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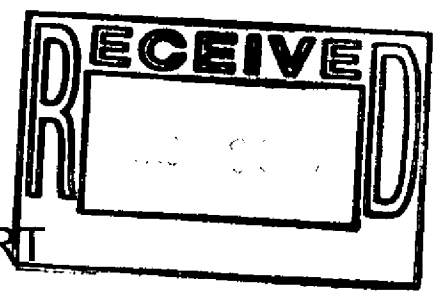
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CLASS A
WATER UTILITIES

U# 342-W _____

2004
ANNUAL REPORT
OF



VALENCIA WATER COMPANY

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

24631 AVENUE ROCKEFELLER

VALENCIA, CA 91355

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2004

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2005
(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: SEANEEN M WILSON
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 calander year, from Janauary 1 through December 31. Fiscal year reports will not be accepted.

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: KENNETH LOUIE
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.
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9. This report must cover a calander year, from January 1 through December 31. Fiscal year reports will not be accepted.

INSTRUCTIONS

FOR PREPARATION OF

SELECTED FINANCIAL DATA SHEET

FOR CLASS A, B, C AND D, WATER UTILITIES

To prepare the attached data sheets, refer to the Balance Sheet, Income Statement and supporting detail schedules in the annual report for the required data.

Please follow the instructions below:

1. Common plant allocated to water should be indicated with water plant figures in Net Plant Investment.
2. The capitalization section for those reporting on both California Only and Total System Forms should be identical and completed with Total Company Data. Be sure that Advances for Construction include California water data only.
3. Complete the operation section with California water revenues and expenses, but if necessary, remove interdepartmental revenues and expenses.
4. All other utility and nonutility revenues and expenses are netted on Line No. 38.

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

Year 2004

NAME OF UTILITY VALENCIA WATER COMPANY

PHONE (661) 294-1150

PERSON RESPONSIBLE FOR THIS REPORT Beverly Johnson

(Prepared from Information in the 2004 Annual Report)

	01/01/04	12/31/04	Average
BALANCE SHEET DATA			
1 Intangible Plant	115,083	115,083	115,083
2 Land and Land Rights	1,366,286	1,366,286	1,366,286
3 Depreciable Plant	112,936,742	120,593,971	116,765,357
4 Gross Plant in Service	114,418,111	122,075,340	118,246,726
5 Less: Accumulated Depreciation	(21,158,675)	(24,472,568)	(22,815,622)
6 Net Water Plant in Service	93,259,436	97,602,772	95,431,104
7 Water Plant Held for Future Use			
8 Construction Work in Progress	5,337,600	6,422,058	5,879,829
9 Materials and Supplies	246,957	262,712	254,835
10 Less: Advances for Construction	(18,052,043)	(17,347,655)	(17,699,849)
11 Less: Contributions in Aid of Construction	(43,909,502)	(46,971,556)	(45,440,529)
12 Less: Accumulated Deferred Income and Investment Tax Credits	(7,249,373)	(7,383,187)	(7,316,280)
13 Net Plant Investment	29,633,075	32,585,144	31,109,110
CAPITALIZATION			
14 Common Stock	1,536,500	1,536,500	1,536,500
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital	4,200,000	6,207,025	5,203,513
17 Retained Earnings	17,099,487	17,192,768	17,146,128
18 Common Stock and Equity (Lines 14 through 17)	22,835,987	24,936,293	23,886,140
19 Preferred Stock	1,200,000	1,200,000	1,200,000
20 Long-Term Debt	11,000,000	11,000,000	11,000,000
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	35,035,987	37,136,293	36,086,140

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

2004

NAME OF UTILITY Valencia Water Company PHONE (661) 294-1150

INCOME STATEMENT

		Annual Amount
23	Other Water Revenue (6110, 6111, 6112, 6093, 6140-44)	441,277
24	Fire Protection Revenue (6040, 6041, 6042)	616,628
25	Irrigation Revenue (6030, 6031)	113,858
26	All Other Metered Water Revenue (all other accts)	16,202,645
27	Total Operating Revenue	17,374,408
28	<u>Operating Expenses</u>	<u>(12,138,491)</u>
29	Depreciation Expense (Composite Rate 3.10%)	(2,164,771)
30	Amortization and Property Losses	(5,754)
31	Property Taxes	(340,783)
32	Taxes Other Than Income Taxes	(75,121)
33	Total Operating Revenue Deduction Before Taxes	(14,724,921)
34	California Corp. Franchise Tax	(73,070)
35	Federal Corporate Income Tax	(705,288)
36	Total Operating Revenue Deduction After Taxes	(15,503,279)
37	Net Operating Income (Loss) - California Water Operations	1,871,129
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	16,363
39	Income Available for Fixed Charges	1,887,492
40	Interest Expense	(881,231)
41	Net Income (Loss) Before Dividends	1,006,261
42	Preferred Stock Dividends	(114,000)
43	Net Income (Loss) Available for Common Stock	892,261

OTHER DATA

44	Refunds of Advances for Construction	704,388
45	Total Payroll Charged to Operating Expenses	3,375,972
46	Purchased Water	3,461,245
47	Power	1,342,330
48	Class A Water Companies Only:	
a.	Pre-TRA 1986 Contributions in Aid of Construction	1,516,359
b.	Pre-TRA 1986 Advances for Construction	5,867,497
c.	Post TRA 1986 Contributions in Aid of Construction	45,455,197
d.	Post TRA 1986 Advances for Construction	11,480,158

Active Service Connections

	Jan. 1	Dec. 31	Annual Average
49	25,863	27,238	26,551
50	947	1,058	1,003
51	26,810	28,296	27,553

GENERAL INFORMATION

- 1 Name under which utility is doing business: Valencia Water Company
- 2 Official mailing address: 24631 Avenue Rockefeller, PO Box 5904
Valencia, CA ZIP 91385-5904
- 3 Name and title of person to whom correspondence should be addressed:
Beverly Johnson, Controller Telephone: (661) 294-1150
- 4 Address where accounting records are maintained:
24631 Avenue Rockefeller, Valencia, CA
- 5 Service Area (Refer to district reports if applicable):
Valencia, Newhall, Saugus, Stevenson Ranch, Castaic
- 6 Service Manager (If located in or near Service Area.) (Refer to district reports if applicable.)
Name: N/A
Address: _____ Telephone: _____

7 OWNERSHIP. Check and fill in appropriate line:

- | | |
|-------------------------------------|---|
| <input type="checkbox"/> | Individual (name of owner) _____ |
| <input type="checkbox"/> | Partnership (name of partner) _____ |
| <input type="checkbox"/> | Partnership (name of partner) _____ |
| <input type="checkbox"/> | Partnership (name of partner) _____ |
| <input checked="" type="checkbox"/> | Corporation (corporate name) <u>Valencia Water Company</u> |
| | Organized under laws of (state) <u>California</u> Date: <u>1965</u> |

Principal Officers:

(Name)	<u>Robert DiPrimio</u>	(Title)	<u>President</u>
(Name)	<u>Greg Milleman</u>	(Title)	<u>Vice-President, Administration</u>
(Name)	<u>Keith Abercrombie</u>	(Title)	<u>Vice-President, Operations</u>
(Name)	<u>Beverly Johnson</u>	(Title)	<u>Controller</u>

- 8 Names of associated companies: The Newhall Land and Farming Company
Lennar Corporation
LNR Property Corporation

- 9 Names of corporations, firms or individuals whose property or portion of property have been acquired during the year, together with date of each acquisition:
- | | |
|-------------|-------------|
| <u>None</u> | Date: _____ |
| _____ | Date: _____ |
| _____ | Date: _____ |
| _____ | Date: _____ |

- 10 Use the space below for supplementary information or explanations concerning this report:
- _____
- _____
- _____
- _____
- _____

**SCHEDULE A
COMPARATIVE BALANCE SHEETS**

Line No.	Acct.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		I. UTILITY PLANT			
2	100	Utility plant	A-1	128,497,398.67	119,755,712.38
3	107	Utility plant adjustments			
4		Total utility plant		128,497,398.67	119,755,712.38
5	250	Reserve for depreciation of utility plant	A-3	(24,482,928.98)	(21,174,790.40)
6	251	Reserve for amortization of limited term utility investments	A-3	10,360.82	16,114.94
7	252	Reserve for amortization of utility plant acquisition adjustment	A-3		
8		Total utility plant reserves		(24,472,568.16)	(21,158,675.46)
9		Total utility plant less reserves		104,024,830.51	98,597,036.92
10					
11		II. INVESTMENT AND FUND ACCOUNTS			
12	110	Other physical property	A-2		
13	253	Reserve for depreciation and amortization of other property	A-3		
14		Other physical property less reserve		0.00	0.00
15	111	Investments in associated companies	A-4		
16	112	Other investments	A-5		
17	113	Sinking funds	A-6		
18	114	Miscellaneous special funds	A-7		
19		Total investments and fund accounts		0.00	0.00
20					
21		III. CURRENT AND ACCRUED ASSETS			
22	120	Cash		628,186.42	345,363.76
23	121	Special deposits	A-8		
24	122	Working funds			
25	123	Temporary cash investments		2,996,868.01	5,996,455.43
26	124	Notes receivable	A-9		
27	125	Accounts receivable		1,887,251.93	1,887,921.85
28	126	Receivables from associated companies	A-10	59,457.32	48,938.77
29	131	Materials and supplies		262,711.88	246,957.18
30	132	Prepayments	A-11	391,548.00	335,272.00
31	133	Other current and accrued assets	A-12		
32		Total current and accrued assets		6,226,023.56	8,860,908.99
33					
34		IV. DEFERRED DEBITS			
35	140	Unamortized debt discount and expense	A-13	108,040.90	134,896.90
36	141	Extraordinary property losses	A-14		
37	142	Preliminary survey and investigation charges			
38	143	Clearing accounts		1,240.38	(890.00)
39	145	Other work in progress			
40	146	Other deferred debits	A-15	5,722,167.05	6,143,383.27
41		Total deferred debits		5,831,448.33	6,277,390.17
42		Total assets and other debits		116,082,302.40	113,735,336.08
43					

SCHEDULE A
COMPARATIVE BALANCE SHEETS
Liabilities and Other Credits

Line No.	Acct.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		I. CORPORATE CAPITAL AND SURPLUS			
2	200	Common capital stock	A-18	1,536,500.00	1,536,500.00
3	201	Preferred capital stock	A-18	1,200,000.00	1,200,000.00
4	202	Stock liability for conversion			
5	203	Premiums and assessments on capital stock	A-19		
6	150	Discount on capital stock	A-18	()	()
7	151	Capital stock expense	A-18	()	()
8	270	Capital surplus	A-20	6,207,025.00	4,200,000.00
9	271	Earned surplus	A-21	17,192,768.27	17,099,486.99
10		Total corporate capital and surplus		26,136,293.27	24,035,986.99
11					
12		II. PROPRIETARY CAPITAL			
13	204	Proprietary capital (Individual or partnership)	A-22		
14	205	Undistributed profits of proprietorship or partnership	A-23		
15		Total proprietary capital		0.00	0.00
16					
17		III. LONG-TERM DEBT			
18	210	Bonds	A-24		
19	211	Receivers' certificates			
20	212	Advances from associated companies	A-25		
21	213	Miscellaneous long-term debt	A-26	11,000,000.00	11,000,000.00
22		Total long-term debt		11,000,000.00	11,000,000.00
23					
24		IV. CURRENT AND ACCRUED LIABILITIES			
25	220	Notes payable	A-28		
26	221	Notes receivable discounted			
27	222	Accounts payable		213,741.96	98,599.90
28	223	Payables to associated companies	A-29	1,082,120.63	349,301.68
29	224	Dividends declared		228,245.00	228,245.00
30	225	Matured long-term debt			
31	226	Matured interest			
32	227	Customers' deposits		46,180.00	47,060.00
33	228	Taxes accrued	A-31	6,900,707.93	7,649,746.28
34	229	Interest accrued		81,300.00	80,500.00
35	230	Other current and accrued liabilities	A-30	3,382,194.99	3,118,932.78
36		Total current and accrued liabilities		11,934,490.51	11,572,385.64
37					
38		V. DEFERRED CREDITS			
39	240	Unamortized premium on debt			
40	241	Advances for construction	A-32	17,347,654.56	18,052,042.83
41	242	Other deferred credits	A-33	2,692,308.56	5,165,418.56
42		Total deferred credits		20,039,963.12	23,217,461.39
43					
44		VI. RESERVES			
45	254	Reserve for uncollectible accounts	A-34		
46	255	Insurance reserve	A-34		
47	256	Injuries and damages reserve	A-34		
48	257	Employees' provident reserve	A-34		
49	258	Other reserves	A-34		
50		Total reserves		0.00	0.00
51					
52		VII. CONTRIBUTIONS IN AID OF CONSTRUCTION			
53	265	Contributions in aid of construction	A-35	46,971,555.50	43,909,502.06
54		Total liabilities and other credits		116,082,302.40	113,735,336.08

SCHEDULE B
Income Account for the Year

Line No.	Acct.	Account (a)	Schedule Page No. (b)	Amount (c)
1		I. UTILITY OPERATING INCOME		
2	501	Operating revenues	B-1	17,374,407.78
3				
4		Operating Revenue Deductions:		
5	502	Operating expenses	B-2	(11,862,357.61)
6	503	Depreciation	A-3	(2,164,771.44)
7	504	Amortization of limited-term utility investments	A-3	(5,754.12)
8	505	Amortization of utility plant acquisition adjustments		
9	506	Property losses chargeable to operations	B-3	0.00
10	507	Taxes	B-4	(1,194,262.91)
11		Total operating revenue deductions		(15,227,146.08)
12		Net operating revenues		2,147,261.70
13	508	Income from utility plant leased to others		
14	510	Rent for lease of utility plant		
15		Total utility operating income		2,147,261.70
16				
17		II. OTHER INCOME		
18	521	Income from nonutility operations (Net)	B-6	
19	522	Revenue from lease of other physical property		
20	523	Dividend revenues		
21	524	Interest revenue (#5200)		43,363.14
22	525	Revenues from sinking and other funds		
23	526	Miscellaneous nonoperating revenues	B-7	
24	527	Nonoperating revenue deductions - Dr.	B-8	
25		Total other income		43,363.14
26		Net income before income deductions		2,190,624.84
27				
28		III. INCOME DEDUCTIONS		
29	530	Interest on long-term debt	A-26	881,230.56
30	531	Amortization of debt discount and expense	A-13	27,000.00
31	532	Amortization of premium on debt - Cr.		
32	533	Taxes assumed on interest		
33	534	Interest on debt to associated companies		
34	535	Other interest charges	B-9	
35	536	Interest charged to construction - Cr.		
36	537	Miscellaneous amortization		
37	538	Miscellaneous income deductions	B-10	276,133.00
38		Total income deductions		1,184,363.56
39		Net income		1,006,261.28
40				
41		IV. DISPOSITION OF NET INCOME		
42	540	Miscellaneous reservations of net income		
43				
44		Balance transferred to Earned Surplus or		
45		Proprietary Accounts scheduled on page 21		
46				

SCHEDULE A-1
Account 100 - Utility Plant

Line No.	Acct	Title of Account (a)	Balance Beg of Year (b)	Additions During Year (c)	Retirements During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
1	100 - 1	Utility plant in service (Schedule A-1a)	114,418,111.91	7,934,299.52	(277,070.94)		122,075,340.49
2	100 - 2	Utility plant leased to others					
3	100 - 3	Construction work in progress	5,337,600.47		xxxxxxxxxx	1,084,457.71	6,422,058.18
4	100 - 4	Utility plant held for future use (Sch A-1c)					
5	100 - 5	Utility plant acquisition adjustments			xxxxxxxxxx		0.00
6	100 - 6	Utility plant in process of reclassification					
7		Total utility plant	119,755,712.38	7,934,299.52	(277,070.94)	1,084,457.71	128,497,398.67

SCHEDULE A-1a
Account 100.1 - Utility Plant in Service

Line No.	Acct	Title of Account (a)	Balance Beg of Year (b)	Additions During Year (c)	Retirements During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
8		I. INTANGIBLE PLANT					
9	301	Organization					
10	302	Franchises and consents (Schedule A-1b)	32,198.41				32,198.41
11	303	Other intangible plant	82,884.98				82,884.98
12		Total intangible plant	115,083.39	0.00	0.00	0.00	115,083.39
13							
14		II. LANDED CAPITAL					
15	306	Land and land rights	1,366,286.31				1,366,286.31
16							
17		III. SOURCE OF SUPPLY PLANT					
18	311	Structures and improvements	31,259.33		(3,984.83)		27,274.50
19	312	Collecting and impounding reservoirs					
20	313	Lake, river and other intakes					
21	314	Springs and tunnels					
22	315	Wells	3,634,405.65	2,333,758.61	(2,552.00)		5,965,612.26
23	316	Supply mains					
24	317	Other source of supply plant					
25		Total source of supply plant	3,665,664.98	2,333,758.61	(6,536.83)	0.00	5,992,886.76
26							
27		IV. PUMPING PLANT					
28	321	Structures and improvements	180,078.71				180,078.71
29	322	Boiler plant equipment					
30	323	Other power production equipment					
31	324	Pumping equipment	7,295,080.47	124,095.48	(51,276.72)		7,367,899.23
32	325	Other pumping plant					
33		Total pumping plant	7,475,159.18	124,095.48	(51,276.72)	0.00	7,547,977.94
34							
35		V. WATER TREATMENT PLANT					
36	331	Structures and improvements					
37	332	Water treatment equipment	85,533.45				85,533.45
38		Total water treatment plant	85,533.45	0.00	0.00	0.00	85,533.45

SCHEDULE A-1a
Account 100.1 - Utility Plant in Service - Concluded

Line No.	Acct	Title of Account (a)	Balance Beg of Year (b)	Additions During Year (c)	Retirements During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
1		VI. TRANSMISSION AND DIST. PLANT					
2	341	Structures and improvements					
3	342	Reservoirs and tanks	18,815,231.71				18,815,231.71
4	343	Transmission and distribution mains	56,575,693.47	3,242,157.00	(15,582.05)		59,802,268.42
5	344	Fire mains	1,374,676.71				1,374,676.71
6	345	Services	9,429,296.52	791,607.00			10,220,903.52
7	346	Meters	3,056,356.98	531,929.29	(68,833.48)		3,519,452.79
8	347	Meter installations	34,383.14	89,378.56			123,761.70
9	348	Hydrants	7,568,995.93	646,586.00			8,215,581.93
10	349	Other transmission and distribution plant	18,505.24				18,505.24
11		Total transmission and distribution plant	96,873,139.70	5,301,657.85	(84,415.53)	0.00	102,090,382.02
12							
13		VII. GENERAL PLANT					
14	371	Structures and improvements	1,640,497.00				1,640,497.00
15	372	Office furniture and equipment	1,438,572.46				1,438,572.46
16	373	Transportation equipment	443,734.75	66,455.58	(134,841.86)		375,348.47
17	374	Stores equipment	27,712.00				27,712.00
18	375	Laboratory equipment	5,423.93				5,423.93
19	376	Communication equipment	1,020,232.75	108,332.00			1,128,564.75
20	377	Power operated equipment	220,693.50				220,693.50
21	378	Tools, shop and garage equipment	40,378.51				40,378.51
22	379	Other general plant					
23		Total general plant	4,837,244.90	174,787.58	(134,841.86)	0.00	4,877,190.62
24							
25		VIII. UNDISTRIBUTED ITEMS					
26	390	Other tangible property					
27	391	Utility plant purchased					
28	392	Utility plant sold					
29		Total undistributed items	0.00	0.00	0.00	0.00	0.00
30		Total utility plant in service	114,418,111.91	7,934,299.52	(277,070.94)	0.00	122,075,340.49

SCHEDULE A-1b
Account 302 - Franchises and Consents

Line No.	Name of Original Grantor (a)	Date of Grant (b)	Term in Years (c)	Date of Acquisition by Utility (d)	Amount at which Carried in Account ¹ (e)
31	County of Los Angeles	Dec-90	25	Dec-90	6,587.34
32	City of Santa Clarita	Dec-00	15	Dec-00	25,611.07
33					
34					
35	Total	XXXXXXXXXXXXXXXXXXXXXXXXXXXX			32,198.41

¹ The total should agree with the balance at the end of the year in Account 302 in Schedule A-1a Line 10.

SCHEDULE A-1c
Account 100.4 - Utility Plant Held for Future Use

Line No.	Description and Location of Property (a)	Date of Acquisition (b)	Approximate Date When Property Will be Placed in Service (c)	Balance End of Year (d)
1	NONE			
2				
3				
4				
5				
6				
7				
8				
9	Total	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	

SCHEDULE A-2
Account 110 - Other Physical Property

Line No.	Name and Description of Property (a)	Book Value End of Year (b)
10	NONE	
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24	Total	

SCHEDULE A-3

Accounts 250 to 253, Inclusive - Depreciation and Amortization Reserves

Line No.	Item (a)	Account 250 Utility Plant (b)	Account 251 Limited-Term Utility Investments (c)	Account 252 Utility Plant Acquisition Adjustments (d)	Account 253 Other Property (e)
1	Balance in reserves at beginning of year	21,174,790.40	(16,114.94)		
2	Add: Credits to reserves during year				
3	(a) Charged to Account 503, 504, 505 ⁽¹⁾	2,164,771.44			
4	(b) Charged to Account 265	1,299,652.56			
5	(c) Charged to clearing accounts	57,330.49			
6	(d) Salvage recovered	63,455.03			
7	(e) All other credits ⁽²⁾		5,754.12		
8	Total credits	3,585,209.52	5,754.12		
9	Deduct: Debits to reserves during year				
10	(a) Book cost of property retired	277,070.94			
11	(b) Cost of removal				
12	(c) All other debits ⁽³⁾				
13	Total debits	277,070.94	0.00		
14	Balance in reserve at end of year	24,482,928.98	(10,360.82)		
15					
16	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE:				3.10%
17					
18	(2) EXPLANATION OF ALL OTHER CREDITS: Amortization of Intangible Assets charged to				
19	Account #5040.				
20					
21					
22					
23					
24					
25					
26					
27	(3) EXPLANATION OF ALL OTHER DEBITS:				
28					
29					
30					
31					
32					
33					
34					
35	METHOD USED TO COMPUTE INCOME TAX DEPRECIATION:				
36	(a) Straight Line	()			
37	(b) Liberalized	()			
38	(1) Double declining balance	()			
39	(2) ACRS	()			
40	(3) MACRS	()			
41	(4) Others	()			
42	(c) Both straight line and liberalized	(X)	150% declining balance and 25-year straight line		
			since 06/12/96.		

SCHEDULE A-3a
Account 250 - Analysis of Entries in Depreciation Reserve

(This schedule is to be completed if records are maintained showing depreciation reserve by plant accounts)

Line No.	Acct.	DEPRECIABLE PLANT (a)	Balance Beginning of Year (b)	Credits to Reserve During Year Excl. Salvage (c)	Debits to Reserves During Year Excl. Cost Removal (d)	Salvage and Cost of Removal Net (Dr.) or Cr. (e)	Balance End of Year (f)
1		I. SOURCE OF SUPPLY PLANT					
2	311	Structures and improvements	9,859.48	1,119.08	(3,984.83)	10,000.00	16,993.73
3	312	Collecting and impounding reservoirs					
4	313	Lake, river and other intakes					
5	314	Springs and tunnels					
6	315	Wells	236,149.55	129,748.28	(2,552.00)		363,345.83
7	316	Supply mains					
8	317	Other source of supply plant					
9		Total source of supply plant	246,009.03	130,867.36	(6,536.83)	10,000.00	380,339.56
10							
11		II. PUMPING PLANT					
12	321	Structures and improvements	71,644.94	6,032.64			77,677.58
13	322	Boiler plant equipment					
14	323	Other power production equipment					
15	324	Pumping equipment	2,424,841.07	361,106.48	(51,276.72)		2,734,670.83
16	325	Other pumping plant					
17		Total pumping plant	2,496,486.01	367,139.12	(51,276.72)	0.00	2,812,348.41
18							
19		III. WATER TREATMENT PLANT					
20	331	Structures and improvements					
21	332	Water treatment equipment	8,730.57	2,873.92			11,604.49
22		Total water treatment plant	8,730.57	2,873.92	0.00	0.00	11,604.49
23							
24		IV. TRANS. AND DIST. PLANT					
25	341	Structures and improvements	0.00				0.00
26	342	Reservoirs and tanks	2,217,997.26	380,067.68			2,598,064.94
27	343	Transmission and distribution mains	8,782,634.49	1,437,022.61	(15,582.05)		10,204,075.05
28	344	Fire mains	386,925.03	27,493.53			414,418.56
29	345	Services	2,511,638.18	311,166.79			2,822,804.97
30	346	Meters	766,164.08	157,096.75	(68,833.48)	28,816.03	883,243.38
31	347	Meter installations	0.00				0.00
32	348	Hydrants	1,802,115.02	218,743.98			2,020,859.00
33	349	Other transmission and distribution plant	5,926.94	688.39			6,615.33
34		Total trans. and distribution plant	16,473,401.00	2,532,279.73	(84,415.53)	28,816.03	18,950,081.23
35							
36		V. GENERAL PLANT					
37	371	Structures and improvements	144,407.69	44,949.62			189,357.31
38	372	Office furniture and equipment	983,962.49	204,133.44			1,188,095.93
39	373	Transportation equipment	129,577.99	57,330.53	(134,841.86)	24,639.00	76,705.66
40	374	Stores equipment	10,145.47	3,760.52			13,905.99
41	375	Laboratory equipment	4,422.83	553.78			4,976.61
42	376	Communication equipment	624,384.89	142,220.45			766,605.34
43	377	Power operated equipment	33,636.66	34,361.98			67,998.64
44	378	Tools, shop and garage equipment	19,625.77	1,284.04			20,909.81
45	379	Other general plant	0.00				0.00
46	390	Other tangible property	0.00				0.00
47	391	Water plant purchased	0.00				0.00
48		Total general plant	1,950,163.79	488,594.36	(134,841.86)	24,639.00	2,328,555.29
49		Total	21,174,790.40	3,521,754.49	(277,070.94)	63,455.03	24,482,928.98

SCHEDULE A-4
Account 111 - Investments in Associated Companies

Line No.	Class of Security (a)	Name of Issuing Company (b)	Par Value End of Year (c)	Ledger Value End of Year (d)	Rate of Interest (e)	Interest Accrued During Year (f)	Interest and Dividends Received During Year (g)
1	NONE						
2							
3							
4							
5							
6							
7		Totals ¹					

¹ The total should agree with the balance at the end of the year in Account 111 on page 5.

SCHEDULE A-5
Account 112 - Other Investments

Line No.	Name and Description of Property (a)	Balance End of Year (b)
8	NONE	
9		
10		
11		
12		
13		
14		
15		
16	Total	

SCHEDULE A-6
Account 113 - Sinking Funds

Line No.	Name of Fund (a)	Balance Beginning of Year (b)	Additions During Year		Deductions During Year (e)	Balance End of Year (f)
			Principal (c)	Income (d)		
1	NONE					
2						
3						
4						
5						
6						
7						
8						
9	Totals					

SCHEDULE A-7
Account 114 - Miscellaneous Special Funds

Line No.	Name of Fund (a)	Balance Beginning of Year (b)	Additions During Year		Deductions During Year (e)	Balance End of Year (f)
			Principal (c)	Income (d)		
10	NONE					
11						
12						
13						
14						
15						
16						
17						
18	Totals					

**SCHEDULE A-8
Account 121 - Special Deposits**

Name of Depository (a)	Purpose of Deposit (b)	Balance End of Year (c)
NONE		

**SCHEDULE A-9
Account 124 - Notes Receivable**

Maker (a)	Date of Issue (b)	Date Payable (c)	Balance End of Year (d)	Interest Rate (e)	Interest Accrued During Year (g)	Interest Received During Year (g)
NONE						
Totals						

SCHEDULE A-10
Account 126 - Receivables from Associated Companies

Due from Whom (a)	Amount (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Received During Year (e)
The Newhall Land and Farming Company - Trade Accounts Receivable	42,046.00	N/A	N/A	N/A
Lennar - Trade Accounts Receivable	17,411.32	N/A	N/A	N/A
Totals	59,457.32		0.00	0.00

SCHEDULE A-11
Account 132 - Prepayments

Item (a)	Amount (b)
#1322 Unsecured Property Taxes	4,284.00
#1323 Customer Postage	6,000.00
#1324 Insurance	381,264.00
Totals	391,548.00

SCHEDULE A-12
Account 133 - Other Current and Accrued Assets

Item (a)	Amount (b)
None	
Totals	

SCHEDULE A-14
Account 141 - Extraordinary Property Losses

Line No.	Description of Property Loss or Damage (a)	Total Amount of Loss (b)	Previously Written off (c)	WRITTEN OFF DURING YEAR		Balance End of year (f)
				Account Charged (d)	Amount (e)	
1						0.00
2	None					0.00
3						0.00
4	Total			XXXXXXXXXXXX		0.00

SCHEDULE A-15
Account 146 - Other Deferred Debits

Line No.	Item (a)	Balance End of year (b)
5	#1460 Other Deferred Debits	118,260.89
6	#1463 Deferred Taxes - CIAC	1,458,887.10
7	#1464 Deferred Taxes - Advances	3,087,377.06
8	#1465 Regulatory Asset	1,057,642.00
9		
10	Total	5,722,167.05

SCHEDULE A-16
Account 150 - Discount on Capital Stock

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. respect to any class or series of stock, attach a statement giving particulars of the change. State the reason for any charge-off during the year and specify the account charged.
2. If any change occurred during the year in the balance with during the year and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance End of year (b)
11	None	
12		
13	Total	

SCHEDULE A-17
Account 151- Capital Stock Expense

1. Report the balance at end of year of capital stock expense for each class and series of capital stock. respect to any class or series of stock, attach a statement giving particulars of the change. State the reason for any charge-off of capital stock expense and specify the account charged.
2. If any change occurred during the year in the balance with capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance End of year (b)
14	None	
15		
16	Total	

SCHEDULE A-18
Accounts 200 and 201- Capital Stock

Line No.	Class of Stock (a)	Number of Shares Authorized by Articles of Incorporation (b)	Par Value of Stock Authorized by Articles of Incorporation (c)	Number of Shares Outstanding ¹ (d)	Total Par Value ² Outstanding End of Year (e)	Dividends Declared During Year	
						Rate (f)	Amount (g)
1	Common Stock	50,000	\$100.00	15,365	\$1,536,500.00		\$798,980.00
2	Preferred Stock	50,000	\$500.00	2,400	\$1,200,000.00	9.5%	\$114,000.00
3							
4							
5							
6	Totals						\$912,980.00

¹ After deduction for amount of reacquired stock held by or for the respondent.

² If shares of stock have no par value, show value assigned to stock outstanding.

SCHEDULE A-18a
Record of Stockholders at End of Year

Line No.	COMMON STOCK		PREFERRED STOCK	
	Name (a)	Number Shares (b)	Name (c)	Number Shares (d)
7	The Newhall Land and Farming Company	15,365	The Newhall Land and Farming Company	2,400
8				
9				
10				
11				
12				
13				
14				
15	Total number of shares	15,365	Total number of shares	2,400

SCHEDULE A-19
Account 203 - Premiums and Assessments on Capital Stock

Line No.	Class of Stock (a)	Balance End of Year (b)
16	None	
17		
18		
19		
20		
21		
22		
23		
24	Total	

SCHEDULE A-20
Account 270 - Capital Surplus (For use by Corporations only)

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	4,200,000.00
2	CREDITS (Give nature of each credit and state account charged)	
3	Miscellaneous GAAP Accounting Adjustment	2,007,025.00
4		
5	Total credits	
6	DEBITS (Give nature of each debit and state account credited)	
7		
8		
9		
10	Total debits	
11	Balance end of year	6,207,025.00

SCHEDULE A-21
Account 271 - Earned Surplus (For use by Corporations only)

Line No.	Acct	Account (a)	Amount (b)
12		Balance beginning of year	17,099,486.99
13		CREDITS	
14	400	Credit balance transferred from income account	
15	401	Miscellaneous credits to surplus (detail)	
16		2004 Income	1,006,261.28
17		Total credits	1,006,261.28
18		DEBITS	
19	410	Debit balance transferred from income account	
20	411	Dividend appropriations-preferred stock	114,000.00
21	412	Dividend appropriations-Common stock	798,980.00
22	413	Miscellaneous reservations of surplus	
23	414	Miscellaneous debits to surplus (detail)	
24			
25		Total debits	912,980.00
26		Balance end of year	17,192,768.27

SCHEDULE A-22

**Account 204 - Proprietary Capital
(Sole Proprietor or Partnership)**

Line No.	Item (a)	Amount (b)
1	Balance Beginning of year	N/A
2	CREDITS	
3	Net income for year	
4	Additional investments during year	
5	Other credits (detail)	
6		
7	Total credits	
8	DEBITS	
9	Net loss for year	
10	Withdrawals during year	
11	Other debits (detail)	
12		
13	Total debits	
14	Balance end of year	

SCHEDULE A-23

**Account 205 - Undistributed Profits
of Proprietorship or Partnership**

(The use of this account is optional)

Line No.	Item (a)	Amount (b)
15	Balance Beginning of year	N/A
16	CREDITS	
17	Net income for year	
18	Other credits (detail)	
19		
20	Total credits	
21	DEBITS	
22	Net loss for year	
23	Withdrawals during year	
24	Other debits (detail)	
25		
26		
27	Total debits	
28	Balance end of year	

SCHEDULE A-24
Account 210 - Bonds

Line No.	Class of Bond (a)	Date of Issue (b)	Date of Maturity (c)	Principal Amount Authorized (d)	Outstanding ¹ Per Balance Sheet (e)	Rate of Interest (f)	Interest Accrued During Year (g)	Interest Paid During Year (h)
1								
2	NONE							
3								
4								
5								
6								
7								
8	Totals							

¹ After deduction for amount of reacquired bonds held by or for the respondent.

SCHEDULE A-25
Account 212 - Advances from Associated Companies

Line No.	Nature of Obligation (a)	Amount of Obligation (b)	Rate of Interest (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
9					
10					
11	NONE				
12					
13	Totals				

SCHEDULE A-26
Account 213 - Miscellaneous Long Term Debt

Line No.	Nature of Obligation (a)	Date of Issue (b)	Date of Maturity (c)	Principal Amount Authorized (d)	Outstanding ¹ Per Balance Sheet (e)	Rate of Interest (f)	Interest Accrued During Year (g)	Interest Paid During Year (h)
14	Note Payable	7/15/1994	6/1/2009	11,000,000.00	11,000,000.00	8%	881,230.56	880,000.00
15								
16								
17								
18								
19								
20								
21	Totals			11,000,000.00	11,000,000.00		881,230.56	880,000.00

¹ After deduction for amount of reacquired debt held by or for the respondent.

SCHEDULE A-27
Securities Issued or Assumed During Year

Line No.	Class of Security (a)	Commission Authorization (b)	Amount Issued During Year (omit cents) (c)	Discount or Premium (d)	Expenses (e)
22					
23	NONE				
24					
25					
26	Totals				

SCHEDULE A-28
Account 220 - Notes Payable

Line No.	In Favor of (a)	Date of Issue (b)	Date of Maturity (c)	Balance End of Year (d)	Rate of Interest (e)	Interest Accrued During Year (f)	Interest Paid During Year (g)
1							
2	NONE						
3							
4							
5							
6							
7							
8							
9	Totals						

SCHEDULE A-29
Account 223 - Payables to Associated Companies

Line No.	Nature of Obligation (a)	Balance End of Year (b)	Rate of Interest (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
10	#2233 Payroll Clearing	119,635.74	N/A		
11	#2235 Due to Affiliate (Trade Payables)	962,484.89	N/A		
12					
13					
14	Totals	1,082,120.63		0.00	0.00

SCHEDULE A-30
Account 230 - Other Current and Accrued Liabilities

Line No.	Description (a)	Balance End of Year (c)
15	Franchise Taxes Accrued	213,966.73
16	Retention	211,245.80
17	Regulatory Commission Reserve	1,183,133.00
18	PUC Surcharge Accrued	58,987.43
19	Power Accrued	112,443.43
20	Imported Water Accrued	537,570.00
21	Job Closes Accrued	77,747.57
22	Other Accrual	840,926.05
23	Payroll Accrued	146,174.98
24		
25		
26		
27	Total	3,382,194.99

SCHEDULE A-31
Account 228 - Accrued and Prepaid Taxes

1. This schedule is intended to give particulars of the combined prepaid and accrued tax accounts and to show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the material on which the tax was levied was charged.
2. Taxes, paid during the year and charged direct to final accounts, that is, not charged to prepaid or accrued taxes, should be included in the schedule. Enter the amounts both in columns (d) and (e). The balancing of the schedule is not affected by the inclusion of these taxes.
3. Taxes charged during the year, column (d), include taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to prepaid taxes for proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. If any tax covers more than 1 year, the required information of all columns should be show separately for each year.
5. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment. Designate debit adjustments by parentheses.
6. See schedule entitled "TAXES CHARGED DURING YEAR," page 32, for a distribution of taxes charged, column (d) according to utility departments and accounts.
7. Do not include in this schedule entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

1. This schedule is intended to give particulars of the combined prepaid and accrued tax accounts and to show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the material on which the tax was levied was charged.
2. Taxes, paid during the year and charged direct to final accounts, that is, not charged to prepaid or accrued taxes, should be included in the schedule. Enter the amounts both in columns (d) and (e). The balancing of the schedule is not affected by the inclusion of these taxes.
3. Taxes charged during the year, column (d), include taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to prepaid taxes for proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. If any tax covers more than 1 year, the required information of all columns should be show separately for each year.
5. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment. Designate debit adjustments by parentheses.
6. See schedule entitled "TAXES CHARGED DURING YEAR," page 32, for a distribution of taxes charged, column (d) according to utility departments and accounts.
7. Do not include in this schedule entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

Line No.	Kind of Tax (See instruction 5)	BALANCE BEGINNING OF YEAR		Taxes Charged During Year (d)	Paid During Year (e)	Adjustments (f)	BALANCE END OF YEAR	
		Taxes Accrued (b)	Prepaid Taxes (c)				Taxes Accrued (Account 228) (g)	Prepaid Taxes (Incl. in Acct. 132) (h)
1	Taxes on real and personal property	(12.49)	4,434.00	(340,783.48)	333,315.83	14,660.28	(7,330.14)	4,284.00
2	State corporation franchise tax	(104,093.88)		(73,070.00)	300,000.00	14,310.38	137,146.50	
3	State unemployment insurance tax	0.00		(6,970.49)	6,970.49			
4	Other state and local taxes	0.00						
5	Federal unemployment insurance tax	0.00		(1,653.88)	1,653.88			
6	Fed. ins. contr. act (old age retire.)	0.00		(87,507.06)	87,507.06			
7	Other federal taxes	0.00						
8	Federal income taxes	(296,267.18)		(705,288.00)	745,000.00	609,217.62	352,662.44	
9	Deferred income taxes	(7,249,372.73)				(133,814.00)	(7,383,186.73)	
10								
11								
12								
13								
14	Totals	(7,649,746.28)	4,434.00	(1,215,272.91)	1,474,447.26	504,374.28	(6,900,707.93)	4,284.00

SCHEDULE A-32
Account 241 - Advances for Construction

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year	XXXXXXXXXXXXXXXXXXXX	18,052,042.83
2	Additions during year	XXXXXXXXXXXXXXXXXXXX	
3	Subtotal - Beginning balance plus additions during year	XXXXXXXXXXXXXXXXXXXX	18,052,042.83
4	Charges during year	XXXXXXXXXXXXXXXXXXXX	
5	Refunds	XXXXXXXXXXXXXXXXXXXX	
6	Percentage of revenue basis		
7	Proportionate cost basis		
8	Present worth basis		
9	Total refunds	704,388.27	704,388.27
10	Transfers to Acct 265 - Contributions in Aid of Construction	XXXXXXXXXXXXXXXXXXXX	
11	Due to expiration of contracts	XXXXXXXXXXXXXXXXXXXX	
12	Due to present worth discount	XXXXXXXXXXXXXXXXXXXX	
13	Total transfers to Acct. 265	XXXXXXXXXXXXXXXXXXXX	0.00
14	Securities Exchanged for Contracts (enter detail below)		
15	Subtotal - Charges during year	XXXXXXXXXXXXXXXXXXXX	704,388.27
16	Balance end of year	XXXXXXXXXXXXXXXXXXXX	17,347,654.56

If stock, bonds, etc., were issued in exchange for construction advance contracts give details below.

Line No.	Type of Security or Other Consideration (Other than Cash) (a)	Dividend or Interest Rate (b)	PUC Decision Number (c)	Amount Issued (d)
17	Common stock			
18	Preferred stock			
19	Bonds			
20	Other (describe)			
21				
22				

SCHEDULE A-33
Account 242 - Other Deferred Credits

Line No.	Item (a)	Balance End of Year (b)
1	#2420-2422 Other Deferred Credits	2,298,764.00
2	#2423 Deferred Revenue - CIAC	393,544.56
3		
4		
5		
6	Total	2,692,308.56

SCHEDULE A-34
Accounts 254 to 258, Inclusive - Miscellaneous Reserves

Line No.	Account (a)	Balance Beginning of Year (b)	DEBITS		CREDITS		Balance End of Year (g)
			Nature of Items (c)	Amount (d)	Account Charged (e)	Amount (f)	
7							
8							
9	NONE						
10							
11							
12							
13	Totals						

SCHEDULE A-35

Account 265 - Contributions in Aid of Construction

Instructions for Preparation of Schedule of Contributions in Aid of Construction

¹ The credit balance in the account other than that portion of the balance relating to nondepreciable property (column d), to property retired prior to January 1, 1995 (column e), and to the estimated amount of depreciation accrued to January 1, 1955 (column f), shall be written off through charges to this account and credits to Account 250 - Reserve for Depreciation of Utility Plant over a period equal to the estimated service life of the property involved. Upon retirement of depreciable property for which a depreciation reserve has been created through charges to this account, the cost thereof shall be credited to the appropriate plant account and concurrently charged to Account 250. If the property is retired prior to the service life originally estimated, the balance in this account with respect to the retired property shall be transferred to the depreciation reserve account.

² That portion of the balance applicable to nondepreciable property shall remain unchanged until the property is sold or otherwise retired. Upon retirement, the cost of such nondepreciable property acquired by donation or through use of donated funds shall be credited to the appropriate plant account and charged to this account to clear the credit balance carried herein.

³ That portion of the balance representing donations on property retired prior to January 1, 1955 (column e), and the amount of depreciation accrued to January 1, 1955, on property in service (column f), shall not be transferred from this account or otherwise disposed of without first receiving written authorization from the Commission.

Line No.	Item (a)	Total All Columns (b)	Subject to Amortization		Not Subject to Amortization	
			Property in Service After Dec. 31, 1954		Property Retired Before Jan. 1, 1955 (e)	Depreciation Accrued through Dec. 31, 1954 on Property in Service at Dec. 31, 1954 (f)
			Depreciable (c)	Non-Depreciable (d)		
1	Balance beginning of year		43,909,502.06			
2	Add: Credits to account during year	XXXXXX XX	XXXXXX XX	XXXXXX XX	XXXXXX XX	XXXXXXXX XX
3	Contributions received during year		4,361,706.00		XXXXXX XX	XXXXXXXX XX
4	Other credits*					
5	Total credits		48,271,208.06			
6	Deduct: Debits to account during year	XXXXXX XX	XXXXXX XX	XXXXXX XX	XXXXXX XX	XXXXXXXX XX
7	Depreciation charges for year		1,299,652.56	XXXXXX XX	XXXXXX XX	XXXXXXXX XX
8	Nondepreciable donated property retired		XXXXXX XX		XXXXXX XX	XXXXXXXX XX
9	Other debits*					
10	Total debits		1,299,652.56			
11	Balance end of year		46,971,555.50			

*Indicate nature of these items and show the accounts affected by the contra entries.

SCHEDULE B-1
Account 501 - Operating Revenues

Line No.	Acct.	ACCOUNT (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Brackets) (d)
1		I. WATER SERVICE REVENUES			
2	601	Metered sales to general customers			
3		601.1 Commercial sales 6011,12,15,16,18,19,92,95	13,077,334.98	11,632,246.74	1,445,088.24
4		601.2 Industrial sales 6014, 17	1,058,570.10	972,349.62	86,220.48
5		601.3 Sales to public authorities 6013	1,891,892.64	1,622,088.54	269,804.10
6		Sub-total	16,027,797.72	14,226,684.90	1,801,112.82
7	602	Unmetered sales to general customers			
8		602.1 Commercial sales			
9		602.2 Industrial sales			
10		602.3 Sales to public authorities			
11		Sub-total	0.00	0.00	0.00
12	603	Sales to irrigation customers			
13		603.1 Metered sales 6030, 31	113,858.08	148,474.73	(34,616.65)
14		603.2 Unmetered sales			
15		Sub-total	113,858.08	148,474.73	(34,616.65)
16	604	Private fire protection service 6040, 41, 42	616,627.64	610,461.98	6,165.66
17	605	Public fire protection service			
18	606	Sales to other water utilities for resale			
19	607	Sales to governmental agencies by contracts			
20	608	Interdepartmental sales			
21	609	Other sales or service 6090,91,94	174,847.58	248,100.95	(73,253.37)
22		Sub-total	791,475.22	858,562.93	(67,087.71)
23		Total water service revenues	16,933,131.02	15,233,722.56	1,699,408.46
24		II. OTHER WATER REVENUES			
25	611	Miscellaneous service revenues 6110, 6112	11,384.34	7,000.00	4,384.34
26	612	Rent from water property			
27	613	Interdepartmental rents			
28	614	Other water revenues 6111, 6093, 6140-44	429,892.42	119,133.21	310,759.21
29		Total other water revenues	441,276.76	126,133.21	315,143.55
30	501	Total operating revenues	17,374,407.78	15,359,855.77	2,014,552.01

SCHEDULE B-1a
Operating Revenues Apportioned to Cities and Towns

Line No.	Location (a)	Operating Revenues (b)
31	Operations not within incorporated cities ¹	
32	LA County Code 3	
33	LA County Code 4	
34	SEE ATTACHED	
35	Operations within incorporated territory	
36	City or town of Santa Clarita City Code 1	
37	City or town of Santa Clarita City Code 2	
38	City or town of	
39	City or town of	
40	City or town of	
41		
42		
43		
44		

¹ Should be segregated to operating districts.

SCHEDULE B-1a

VALENCIA WATER COMPANY
County Ordinance: 91-0042F
City Ordinance: 91-5
Calendar Year 2004

Total Reported Revenue for Year 2004 by City and County Codes

City Code 1	\$6,718,300.64
City Code 2	3,840,653.77
County Code 3	730,594.86
County Code 4	<u>5,811,363.51</u>
	<u>\$17,100,912.78</u>

Codes 1 and 2	Within the City of Santa Clarita
Codes 3 and 4	Within unincorporated Los Angeles County
Codes 1 and 3	VWC has prior rights easement
Codes 2 and 4	Occupancy in Public R/W is by Franchise

SCHEDULE B-2

Account 502 - Operating Expenses - Class A, B, and C Water Utilities

Respondent should use the group of accounts applicable to its class

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
			A	B	C			
1		I. SOURCE OF SUPPLY EXPENSE						
2		Operation						
3	701	Operation supervision and engineering	A	B		124,813.06	120,929.48	3,883.58
4	701	Operation supervision, labor and expenses			C			
5	702	Operation labor and expenses	A	B				
6	703	Miscellaneous expenses	A			5,520.00	245.00	5,275.00
7	704	Purchased water	A	B	C	3,461,244.98	2,248,829.08	1,212,415.90
8		Maintenance						
9	706	Maintenance supervision and engineering	A	B				
10	706	Maintenance of structures and facilities			C			
11	707	Maintenance of structures and improvements	A	B				
12	708	Maintenance of collect and impound reservoirs	A					
13	708	Maintenance of source of supply facilities		B				
14	709	Maintenance of lake, river and other intakes	A					
15	710	Maintenance of springs and tunnels	A					
16	711	Maintenance of wells	A			52,740.70	124,730.11	(71,989.41)
17	712	Maintenance of supply mains	A					
18	713	Maintenance of other source of supply plant	A	B				
19		Total source of supply expense				3,644,318.74	2,494,733.67	1,149,585.07
20		II. PUMPING EXPENSES						
21		Operation						
22	721	Operation supervision and engineering	A	B				
23	721	Operation supervision labor and expense			C			
24	722	Power production labor and expense	A					
25	722	Power production labor, expenses and fuel		B				
26	723	Fuel for power production	A					
27	724	Pumping labor and expenses	A	B				
28	725	Miscellaneous expenses	A					
29	726	Fuel or power purchased for pumping	A	B	C	1,342,329.65	1,335,896.02	6,433.63
30		Maintenance						
31	729	Maintenance supervision and engineering	A	B		170,646.29	175,301.58	(4,655.29)
32	729	Maintenance of structures and equipment			C			
33	730	Maintenance of structures and improvements	A	B				
34	731	Maintenance of power production equipment	A	B				
35	732	Maintenance of pumping equipment	A	B		118,117.30	95,719.46	22,397.84
36	733	Maintenance of other pumping plant	A	B				
37		Total pumping expenses				1,631,093.24	1,606,917.06	24,176.18

SCHEDULE B-2

Account 502 - Operating Expenses - Class A, B, and C Water Utilities (Continued)

Respondent should use the group of accounts applicable to its class

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
			A	B	C			
1		III. WATER TREATMENT EXPENSES						
2		Operation						
3	741	Operation supervision and engineering	A	B				
4	741	Operation supervision, labor and expenses			C			
5	742	Operation labor and expenses	A			60,121.84	56,086.81	4,035.03
6	743	Miscellaneous expenses	A	B		92,908.28	87,331.31	5,576.97
7	744	Chemicals and filtering materials	A	B		86,856.33	91,556.02	(4,699.69)
8		Maintenance						
9	746	Maintenance supervision and engineering	A	B				
10	746	Maintenance of structures and equipment			C			
11	747	Maintenance of structures and improvements	A	B				
12	748	Maintenance of water treatment equipment	A	B				
13		Total water treatment expenses				239,886.45	234,974.14	4,912.31
14		IV. TRANS. AND DIST. EXPENSES						
15		Operation						
16	751	Operation supervision and engineering	A	B		118,672.58	111,775.86	6,896.72
17	751	Operation supervision, labor and expenses			C			
18	752	Storage facilities expenses	A			32,569.43	33,793.07	(1,223.64)
19	752	Operation labor and expenses		B				
20	753	Transmission and distribution lines expenses	A					
21	754	Meter expenses	A			412.95	898.21	(485.26)
22	755	Customer installations expenses	A					
23	756	Miscellaneous expenses	A			71,336.49	74,879.92	(3,543.43)
24		Maintenance						
25	758	Maintenance supervision and engineering	A	B				
26	758	Maintenance of structures and plant			C			
27	759	Maintenance of structures and improvements	A	B				
28	760	Maintenance of reservoirs and tanks	A	B		18,978.88	34,767.32	(15,788.44)
29	761	Maintenance of trans. and distribution mains	A			227,616.64	143,194.67	84,421.97
30	761	Maintenance of mains		B				
31	762	Maintenance of fire mains.	A					
32	763	Maintenance of services	A			140,928.95	135,860.00	5,068.95
33	763	Maintenance of other trans. and distribution plant		B				
34	764	Maintenance of meters	A			54,134.64	54,834.20	(699.56)
35	765	Maintenance of hydrants	A			40,482.44	19,421.12	21,061.32
36	766	Maintenance of miscellaneous plant	A					
37		Total transmission and distribution expenses				705,133.00	609,424.37	95,708.63

SCHEDULE B-2

Account 502 - Operating Expenses - Class A, B, and C Water Utilities (Concluded)

Respondent should use the group of accounts applicable to its class.

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
			A	B	C			
1		V. CUSTOMER ACCOUNT EXPENSES						
2		Operation						
3	771	Supervision	A	B		169,253.41	160,039.74	9,213.67
4	771	Superv., meter read., other customer acct expenses			C			
5	772	Meter reading expenses	A	B				
6	773	Customer records and collection expenses	A			416,697.47	388,492.84	28,204.63
7	773	Customer records and accounts expenses		B				
8	774	Miscellaneous customer accounts expenses	A					
9	775	Uncollectible accounts	A	B	C	19,200.00	20,500.00	(1,300.00)
10		Total customer account expenses				605,150.88	569,032.58	36,118.30
11		VI. SALES EXPENSES						
12		Operation						
13	781	Supervision	A	B				
14	781	Sales expenses			C			
15	782	Demonstrating and selling expenses	A					
16	783	Advertising expenses	A					
17	784	Miscellaneous sales expenses	A					
18	785	Merchandising, jobbing and contract work	A					
19		Total sales expenses				0.00	0.00	0.00
20		VII. ADMIN. AND GENERAL EXPENSES						
21		Operation						
22	791	Administrative and general salaries	A	B	C	2,596,244.98	639,772.72	1,956,472.26
23	792	Office supplies and other expenses	A	B	C	357,119.77	327,226.77	29,893.00
24	793	Property insurance	A			678,760.93	493,412.56	185,348.37
25	793	Property insurance, injuries and damages		B	C			
26	794	Injuries and damages	A			95,654.24	127,034.66	(31,380.42)
27	795	Employees' pensions and benefits	A	B	C	696,694.01	542,308.14	154,385.87
28	796	Franchise requirements	A	B	C	215,228.00	190,479.00	24,749.00
29	797	Regulatory commission expenses	A	B	C	60,000.00	172,328.90	(112,328.90)
30	798	Outside services employed	A			238,161.21	740,702.64	(502,541.43)
31	798	Miscellaneous other general expenses		B				
32	798	Miscellaneous other general operation expenses			C			
33	799	Miscellaneous general expenses	A			189,454.48	168,053.11	21,401.37
34		Maintenance						
35	805	Maintenance of general plant	A	B	C	98,797.68	87,259.29	11,538.39
36		Total administrative and general expenses				5,226,115.30	3,488,577.79	1,737,537.51
37		VIII. MISCELLANEOUS						
38	811	Rents	A	B	C			
39	812	Administrative expenses transferred - Cr.	A	B	C	(189,280.00)	(178,800.00)	(10,480.00)
40	813	Duplicate charges - Cr.	A	B	C	(60.00)	(60.00)	0.00
41		Total miscellaneous				(189,340.00)	(178,860.00)	(10,480.00)
42		Total operating expenses				11,862,357.61	8,824,799.61	3,037,558.00

SCHEDULE B-3
Account 506 - Property Losses Chargeable to Operations

Line No.	Description (a)	Amount
1	NONE	
2		
3		
4		
5		
6		
7		
8	Total	0.00

SCHEDULE B-4
Account 507 - Taxes Charged During Year

1. This schedule is intended to give the account distribution of total taxes charged to operations and other final accounts during the year.

2. Do not include gasoline and other sales taxes which have been charged to accounts to which the material on which the tax was levied was charged. If the actual or estimated amounts of such taxes are known, they should be shown as a footnote and designated whether estimated or actual amounts.

3. The accounts to which taxes charged were distributed should be shown in columns (c) to (f). Show both the utility department and number of account charged except for taxes capitalized.

4. For any tax which it was necessary to apportion to more than one utility department or account, state in a footnote the basis of apportioning such tax.

5. The total taxes charged as shown in column (b) should agree with the amounts shown by column (d) of schedule entitled "Accrued and Prepaid Taxes," page 24.

6. Do not include in this schedule entries with respect to deferred income taxes, or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

Line No.	Kind of Tax (a)	Total Taxes Charged During Year (b)	DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)			
			Water (Account 507) (c)	Nonutility (Account 521) (d)	Other (Account ---) (e)	Capitalized (Omit Account) (f)
9	Taxes on real and personal property	5071 340,783.48	340,783.48			
10	State corp. franchise tax	5070 73,070.00	73,070.00			
11	State unemployment insurance tax	5075 6,970.49	5,447.49			1,523.00
12	Other state and local taxes					
13	Federal unemployment insurance tax	5074 1,653.88	1,292.88			361.00
14	Federal insurance contributions act	5073 87,507.06	68,381.06			19,126.00
15	Other federal taxes					
16	Federal income tax	5070 705,288.00	705,288.00			
17						
18						
19						
20						
21						
22	Totals	1,215,272.91	1,194,262.91	0.00	0.00	21,010.00

SCHEDULE B-5

Reconciliation of Reported Net Income With Taxable Income for Federal Taxes

1. Report hereunder a reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net in-

come as if a separate return were to be filed, indicating, however, inter-company amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members

3. Show taxable year if other than calendar year from-----to-----

Line No.	Particulars (a)	Amount (b)
1	Net income for the year per Schedule B, page 7.....	1,006,261
2	Reconciling amounts (list first additional income and unallowable deductions, followed by additional	
3	deductions for non-taxable income):	
4	Income Tax Expense	778,358
5	Pre-tax income	1,784,619
6		
7	T&E 50%	2,603
8	Deferred revenue grossup	(73,495)
9	CIAC grossup received	103,571
10	Association Dues	28,796
11	Repayment of 89-91 loans	17,749
12	Regulatory Reserve	276,133
13	Bad Debt Reserve	(1,032)
14	CIAC received	296,923
15	Advance refunds	(425,613)
16	Repayment of 92-96 loans	31,167
17	Section 263a capitalized G&A	116,663
18	Tax loss on Sale/Abandonment	(57,703)
19	Capitalized Interest	288,720
20	Tax/Book depreciation difference	(1,722,223)
21	Prior year state taxes	(259,914)
22	Miscellaneous	188,000
23	Federal Taxable Income	594,964
24	Federal tax rate	34%
25	Current federal tax payable	202,288
26	Deferred federal tax	503,000
27	Total federal tax expense	705,288
28		
29	STATE:	
30	Federal Taxable Income	594,964
31	Adjustments to get to state taxable income	299,495
32	State Taxable Income	894,459
33	State tax rate	8.84%
34	Current state tax payable	79,070
35	Deferred state tax	(6,000)
36		73,070
37		
38	Total Income Tax Expense	778,358
39		
40		
41	Federal tax net income.....	
42	Computation of tax:	
43		
44		
45		
46	Tax per return	

SCHEDULE B-6
Account 521 - Income from Nonutility Operations

Line No.	Description (a)	Revenue (b)	Expenses (c)	Net Income (d)
1				
2	NONE			
3				
4				
5	Totals			

SCHEDULE B-7
Account 526 - Miscellaneous Nonoperating Revenue

Line No.	Description (a)	Amount (b)
6		
7	NONE	
8		
9		
10		
11		
12		
13	Totals	

SCHEDULE B-8
Account 527 - Nonoperating Revenue Deductions (Dr.)

Line No.	Description (a)	Amount (b)
14		
15	NONE	
16		
17		
18	Total	

SCHEDULE B-9
Account 535 - Other Interest Charges

Line No.	Description (a)	Amount (b)
19		
20	NONE	
21		
22	Total	

SCHEDULE B-10
Account 538 - Miscellaneous Income Deductions

Line No.	Description (a)	Amount (b)
23	Balancing / Memorandum Account Overcollection	170,300.00
24	Nonproductive assets	105,833.00
25		
26		
27	Total	276,133.00

SCHEDULE C-1

Engineering and Management Fees and Expenses, etc., During Year

	Give the required particulars of all contracts or other agreements in effect in the course of the year between the respondent and any corporation, association, partnership or person covering supervision and/or management of any department of the respondents affairs such as accounting, engineering, financing, construction or operation, and show the payments under such agreements and also the payments for advice and services to a corporation or corporations which directly or indirectly control respondent through stock ownership		
Line No.			
1	1	Did the respondent have a contract or other agreement with any organization or person	
2		covering supervision and/or management of its own affairs during the year?	
3		Answer (Yes or No)	YES
4	2	Name of each organization or person that was a party to such a contract or agreement	
5		The Newhall Land and Farming Company (NLF)	
6	3	Date of original contract or agreement.	1/5/94 Copy provided with 1994 report
7	4	Date of each supplement or agreement.	
8		New contract dated January 1 of each subsequent year	
9		Note: File with the report a copy of every contract, agreement, supplement or amendment mentioned above	
10		unless a copy of the instrument in due form has been furnished in which case a definite reference to the report	
11		of the respondent relative to which it was furnished will suffice.	
12	5	Amount of compensation paid during the year for supervision or management	\$159,900
13	6	To whom paid	Same as above
14	7	Nature of payment	General & Administrative, Info Systems, Income Taxes
15	8	Amounts paid for each class of service	G&A and Info Systems \$147,900
16			Income Taxes \$12,000
17	9	Base for determination of such amounts	Study of comparable amounts
18			
19	10	Distribution of payments:	
20	(a)	Charged to operating expenses	\$159,900
21	(b)	Charged to capital accounts	0
22	(c)	Charged to other accounts	0
23		Total	\$159,900
24	11	Distribution of charges to operating expenses by primary accounts.	
25		Number and Title of Account	
26		7925 Intercompany G&A	
27			
28			
29		Total	\$159,900
30	12	What relationship, if any, exists between respondent and supervisory and/or	
31		managing concerns? NLF owns 100% of Valencia Water Company	

SCHEDULE C-2

Compensation of Individual Proprietor or Parnter

Do operating expenses include any charge for owner's compensation in the form of salary or wages, rental allowances, or for the use of a private automobile. (If the word "none" truly states the fact it should be given as the answer to this inquiry.)

Line No.	Nature of Allowance (a)	Account Charged (b)	Amount (c)
1			
2	NONE		
3			
4			
5			
6	Total		

SCHEDULE C-3

Employees and Their Compensation

(Charged to Account 502 - Operating Expenses - Schedule B-2)

Line No.	Classification (a)	Number at End of Year (b)	Total Salaries and Wages Paid During Year (c)
7	Employees - Source of supply #7010, 7011	2	124,813.06
8	Employees - Pumping #7290	6	170,646.29
9	Employees - Water treatment #7420	2	60,121.84
10	Employees - Transmission and distribution #7510	4	118,672.58
11	Employees - Customer account #7710,7731,7732	12	308,239.48
12	Employees - Sales		
13	Employees - Administrative #7910, 7911	7	2,593,478.55
14	General officers		
15	General office		
16	Totals	33	3,375,971.80

SCHEDULE C-4

Record of Accidents During Year

Line No.	Date of Accident (a)	TO PERSONS					TO PROPERTY			
		Employees on Duty		Public ¹		Total Number (f)	Company		Other	
		Killed (b)	Injured (c)	Killed (d)	Injured (e)		Number (g)	Amount (h)	Number (i)	Amount (j)
17	NONE									
18										
19										
20	Totals									

¹Accidents to employees not on duty should be included in "Public" accidents

SCHEDULE C-5
Expenditures for Political Purposes

Hereunder report all direct or indirect expenditures incurred or made to elect or defeat a candidate for public office; or to place any measure on the ballot; at any election, or to keep it from being placed on the ballot at any election, or to support or defeat any measure on the ballot; at an election, or to support or defeat any proposed legislation, also name the account or accounts to which the expenditures herein mentioned have been charged. (If the word "none" truly states the fact, it should be given as the answer to this inquiry.)

1	California Water Association PAC	\$12,055
2		
3		
4		
5		

SCHEDULE C-6
Loans to Directors, or Officers, or Shareholders

Show hereunder the amount of loans to directors, or officers, or shareholders and the terms and conditions of such loans. Among other things, show the name of each director, or officer, or shareholder, receiving a loan or loans, the amount of each loan, the rate of interest payable on such loan or loans, the maturity date of each loan or loans, the security given and the date when the shareholders authorized each loan. If such authorization was given. (If the word "none" truly states the fact, it should be given as the answer to this inquiry.)

6	None
7	
8	
9	
10	
11	

SCHEDULE D-1
Sources of Supply and Water Developed

STREAMS				FLOW IN(unit) ²				Annual Quantities Diverted(Unit) ²	Remarks
Line No.	Diverted into*	From Stream or Creek (Name)	Location of Diversion Point	Priority Right		Diversions			
				Claim	Capacity	Max.	Min.		
1									
2	NOT APPLICABLE								
3									
4									
5									

WELLS							Annual Quantities Pumped(Unit) ²	Remarks
Line No.	At Plant (Name or Number)	Location	Number	Dimensions	¹ Depth to Water	Pumping Capacity(Unit) ²		
6								
7	SEE ATTACHED SCHEDULE D-1							
8								
9								
10								

TUNNELS AND SPRINGS				FLOW IN(Unit) ²		Annual Quantities Used(Unit) ²	Remarks
Line No.	Designation	Location	Number	Maximum	Minimum		
11							
12	NOT APPLICABLE						
13							
14							
15							

Purchased Water for Resale			
16	Purchased from	Castaic Lake Water Agency	
17	Annual quantities purchased	18,409.88	(Unit chosen) ¹ ACRE FEET
18			
19			

* State ditch, pipe line, reservoir, etc., with name, if any.

¹ Average depth to water surface below ground surface.

² The quantity unit in established use for expressing water stored and used in large amounts is the acre foot, which equals 42,560 cubic feet; in domestic use the thousand gallon or the hundred cubic feet. The rate of flow or discharge in larger amounts is expressed in cubic feet per second, in gallons per minute, in gallons per day, or in the miner's inch. Please be careful to state the unit used.

SCHEDULE D-2
Description of Storage Facilities

Line No.	Type	Number	Combined Capacity (Gallons or Acre Feet)	Remarks
20	A. Collecting reservoirs			
21	Concrete			
22	Earth			
23	Wood			
24	B. Distribution reservoirs			
25	Concrete			
26	Earth			
27	Wood			
28	C. Tanks			
29	Wood			
30	Metal	21	49.68	million gallons
31	Concrete	1	2.00	million gallons
32	Totals	22	51.68	million gallons

SCHEDULE D-1 WELLS

	PLANT	LOCATION	DIMENSIONS (CASING DIA. X DEPTH)	STANDING WATER DEPTH (FT.)	PUMPING CAPACITY (GPM)	ANNUAL PUMPAGE (AF)
(1)	157	CIVIC CENTER	14" X 2008'	94	1,500	
(2)	159	PICO CANYON	14" X 1900'	118	600	9.14
(3)	160	SCE SUBSTATION	16" X 2000'	80	2,000	1,526.37
(4)	201	VALENCIA BLVD	18" X 1700'	99	2,400	147.68
(5)	205	VALENCIA BLVD	18" X 1950'	96	2,500	812.96
(6)	206	MAGIC MOUNTAIN	18" X 2060'	53	2,000	
(7)	D	HASLEY CANYON	18" X 142'	30	1,050	833.21
(8)	E15	COMMERCE CENTER	18" x 180'	34	1,400	
(9)	I	AVENUE SCOTT	12" X 172'	24	150	
(10)	N	PARDEE FIELD	16" X 280'	37	1,250	587.39
(11)	N7	PARDEE FIELD	18" X 200'	34	2,000	
(12)	N8	PARDEE FIELD	18" X 210'	34	2,000	
(13)	Q2	BOUQUET CYN	18" X 158'	46	1,700	1,096.35
(14)	T2	SOLEDAD CYN	18" X 150'	58	800	822.49
(15)	T4	SOLEDAD CANYON	14" X 142'	61	800	746.98
(16)	U3	SOLEDAD CYN	18" X 140'	NOTE 1	1,000	
(17)	U4	LA AQUEDUCT	14" X 130'	62	900	624.71
(18)	U6	PANHANDLE	18" X 176'	59	1,000	
(19)	W9	SAN FRANCISQUITO	14" X 160'	39	800	566.31
(20)	W10	SAN FRANCISQUITO	16" X 190'	47	1,500	1,536.56
(21)	W11	SAN FRANCISQUITO	18" X 180'	45	1,000	122.91
(22)	S6	BRIDGEPORT	18" X 230'	39	1,500	2,300.90
(23)	S7	BRIDGEPORT	18" X 240'	35	1,500	470.50
(24)	S8	BRIDGEPORT	18" X 231'	45	1,500	153.45

12,357.91

NOTE 1: WELL ABANDONED DURING 2ND QUARTER 2004

SCHEDULE D-3
Description of Transmission and Distribution Facilities

A. LENGTH OF DITCHES, FLUMES AND LINED CONDUITS IN MILES FOR VARIOUS CAPACITIES
 Capacities in Cubic Feet Per Second or Miner's Inches (State Which) _____

Line No.		0 to 5	6 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 75	76 to 100
1	Ditch								
2	Flume								
3	Lined conduit								
4									
5	Totals								N/A

A. LENGTH OF DITCHES, FLUMES AND LINED CONDUITS IN MILES FOR VARIOUS CAPACITIES - Concluded
 Capacities in Cubic Feet Per Second or Miner's Inches (State Which) _____

Line No.		101 to 200	201 to 300	301 to 400	401 to 500	501 to 750	751 to 1000	Over 1000	Total All Lengths
6	Ditch								
7	Flume								
8	Lined conduit								
9									
10	Totals								N/A

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING

Line No.		4	6	8	10	12	14	16	18	sub total
11	Cast Iron									0
12	Cast Iron (cement lined)		410	90	378	780	280	4,928	610	7,476
13	Concrete									0
14	Copper									0
15	Riveted steel									0
16	Standard screw									0
17	Screw or welded casing									0
18	Cement - asbestos	13,581	124,015	220,865	102,696	121,009	76,010	44,765	5,562	708,503
19	Welded steel		248	4,167	519		27,071	11,491	2,739	46,235
20	Wood									0
21	Other - PVC	11,315	85,304	290,714	100,606	156,155	73,545	125,647	54,840	898,126
22	Totals	24,896	209,977	515,836	204,199	277,944	176,906	186,831	63,751	1,660,340

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING - Concluded

Line No.		20	21	24	27	30	36	Other Sizes (Specify Sizes)		Total All Sizes
									sub total	
23	Cast Iron								0	0
24	Cast Iron (cement lined)	493		750	320	2,783	5,580		9,926	17,402
25	Concrete								0	0
26	Copper								0	0
27	Riveted steel								0	0
28	Standard screw								0	0
29	Screw or welded casing								0	0
30	Cement - asbestos	3,229							3,229	711,732
31	Welded steel	40	1,859	1,520	9,511	0	321		13,251	59,486
32	Wood								0	0
33	Other - PVC	9,149		8,567					17,716	915,842
34	Totals	12,911	1,859	10,837	9,831	2,783	5,901	0	44,122	1,704,462

**SCHEDULE D-4
Number of Active Service Connections**

Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior Year	Current Year	Prior Year	Current Year
Commercial (including domestic)	24,253	25,716		
Industrial	449	448		
Public authorities	476	484		
Irrigation	3	3		
Other: Metered Construction	680	578		
Other - Recycled	2	9		
Subtotal	25,863	27,238	0	0
Private fire connections			947	1,058
Public fire hydrants				
Total	25,863	27,238	947	1,058

**SCHEDULE D-5
Number of Meters and Services on
Pipe Systems at End of Year**

Size	Meters	Services
5/8 x 3/4 - in	996	996
3/4 - in	23,570	23,570
1 - in	382	382
1 1/2 - in	414	414
2 - in	1,629	1,694
3 - in	167	167
4 - in	49	146
6 - in	17	678
8 - in	8	211
8 - in +	6	38
Total	27,238	28,296

**SCHEDULE D-6
Meter Testing Data**

A. Number of Meters Tested During Year as Prescribed in Section VI of General Order No. 103:	
1. New, after being received . . .	0
2. Used, before repair	124
3. Used, after repair	0
4. Found fast, requiring billing adjustment	0
B. Number of Meters in Service Since Last Test	
1. Ten years or less	13,489
2. More than 10, but less than 15 years	5,802
3. More than 15 years	7,947

SCHEDULE D-7
Water delivered to Metered Customers by Months and Years in Ccf (Unit Chosen)¹

Classification of Service	During Current Year												Subtotal		
	January	February	March	April	May	June	July	August	September	October	November	December		Subtotal	Total
Commercial	595,653	499,029	499,629	702,395	800,940	923,737	1,082,055						5,103,438		
Industrial	56,233	42,025	42,012	52,281	66,833	76,797	93,997						430,178		
Public authorities	67,148	55,359	44,129	95,925	148,423	176,452	218,009						805,445		
Irrigation	10,023	5,372	6,526	2,962	14,135	10,282	14,271						63,571		
Other - Metered Construction	33,110	16,935	911	0	1,856	5,250	5,051						63,113		
Other - Recycled	1,601	49	1,700	9,550	10,639	23,775	24,377						71,691		
Total	763,768	618,769	594,907	863,113	1,042,826	1,216,293	1,437,760						6,537,436		
Classification of Service	During Current Year												Total	Prior Year	
	August	September	October	November	December	Subtotal	Total	Total	Total	Total	Total	Total			
Commercial	1,171,788	1,119,534	1,131,921	697,725	622,732	4,743,700	9,847,138						8,997,635		
Industrial	97,924	99,983	106,477	94,330	49,727	448,441	878,619						808,381		
Public authorities	232,959	231,760	255,397	87,643	68,889	876,648	1,682,093						1,505,152		
Irrigation	20,024	13,922	4,999	954	5,995	45,894	109,465						158,573		
Other - Metered Construction	2,687	4,514	3,230	2,630	3,169	16,230	79,343						157,776		
Other - Recycled	34,183	23,979	32,705	20,074	1,312	112,253	183,944						54,962		
Total	1,559,565	1,493,692	1,534,729	903,356	751,824	6,243,166	12,780,602						11,682,479		

¹ Quantity units to be in hundreds of cubic feet, thousands of gallons, acre-feet, or miner's inch-days.

Total acres irrigated _____ Total population served 94,000

SCHEDULE E-1
Balancing & Memorandum Accounts

Line No.	Description (a)	Authorized by Decision or Resolution No. (b)	Beginning of Year Balance (c)	Offset Revenues (d)	Offset Expenses (e)	Interest (f)	Surcharge (g)	Surcredit (h)	End of Year Balance (i)
1	Pchsd. Power - pre-11/29/01	Res. W-2818	\$580,817	\$0	\$0	\$8,674	\$0	\$0	\$589,491
2	Pch Power - 11/29/01-12/02	Res. W-2818	(\$217,893)	\$0	\$0	\$0	\$0	\$0	(\$217,893)
3	Pch Power - 2003	Res. W-2818	\$127,741	\$0	\$0	\$0	\$0	\$0	\$127,741
4	Pch Power - 2004	Res. W-2818	\$0	\$0	\$258,872	\$2,320	\$0	\$0	\$261,192
5	Pch Water - 2004	Res. W-2818	\$0	\$562,346	(\$662,760)	(\$340)	\$0	\$0	(\$100,754)
6	Litigation Memo Account	Res. W-4094	(\$920,678)	\$111,737	\$20,656	(\$12,031)			(\$800,316)
7	Seco / East I-5 Memo Account	D.94-02-020	\$12,266	\$0	\$0	\$183			\$12,449
8	Water Quality Memo Account	D.94-02-020	\$207,278	\$0	\$0	\$3,095			\$210,373
9	CEMA (Floods) Memo Account	Res. E-3238	(\$140,094)	\$0	\$0	(\$7,581)			(\$147,675)

Note 1: For Columns d, e, f, g, & h, provide those amounts booked in the current year.

Note 2: The detail for each individual account includes the Beginning of Year Balance, End of Year Balance, each Offset Expense adjustment during the year, each Offset Revenue adjustment during the year, each Surcharge adjustment during the year, each Surcredit adjustment during the year, and the decision or resolution number associated with each item of detail.

DECLARATION
Before Signing, Please Check to See That All Schedules Have Been Completed

I, the undersigned _____ Officer _____
Officer, Partner or Owner

of _____ Valencia 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, 2004 to and including January 31, 2004.

(date)

SIGNED _____ Robert J. Prino _____
(date)

Title President

Date 3/7/05

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