	Office Services And Rentals	6,510
681	Office Supplies And Expense	74
682	Professional Services	2,540
684	Insurance	2,080
688	Regulatory Commission Expense	1,479
689	General Expenses	-
	<b>Subtotal</b>	<b>23,040</b>
403	Depreciation Expense	2,224
	Ad Valorem Taxes	-
	Payroll Taxes	-
408	Taxes Other Than Income Taxes	258
409	State Corporate Income Tax Expense	800
410	Federal Corporate Income Tax Expense	-
	<b>Total Deductions</b>	<b>26,322</b>
	<b>Net Revenue</b>	<b>13,963</b>
	<b>Rate Base</b>	
	Average Plant	196,701
	Average Depreciation Reserve	162,484
	Net Plant	34,218
	Less: Advances	-
	Less: Contributions	-
	Plus: Construction Work in Progress	-
	Plus: Working Cash	12,475
	Plus: Material & Supplies	-
	<b>Rate Base</b>	<b>46,693</b>
	<b>ROR=Net Rev/Rate Base</b>	<b>29.90%</b>

# CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

Twin Lakes Enterprises, Inc.

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

PO Box 455, Bridgeport, CA 93519

(Official mailing address)

Twin Lakes, Mono County

(Service area-town and county)

## GENERAL INFORMATION

**RETURN ORIGINAL  
TO COMMISSION  
NO PHOTOCOPIES**

- 1 If a corporation show:
  - (A) Date of organization 10/25/91 incorporated in the State of Nevada
  - (B) Names, titles and addresses of principal officers:
  
- 2 If unincorporated give the name and address of owner or of each partner:
  
- 3 Name and telephone number of:
  - (A) One person listed above to receive correspondence: Norman W. Annett, Phone: 760-932-7649
  - (B) Person responsible for operations and services: Norman W. Annett, Phone: 760-932-7649
  
- 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) 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:  
Norman W. Annett

### 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
✓		Oct-2002
✓		Oct-2002
✓		Sep-1994

**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  
2002

NAME OF UTILITY Twin Lakes Enterprises, Inc.

PHONE 760-932-7649

PERSON RESPONSIBLE FOR THIS REPORT Norman W. Annett

(Prepared from Information in the 2002 Annual Report)

	01/01/02	12/31/02	Average
<b>BALANCE SHEET DATA</b>			
1 Intangible Plant	150	150	150
2 Land and Land Rights	2,000	2,000	2,000
3 Depreciable Plant	194,551	194,551	194,551
4     Gross Plant in Service	196,701	196,701	196,701
5     Less: Accumulated Depreciation	161,372	163,595	162,484
6     Net Water Plant in Service	35,329	33,106	34,218
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	35,329	33,106	34,218
<b>CAPITALIZATION</b>			
14 Common Stock	2,500	2,500	2,500
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			
17 Retained Earnings	20,243	51,666	35,955
18     Common Stock and Equity (Lines 14 through 17)	22,743	54,166	38,455
19 Preferred Stock			
20 Long-Term Debt	21,459	-	10,730
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	44,202	54,166	49,185

(Revised 2/01)



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

2002

(continued)

NAME OF UTILITY Twin Lakes Enterprises, Inc. PHONE 760-932-7649

		Annual Amount
<b>INCOME STATEMENT</b>		
23	Unmetered Water Revenue	40,285
24	Fire Protection Revenue	-
25	Irrigation Revenue	-
26	Metered Water Revenue	-
27	Total Operating Revenue	40,285
28	<u>Operating Expenses</u>	23,040
29	Depreciation Expense (Composite Rate _____)	2,224
30	Amortization and Property Losses	-
31	Property Taxes	258
32	Taxes Other Than Income Taxes	-
33	Total Operating Revenue Deduction Before Taxes	25,522
34	California Corp. Franchise Tax	800
35	Federal Corporate Income Tax	-
36	Total Operating Revenue Deduction After Taxes	26,322
37	Net Operating Income (Loss) - California Water Operations	13,963
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	-
39	Income Available for Fixed Charges	13,963
40	Interest Expense	-
41	Net Income (Loss) Before Dividends	13,963
42	Preferred Stock Dividends	-
43	Net Income (Loss) Available for Common Stock	13,963
<b>OTHER DATA</b>		
44	Refunds of Advances for Construction	-
45	Total Payroll Charged to Operating Expenses	2,169
46	Purchased Water	-
47	Power	1,870

<u>Active Service Connections</u> (Exc. Fire Protect.) _____		Jan. 1	Dec. 31	Annual Average
48	Metered Service Connections	0	0	0
49	Flat Rate Service Connections	149	147	148
50	Total Active Service Connections	149	147	148

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

Not Applicable

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: \_\_\_\_\_

Not Applicable

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		<b>NON-DEPRECIABLE PLANT</b>					
2	301	Intangible plant					
3	303	Land					
4		Total non-depreciable plant					
5		<b>DEPRECIABLE PLANT</b>					
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, 2002)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	176,851	201	Common Stock (Corporations only)	2,500
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	51,666
4	105	Water plant construction work in progress	-	218	Proprietary capital	-
5	108	Accumulated depreciation of water plant	(95,300)	224	Long term debt	-
6	114	Water plant acquisition adjustments	(55,315)		Current Liabilities	-
7	124	Other investments	-	252	Advances for construction	-
8	131	Cash	18,569	253	Other deferred credits	-
9	141	Accounts receivable - customers	-	255	Accumulated deferred investment tax credits	-
10	142	Receivables from associated companies	2,492	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	(12,981)	271	Contributions in aid of construction	-
14		Abandoned well	19,850	272	Accumulated amortization of contributions	-
15		<b>Total Assets</b>	<b>54,166</b>		<b>Total Equity and Liabilities</b>	<b>54,166</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	150				150
17	303	Land	2,000				2,000
18	304	Structures	-				-
19	307	Wells	44,557				44,557
20	317	Other water source plant	-				-
21	311	Pumping equipment	9,370				9,370
22	320	Water treatment plant	-				-
23	330	Reservoirs tanks and sandpipes	10,001				10,001
24	331	Water mains	102,836				102,836
25	333	Services and meter installations	-				-
26	334	Meters	-				-
27	335	Hydrants	-				-
28	339	Other equipment	7,937				7,937
29	340	Office furniture and equipment	-				-
30	341	Transportation equipment	-				-
31		<b>Total water plant in service</b>	<b>176,851</b>				<b>176,851</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	94,229		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	1,071		2.25%
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			your federal income tax return for the year
39	Total credits	1,071		covered by this report \$2,244.
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. 150 DB
44	Total debits	-		
45	Balance in reserve at end of year	95,300		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

**SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2002)**

Line	Description	Shares	Par Value	Notes
1	Common - (Shares 2,500 , \$1.00 par)	2,500		List persons owning more than 5% of outstanding stock and number of shares owned by each: Norman W. Annett - 2,500 shares
2	Preferred - (Shares , \$ par)			
3	Dividends - Common Rate - \$1.60	4,000		
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	Not Applicable							
6								
7								
8	Totals							

**SCHEDULE F - INCOME STATEMENT**

9	Operating revenues	xxxxxxxxxxxx
10	460 Unmetered water revenue	40,285
11	462 Fire protection revenue	-
12	465 Irrigation revenue	-
13	470 Metered water revenue	-
14	480 Other water revenue	-
15	Total Operating Revenue	40,285
16	Operating revenue deductions	xxxxxxxxxxxx
17	Operating expenses	xxxxxxxxxxxx
18	610 Purchased water	-
19	615 Power	1,870
20	618 Other volume related expenses	448
21	630 Employee labor	2,169
22	640 Materials	-
23	650 Contract work	-
24	660 Transportation expenses	-
25	664 Other plant maintenance expense	5,870
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	6,510
31	681 Office supplies and expense	74
32	682 Professional services	2,540
33	684 Insurance	2,080
34	688 Regulatory commission expense	1,479
35	689 General expenses	-
36	Total Operating Expenses	23,040
37	403 Depreciation expense	2,224
38	407 SDWBA loan amortization expense	-
39	408 Taxes other than income taxes	258
40	409 State corporate income tax expense	800
41	410 Federal corporate income tax expense	-
42	Total Operating Revenue Deductions	3,282
43	Utility Operating Income	13,963
44	421 Non-utility income	-
45	426 Miscellaneous non-utility expense	-
46	427 Interest expense	-
47	Net Income	13,963

**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
Not Applicable					

**OTHER**

Streams or springs location of diversion point	Flow in (Unit)		Annual quantities diverted (Unit)	
	Priority right	Diversions	Max	Min
Not Applicable				
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	N/A		
Industrial			
Public authorities			
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		2,169		2,169
49	670	Office salaries				
50	671	Management salaries				
51		Total		2,169		2,169

**SCHEDULE J - ADVANCES FOR CONSTRUCTION**

Balance beginning of year	Not Applicable
Additions during year	
Subtotal - Beginning balance plus additions during year	
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	Not Applicable

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

Size	Meters	Services
5/8 x 3/4-in	N/A	
3/4-in		
1-in		
-in		
-in		
Total		

**SCHEDULE L - METER-TESTING DATA**

Number of meters tested during year		
1	Used, before repair...	N/A
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		147	147					147
Industrial								
Other (specify)								
Subtotal		147	147					147
Fire protection (Hydrants)								
Total		147	147					147

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)**

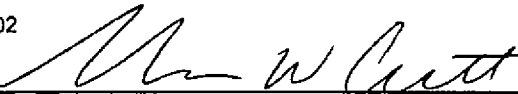
Description	No.	Combined capacity in gallons	Description	2" and 2 1/4 to 4"				Other sizes (specify)	Totals
				2" and under	2 1/4 to 3 1/4	4"			
Concrete	2	80,000	Cast Iron	629		4,140	2,920 6"	7,689	
Earth			Welded steel			1,900	3,000	4,900	
Wood			Standard screw						
Steel			Cement-asbestos						
Other			Plastic		450	600	14,050 6"	15,100	
			Other (specify)						
Total	2	80,000	Total	629	450	6,640	16,970 6"	24,689	

**DECLARATION**

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

I, the undersigned (officer, partner or owner) of Twin Lakes Enterprises, Inc. (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, 2002, to and including December 31, 2002

  
 Signed \_\_\_\_\_  
 Title Pres.  
 Date 3/25/03