

4

Received _____
Examined _____

SEWER UTILITIES

U# 418-S

**2001
ANNUAL REPORT
OF**

CALIFORNIA UTILITIES SERVICE, INC.

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

P.O. BOX 5100

SALINAS, CA 93915

(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)

INSTRUCTIONS

1. One completed copy of this report (two copies if three received) must be filed NOT LATER THAN MARCH 31, following the year covered by the report, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION
WATER DIVISION
505 VAN NESS AVENUE, ROOM 3105
SAN FRANCISCO, CALIFORNIA 94102-3298**

2. Failure to file the report on time may subject a utility to the penalties and sanctions provided by the Public Utilities Code.
3. The Oath, on the last page, must be signed by an officer, partner or owner.
4. The report must be prepared in ink or by the use of a typewriter. Computer generated report forms may be substituted.
5. The report must be filled in, and every question answered. LEAVE NO SCHEDULE BLANK. Insert the words "none" or "not applicable" or "n/a" when appropriate.
6. Certain balance sheet and income statement accounts refer to supplemental schedules. The totals of the details in the latter must agree with the balances of the accounts to which they refer.
7. Some schedules provide for a "balance at beginning of year." The amount shown should agree with the "balance at end of year" as shown in the report for the previous year. If there is a difference it should be explained by footnote.
8. When there is insufficient space in a schedule to permit a complete statement of the requested information, insert sheets should be prepared and identified by the number of the schedule to which it refers. Be certain that the inserts are securely attached to the report.
9. This report must cover a calendar year, from January 1 through December 31. Fiscal year reports will not be accepted.

CLASS D SEWER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

California Utilities Service, Inc

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

P.O. Box 5100, Salinas, CA 93915

(Official mailing address)

Salinas, California in Monterey County

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

- 1 If a corporation show:
 - (A) Date of organization 2/13/85 incorporated in the State of California
 - (B) Names, titles and addresses of principal officers:
Robert T. Adcock, President; Thomas R. Adcock, Vice President; Patricia Adcock, Secretary
- 2 If unincorporated give the name and address of owner or of each partner:
- 3 Name and telephone number of:
 - (A) One person listed above to receive correspondence: Thomas R. Adcock @ (831) 424-0442
 - (B) Person responsible for operations and services: Thomas R. Adcock @ (831) 424-0442
- 4 Were any contracts or agreements in effect with any organization or person covering service, supervision and/or management of your business affairs during the year? (Yes or No)
If so, what was the nature and the amount of each payment made under the agreement, to whom were payments made, and to what account was each payment charged?
- 5 State the names of associated companies or persons which, directly or indirectly, or through one or more intermediaries, control, or are controlled by, or are under common control with respondent:

PUBLIC HEALTH STATUS

- 6 Has state or local health department inspection been made during the year?
- 7 Are routine laboratory tests of water being made?
- 8 Has CRWQCB discharge 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		12/01
X		1991

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 - Sewer 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 D SEWER COMPANIES
2001

NAME OF UTILITY California Utilities Service, Inc. PHONE 831-424-0442

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	53,810	53,810	53,810
2	Land and Land Rights	99,565	99,565	99,565
3	Depreciable Plant	3,116,794	3,279,391	3,198,092
4	Gross Plant in Service	3,270,169	3,432,766	3,351,467
5	Less: Accumulated Depreciation	(1,183,988)	(1,312,084)	(1,248,036)
6	Net Water Plant in Service	2,086,181	2,120,682	2,103,431
7	Water Plant Held for Future Use			
8	Construction Work in Progress	0	11,857	5,929
9	Materials and Supplies	2,514	847	1,680
10	Less: Advances for Construction			
11	Less: Contribution in Aid of Construction	(1,330,418)	(1,244,710)	(1,287,564)
12	Less: Accumulated Deferred Income and Investment Tax Credits	(49,710)	(52,929)	(51,319)
13	Net Plant Investment	<u>708,567</u>	<u>835,747</u>	<u>772,157</u>
CAPITALIZATION				
14	Common Stock	10,000	10,000	10,000
15	Advances from Shareholders	91,663	91,663	91,663
16	Payable to Associated Companies	548,346	690,707	619,526
17	Retained Earnings	(294,046)	(285,592)	(289,819)
18	Common Stock and Equity (Lines 14 through 17)	355,963	506,778	431,370
19	Preferred Stock	0	0	
20	Long-Term Debt	45,674	25,963	35,819
21	Notes Payable	0	0	
22	Total Capitalization (Lines 18 through 21)	<u>401,637</u>	<u>532,741</u>	<u>467,189</u>

(Revised 10/97)

NAME OF UTILITY California Utilities Service, Inc. PHONE 831-424-0442

INCOME STATEMENT

Annual
Amount

23	Unmetered Revenue	
24	Sewer Revenue	<u>541,420</u>
25	Total Operating Revenue	<u>541,420</u>
26	<u>Operating Expenses</u>	<u>460,954</u>
27	Depreciation Expense (Composite Rate 3.927%)	<u>29,581</u>
28	Amortization and Property Losses	<u>0</u>
29	Property Taxes	<u>14,700</u>
30	Taxes Other Than Income Taxes	<u>25,253</u>
31	Total Operating Revenue Deduction Before Taxes	<u>530,488</u>
32	California Corp. Franchise Tax	<u>965</u>
33	Federal Corporate Income Tax	<u>1,492</u>
34	Total Operating Revenue Deduction After Taxes	<u>532,945</u>
35	Net Operating Income (Loss) - California Water Operations	<u>8,475</u>
36	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u>4,641</u>
37	Income Available for Fixed Charges	<u>13,116</u>
38	Interest Expense	<u>4,662</u>
39	Net Income (Loss) Before Dividends	<u>8,454</u>
40	Preferred Stock Dividends	<u>0</u>
41	Net Income (Loss) Available for Common Stock	<u>8,454</u>

OTHER DATA

42	Refunds of Advances for Construction	<u>0</u>
43	Total Payroll Charged to Operating Expenses	<u>210,851</u>
44	Purchased Water	<u>0</u>
45	Power	<u>38,834</u>

Active Service Connections (Exc. Fire Protect.) _____

	Jan. 1	Dec. 31	Annual Average
46 Metered Service Connections			
47 Flat Rate Service Connections	<u>1,101</u>	<u>1,104</u>	<u>1,103</u>
48 Total Active Service Connections	<u>1,101</u>	<u>1,104</u>	<u>1,103</u>

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2001)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Plant in service	3,432,766	201	Common Stock (Corporations only)	10,000
2	103	Plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Plant purchased or sold		215	Retained earnings	(285,592)
4	105	Plant construction work in progress	11,857	218	Advances from Shareholders	91,663
5	108	Accumulated depreciation of plant	(1,312,084)	224	Long term debt	25,963
6	114	Plant acquisition adjustments			Current Liabilities	333,696
7	124	Other investments		252	Payable to Associated Companies	690,707
8	131	Cash	6,656	253	Other deferred credits	
9	141	Accounts receivable - customers (net)	5,618	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies	847		depreciation	52,929
12	174	Other current assets	2,107	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	16,309	271	Contributions in aid of construction	2,449,980
14				272	Accumulated amortization of contributions	(1,205,270)
15		Total Assets	2,164,076		Total Equity and Liabilities	2,164,076

SCHEDULE B - SEWER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	Pit Additions During year	Pit Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant					
17	303	Land					
18	304	Structures					
19	307	Wells					
20	317	Other source plant					
21	311	Pumping equipment		See Schedule 1			
22	320	Treatment plant					
23	330	Reservoirs					
24	331	Mains					
25	333	Services and meter installations					
26	334	Meters					
27	339	Other equipment					
28	340	Office furniture and equipment					
29	341	Transportation equipment					
30		Total Plant in service					

* Debit or credit entries should be explained by footnotes or supplementary schedules

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Account 106 Plant	
32	Balance in reserves at beginning of year	1,183,988	A. Method used to compute depreciation
33	Add: Credits to reserves during year		expense (Acct. 403) and rate.
34	(a) Charged to Account No. 403	29,581	SL Remaining Life - 3.927%
35	(b) Charged to Account No. 272	96,008	
36	(c) Charged to clearing accounts		B. Amount of depreciation expense claimed
37	(d) Salvage recovered		or to be claimed on utility property in
38	(e) All other credits	2,507	your federal income tax return for the year
39	Total credits	128,096	covered by this report \$ 115,704
40	Deduct: Debits to reserves during year		
41	(a) Book cost of property retired		
42	(b) Cost of removal		C. State method used to compute tax
43	(c) All other debits		depreciation.
44	Total debits		SL, 150 DB
45	Balance in reserve at end of year	1,312,084	
46	(1) Explanation of all other credits		
47	(2) Explanation of all other debits		

Line

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

1	Common - (Shares , \$ par)	10,000		List persons owning more than 5% of outstanding stock
2	Preferred - (Shares , \$ par)			and number of shares owned by each:
3	Dividends - Common Rate - \$			Robert T. Adcock,
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	Lewis & Louis Kootstra	7/98	6/03	75,000	25,963	12%	4,322	4,322
6								
7								
8	Totals				25,963		4,322	4,322

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered revenue	
11	470 Sewer revenue	541,420
12	480 Other revenue	
13	Total Operating Revenue	541,420
14	Operating revenue deductions	xxxxxxxxxx
15	Operating expenses	xxxxxxxxxx
16	610 Purchased water	
17	615 Power	38,834
18	618 Other volume related expenses	23,226
19	630 Employee labor	113,974
20	640 Materials	8,394
21	650 Contract work	6,897
22	660 Transportation expenses	74,123
23	664 Other plant maintenance expense	12,759
24	670 Office salaries	43,635
25	671 Management salaries and fees	53,242
26	674 Employee pensions and benefits	48,346
27	676 Uncollectible accounts expense	
28	678 Office services and rentals	1,944
29	681 Office supplies and expense	20,515
30	682 Professional services	1,659
31	684 Insurance	5,213
32	688 Regulatory commission expense	387
33	689 General expenses	7,805
34	Total Operating Expenses	460,954
35	403 Depreciation expense	29,581
36	408 Taxes other than income taxes	39,953
37	409 State corporate income tax expense	965
38	410 Federal corporate income tax expense	1,492
39	Total Operating Revenue Deductions	532,945
40	Utility Operating Income	8,475
41	421 Non-utility income	9,805
42	426 Miscellaneous non-utility expense	5,164
43	427 Interest expense	4,662
44	Net Income	8,454

SCHEDULE G - 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
45	630	Employee Labor	3	113,974	23,376	137,350
46	670	Office salaries	2	43,635		43,635
47	671	Management salaries	3	53,242		53,242
48		Total	8	210,851	23,376	234,227

SCHEDULE H - ADVANCES FOR CONSTRUCTION

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

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

Size	Meters	Services
-in		
-in		
-in		
-in		
-in		
Total		

SCHEDULE J - METER-TESTING DATA

Number of meters tested during year	
1	Used, before repair...
2	Used, after repair
3	Fast, requiring refund ..

SCHEDULE K - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences		1,104	1,104					1,104
Industrial								
Other (specify)								
Total		1,104	1,104					1,104

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

SCHEDULE L - STORAGE FACILITIES

SCHEDULE M - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

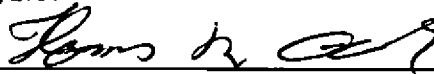
Description	No.	Combined capacity in gallons	Description	2" and	2 1/4 to	4"	Other sizes (specify)	Totals
				under	3 1/4			
Concrete			Cast Iron					
Earth	1	14,000,000	Welded steel					
Wood			Standard screw					
Steel			Cement-asbestos					
Other			Plastic					
			Other (specify)					
Total	1	14,000,000	Total					

DECLARATION

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

I, the undersigned (officer, partner or owner) of California Utilities Service, 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
Vice President

Title
3-29-02

Date

**California Utilities Service, Inc.
2001 Annual Report**

SCHEDULE B - SEWER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	Pit Additions During year	Pit Retirements During year	Other Debits or (Credits)	Balance End of year
	301 000	Intangible plant	53,810				53,810
	303 000	Land	99,565				99,565
	304 000	Structures	73,471				73,471
	305 100	Mains - Collection systems	653,301				653,301
	305 200	Manholes	93,227				93,227
	305 300	Cleanouts	4,536				4,536
	305 400	Laterals	226,693	17,308			244,001
	307 100	Transmission	257,382				257,382
	307 200	Manholes	47,450				47,450
	307 300	Laterals	1,000				1,000
	307 400	Structures	15,911				15,911
	307 500	Force mains, transmission	38,621				38,621
	307 600	Pump equipment	53,921				53,921
	311 100	Ponds - water storage	201,648				201,648
	311 200	Sumps - treatment plant	1,418				1,418
	311 300	Treatment Plant	1,944				1,944
	311 400	Mains - Treatment plant	20,287				20,287
	311 500	Structures					0
	311 600	Storage	147				147
	311 900	Other Assets	7,811				7,811
	312 100	Concrete - sumps and tanks	331,964				331,964
	312 200	Piping	115,493	106,115			221,608
	312 310	Treatment Plant					0
	312 320	Pumping and Electrical	532,026				532,026
	312 330	Standby generator					0
	312 340	Chlorine & Chem. Treat. Equipment	7,365				7,365
	312 350	Sludge System	146,683				146,683
	312 400	Treatment Building	123,115				123,115
	312 410	Freshwater supply					0
	312 420	Fire Protection system	6,000				6,000
	312 430	Roads and fencing	20,267				20,267
	312 500	Laboratory equipment	282				282
	320 100	Mains - Force mains	25,056				25,056
	320 200	Sumps - Force mains					0
	320 300	Pumps - Force mains					0
	320 400	Sprayfield improvements	91,143	17,370			108,513
	329 000	Other equipment	13,492	1,000			14,492
	340 000	Office	5,139			20,805	25,944
			3,270,168	141,793	0	20,805	3,432,766

Note: Other debits; computer and billing equipment allocated from Alco Water Service