

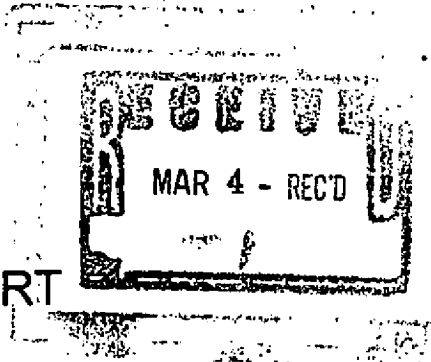
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**CLASS D
WATER UTILITIES**

U# _____

**2001
ANNUAL REPORT
OF**



WEST SAN MARTIN WATER WORKS, INC.

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

1005 HIGHLAND AVENUE, SAN MARTIN CA 95046

(OFFICIAL MAILING ADDRESS)

ZIP

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

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2002
(FILE TWO COPIES IF THREE RECEIVED)

**Summary of Earnings
Test Year 2001**

Account Number	Operating Revenue	
470	Metered	224,723
460	Unmetered	3,034
465	Irrigation	
462	Private Fire Protection	403
480	Other Water Revenue	3,194
	Total Revenue	231,354
	Operating Expenses	
610	Purchased Water	
615	Purchased Power	49,603
	Purchased Chemicals	
618	Other Vol. Related exp.	42,785
630	Employee labor	10,800
640	Materials	1,807
650	Contract Work	5,032
	Water Testing	3,484
660	Transportation Expense	3,906
664	Other Plant Maintenance	9,041
670	Office Salaries	21,100
671	Management Salaries	15,600
674	Employee Pensions and Benefits	3,717
676	Uncollectibles	731
678	Office Service and Rentals	6,000
681	Office Supplies and Expenses	7,431
682	Professional Services	6,020
684	Insurance	3,851
	Workers Compensation Insurance	1,402
688	Regulatory Expense	2,152
689	General Expense	1,090
	Subtotal	195,552
403	Depreciation Expense	11,557
	Ad Valorem Taxes	3,856
	Payroll taxes	4,149
408	Taxes other than Income	
409	State Income Tax	1,497
410	Federal Income Tax	2,316
	Total Deductions	218,927
	Net Revenue	12,427
	Rate Base	
	Average Plant	1,605,570
	Average Depreciation Reserve	(698,800)
	Net Plant	906,770
	Less: Advances	(170,178)
	Less: Contributions	(715,921)
	Plus: Cash balance for Construction	36,000
	Plus: Working Cash	16,296
	Plus: Materials & Supplies	1,942
	Rate Base	74,909
	ROR=Net Rev/Rate Base	16.59%

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

WEST SAN MARTIN WATER WORKS, INC.

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

1005 HIGHLAND AVENUE

(Official mailing address)

SAN MARTIN, CA 95046-COUNTY OF SANTA CLARA

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

- 1 If a corporation show:
 - (A) Date of organization 11/22/67 incorporated in the State of California
 - (B) Names, titles and addresses of principal officers: Esther Monschke Hughes, President
1005 Highland Avenue, San Martin Ca 95046
- 2 If unincorporated give the name and address of owner or of each partner:
 - Royanne Ukestad Secretary/Treasure
(Address above)
- 3 Name and telephone number of:
 - (A) One person listed above to receive correspondence: Royanne Ukestad (408) 683-4062
 - (B) Person responsible for operations and services:
- 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:

PUBLIC HEALTH STATUS

- 6 Has state or local health department inspection been made during the year?
- 7 Are routine laboratory tests of water being made?
- 8 Has state health department water supply permit been obtained? (Indicate date)
- 9 If no permit has been obtained, state whether application has been made and when.
- 10 Show expiration date if state permit is temporary.

Yes	No	Latest Date
x		
X		Dec-01
X		

SPECIAL INSTRUCTIONS (over)

SPECIAL INSTRUCTIONS

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

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

NAME OF UTILITY West San Martin Water Works, Inc. PHONE (408)683-2098

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

	1/1/01	12/31/01	Average
BALANCE SHEET DATA			
1 Intangible Plant	<u>4,272</u>	<u>4,272</u>	<u>4,272</u>
2 Land and Land Rights	<u>4,030</u>	<u>4,030</u>	<u>4,030</u>
3 Depreciable Plant	<u>1,578,279</u>	<u>1,616,256</u>	<u>1,597,268</u>
4 Gross Plant in Service	<u>1,586,581</u>	<u>1,624,558</u>	<u>1,605,570</u>
5 Less: Accumulated Depreciation	<u>(677,224)</u>	<u>(720,376)</u>	<u>(698,800)</u>
6 Net Water Plant in Service	<u>909,357</u>	<u>904,182</u>	<u>906,770</u>
7 Water Plant Held for Future Use	<u> </u>	<u> </u>	<u> </u>
8 Construction Work in Progress	<u> </u>	<u> </u>	<u> </u>
9 Materials and Supplies	<u>1,843</u>	<u>2,041</u>	<u>1,942</u>
10 Less: Advances for Construction	<u>(173,928)</u>	<u>(166,428)</u>	<u>(170,178)</u>
11 Less: Contribution in Aid of Construction	<u>(721,019)</u>	<u>(710,823)</u>	<u>(715,921)</u>
12 Less: Accumulated Deferred Income and Investment Tax Credits	<u>()</u>	<u>()</u>	<u>()</u>
13 Net Plant Investment	<u>16,253</u>	<u>28,972</u>	<u>22,613</u>
 CAPITALIZATION			
14 Common Stock	<u>15,794</u>	<u>15,794</u>	<u>15,794</u>
15 Proprietary Capital (Individual or Partnership)	<u> </u>	<u> </u>	<u> </u>
16 Paid-in Capital	<u>44,570</u>	<u>44,570</u>	<u>44,570</u>
17 Retained Earnings	<u>30,909</u>	<u>44,033</u>	<u>37,471</u>
18 Common Stock and Equity (Lines 14 through 17)	<u>91,273</u>	<u>104,397</u>	<u>97,835</u>
19 Preferred Stock	<u> </u>	<u> </u>	<u> </u>
20 Long-Term Debt	<u> </u>	<u> </u>	<u> </u>
21 Notes Payable	<u> </u>	<u> </u>	<u> </u>
22 Total Capitalization (Lines 18 through 21)	<u>91,273</u>	<u>104,397</u>	<u>97,835</u>

(Revised 2/01)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
20001
(continued)

NAME OF UTILITY West San Martin Water Works, Inc PHONE (408)683-2098

		Annual Amount
INCOME STATEMENT		
23	Unmetered Water Revenue	3,034
24	Fire Protection Revenue	403
25	Other Water Revenue	3,194
26	Metered Water Revenue	224,723
27	Total Operating Revenue	231,354
28	<u>Operating Expenses</u>	195,552
29	Depreciation Expense (Composite Rate 2.7%)	11,557
30	Amortization and Property Losses	
31	Property Taxes	3,856
32	Taxes Other Than Income Taxes	4,149
33	Total Operating Revenue Deduction Before Taxes	215,114
34	California Corp. Franchise Tax	1,497
35	Federal Corporate Income Tax	2,316
36	Total Operating Revenue Deduction After Taxes	218,927
37	Net Operating Income (Loss) - California Water Operations	12,427
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	696
39	Income Available for Fixed Charges	13,123
40	Interest Expense	
41	Net Income (Loss) Before Dividends	13,123
42	Preferred Stock Dividends	
43	Net Income (Loss) Available for Common Stock	13,123

OTHER DATA		
44	Refunds of Advances for Construction	7,500
45	Total Payroll Charged to Operating Expenses	47,500
46	Purchased Water	
47	Power	49,603

				Annual Average
<u>Active Service Connections</u>		(Exc. Fire Protect.)	Jan. 1	Dec. 31
48	Metered Service Connections		203	238
49	Flat Rate Service Connections			
50	Total Active Service Connections		203	238

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

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: _____

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

Line No.	Acct. No.	Title of Account (a)	Balance Beginning of Year (b)	Plant Additions During Year (c)	Plant Retirements During Year (d)	Other Debits* or (Credits) (e)	Balance End of Year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible plant					
3	303	Land					
4		Total non-depreciable plant					
5		DEPRECIABLE PLANT					
6	304	Structures					
7	307	Wells					
8	317	Other water source plant					
9	311	Pumping equipment					
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes					
12	331	Water mains					
13	333	Services and meter installations					
14	334	Meters					
15	335	Hydrants					
16	339	Other equipment					
17	340	Office furniture and equipment					
18	341	Transportation equipment					
19		Total depreciable plant					
20		Total water plant in service					

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2001)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	1,624,558	201	Common Stock (Corporations only)	15,794
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	44,570
3	104	Water plant purchased or sold		215	Retained earnings	44,033
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(720,376)	224	Long term debt	
6	114	Water plant acquisition adjustments	7,986		Current Liabilities	10,476
7	124	Other investments		252	Advances for construction	166,428
8	131	Cash	47,323	253	Other deferred credits	
9	141	Accounts receivable - customers	13,324	255	Accumulated deferred investment tax credits	
10	143	Provision for Uncollectibles	(731)	282	Accumulated deferred income taxes - Acrs depreciation	7,688
11	151	Materials and supplies	2,041			
12	174	Other current assets	22,343	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	3,344	271	Contributions in aid of construction	1,198,906
14				272	Accumulated amortization of contributions	(488,083)
15		Total Assets	999,812		Total Equity and Liabilities	999,812

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	4,272				4,272
17	303	Land	4,030				4,030
18	304	Structures	1,409				1,409
19	307	Wells	60,644				60,644
20	317	Other water source plant					
21	311	Pumping equipment	51,908	6,438			58,346
22	320	Water treatment plant					
23	330	Reservoirs tanks and sandpipes	158,670				158,670
24	331	Water mains	1,237,115	3,827			1,240,942
25	333	Services and meter installations	11,451				11,451
26	334	Meters	27,893	22,818			50,711
27	335	Hydrants	845				845
28	339	Other equipment	15,272	4,543			19,815
29	340	Office furniture and equipment	6,529	351			6,880
30	341	Transportation equipment	6,543				6,543
31		Total water plant in service	1,586,581	37,977			1,624,558

* 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	677,223		A. Method used to compute depreciation expense (Acct. 403) and rate. 2.70%
33	Add: Credits to reserves during year			
34	(a) Charged to Account No. 403	11,557		
35	(b) Charged to Account No. 272	31,596		
36	(c) Charged to clearing accounts			B. Amount of depreciation expense claimed or to be claimed on utility property in your federal income tax return for the year covered by this report \$ 15,015
37	(d) Salvage recovered			
38	(e) All other credits			
39	Total credits	43,153		
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 depreciation. S/L, 200DB
43	(c) All other debits			
44	Total debits	0		
45	Balance in reserve at end of year	720,376		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

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

Line	1	Common - (Shares	1200, \$	13.16par)	15,794		List persons owning more than 5% of outstanding stock
	2	Preferred - (Shares	, \$	par)			and number of shares owned by each:
	3	Dividends - Common	Rate - \$				
	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								
6								
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	3,034
11	462 Fire protection revenue	403
12	465 Irrigation revenue	
13	470 Metered water revenue	224,723
14	480 Other water revenue	3,194
15	Total Operating Revenue	231,354
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	
19	615 Power	49,603
20	618 Other volume related expenses	42,785
21	630 Employee labor	10,800
22	640 Materials	1,807
23	650 Contract work	8,516
24	660 Transportation expenses	3,906
25	664 Other plant maintenance expense	9,041
26	670 Office salaries	21,100
27	671 Management salaries	15,600
28	674 Employee pensions and benefits	3,717
29	676 Uncollectible accounts expense	731
30	678 Office services and rentals	6,000
31	681 Office supplies and expense	7,431
32	682 Professional services	6,020
33	684 Insurance	5,253
34	688 Regulatory commission expense	2,152
35	689 General expenses	1,090
36	Total Operating Expenses	195,552
37	403 Depreciation expense	11,557
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	8,005
40	409 State corporate income tax expense	1,497
41	410 Federal corporate income tax expense	2,316
42	Total Operating Revenue Deductions	218,927
43	Utility Operating Income	12,427
44	421 Non-utility income	1,089
45	426 Miscellaneous non-utility expense	(393)
46	427 Interest expense	
47	Net Income	13,123

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
Chester and Sewel Streets	1	12	354	290	
Colony and Cox Avenues	2	10	98	500	
Monterey Road	3	10	382	600	

OTHER

Streams or springs location of diversion point	Flow in		(Unit) Diversions		Annual quantities diverted (Unit)
	Priority right		Max	Min	
	Claim	Capacity			
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			
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	10,800		10,800
49	670	Office salaries	1	21,100		21,100
50	671	Management salaries	2	15,600		15,600
51		Total	5	47,500		47,500

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	173,928
Additions during year	
Subtotal - Beginning balance plus additions during year	
Refunds	7,500
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	166,428

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

Size	Meters	Services
5/8 x 3/4-in	106	106
3/4-in	3	3
1-in	44	44
1 1/2-in	30	30
2-in	52	52
3-in	1	1
4-in	2	2
Total	238	238

SCHEDULE L - METER-TESTING DATA

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

SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences	238		238				238	
Industrial								
Other (specify)								
Subtotal	238		238				238	
Fire protection (Hydrants)								
Total	238		238				238	

NOTE: Total connections (metered plus flat) should agree with total services in Schedule K.

SCHEDULE N - STORAGE FACILITIES

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)


Description	No.	Combined capacity in gallons	Description	2" and under	2 1/4 to 3 1/4	4"	6"	8"	10"	12"	Totals
				Other sizes (specify)							
Concrete			Cast Iron								
Earth			Welded steel								
Wood			Standard screw								
Steel			Cement-asbestos								
Other			Plastic			2790	16,693	40,338	12,048	9,360	81,229
			Other (specify)								
Total			Total			2790	16693	40338	12048	9360	81229

DECLARATION

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

I, the undersigned (officer, partner or owner) of West San Martin Water Works, 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, 2001, to and including DECEMBER 31, 2001


 Signed _____
 Title Manager
 Date _____