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Examined \_\_\_\_\_

CLASS D  
WATER UTILITIES

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

2006  
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, 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 calander 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, 2006

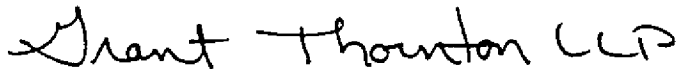
Accountants' Compilation Report

**Twin Lakes Enterprises, Inc.**

We have compiled the financial statements of Twin Lakes Enterprises, Inc. as of and for the year ended December 31, 2006, included in Schedules A, B, C, D, F, 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.

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.

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.



Reno, Nevada  
February 15, 2007

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

TWIN LAKES ENTERPRISES, INC.

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

P. O. BOX 455, BRIDGEPORT, CA 93517

(Official mailing address)

TWIN LAKES, MONO COUNTY

(Service area-town and county)

Telephone Number 760-932-7649

**GENERAL INFORMATION**

(Attach a supplementary statement, if necessary)

RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

1 If a corporation show:  
(A) Date of organization 10/25/1991 incorporated in the State of NV  
(B) Names, titles and addresses of principal officers:

2 If unincorporated provide the name and address of the owner(s) or the partners:

3 Name, title, 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**

Yes	No	Latest Date
	X	Sep-04
X		Oct-06
X		Sep-94

- 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.

11 List Name, Grade, and License Number of all Licensed Operators:  
**Norman Annett, Grade 1, License #25955**

Excess Capacity and Non-Tariffed Services

NOTE: In D.00-07-018, D.03-04-028, and D.04-12-023, the CPUC set forth rules and requirements regarding water utilities provision of non-tariffed services using excess capacity. These decisions require water utilities to: 1) file an advice letter requesting Commission approval of that service, 2) provide information regarding non-tariffed goods/services in each company's Annual Report to the Commission.

Based on the information and filings required in D.00-07-018, D.03-04-028, and D.04-12-023, provide the following information by each individual non-tariffed good and service provided in 2006:

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
Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter											

NOT APPLICABLE

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

**NOT APPLICABLE**

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:

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**

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

4.

**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	219,181	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	83,486
4	105	Water plant construction work in progress	-	218	Proprietary capital	-
5	108	Accumulated depreciation of water plant	(84,568)	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	4,196	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	(19,850)	271	Contributions in aid of construction	-
14		Abandoned well	19,850	272	Accumulated amortization of contributions	-
15		<b>Total Assets</b>	<b>85,986</b>		<b>Total Equity and Liabilities</b>	<b>85,986</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	9,800	-	-	54,357
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	26,297	-	-	129,133
25	333	Services and meter installations	-	-	-	-	-
26	334	Meters	-	-	-	-	-
27	335	Hydrants	-	-	-	-	-
28	339	Other equipment	7,937	6,233	-	-	14,170
29	340	Office furniture and equipment	-	-	-	-	-
30	341	Transportation equipment	-	-	-	-	-
31		<b>Total water plant in service</b>	<b>176,851</b>	<b>42,330</b>	-	-	<b>219,181</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	82,855		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	1,713		2.25%
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	1,713		covered by this report \$ 2,929
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	84,568		
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	2500	\$ 1.00 par)	2,500	List persons owning more than 5% of outstanding stock and number of shares owned by each: NORMAN W. ANNETT, 2500 SHARES
2	Preferred - (Shares		, \$ par)		
3	Dividends - Common	Rate - \$	1.6	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	xxxxxxxxxx
10	460 Unmetered water revenue	42,476
11	462 Fire protection revenue	-
12	465 Irrigation revenue	-
13	470 Metered water revenue	-
14	480 Other water revenue	-
15	Total Operating Revenue	42,476
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	-
19	615 Purchased power	2,839
20	618 Other volume related expenses	620
21	630 Employee labor	2,891
22	640 Materials	-
23	650 Contract work	-
24	660 Transportation expenses	-
25	664 Other plant maintenance expense	471
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	6,544
31	681 Office supplies and expense	89
32	682 Professional services	5,350
33	684 Insurance	4,253
34	688 Regulatory commission expense	1,581
35	689 General expenses	-
36	Total Operating Expenses	24,638
37	403 Depreciation expense	1,713
38	407 SDWBA loan amortization expense	-
39	408 Taxes other than income taxes	584
40	409 State income tax expense	1,600
41	410 Federal income tax expense	-
42	Total Operating Revenue Deductions	3,897
43	Utility Operating Income	-
44	421 Non-utility income	-
45	426 Miscellaneous non-utility expense	-
46	427 Interest expense	-
47	Net Income	13,941



**SCHEDULE J - ADVANCES FOR CONSTRUCTION**

Balance beginning of year	N/A
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	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		155	155					155
Industrial/Commercial		-	-					-
Irrigation		-	-					-
Fire Protection (public)		-	-					-
Fire Protection (private)		-	-					-
Other (specify)		-	-					-
Total		155	155					155

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
				under	3 1/4	4"		
Concrete	2	80,000	Cast Iron					
Earth		-	Welded steel			1,100	800	
Wood		-	Standard screw				6"	
Steel		-	Cement-asbestos					
Other		-	Plastic			600	15,505	
			Other (specify)				6"	
Total	2	80,000	Total					18,005

**DECLARATION**

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

I, the undersigned (officer, partner or owner) TWIN LAKES ENTERPRISES 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 

Norman W. Annett

Title

7-107

Date