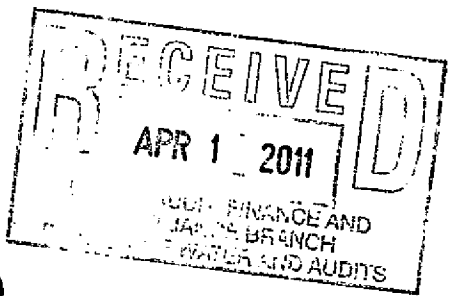


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**SEWER UTILITIES**



U# SWR 418

**2010  
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, 2010**

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2011

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## INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN MARCH 31, 2011**, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION  
DIVISION OF WATER AND AUDITS  
ATTN: KAYODE KAJOPAIYE  
505 VAN NESS AVENUE, ROOM 3105  
SAN FRANCISCO, CALIFORNIA 94102-3298  
[kok@cpuc.ca.gov](mailto:kok@cpuc.ca.gov)**

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 Page 8, must be signed by an authorized 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. If inserts are needed, prepare all inserts in one separate electronic file in Microsoft Excel format and file it with the electronic file of this report.
9. This report must cover the calendar year from January 1, 2010, through December 31, 2010. 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)

Highway 68 and Corral De Tierra Areas of Monterey County  
(Service area-town and county)

**GENERAL INFORMATION**

**RETURN ORIGINAL  
TO COMMISSION  
NO PHOTOCOPIES**

- 1 If a corporation show:
  - (A) Date of organization 2/13/1985 incorporated in the State of California
  - (B) Names, titles and addresses of principal officers:
  
- 2 If unincorporated give the name and address of owner or of each partner:
  
- 3 Name and telephone number of:
  - (A) One person listed above to receive correspondence: Thomas R. Adcock, President - (831) 424-0442
  - (B) Person responsible for operations and services: Thomas R. Adcock, President - (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) 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? N/A
  
- 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: Alco Water Service

**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	Apr-09
X		Dec-10
X		2/1/2007

\* SWRCB Water Discharge Permit is obtained as apposed to a water supply permit.

- 11 List Name, Grade, and License Number of all Licensed Operators:  
Edward Alexandre, Grade IV, License Number IV-1103

**SPECIAL INSTRUCTIONS (over)**

## Excess Capacity and Non-Tariffed Services

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

Based on the information and filings required in D.00-07-018, D.03-04-028, and D.04-12-023, provide the following information by each individual non-tariffed goods and services provided in calendar year 2009:

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter									
Row No.	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue Derived From Non-Tariffed Goods/ Services (by account)	Total Expenses Incurred to Provide Non-Tariffed Goods/ Services (by Account)	Advice Letter and/or Resolution Number Approving Non-Tariffed Goods/ Services	Total Income Tax Liability Incurred Because of Non-Tariffed Goods/ Services (by Account)	Income Tax Liability Account Number	Gross Value of Regulated Assets Used in the Provision of a Non-Tariffed Goods/ Services (by Account)	Regulated Asset Account Number

### SCHEDULE A - BALANCE SHEET (AS OF DECEMBER 31, 2010)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Plant in service	4,548,893	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	(121,697)
4	105	Plant construction work in progress	3,743	218	Proprietary capital	
5	108	Accumulated depreciation of plant	(2,695,948)	224	Long term debt	526,520
6	114	Plant acquisition adjustments	-		Current Liabilities	1,406,804
7	124	Other investments	-	252	Advances for construction	-
8	131	Cash	95,576	253	Other deferred credits	430
9	141	Accounts receivable - customers	572,300	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies	1,896	282	Accumulated deferred income taxes - ACRS	66,483
11	143	Accumulated Provision for Uncollectible	(6,861)		Depreciation	
12	151	Materials and supplies	1,284	283	Accumulated deferred income taxes - other	
13	174	Other current assets	20,492	271	Contributions in aid of construction	3,315,407
14	180	Deferred charges	432,120	272	Accumulated amortization of contributions	(2,230,454)
15		<b>Total Assets</b>	<b>2,973,495</b>		<b>Total Equity and Liabilities</b>	<b>2,973,495</b>

### SCHEDULE B - SEWER 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
1	301	Intangible plant					
2	303	Land					
3	304	Structures					
4	307	Wells					
5	317	Other source plant	<b>See Schedule 1</b>				
6	311	Pumping equipment					
7	320	Treatment plant					
8	330	Reservoirs					
9	331	Mains					
10	333	Services and meter installations					
11	334	Meters					
12	339	Other equipment					
13	340	Office furniture and equipment					
14	341	Transportation equipment					
15		<b>Total Plant in service</b>					

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

### SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Account 106 Plant	
1	Balance in reserves at beginning of year	2,523,589	A. Method used to compute depreciation
2	Add: Credits to reserves during year		expense (Acct. 403) and rate.
3	(a) Charged to Account No. 403	42,325	SL 3.927%
4	(b) Charged to Account No. 272	130,034	
5	(c) Charged to clearing accounts		B. Amount of depreciation expense claimed
6	(d) Salvage recovered		or to be claimed on utility property in
7	(e) All other credits		your federal income tax return for the year
8	Total credits	172,359	covered by this report is Approx \$ <span style="float: right;">32,280</span>
9	Deduct: Debits to reserves during year		
10	(a) Book cost of property retired		
11	(b) Cost of removal		C. State method used to compute tax
12	(c) All other debits		depreciation.
13	Total debits	-	S/L, 150 DB, 200DB
14	Balance in reserve at end of year	2,695,948	
15	(1) Explanation of all other credits		
16	(2) Explanation of all other debits		

SCHEDULE D - CAPITAL STOCK OUTSTANDING (AS OF DECEMBER 31, 2009)			
Line			
1	Common - (Shares 10,000	\$	par) Patricia Adcock, 100%
2	Preferred - (Shares	\$	par)
3	Dividends - Common	Rate - \$	
4	- Preferred	Rate - \$	

SCHEDULE E - LONG-TERM DEBTS								
Line	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
1	Shareholder Advances	Various	Demand	111,663	111,663	0%	-	-
2	EU Capital - Capital Lease	11/5/2010	12/5/2015	420,000	414,857	10%	4,200	4,200
3								
4	Totals			531,663	526,520		4,200	4,200

SCHEDULE F - INCOME STATEMENT			
Line	Acct		
		Operating revenues	
1	460	Unmetered revenue	1,557,276
2	470	Metered revenue	
3	480	Other revenue	
4		Total Operating Revenue	1,557,276
		Operating revenue deductions	
		Operating expenses	
5	610	Purchased water	-
6	615	Power	59,534
7	618	Other volume related expenses	6,297
8	630	Employee labor	183,749
9	640	Materials	5,623
10	650	Contract work	61,923
11	660	Transportation expenses	114,749
12	664	Other plant maintenance expense	39,394
13	670	Office salaries	90,140
14	671	Management salaries	76,964
15	674	Employee pensions and benefits	95,865
16	676	Uncollectible accounts expense	2,908
17	678	Office services and rentals	3,539
18	681	Office supplies and expense	37,618
19	682	Professional services	77,830
20	684	Insurance	47,510
21	688	Regulatory commission expense	1,207
22	689	General expenses	7,279
23		Total Operating Expenses	912,129
24	403	Depreciation expense	42,325
25	408	Taxes other than income taxes	64,056
26	409	State corporate income tax expense	60,921
27	410	Federal corporate income tax expense	213,597
28		Total Operating Revenue Deductions	1,293,028
29		Utility Operating Income	264,248
30	421	Non-utility income	191,266
31	426	Miscellaneous non-utility expense	364
32	427	Interest expense	40,556
33		Net Income	414,595

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
1	630	Employee Labor	4	183,749	3,050	186,799
2	670	Office salaries*	1	90,140	-	90,140
3	671	Management salaries	2	76,964	-	76,964
4		Total	7	350,853	3,050	353,903

\* CUS has one office employee that draws a salary directly from CUS and additional amounts are part of an allocation between Alco Water Service and CUS.

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		1,107
-in		
-in		
-in		
-in		
Total		

SCHEDULE J - METER-TESTING DATA		
Number of meters tested during year		
1	Used, before repair	N/A
2	Used, after repair	N/A
3	Fast, requiring refund	N/A

SCHEDULE K - SERVICE CONNECTIONS AT END OF YEAR								
Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences		1,102	1,102		5	5		1,107
Industrial								
Other (specify)								
Total								

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 under	4"	6"	Other sizes (specify)			Totals
							8"	10"	12"	
Concrete			Cast iron							-
Earth	1	14,000,000	Welded steel							-
Wood			Standard screw							-
Steel			Cement-asbestos			1,542	27,786	11,041	-	40,369
Other			Plastic		295	11,703	5,886	4,167	12,645	34,696
			Other (VCP)			5,139	2,957			8,096
										-
										-
Total			Total	-	295	18,384	36,629	15,208	12,645	83,161



**DECLARATION**

**(PLEASE VERIFY THAT ALL SCHEDULES ARE ACCURATE AND COMPLETE BEFORE SIGNING)**

I, the undersigned \_\_\_\_\_ Thomas R. Adock, President  
Officer, Partner, or Owner (Please Print)

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 of January 1, 2010, through December 31, 2010.

\_\_\_\_\_  
President  
Title (Please Print)

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
(831) 424-0442  
Telephone Number

\_\_\_\_\_  
31-Mar-11  
Date

**California Utilities Service, Inc.  
2010 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	99,566				99,566
	304 000	Structures	81,965				81,965
	305 100	Mains - Collection systems	1,342,252				1,342,252
	305 200	Manholes	93,227				93,227
	305 300	Cleanouts	4,536				4,536
	305 400	Laterals	291,352	7,395			298,747
	307 100	Transmission	257,382				257,382
	307 200	Manholes	47,450				47,450
	307 300	Laterals	1,000				1,000
	307 400	Structures	22,641				22,641
	307 500	Force mains, transmission	38,621				38,621
	307 600	Pump equipment	53,921				53,921
	311 100	Ponds - water storage	201,647				201,647
	311 200	Sumps - treatment plant	4,608				4,608
	311 300	Treatment Plant	7,112				7,112
	311 400	Mains - Treatment plant	20,287				20,287
	311 500	Structures	45,368				45,368
	311 600	Storage	147				147
	311 900	Other Assets	12,340				12,340
	312 100	Concrete - sumps and tanks	331,964				331,964
	312 200	Piping	260,086				260,086
	312 310	Treatment Plant	23,980	2,808			26,788
	312 320	Pumping and Electrical	579,250	2,709			581,959
	312 330	Standby generator	5,659				5,659
	312 340	Chlorine & Chem. Treat. Equipment	13,471				13,471
	312 350	Sludge System	146,683				146,683
	312 400	Treatment Building	123,115				123,115
	312 410	Freshwater supply	0				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				0
	320 300	Pumps - Force mains	0				0
	320 400	Sprayfield improvements	179,365				179,365
	339 000	Other equipment	57,308				57,308
	340 000	Office	29,269				29,269
	341 000	Transportation Equipment	54,995				54,995
			4,535,982	12,912	-	-	4,548,894