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CLASS A  
WATER UTILITIES



2010  
ANNUAL REPORT  
OF

**CALIFORNIA WATER SERVICE COMPANY**  
1720 NORTH FIRST STREET  
SAN JOSE, CALIFORNIA 95112

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

Balance Sheet Data and Capitalization

Calendar Year 2010

Name of Utility: CALIFORNIA WATER SERVICE COMPANY

Phone: (408) 367-8200

Person Responsible for this Report

Calvin L. Breed

BALANCE SHEET DATA	1/1/2010	12/31/2010	Average
1 Land and Land Rights	17,504,810	19,245,007	18,374,909
2 Plant	1,489,799,042	1,578,956,542	1,534,377,792
3 Work in Progress	77,119,504	91,656,080	84,387,792
4 Intangibles	20,256,714	20,355,857	20,306,286
5 Gross Plant in Service	1,604,680,070	1,710,213,486	1,657,446,778
6 Less: Accum. Depreciation	478,492,395	510,714,205	494,603,300
7 Amortization	10,084,395	11,771,326	10,927,861
8 Net Water Plant in Service	1,116,103,280	1,187,727,955	1,151,915,618
9 Water Plant Held for Future Use	0	0	0
10 Materials and Supplies	5,511,332	5,658,538	5,584,935
11 Less: Advances for Construction	183,554,920	185,332,177	184,443,549
12 Less: Contribution in Aid of Construction	101,810,206	106,974,855	104,392,531
13 Less: Accumulated Deferred Income Tax Credit	89,706,129	105,045,580	97,375,854
14 Net Plant Investment	746,543,357	796,033,881	771,288,619
Adjustments			
a Assets used for non-regulated operations	(7,906,250)	(7,055,478)	(7,480,864)
b Assets allocated to non-regulated operations	(9,818,456)	(10,124,955)	(9,971,706)
c Other Adjustments: Dominguez, AV, and KRV Rate Base Adjustment, net	24,923,110	24,171,582	24,547,346
Net plant used by regulated operations	753,741,761	803,025,030	778,383,396
<b>CAPITALIZATION</b>			
15 Common Stock	200,201,746	200,201,746	200,201,746
16 Proprietary Capital (Ind or Part.)	0	0	0
17 Paid in Capital	(3,455,161)	(3,455,161)	(3,455,161)
18 Retained Earnings	192,380,718	205,655,496	199,018,107
Adjustments			
a Equity portion of rate base adjust for non-regulated plant	(4,828,357)	(5,134,503)	(4,981,430)
b Dominguez, AV, and KRV Rate Base Adjustment, gross	31,686,862	31,686,862	31,686,862
c Amortization of Dominguez, AV, and KRV Rate Base Adjustment	(6,763,752)	(7,515,280)	(7,139,516)
19 Regulated Common Equity	409,222,057	421,439,161	415,330,609
20 Preferred Stock	0	0	0
21 Long-Term Debt	384,067,419	477,474,844	430,771,132
22 Notes Payable	0	0	0
23 Total Regulated Capitalization	793,289,476	898,914,005	846,101,740

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

**Income Statement and Other Related Data**

Calendar Year 2010

Name of Utility: **CALIFORNIA WATER SERVICE COMPANY**

Phone: (408) 367-8200

INCOME STATEMENT	Gross Amount	Regulated Amount
24 Unmetered Water Revenue	38,005,402	37,992,215
25 Fire Protection Revenue	4,862,119	4,736,263
26 Irrigation Revenue	136,298	136,298
27 Metered Water Revenue	369,462,845	362,055,301
28 WRAM adjustment	41,194,650	41,194,650
29 MCBA adjustment	(22,729,024)	(22,729,024)
30 WRAM/MCBA Interest	55,799	55,799
31 Total Operating Revenue	430,988,089	423,441,502
32 Total Operating Expenses	291,272,043	280,374,840
33 Depreciation Expense	38,871,422	38,015,113
34 Amortization and Property Losses	1,477,581	969,937
35 Taxes Other Than Income Taxes	14,904,254	14,690,205
36 Total Operating Rev. Deductions Before Taxes	<u>346,525,299</u>	<u>334,050,095</u>
37 Pre Tax Income	84,462,790	89,391,407
38 California Income Taxes	4,533,066	4,756,430
39 Federal Income Taxes	20,147,518	21,711,075
40 Total Operating Revenue After Taxes	<u>59,782,206</u>	<u>62,923,902</u>
41 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	2,132,566	0
42 Income Available for Fixed Charges	<u>61,914,772</u>	<u>62,923,902</u>
43 Interest Expense	25,974,384	25,445,461
44 Net Income (Loss) Before Dividends	35,940,388	37,478,441
45 Preferred Stock Dividends	0	0
46 Net Income (Loss) Available for Common Stock	<u>35,940,388</u>	<u>37,478,441</u>

**OTHER DATA**

47 Refunds of Advances for Construction	6,097,451	6,097,451
48 Total Payroll Charged to Operating Expenses	59,905,714	59,508,508
49 Purchased Water	125,748,937	122,064,239
50 Power	21,615,706	21,573,416

51 Class A Water Companies Only:

- a. Pre-TRA 1986 Contributions in Aid of Construction
- b. Pre-TRA 1986 Advances for Construction
- a. Post TRA 1986 Contributions in Aid of Construction
- b. Post TRA 1986 Advances for Construction

NOT AVAILABLE -  
WE DO NOT MAINTAIN THESE  
BY YEAR

Active Service Connections  
(Exclude Fire Protection)

- 52 Metered Service Connections
- 53 Flat Rate Service Connections
- 54 Total Active Service Connections

	Jan. 1	Dec. 31	Annual Average
52 Metered Service Connections	391,697	404,571	398,134
53 Flat Rate Service Connections	59,089	49,366	54,228
54 Total Active Service Connections	450,786	453,937	452,362

Excess Capacity and Non-Tariffed Services

Row Number	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue derived from Non-Tariffed Good/Service (by account)	Revenue Account Number	Total Expenses incurred to provide Non-Tariffed Good/Service (by Account)	Expense Account Number	Advice Letter and/or Resolution Number approving Non-Tariffed Good/Service	Total Income Tax Liability incurred because of non-tariffed Good/Service (by Account)	Income Tax Liability Account Number	Gross Value of Regulated Assets used in the provision of a Non-Tariffed Good/Service (by account).	Regulated Asset Account Number
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See Attachment A

## GENERAL INFORMATION

1. Name under which utility is doing business:  
**CALIFORNIA WATER SERVICE COMPANY**
2. Official mailing address:  
**1720 NORTH FIRST STREET, SAN JOSE, CA 95112**
3. Name and title of person to whom correspondence should be addressed:  
**PETER C. NELSON, President** Telephone: **(408) 367-8200**
4. Address where accounting records are maintained:  
**1720 NORTH FIRST STREET, SAN JOSE, CA 95112**
5. Service area: (refer to district reports as applicable)  
**REFER TO DISTRICT REPORTS**
6. Service Manager (If located in or near Service Area. Refer to District Reports)  
Name: **REFER TO DISTRICT REPORTS** Phone:  
Address: Phone:
7. OWNERSHIP:  
Corporation (corporate name) **CALIFORNIA WATER SERVICE COMPANY**  
Organized under laws of (state) **CALIFORNIA** Date: **December 21, 1926**  
  
Principal Officers:  
(name) **PETER C. NELSON** (title) **PRESIDENT & CEO**  
(name) **MARTIN J. KROPELNICKI** (title) **VICE-PRESIDENT, CFO & TREASURER**  
(name) **ROBERT R. GUZZETTA** (title) **VICE-PRESIDENT, OPERATIONS**
8. Name of Associated Companies:  
**CALIFORNIA WATER SERVICE GROUP**  
**CWS UTILITY SERVICES**  
**WASHINGTON WATER SERVICE COMPANY**  
**NEW MEXICO WATER SERVICE COMPANY**  
**HAWAII WATER SERVICE COMPANY**  
**HWS UTILITY SERVICES LLC**
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:  
**None**
10. Use the space below for supplementary information or explanations concerning this report.  
**None**
11. Name, Address, and Phone Number of the company's external auditor:  
Name: **Deloitte & Touche LLP** Telephone: **408-704-2073**  
Address: **225 West Santa Clara Street, San Jose, CA 95113-1728**



**SCHEDULE A  
COMPARATIVE BALANCE SHEETS**

**Assets and Other Debits**

Line No.	Acct. No.	TITLE OF ACCOUNT	Sch. No.	Balance End-of-Year	Balance Beginning-of-Year
1		<b>I UTILITY PLANT</b>			
2	100	Utility plant	A-1	1,675,237,185	1,570,641,571
3	107	Utility plant adjustments			
4		Total Utility Plant		1,675,237,185	1,570,641,571
5	250	Reserve for depreciation of utility plant	A-3	(504,146,496)	(472,193,506)
6	251	Reserve for amortization of limited term utility investment	A-3	(5,115,834)	(3,935,933)
7	252	Reserve for amortization of utility plant acquisition adj./ARO	A-3	(629,190)	(635,223)
8		Total utility plant reserves		(509,891,520)	(476,764,663)
9		Total utility plant less reserve		1,165,345,665	1,093,876,908
10					
11		<b>II INVESTMENT AND FUND ACCOUNTS</b>			
12	110	Other physical property	A-2	4,806,659	395,648
13	253	Reserve for depreciation and amortization of other property	A-3	0	0
14		Other physical property less reserve		4,806,659	395,648
15	111	Investments in associated companies	A-4	0	0
16	112	Other investments	A-5	31,536,676	27,231,296
17	113	Sinking funds	A-6	0	0
18	114	Miscellaneous special funds	A-7	0	0
19		Total investment and fund accounts		36,343,335	27,626,943
20					
21		<b>III CURRENT AND ACCRUED ASSETS</b>			
22	120	Cash		40,425,727	5,979,536
23	121	Special deposits	A-8	135,545	3,097,369
24	122	Working Funds		37,970	154,466
25	123	Temporary cash investments		0	0
26	124	Notes receivable	A-9		
27	125	Accounts receivable		64,524,658	55,648,796
28	126	Receivables from associated companies	A-10	4,907,623	12,826,775
29	131	Materials and supplies		5,658,538	5,511,332
30	132	Prepayments	A-11	16,127,547	13,806,699
31	133	Other current and accrued assets	A-12	0	0
32		Total current and accrued assets		131,817,607	97,024,972
33					
34		<b>IV DEFERRED DEBITS</b>			
35	140	Unamortized debt discount and expense	A-13	10,660,032	9,524,444
36	141	Extraordinary property losses	A-14	0	0
37	142	Preliminary survey and investigation charges		0	0
38	143	Clearing accounts		9,179,280	8,823,715
39	145	Other work in progress		728,777	562,224
40	146	Other deferred debits	A-15	264,108,545	239,552,729
41		Total deferred debits		284,676,634	258,463,111
42		Total assets and other debits		1,618,183,241	1,476,991,935
43					
44					
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51					
52					
53					

**SCHEDULE A  
COMPARATIVE BALANCE SHEETS**

**Liabilities and Other Credits**

Line No.	Acct. No.	TITLE OF ACCOUNT	Sch. No.	Balance End-of-Year	Balance Beginning-of-Year
1		<b>I CORPORATE CAPITAL AND SURPLUS</b>			
2	200	Common capital stock	A-18	200,201,746	200,201,746
3	201	Preferred capital stock	A-18	0	0
4	202	Stock liability for conversion			
5	203	Premiums and assessments on capital stock	A-19	0	0
6	150	Discount on capital stock	A-16		
7	151	Capital stock expense	A-17	(3,455,161)	(3,455,161)
8	270	Capital surplus	A-20		
9	271	Earned surplus	A-21	205,655,496	192,380,718
10		Total corporate capital and surplus		402,402,081	389,127,304
11					
12		<b>II PROPRIETARY CAPITAL</b>			
13	204	Proprietary capital	A-22	0	0
14	205	Undistributed profits	A-23	0	0
15		Total proprietary capital		0	0
16					
17		<b>III LONG-TERM DEBT</b>			
18	210	Bonds	A-24	466,372,727	378,081,818
19	211	Receiver's Certificates			
20	212	Advances from associated companies	A-25		
21	213	Miscellaneous long-term debt	A-26	11,102,117	5,985,601
22		Total long-term debt		477,474,844	384,067,419
23					
24		<b>IV CURRENT AND ACCRUED LIABILITIES</b>			
25	220	Notes payable	A-28	0	0
26	221	Notes receivable discounted			
27	222	Accounts payable		43,030,506	52,054,960
28	223	Payables to associated companies	A-29	55,890	11,836
29	224	Dividends declared			
30	225	Matured long-term debt			
31	226	Matured interest			
32	227	Customers' deposits		580,592	579,590
33	228	Taxes accrued	A-31	2,806,954	3,162,229
34	229	Interest accrued		4,568,937	4,222,989
35	230	Other current and accrued liabilities	A-30	3,824,197	4,787,488
36		Total current and accrued liabilities		59,867,075	64,819,093
37					
38		<b>V DEFERRED CREDITS</b>			
39	240	Unamortized premium on debt	A-13		
40	241	Advance for construction	A-32	185,335,253	183,554,920
41	242	Other deferred credits	A-33	382,399,058	348,982,913
42		Total deferred credits		567,734,311	532,537,833
43					
44		<b>VI RESERVES</b>			
45	254	Reserve for uncollectable accounts	A-34	666,732	784,249
46	255	Insurance reserve	A-34		
47	256	Injuries and damages reserve	A-34	505,942	668,689
48	257	Accrued employees' benefits	A-34	3,771,419	4,058,813
49	258	Other reserves	A-34	167,312	433,419
50		Total reserves		5,111,405	5,945,169
51					
52		<b>VII CONTRIBUTIONS IN AID OF CONSTRUCTION</b>			
53	265	Contributions in aid of construction	A-35	105,593,524	100,495,117
54		Total liabilities and other credits		1,618,183,241	1,476,991,935

**SCHEDULE B  
INCOME ACCOUNT FOR THE YEAR**

Line No.	Acct. No.	Account	Sch. No.	Amount
1		<b>I UTILITY OPERATING INCOME</b>		
2	501	Operating revenues	B-1	423,441,502
3				
4		Operating Revenue Deductions:		
5	502	Operating expenses	B-2	285,999,326
6	503	Depreciation	A-3	38,432,076
7	504	Amortization of limited-term utility investments	A-3	969,937
8	505	Amortization of utility plant acquisition adjustments	A-3	0
9	506	Property losses chargeable to operations	B-3	0
10	507	Taxes	B-4	39,544,689
11		Total operating revenue deductions		364,946,028
12		Net operating revenues		58,495,474
13	508	Income from utility plant leased to others		
14	510	Rent for lease of utility plant		0
15		Total utility operating income		58,495,474
16				
17		<b>II OTHER INCOME</b>		
18	521	Income from nonutility operations (Net)	B-6	1,369,996
19	522	Revenues from lease of other physical property		1,205,141
20	523	Dividend revenues		5
21	524	Interest revenues		202,903
22	525	Revenues from sinking and other funds		5,451
23	526	Miscellaneous nonoperating revenues	B-7	2,693,901
24	527	Non-operating revenue deductions (Dr.)	B-8	(1,796,239)
25		Total other income		3,681,158
26		Gross income		62,176,632
27				
28		<b>III INCOME DEDUCTIONS</b>		
29	530	Interest on long term debt	A-24	(24,101,216)
30	531	Amortization of debt discount and expense	A-13	(979,288)
31	532	Amortization of premium on debt (Cr.)		0
32	533	Taxes assumed on interest		0
33	534	Interest on debt to associated companies		0
34	535	Other interest charges	B-9	(1,978,982)
35	536	Interest charged to construction (Cr.)		1,096,353
36	537	Miscellaneous amortization		
37	538	Miscellaneous income deductions	B-10	(273,111)
38		Total income deductions		(26,236,244)
39		Net income		35,940,388
40				
41		<b>IV DISPOSITION OF NET INCOME</b>		
42	540	Miscellaneous reservations of net income		0
43				
44		Balance transferred to Earned Surplus on Schedule A-21		35,940,388
45				
46				
47				
48				
49				
50				
51				
52				

**SCHEDULE A-1**  
Account No. 100 - Utility Plant

Acct. No.	Account	Balance Beginning of Year	Plant Additions During Year	Plant Retirements During Year	Other Debits or (Credits)	Balance End of Year
100-1	Utility plant in service (Schedule A-1a)	1,499,817,073	100,439,119	-11,461,111	1,799,234	1,590,594,315
100-2	Utility plant leased to others	0				0
100-3	Construction work in progress	69,127,431			14,500,634	83,628,065
100-4	Util. plant held for future use (Sch. A-1c)	0			-726	14,518
100-5	Utility plant acquisition adjustments	15,244			-273,816	1,000,287
100-6	Asset Retirement Obligation	1,274,103				
	Total utility plant	1,570,233,851	100,439,119	-11,461,111	16,025,326	1,675,237,185

**SCHEDULE A-1a**  
Account No. 100-1 - Utility Plant in Service

See Attached

**SCHEDULE A-1b**  
Account No. 302 - Franchises and Consents

See Attached

**SCHEDULE A-1c**  
Account No. 100-4 - Utility Plant Held for Future Use

Combined with Account 110

**SCHEDULE A-2**  
Account No. 110 - Other Physical Property

See Attached

SCHEDULE A-1A

Utility Plant in Service

ACCT	DESCRIPTION	BALANCE BEG OF YR	PLANT ADD DURING YR	PLANT RET DURING YE	OTHER DEBITS OR CREDIT	BALANCE END OF YR
<b>I. INTANGIBLE PLANT</b>						
301	ORGANIZATION	57,780				57,780
302	FRANCHISES AND CONSENTS	68,550				68,550
303	OTHER INTANGIBLE PLANT	13,409,158	307,759	(34,690)	(173,201)	13,509,026
	<b>TOTAL INTANGIBLE PLANT</b>	<b>13,535,487</b>	<b>307,759</b>	<b>(34,690)</b>	<b>(173,201)</b>	<b>13,635,356</b>
<b>II. LAND PLANT</b>						
306	LAND AND LAND RIGHTS	17,504,810	1,742,045		(1,848)	19,245,007
<b>III. SOURCE OF SUPPLY PLANT</b>						
311	STRUCTURES AND IMPROVEMENTS	543,310				543,310
312	COLLECTING AND IMPOUNDING RES	853,959				853,959
313	LAKE, RIVER AND OTHER INTAKES	27,523				27,523
315	WELLS	35,082,205	2,561,159	(54,601)		37,588,763
316	SUPPLY MAINS	6,346,257	87,515	(681)		6,433,091
	<b>TOTAL SOURCE OF SUPPLY PLANT</b>	<b>42,853,255</b>	<b>2,648,675</b>	<b>(55,283)</b>		<b>45,446,647</b>
<b>IV. PUMPING PLANT</b>						
321	STRUCTURES AND IMPROVEMENTS	30,136,921	5,314,157	(43,692)		35,407,386
3211	PAVEMENT	1,306,334	560,604	(3,176)		1,863,762
324	PUMPING EQUIPMENT	108,451,193	9,878,523	(1,592,875)	24,548	116,761,388
325	OTHER PUMPING PLANT	1,237,331	147,334	(34,493)		1,350,172
	<b>TOTAL PUMPING PLANT</b>	<b>141,131,780</b>	<b>15,900,618</b>	<b>(1,674,236)</b>	<b>24,548</b>	<b>155,382,707</b>
<b>V. WATER TREATMENT PLANT</b>						
331	STRUCTURES AND IMPROVEMENTS	22,484,828	322,749	(2,783)	(5,738)	22,799,056
332	WATER TREATMENT EQUIPMENT	82,776,748	2,114,102	(132,649)	(21,292)	84,736,909
	<b>TOTAL WATER TREATMENT PLANT</b>	<b>105,261,576</b>	<b>2,436,851</b>	<b>(135,432)</b>	<b>(27,030)</b>	<b>107,535,966</b>
<b>VI. TRANS AND DIST PLANT</b>						
341	STRUCTURES AND IMPROVEMENTS	2,456,016	173,537			2,629,553
3411	PAVEMENT	949,984	39,156			989,140
342	RESERVOIRS AND TANKS	64,539,004	3,381,588	(79,136)	1,804,008	69,645,465
3421	TANK PAINTING	16,731,002	2,511,906	(232,001)		19,010,907
343	TRANS AND DIST MAINS	659,691,621	32,309,813	(719,455)	(3,388)	691,278,592
344	FIRE MAINS	341,149				341,149
345	SERVICES	200,020,649	18,656,205	(182,451)	(1,576,860)	216,917,544
346	METERS	69,259,214	6,170,912	(805,841)	27,140	74,651,426
348	HYDRANTS	70,300,681	3,358,777	(51,562)	1,731,972	75,339,868
	<b>TOTAL TRANS AND DIST PLANT</b>	<b>1,084,289,320</b>	<b>66,601,894</b>	<b>(2,070,446)</b>	<b>1,982,873</b>	<b>1,150,803,641</b>
<b>VII. GENERAL PLANT</b>						
371	STRUCTURES AND IMPROVEMENTS	30,338,708	1,644,219	(7,609)		31,975,318
3711	PAVEMENT	2,061,605	76,968			2,138,573
3720	OFFICE FURNITURE AND EQUIPMENT	5,431,712	47,418	(99,422)		5,379,708
3721	OFFICE EQUIPMENT - COMPUTERS	14,910,962	2,487,829	(5,137,468)		12,261,323
3722	COMPUTER SOFTWARE	16,610,861	4,854,548	(1,492,107)	(3,354)	19,969,948
373	TRANSPORTATION EQUIPMENT	19,624,233	1,807,839	(1,616,481)		19,615,591
374	STORES EQUIPMENT	869,743	591	(16,983)		853,351
375	LABORATORY EQUIPMENT	1,369,007	108,210	(36,212)		1,441,005
376	COMMUNICATION EQUIPMENT	1,397,401	36,017	(728)		1,432,690
377	POWER OPERATED EQUIPMENT	1,012,298	61,816			1,074,114
378	TOOLS, SHOP AND GARAGE EQUIP	8,371,420	927,783	(90,562)		9,208,641
379	OTHER GENERAL PLANT	234,939	84,627			319,566
380	LEASED PROPERTY-CAPITAL LEASE	1,466,006				1,466,006
	<b>TOTAL OTHER GENERAL PLANT</b>	<b>103,698,895</b>	<b>11,937,864</b>	<b>(8,497,572)</b>	<b>(3,354)</b>	<b>107,135,833</b>
<b>VIII. UNDISTRIBUTED ITEMS</b>						
390	OTHER TANGIBLE PROPERTY	15,119				15,119
391	UTILITY PLANT PURCHASED	129,010				129,010
	DIST GO PLANT ALLOCATION	(12,446,571)	(6,068,037)	1,006,548	3,804	(17,504,255)
	OTHER GO PLANT ALLOCATION	3,844,392	4,931,449		(6,557)	8,769,284
	<b>TOTAL UNDISTRIBUTED ITEMS</b>	<b>(8,458,049)</b>	<b>(1,136,588)</b>	<b>1,006,548</b>	<b>(2,752)</b>	<b>(8,590,842)</b>
		1,499,817,073	100,439,119	(11,461,111)	1,799,234	1,590,594,315

SCHEDULE A-1B

FRANCHISES OWNED & CONTROLLED A/C 2511-03 (AMORTIZATION)			A/C1013-3020	2010			
DIST	DESCRIPTION GOVT ENTITY EXPIRES	A/C 103020 COST	A/C 251103 ACCUM. AMORT 1/1/2010	UNAMORT COST 1/1/2010	A/C 103020 CURRENT YR ADDITIONS	2010 TOTAL AMORT	UNAMORT COST 12/31/2010
BK	KERN COUNTY 2/62 PERP CBK 1/19/14 1541	20,157 1,157				- -	- -
		<u>21,314</u>	<u>9,395</u>	<u>11,919</u>	<u>-</u>	<u>388</u>	<u>11,531</u>
ELA	MONTEBELLO 3/25/24 1529 COUNTY OF LA 12/31/2012 8423 COMMERCE 5/19/14 2893 VERNON 7/19/14 2490	1,981 1,667 16,603 978				- - - -	- - - -
		<u>21,229</u>	<u>18,816</u>	<u>2,413</u>	<u>-</u>	<u>-</u>	<u>-</u>
HR	COUNTY OF LA 12/31/2012 8423	1,667	1,467	200		67	133
KC	COUNTY OF MONTEREY 2/8/50 PERP	226	96	130		6	124
LAS	SUNNYVALE 11/5/55 468 PERP CUPERTINO 10/1/68 62 PERP LOS ALTOS 301 PERP LOS ALTOS HILLS 1676 PERP	2,356 501 15,158 689				- - - -	- - - -
		<u>18,704</u>	<u>7,947</u>	<u>10,757</u>	<u>-</u>	<u>467</u>	<u>10,290</u>
SLN	COUNTY OF MONTEREY 2/8/50 703 PERP	226	96	130		6	124
SC	CITY OF S.C. 1192 PERP	702	278	425		-	425
STK	CITY OF STOCTON 1/1/14 115	1,176	1,082	94		24	70
VIS	CITY OF VISALIA PERP	1,191	506	684		30	655
PV	CITY OF ROLL HILLS 10/20/58 PERP COUNTY OF LA 12/31/2012	250 1,666 1,916				- - -	- - -
		<u>1,916</u>	<u>1,541</u>	<u>375</u>	<u>-</u>	<u>-</u>	<u>-</u>
DOM	CITY OF COMPTON	200	-	200		-	200
		<u>200</u>	<u>-</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>200</u>
<b>TOTAL</b>		<u>68,550</u>	<u>41,224</u>	<u>27,326</u>	<u>-</u>	<u>1,399</u>	<u>25,927</u>
	GL Balance Account 103020					<u>68,550</u>	

CALIFORNIA WATER SERVICE COMPANY  
SCHEDULE A-1c & A-2

Non-Operating Surplus Property (Account 1100) as of 12-31-2010

Dist	PR#	Sta#	Description	Non-Op 1100-01	Future use 1100-02	District Total
BK	1-42	51	Terrace way E/O N St.	525		
	1-49	58	267 Bernard Street	599		
		69-01		1,128		
	1-60	70	2nd St. w/o T St.		1,473	
		104-01		909		
	1-116	121	630 Knotts	6,985		
	1-133	137	portion of active wellsite, Planz Rd. w/a Agate	4,393		
	1-154		Louise Ave & Rodney, wellsite		600	
	1-178	168	South Garden system, Moreland & Ream Way	2,522		
	1-191		Hughes Lane Well Site at S.P.R.R.		22,701	
	1-198		Phyllis Ave wellsite, at Melissa Way		14,723	
	1-216		Southern Breeze Drive wellsite, at Leisure St.		25,670	
	1-228	207	Old Olcese System Area Project 00014880	8,800	2,065,691	
				<u>25,862</u>	<u>2,130,857</u>	<u>2,156,719</u>
CH		34	East First Ave at Sherion Ave	593		
	1-47	43-01	Chico Airport, Liberator St. S/O Boeing	1,831		
104	1-49	45	Airport System	3,050		
	57	56	Silverbell Road at Cimarron Drive	5,155		
				<u>10,630</u>	<u>-</u>	<u>10,630</u>
ELA	1-14	38	Telegraph Road		1,571	
106	1-45	Res 6	Dwiggins St. E/O Bostwick	820		
	1-52	47	Olympic Blvd. And Downey Rd.	1,467		
		15	Repetto St. Amalia Ave	839		
		28	Bonnie Beach Place	552		
				<u>3,677</u>	<u>1,571</u>	<u>5,249</u>
LIV	1-8		Macho Wellsite, Mines Rd. S/O Tesla Rd	79		
110	1-9		Diversion Dam site on Arroyo Mocho, Mines Rd.	107		
				<u>186</u>	<u>-</u>	<u>186</u>
LAS	1-126		Knapp wellsite (North Los Altos)		1,799	
111			SFWD at Estrellita Ct.			
	1-129		Portola Wellsite 1579 Miamonte Ave	59		
				<u>59</u>	<u>2,426,175</u>	<u>2,428,033</u>
MRL	3	5	719 pine street	455		
112	4	6	1212 J street	254		
				<u>709</u>	<u>-</u>	<u>709</u>
ORO	1-6		Reservoir site, Cherokee Rd.	421		
113	1-15	12	Virginia Ave. S/O Mill St.		881	
				<u>421</u>	<u>881</u>	<u>1,302</u>

CALIFORNIA WATER SERVICE COMPANY  
SCHEDULE A-1c & A-2

Non-Operating Surplus Property (Account 1100) as of 12-31-2010

Dist	PR#	Sta#	Description	Non-Op 1100-01	Future use 1100-02	District Total
SLN		10	N corner of the PG & E substation on Terven St	3,883		
114		14	Clark Street	2,434		
	1-38		Portala and Palou Dr. booster site (Toro Park)		2,372	
	1-50		Charter Oak Blvd., tanksite, E/O Red Oat Ct. (Oak Hills)		3,999	
	1-53		wellsite at Pampas path, S/O Charter Oak Blvd. (Oak Hills)		1,000	
				6,317	7,370	13,687
MPS	1-14	15	San Mateo TR FR plant	164		164
116						
SSF	1-1	1	4.7 acres land, portion of 5.2 acres east of office, well field		57,983	
118	1-1		Southwest corner of Chestnut Ave	4,284		
	1-21	Res 11	small piece for neighbor parking (leased)	131		
				4,415	57,983	62,398
STK	1-62	58	Weber W/O F St.		987	
119		69	2236 S Netherton Ave	1,255		
	1-86		Stagecoach Rd. wellsite, S/O Peterson St.	13,582		
	1-87		Greensboro Ct. wellsite, E/O Greensboro Dr.		11,933	
	1-89		El Pinal Dr. wellsite, E/O West Lane		7,126	
				14,837	20,047	34,884
VIS	1-36	31	Portion of active wellsite	359		
120	1-44		Midvalley wellsite, W/O Mooney		5,729	
	68	55	County Center Drive and Packwood Drive	73		
				891		
				1,323	5,729	7,052
PV	28	8	Golf course booster site	107		
122	1-5	1	Former wellsite, Anaheim St. & Gaffey St.			
				107		107
LUC		2	Aka Westside or Arden Tank site	4,154		
147				4,154		4,154
GO	1-7		4th St. Property (.71 Acres) Acct 146100	44,730	36,656	
				44,730	36,656	81,386
TOTAL				117,592	4,689,066	
Ending Balance					4,806,659	4,806,659



**CALIFORNIA WATER SERVICE COMPANY**  
**DERIVATION OF WEIGHTED AVERAGE RATE BASE 12 MONTHS END: DECEMBER 31, 2010**  
**SCHEDULE A-1d**  
**TOTAL COMPANY RATE BASE AND WORKING CASH**

Line No.	Title of Account	Balance 12/31/2010	Balance 12/31/2009
1	UTILITY PLANT		
2	PLANT IN SERVICE	\$ 1,481,806,041.6	\$ 1,375,504,675.7
3	CONSTRUCTION WORK IN PROGRESS	\$ -	\$ -
4	GENERAL OFFICE PRORATE	\$ 56,885,102.1	\$ 53,930,132.2
5	RATE BASE WRITE-UP	\$ 24,420,969.0	\$ 25,172,497.0
6	PLANT NOT FUNDED BY CALWATER	\$ (17,813,222.6)	\$ (18,224,793.0)
7	TOTAL GROSS PLANT ( = Line 2 + Line 3 + Line 4 + Line 5 - Line 6 )	<u>\$ 1,545,298,890.1</u>	<u>\$ 1,436,382,511.9</u>
8	LESS ACCUMULATED DEPRECIATION/AMORTIZATION		
9	PLANT IN SERVICE	\$ 472,623,943.2	\$ 440,539,205.2
10	GENERAL OFFICE PRORATE	\$ 24,487,323.7	\$ 23,685,808.1
11	TOTAL ACCUMULATED DEPRECIATION ( = Line 9 + Line 10 )	<u>\$ 497,111,266.9</u>	<u>\$ 464,225,013.3</u>
12	LESS OTHER RESERVES		
13	DEFERRED INCOME TAXES	\$ 96,222,418.2	\$ 90,247,617.9
14	DEFERRED ITC	\$ 2,102,356.2	\$ 2,173,740.8
15	OTHER RESERVES	\$ (26,647,838.3)	\$ (26,988,668.6)
16	TOTAL OTHER RESERVES ( = Line 13 + Line 14 + Line 15 )	<u>\$ 71,476,936.1</u>	<u>\$ 65,452,490.1</u>
17	LESS ADJUSTMENTS		
18	CONTRIBUTIONS IN AID OF CONSTRUCTION	\$ 103,682,986.3	\$ 97,634,176.0
19	ADVANCES FOR CONSTRUCTION	\$ 168,596,796.2	\$ 175,957,160.6
20	OTHER	\$ -	\$ -
21	TOTAL ADJUSTMENTS ( = Line 18 + Line 19 + Line 20 )	<u>\$ 272,279,782.5</u>	<u>\$ 273,591,336.6</u>
22	ADD MATERIALS AND SUPPLIES	\$ 5,401,541.3	\$ 5,026,092.3
23	ADD ADOPTED WORKING CASH ( = Line 37 )	\$ 8,132,600.0	\$ 8,132,600.0
24	TOTAL DISTRICT RATE BASE	<u>\$ 717,965,045.8</u>	<u>\$ 646,272,364.3</u>
25	( = Line 7 - Line 11 - Line 16 - Line 21 + Line 22 + Line 23 )		

**WORKING CASH**

26	DETERMINATION OF OPERATIONAL CASH REQUIREMENT		
27	Operating Expenses Excluding Taxes, Depreciation & Uncollectible)	\$ 235,713,167.9	\$ 230,995,417.4
28	Purchased Power & Commodity for Resale*	\$ 143,289,799.9	\$ 138,712,863.7
29	Meter Revenues: Bimonthly Billing	\$ 64,024,926.7	\$ 61,788,976.1
30	Other Revenues: Flat Rate Monthly Billing	\$ 3,811,645.1	\$ 4,030,418.7
31	Total Revenues ( Line 29 + Line 30 )	<u>\$ 67,836,571.7</u>	<u>\$ 65,819,394.8</u>
32	Ratio - Flat Rate to Total Revenues ( = Line 30 / Line 31 )	5.62%	6.12%
33	5/24 x Line 27 x ( 100% - Line 32 )	\$ 46,347,659.2	\$ 45,177,192.7
34	1/24 x Line 27 x Line 32	\$ 551,850.1	\$ 589,370.5
35	1/12 x Line 28	\$ 11,940,816.7	\$ 11,559,405.3
36	Operational Cash Requirement ( = Line 33 + Line 34 - Line 35 )	\$ 58,840,326.0	\$ 57,325,968.5
37	Total Adopted	\$ 8,132,600.0	\$ 8,132,600.0

California Water Service Company  
Schedule of Working Cash Allowance  
Schedule A-1D(2)

District	Balance End of Year		Balance Beginning of Year	
	Amount	Decision	Amount	Decision
Antelope Valley	1,100	D. 06-08-011	1,100	D. 06-08-011
Bakersfield	3,245,800	D. 07-12-055	3,245,800	D. 07-12-055
Bear Gulch	102,900	D. 06-08-011	102,900	D. 06-08-011
Chico	323,200	D. 08-07-008	323,200	D. 08-07-008
Dixon	69,100	D. 07-12-055	69,100	D. 07-12-055
Dominguez South Bay	(960,300)	D. 06-08-011	(960,300)	D. 06-08-011
East Los Angeles	360,800	D. 08-07-008	360,800	D. 08-07-008
Hermosa Redondo	(142,400)	D. 06-08-011	(142,400)	D. 06-08-011
Kern River Valley	24,800	D. 06-08-011	24,800	D. 06-08-011
King City	59,200	D. 07-12-055	59,200	D. 07-12-055
Livermore	594,000	D. 08-07-008	594,000	D. 08-07-008
Los Altos	450,500	D. 08-07-008	450,500	D. 08-07-008
Marysville	(73,900)	D. 06-08-011	(73,900)	D. 06-08-011
Mid-Peninsula	1,015,200	D. 08-07-008	1,015,200	D. 08-07-008
Oroville	193,100	D. 07-12-055	193,100	D. 07-12-055
Palos Verdes	(476,300)	D. 06-08-011	(476,300)	D. 06-08-011
Redwood Valley	120,700	D. 06-08-011	120,700	D. 06-08-011
Salinas	1,045,700	D. 08-07-008	1,045,700	D. 08-07-008
Selma	76,600	D. 07-12-055	76,600	D. 07-12-055
South San Francisco	438,700	D. 07-12-056	438,700	D. 07-12-056
Stockton	927,000	D. 08-07-008	927,000	D. 08-07-008
Visalia	371,300	D. 08-07-008	371,300	D. 08-07-008
Westlake	333,200	D. 07-12-055	333,200	D. 07-12-055
Willows	32,600	D. 07-12-055	32,600	D. 07-12-055
	<u>8,132,600</u>		<u>8,132,600</u>	

**SCHEDULE A-3**

**Depreciation and Amortization Reserves**

Line No.	Item (a)	Account 250		Account 251		Account 252		Account 253	
		Utility Plant (b)		Limited Term Utility Investment (c)		Utility Plant Acquisition Adjustments (d)		Other Property (e)	
1	Balance in reserves at beginning of year	472,076,684		3,935,933		635,223			
2	<b>Add: Credits to reserves during year</b>								
3	a) Charged to account No. 503	38,432,076		969,937					
4	b) Charged to account No. 265	3,644,409							
5	c) Charged to clearing accounts	2,295,271							
6	d) Salvage recovered								
7	e) All other credits	102,002		209,964					
8	<b>Total Credits</b>	<b>44,473,758</b>		<b>1,179,901</b>					
9	<b>Deduct: Debits to reserves during year</b>								
10	a) Book cost of property retires	11,422,828							
11	b) Cost of removal	828,849							
12	c) All other debits	152,269				6,033			
13	<b>Total Debits</b>	<b>12,403,945</b>				<b>6,033</b>			
14	<b>Balances in reserves at end of year</b>	<b>504,146,496</b>		<b>5,115,834</b>		<b>629,190</b>			
15	State method of determining depreciation charges:								
16	(A) Depreciation on intracompany transfers								
17									
18	Report depreciation in Federal Tax Return for year:	50,706,898							
19	Indicate nature of these items and accounts affected								
20									

SCHEDULE A-3A

ACCOUNT 250 Depr Reserve

	BEGIN BALANCE	PROVISIONS	RETIREMENT	SALVAGE	COST TO REMOVE	OTHER	END BALANCE
<b>I. SOURCE OF SUPPLY PLANT</b>							
3110 STRUCTURES AND IMPROVEMENTS	288,285	10,892					299,177
3120 COLLECTING AND IMPOUNDING RES	533,625	11,194				807	545,627
3130 LAKE, RIVER AND OTHER INTAKES	13,753	660					14,413
3140 SPRINGS AND TUNNELS							
3150 WELLS	12,842,476	886,355	-54,601		-81,279	9,575	13,602,525
3160 SUPPLY MAINS	1,863,265	138,043	-681			392	2,001,019
3170 OTHER SOURCE OF SUPPLY PLANT							
TOTAL SOURCE OF SUPPLY PLANT	15,541,405	1,047,144	-55,283	0	-81,279	10,774	16,462,761
<b>II. PUMPING PLANT</b>							
3210 STRUCTURES AND IMPROVEMENTS	9,841,377	978,662	-46,869		-87,543	341	10,685,968
3220 BOILER PLANT EQUIPMENT							
3230 OTHER POWER PRODUCTION EQUIP							
3240 PUMPING EQUIPMENT	27,025,954	2,974,950	-1,592,857		-183,420	512	28,225,139
3250 OTHER PUMPING PLANT	415,128	25,722	-34,493				406,357
TOTAL PUMPING PLANT	37,282,459	3,979,334	-1,674,218	0	-270,963	853	39,317,464
<b>III. WATER TREATMENT PLANT</b>							
3310 STRUCTURES AND IMPROVEMENTS	3,087,398	615,128	-2,783			-6,633	3,693,110
3320 WATER TREATMENT EQUIPMENT	17,730,070	3,169,335	-132,649		-539	-416,633	20,349,585
TOTAL WATER TREATMENT PLANT	20,817,468	3,784,463	-135,432	0	-539	-423,266	24,042,695
<b>IV. TRANS AND DIST PLANT</b>							
3410 STRUCTURES AND IMPROVEMENTS	1,176,052	106,464				4,863	1,287,378
3420 RESERVOIRS AND TANKS	26,546,740	2,068,189	-76,688			-19,249	28,518,991
3421 TANK PAINTING	309,684	581,975	-232,001			14,637	674,296
3430 TRANS AND DIST MAINS	195,361,322	12,926,525	-719,513	110	-333,936	24,226	207,258,734
3440 FIRE MAINS	162,352	6,209				11,243	179,804
3450 SERVICES	87,520,025	8,734,740	-182,451	22,447	-117,576	-49,011	95,928,173
3460 METERS	23,152,045	2,421,606	-805,841	119,933	-4,410	21,961	24,905,294
3470 METER INSTALLATIONS							
3480 HYDRANTS	22,610,197	1,255,692	-52,380		-38,493	-1,344	23,773,671
3490 OTHER TRANS AND DIST MAINS							
TOTAL TRANS AND DIST PLANT	356,838,416	28,101,400	-2,068,874	142,489	-494,415	7,325	382,526,342
<b>V. GENERAL PLANT</b>							
3710 STRUCTURES AND IMPROVEMENTS	10,090,193	1,026,768	-6,791			-919	11,109,250
3720 OFFICE FURNITURE AND EQUIP	560,300	-866,491	-99,422			-1,011	-406,625
3721 OFFICE EQUIPMENT - COMPUTERS	10,244,593	2,433,712	-5,137,468	4,500		13,832	7,559,168
3722 OFFICE EQUIPMENT - SOFTWARE	9,399,246	2,331,925	-1,492,107		-3,281	-1,320	10,234,462
3730 TRANSPORTATION EQUIPMENT	11,592,156	2,321,233	-1,616,481	130,139	21,152	-34,536	12,413,663
3740 STORES EQUIPMENT	306,552	21,589	-16,983	2,250		43	313,451
3750 LABORATORY EQUIPMENT	459,855	66,625	-36,212			-26	490,242
3760 COMMUNICATION EQUIPMENT	979,438	36,475	-728	-148		491	1,015,528
3770 POWER OPERATED EQUIPMENT	278,816	54,839					333,655
3780 TOOLS, SHOP AND GARAGE EQUIP	1,915,761	358,444	-90,562	-847		1,032	2,183,828
3790 OTHER GENERAL PLANT	69,084	12,090					81,174
380 LEASED PROPERTY-CAPITAL LEASE	22,664	15,998				-6,666	31,997
3900 OTHER TANGIBLE PROPERTY	-117,644						-117,644
3910 WATER PLANT PURCHASE	-584,413	583,417					-996
TOTAL GENERAL PLANT	45,216,600	8,396,623	-8,496,755	135,894	17,871	-29,080	45,241,152
GO PLANT ALLOCATION	-3,677,063	-776,613	1,006,548	-4,477	477	7,216	-3,443,918
	472,019,280	44,532,351	-11,424,013	273,906	-828,849	-426,178	504,146,496

**SCHEDULE A-4**  
**Account No. 111 - Investments in Associated Companies**

NONE

**SCHEDULE A-5**  
**Account No. 112 - Other Investments**

Name and Description of Property	Balance End of Year
Investment - Deferred Compensation	3,637,563
Insurance Investment - SERP	18,259,563
Unregulated Utility Investment	9,639,550
Total	31,536,676

**SCHEDULE A-6**  
**Account No. 113 - Sinking Funds**

Name of Fund	Balance Beginning of Year	Additions During Year		Deductions During Year	Balance End of Year
		Principal	Income		
Sinking Fund - Bond Redemption	0		0		0

**SCHEDULE A-7**  
**Account No. 114 - Miscellaneous Special Funds**

NONE

**SCHEDULE A-8**  
**Account No. 121 - Special Deposits**

Name of Depository	Purpose of Deposit	Balance End of Year
Trade Deposit	General	1,000
US bank	Property sales	45,546
Attorney retainer fees	Pay advance	88,999
Total		135,545

**SCHEDULE A-9**  
**Account No. 124 - Notes Receivable**

NONE

**SCHEDULE A-10**  
**Account No. 126 - Receivables from Associated Companies**

Item	Amount
California Water Service Group (Holding Company)	1,701,204
California Water Service Utility Services	492,599
New Mexico Water Service Company	295,352
Washington Water Service Company	1,499,255
Hawaii Water Service Company	919,214
Total	4,907,623

**SCHEDULE A-11**  
**Account No. 132 - Prepayments**

Item	Amount
Restrict Cash-DWR loan	1,074,156
Prepaid Rent	17,816
Other Prepaid Taxes	60,291
Prepaid Insurance	10,304
Other Prepayments	822,628
Prepaid-Well Rehabilitation	58,648
Annual Fees-AWWA and NAWC	17,690
Prepaid Maintenance Fees	244,311
Software	633,843
Prepaid P-Card	(219,204)
Prepaid income taxes	10,167,981
Prepaid Water Charge	3,184,434
DWR Loan Admin Fee	54,650
Total	16,127,547

**SCHEDULE A-12**  
**Account No. 133 - Other Current and Accrued Assets**

NONE

**SCHEDULE A-13**

**Account Nos. 140 & 240 - Unamortized debt discount and expense and unamortized premium on debt**

Designation of Long Term Debt	Principal	Total Discount or Expense	Amortization Period		Balance Beginning of Year	Debits During Year	Credits During Year	Balance End of Year
			From	To				
9.50% Series M		71,741	04/09/70	5/1/2023	20,670		1,908	18,762
9.25% Series N		93,723	06/05/70	12/1/2013	28,210		2,604	25,606
9.25% Series O		94,103	04/06/71	12/1/2013	28,340		2,616	25,724
9.25% Series U		134,601	08/01/76	5/1/2023	40,836		3,756	37,080
8.60% Series V		87,540	03/29/78	12/1/2013	14,214		3,708	10,506
9.375% Series W		147,048	08/30/78	11/1/2013	44,720		4,128	40,592
10.00% Series X		184,955	04/30/80	11/1/2013	57,850		5,340	52,510
12.875% Series AA		2,798,653	10/18/83	11/1/2013	656,355		167,580	488,775
9.48% Series BB		234,571	09/15/88	11/1/2022	1,129,640		87,456	1,042,184
9.86% Series CC	17,600,000	205,442	12/27/90	11/1/2020	66,772		6,156	60,616
8.63% Series DD		185,965	11/05/92	11/1/2022	603,526		47,028	556,498
7.90% Series EE		933,421	06/14/93	11/1/2023	541,190		49,956	491,234
6.95% Series FF		821,611	10/01/93	11/1/2023	311,163		75,636	235,527
6.98% Series GG		826,835	11/01/93	11/1/2023	294,170		76,740	217,430
5.87% Series LL	100,000,000	4,553,416	4/17/2009	5/1/2019	4,253,048	261,698	315,202	4,199,544
DOM-K	1,500,000			12/1/2012	39,190		13,440	25,750
<b>MORTGAGE BONDS:</b>								
7.28% Series AAA	20,000,000	136,923	11/01/95	11/01/2025	71,860		4,548	67,312
6.77% Series BBB	20,000,000	151,734	03/03/99	11/01/2028	96,598		5,124	91,474
8.15% Series CCC	20,000,000	146,663	11/1/2000	1/1/2030	101,852		4,884	96,968
7.13% Series DDD	20,000,000	172,385	9/26/2001	11/1/2031	135,229		6,192	129,037
7.11% Series EEE	20,000,000	284,145	5/23/2002	5/1/2032	211,532		9,480	202,052
5.90% Series FFF	20,000,000	120,660	8/27/2002	11/1/2017	61,671		8,040	53,631
5.29% Series GGG	20,000,000	130,412	11/10/2002	11/1/2022	83,679		6,528	77,151
5.29% Series HHH	20,000,000	133,761	12/3/2002	12/1/2022	86,392		6,684	79,708
5.29% Series III		71,944	5/1/2003	5/1/2023	47,963		3,600	44,363
5.29% Series JJJ	7,272,727	71,944	5/1/2003	5/1/2018	39,967		4,800	35,167
4.58% Series KKK	10,000,000	75,578	2/28/2003	6/30/2010	5,153		5,153	0
5.48% Series LLL	10,000,000	75,579	2/28/2003	3/1/2018	41,147		5,040	36,107
5.52% Series MMM	20,000,000	148,569	11/3/2003	11/1/2013	56,952		14,856	42,096
5.55% Series NNN	20,000,000	155,559	10/24/2003	12/1/2013	60,423		15,432	44,991
6.020% Series OOO	20,000,000	337,410	8/31/2006	08/31/2031	294,132		13,584	280,548
5.50% Series PPP	100,000,000	1,857,478	12/1/2010	11/30/2039	0	1,853,178	2,089	1,851,089
<b>TOTAL</b>	<b>466,372,727</b>	<b>15,444,371</b>			<b>9,524,444</b>	<b>2,114,876</b>	<b>979,288</b>	<b>10,660,032</b>

**SCHEDULE A-14**  
**Account No. 141 - Extraordinary Property Losses**  
 NONE

**SCHEDULE A-15**  
**Account No. 146 - Other Deferred Debits**

Item	Balance End of Year
Prepaid Federal Taxes received on extension agreements	18,714,608
Prepaid Federal Taxes received on contributions	4,736,900
Prepaid California Taxes received on extension agreements	2,100,062
Prepaid California Taxes received on contributions	1,916,595
Federal Tax Regulatory/Deferred Assets	20,077,641
California Tax Regulatory/Deferred Assets	23,725,073
Reg Asset-Retiree Grp Health	25,303,071
Reg Asset-Pension	120,148,000
Reg Asset-Well Retirement Obl	5,123,423
Reg Asset-Accd Vacat	8,029,493
Reg Asset-Workers Compensation	13,012,301
Reg Asset-Other	146,914
Low income rate assistant (LIRA)	3,730,857
WRAM/MCBA Long-Term Receivable	16,785,707
Other LT Assets	597,546
Def DWR Loan	(39,645)
<b>Total</b>	<b>264,108,545</b>

**SCHEDULE A-16**  
**Account No. 150 - Discount on Capital Stock**  
 NONE

**SCHEDULE A-17**  
**Account No. 151 - Capital Stock Expense**

Class and Series of Stock	Balance End of Year
Common Stock	(3,455,161)
Preferred Stock - Series C	0
<b>Total</b>	<b>(3,455,161)</b>

**SCHEDULE A-18**  
**Account No. 200 and 201 - Capital Stock**

Class of Stock	Shares Authorized by Articles of Incorporation	Par Value Authorized by Articles of Incorporation	Number of Shares Outstanding	Total Par Value Outstanding End of Year	Dividends Declared During Year	
					Rate	Amount
Common Stock	8,000,000	No Par	6,309,570	200,201,746		22,633,711
<b>Total</b>	<b>8,000,000</b>		<b>6,309,570</b>	<b>200,201,746</b>		<b>22,633,711</b>



SCHEDULE A-18a			
Record of Stockholders at End of Year			
Common Stock	Number of	Preferred Stock	Number of
Name	Shares	Name	Shares
California Water Service Group	6,309,570	California Water Service Group	0

SCHEDULE A-19	
Account No. 203 - Premiums and Assessments on Capital Stock	
Class of Stock	Balance End of Year
Common Stock	0

SCHEDULE A-20	
Account No. 270 - Capital Surplus	
NONE	

SCHEDULE A-21	
Account No. 271 - Earned Surplus	
Balance beginning of year	192,348,818
CREDITS	
400 Credit balance transferred from income account	35,940,388
401 Miscellaneous credits to surplus	
Total Credits	35,940,388
DEBITS	
410 Debit balance transferred from income account	
411 Dividend appropriations - Preferred stock	-
412 Dividend appropriations - Common stock	22,633,711
413 Miscellaneous reservations of surplus	
414 Miscellaneous debits to surplus	
Total debits	22,633,711
Balance end of year	205,655,496

SCHEDULE A-22	
Account No. 204 - Proprietary Capital	
Not Applicable	

SCHEDULE A-23	
Account No. 205 - Undistributed Profits of Proprietorship or Partnership	
Not Applicable	

**SCHEDULE A-24**  
**Account No. 210 - Bonds**

Class of Bond	Date of Issue	Date of Maturity	Principal Amount Authorized	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During the Year	Interest Paid During the Year
Series CC	12/27/90	11/1/2020	20,000,000	17,600,000	9.86%	1,748,917	1,745,220
Series LL	4/17/2009	5/1/2019	100,000,000	100,000,000	5.87%	5,875,000	5,875,000
DOM-K	11/1/1997	11/1/2012	5,000,000	1,500,000	6.94%	144,583	152,680
Mortgage Bonds:							
Series AAA	11/01/95	11/1/2025	20,000,000	20,000,000	7.28%	1,456,000	1,456,000
Series BBB	03/23/99	11/01/2028	20,000,000	20,000,000	6.77%	1,354,000	1,354,000
Series CCC	11/1/2000	11/1/2030	20,000,000	20,000,000	8.15%	1,630,000	1,630,000
Series DDD	9/26/2001	11/1/2031	20,000,000	20,000,000	7.13%	1,426,000	1,426,000
Series EEE	5/23/2002	5/1/2032	20,000,000	20,000,000	7.11%	1,422,000	1,422,000
Series FFF	8/27/2002	11/1/2017	20,000,000	20,000,000	5.90%	1,180,000	1,180,000
Series GGG	11/19/2002	11/1/2022	20,000,000	20,000,000	5.29%	1,058,000	1,058,000
Series HHH	12/3/2002	12/1/2022	20,000,000	20,000,000	5.29%	1,058,000	1,058,000
Series III	5/1/2003	5/1/2023	10,000,000	10,000,000	5.29%	554,000	554,000
Series JJJ	5/1/2003	5/1/2018	10,000,000	7,272,727	5.29%	403,879	420,369
Series KKK	2/28/2003	6/30/2010	10,000,000	0	4.58%	229,000	458,000
Series LLL	2/28/2003	3/1/2018	10,000,000	10,000,000	4.58%	548,004	548,000
Series MMM	11/3/2003	11/1/2013	20,000,000	20,000,000	5.52%	1,104,000	1,104,000
Series NNN	10/24/2003	12/1/2013	20,000,000	20,000,000	5.55%	1,110,000	1,110,000
Series OOO	8/31/2006	08/31/2031	20,000,000	20,000,000	6.02%	1,204,000	1,204,000
Series PPP	11/17/2010	12/1/2040	100,000,000	100,000,000	5.50%	595,833	-
<b>TOTAL</b>			<b>485,000,000</b>	<b>466,372,727</b>		<b>24,101,216</b>	<b>23,755,269</b>

**Schedule A-24(a)**  
**Safe Drinking Water Bond Act Data**  
**Year 2010**

1) Current Fiscal Agent and

- E51013 BANK OF AMERICA ATTN: AMY FREELAND  
P. O. BOX 468, LAKE ISABELLA, CA 93240 (A/C 11635-02989)
  
- E51036 BANK OF AMERICA ATTN: AMY FREELAND  
P. O. BOX 468, LAKE ISABELLA, CA 93240 (A/C 11637-03014)
  
- E51042 U.S. Bank Operations Cent 1200 Energy Park Drive  
Attn: Lockbox Services CN St. Paul, MN 55108-5101 (a/c 94625610)
  
- E51066 WESTAMERICA BANK (A/C 280-22444-5) ATTN: LINDA BUSHLING  
ACCT# 43016500 P. O. BOX 996, LAKE ISABELLA, CA 93240
  
- E51063 WESTAMERICA BANK (A/C 280-22438-7) ATTN: LINDA BUSHLING  
ACCT# 430008200 P. O. BOX 996, LAKE ISABELLA, CA 93240
  
- E51032 BANK OF LAKE COUNTY ATTN: PAM SLEEPER  
P. O. BOX 98, UPPER LAKE, CA 95485 (A/C 2351-14669-7)
  
- E51059 WESTAMERICA BANK ATTN: Toby Pratt  
16265 MAIN STREET, GUERNVILLE, CA 95446 (A/C 403-14242-5)
  
- E51044 WESTAMERICA BANK ATTN: Robin Cowden  
16265 MAIN STREET, GUERNVILLE, CA 95446 (A/C 403-14241-7)
  
- SRF08CX301 Wells Fargo (A/C# 23664700) Attn: Karen T. Mitani  
Corporate Trust Service, MAC A0119-181  
333 Market Street, 18TH Floor, San Francisco, CA 94105-2102
  
- SRF02C316 Wells Fargo (A/C 22409200) Attn: Karen T. Mitani  
Corporate Trust Service, MAC A0119-181  
333 Market Street, 18TH Floor, San Francisco, CA 94105-2102

2) surcharge billed, collect & remitted for year 2010

surcharge billed, collected and remitted

	<u>surcharge</u>	<u>developer retro surcharge</u>	<u>Loan from CWSCO</u>
JAN	29,465		
FEB	29,644		
MAR	46,411		1,593 Coast Spring
APR	37,625		60,000 Coast Spring and Lucerne (2)
MAY	46,288	1,000	
JUN	38,166		
JUL	46,585		
AUG	38,718		6,000 Arden
SEP	46,963		
OCT	38,558		
NOV	45,773		6,000 Arden
DEC	37,459	1,000	
<b>Total</b>	<b>481,655</b>	<b>2,000</b>	<b>73,593</b>

Schedule A-24(a)  
Safe Drinking Water Bond Act Data  
Year 2010

3) Summary of the trust bank account activities:

**Details**

Surcharge: 2010														Grand Total	
Sum of Amou	Account	Dept													
Period	134	135	136	137	138	142	147	148	149						
1	(1,809)		1	(2,432)	(4,166)	(2,231)	(2,231)	(9,416)	(3,858)	(5,552)					(29,465)
2	(1,489)	(1,453)		(2,435)	(59)	(2,249)	(2,249)	(21,959)	(3,873)	(5,575)					(29,644)
3	(1,450)	(23)		(2,431)	(4,149)	(2,223)	(2,223)	(26,687)	(21)	(5,575)					(48,411)
4	(1,617)	(1,431)	2	(2,431)	(4,134)	(2,226)	(2,226)	(29,901)	(3,859)	(5,543)					(37,625)
5	(1,706)	(2)		(2,439)	(4,134)	(2,226)	(2,226)	(26,377)	(15)	(22)					(48,288)
6	(1,919)	(1,456)		(2,427)	(19)	(2,225)	(2,225)	(30,063)	(3,835)	(5,536)					(38,166)
7	(2,368)	(1)		(2,428)	(4,203)	(2,238)	(2,238)	(25,976)	10	(12)					(46,585)
8	(2,469)	(1,462)		(2,443)	(37)	(2,242)	(2,242)	(30,062)	(3,849)	(5,531)					(38,718)
9	(2,496)	5		(2,451)	(4,239)	(2,270)	(2,270)	(26,133)	(21)	(14)					(46,963)
10	(2,208)	(1,480)		(2,446)	(64)	(2,230)	(2,230)	(30,094)	(3,844)	(5,550)					(38,558)
11	(1,823)	(12)		(2,445)	(4,224)	(2,235)	(2,235)	(25,643)	(6)	(13)					(45,775)
12	(1,686)	(1,450)		(2,452)	10	(2,228)	(2,228)	(29,634)	(23,173)	(33,347)					(37,459)
Grand Total	(23,041)	(8,764)	(29,260)	(25,284)	(26,823)	(311,965)	(23,173)	(481,656)							

**Loan Payments: 2010**

Sum of Payment	Total
135	33,890
136	21,678
137	41,080
138	41,299
142	38,878
147	336,097
148	14,006
149	15,925
Grand Total	542,853

**DWR Cash Beginning Balance: 1/1/2010**

Sum of Sum Total Amt	Period	
	Account	0 Grand Total
135	121003	18,343
136	121004	64,210
137	121002	234,433
138	121001	76,335
140	121006	908
142	121005	245,639
147	121014	354,368
148	121012	2,634
149	121013	67,256
Grand Total	1,225,337	1,225,337

**DWR Cash Ending Balance: 12/31/2010**

Sum of Sum Total Amt	Period	
	Account	Total
135	121003	19,516
136	121004	51,377
137	121002	223,645
138	121001	60,513
140	121006	908
142	121005	235,376
147	121014	331,657
148	121015	38,492
149	121012	797
Grand Total	1,21011	78,113
Grand Total	1,21016	(0)
Grand Total	1,21016	33,763
Grand Total		1,074,156

Schedule A-24(a)  
 Safe Drinking Water Bond Act Data  
 Year 2010

GL BB: 1/1/2009	1,225,337
Surcharge	483,655
Loan From Cwsco	73,593
Interest Income	612
Loan Payment	(542,853)
Restricted Cash Cleanup (CPUC Granted)	(120,884)
Other Adj (149/16)	(45,303)
 Balance S/B	 <u>1,074,156</u>
 GL Balance	 <u>1,074,156</u>

4) Account Information	<u>Dept</u>	<u>District</u>	<u>Bank Account</u>
E51013	135	Arden	11635-02989
E51036	136	Bodfish	11637-03014
E51042	137	Kernville	94625610-12
E51066	138	Lakeland	280-22444-5
E51063	142	Squirrel Mountain	280-22438-7
E51032	147	Lucerne	2351-14669-7
E51034	148	Armstrong	403-14242-5
E51059	148	Armstrong	403-14242-5
E51044	148	Armstrong-RDP	403-14241-7
SRF08CX301	147	Lucerne	23664700
SRF02C316	149	Coast Springs	22409200

**SCHEDULE A-25**  
**Account No. 212 - Advances from Associated Companies**  
 NONE

**SCHEDULE A-26**  
**Account No. 213 - Miscellaneous Long Term Debt**

Nature of Obligation	Date of Issue	Date of Maturity	Principal Amount Authorized	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
Capital Lease	Various	Various	1,466,006	1,259,769	Various	56,830	56,830
DWR Loan-Excess Revenue & Int	Misc			735,918			
DWR Loan-Lakeland	1/1/1997	1/1/2027	506,869	338,374	3.37	4,185	4,185
DWR Loan-Kemville	8/6/1984	1/1/2020	454,341	276,733	7.40	21,566	21,566
DWR Loan-Arden	6/7/1979	7/1/2011	303,523	32,093	7.40	4,046	4,046
DWR Loan-Bodfish	1/1/1984	7/1/2013	207,558	57,369	7.40	5,170	5,170
DWR Loan-Squirrel Mountain	4/1/1996	1/1/2032	830,289	615,385	2.96	18,637	18,637
DWR Loan-Coast Springs				-		-	-
DWR Loan-Rancho del Paradiso	1/2001	7/1/2019	77,662	22,529	7.40	901	901
DWR Loan-Armstrong	1/2001	7/1/2016	114,227	25,467	7.40	376	376
DWR Loan-Luceme	1/1/1997	7/1/2020	744,357	450,211	7.40	20,536	20,536
DWR Loan-Luceme(2)	12/31/2009	12/31/2039	7,078,698	6,842,741	0.00	-	-
DWR Loan-Coast Springs(2)	12/31/2008	6/26/2028	494,276	445,526	1.30	11,972	11,972
				11,102,117		144,219	144,219

**SCHEDULE A-27**  
**Securities Issued or Assumed During Year**  
 NONE

**SCHEDULE A-28**  
**Account No. 220 - Notes Payable**

In Favor Of	Date of Issue	Date of Maturity	Balance End of Year	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
Bank of America	Various		-		208,874	208,874
<b>Total</b>			-		208,874	208,874

**SCHEDULE A-29**  
**Account No. 223 - Payables to Associated Companies**

	Amount
Hawaii Water Utility Services	55,890
<b>Total</b>	55,890

**SCHEDULE A-30**  
**Account No. 230 - Other Current and Accrued Liabilities**

Item	Amount
Unearned Revenue	1,569,481
DWR Loan - current liability due	39,522
DWR Loan - P&L amortization	67,715
Legal Fee	311,480
Escheatment Liability	1,771,128
Los Trancos Property Tax rebate	4,871
Olcese Recharge Facility	60,000
<b>Total</b>	3,824,197

**SCHEDULE A-31**  
**Account No. 228 - Accrued and Prepaid Taxes**

Kind of Tax	Balance Beginning of Year		Taxes Charged During Year *	Paid During Year	Adjustments	Balance End of Year	
	Taxes Accrued	Prepaid Taxes				Taxes Accrued (Account 228)	Prepaid Taxes (Included in Account 132)
Taxes on real and personal property	-	76,035	7,503,555	7,519,299	-	-	60,291
State corporation franchise tax	-	1,010,506	4,533,065	3,936,917	-	-	1,606,654
State unemployment insurance tax	8,854	-	115,815	119,457	5,212	-	-
Other state and local taxes	3,158,209	-	3,266,466	3,614,359	2,810,316	-	-
Federal unemployment insurance tax	2,323	-	46,718	48,114	928	-	-
FICA	(4,437)	-	4,103,791	4,105,791	(6,437)	-	-
Other federal taxes	(2,720)	-	-	(346)	(3,065)	-	-
Federal income taxes	-	6,180,270	20,147,518	17,766,461	-	-	8,561,327
Payroll allocation	-	-	(172,239)	-	-	-	-
<b>TOTAL</b>	<b>3,162,229</b>	<b>7,266,811</b>	<b>39,544,689</b>	<b>37,110,052</b>	<b>-</b>	<b>2,806,954</b>	<b>10,228,272</b>

SCHEDULE A-32			
Account No. 241 - Advances for Construction			
Line No.	(a)	(b)	Amount (c)
1	Balance Beginning of Year	XXXXXXXXXXXXXXXX	183,554,920
2	Additions during year	XXXXXXXXXXXXXXXX	7,877,784
3	Subtotal - beginning balance plus additions	XXXXXXXXXXXXXXXX	191,432,704
4	Charges during year:	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
5	Refunds	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
6	Percentage of revenue basis	-	XXXXXXXXXXXXXXXX
7	Proportionate cost basis	6,097,451	XXXXXXXXXXXXXXXX
8	Present worth basis		XXXXXXXXXXXXXXXX
9	Total refunds	6,097,451	XXXXXXXXXXXXXXXX
10	Transfers to Acct. 265, Contributions in Aid of Construction	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
11	Due to expiration of contracts	-	XXXXXXXXXXXXXXXX
12	Due to present worth discount		XXXXXXXXXXXXXXXX
13	Total transfers to Acct. 265	-	XXXXXXXXXXXXXXXX
14	Securities Exchanged for Contracts	-	XXXXXXXXXXXXXXXX
15	Subtotal - Charges during year	6,097,451	XXXXXXXXXXXXXXXX
16	Balance end of year	XXXXXXXXXXXXXXXX	185,335,253
If stock, bonds, etc., were issued in exchange for construction advance contracts give detail below:			
17			
18			
19			
20			
21	Not Applicable		
22			
23			
24			
25			

SCHEDULE A-33		
Account No. 242 - Other Deferred Credits		
Item		Balance End of Year
26	Deferred Revenue Contributions-Federal	(481,795)
27	Deferred Revenue Contributions-California	1,125,866
28	Unamortized Investment Tax Credit	2,243,665
29	Deferred Federal Income tax	135,216,096
30	Deferred State Income tax	30,342,069
31	Rate support fund activities	1,247,225
32	Pension/SERP Liability	130,905,182
33	Reclaim Water Contribution	1,150,565
34	Asset Retirement Obligation	8,507,819
35	Other LT Liabilities	623,765
36	LT Liabilities-PBOP	24,978,975
37	MTBE legal settlement	34,442,815
38	Workers' Comp-Unfunded Liab	11,518,000
39	WRAM/MCBA long-term payable	578,810
	Total	382,399,058



**SCHEDULE A-34**  
**Account Nos. 254 to 258, Inclusive - Miscellaneous Reserves**

Account (a)	Balance Beginning of Year (b)	Debits		Credits		Balance End of Year (g)
		Nature of Item (c)	Amount (d)	Account Charged (e)	Amount (f)	
2541	784,249	Uncollectable Accounts	1,497,799	775	1,380,282	666,732
2560	668,689	Injury & damages	1,032,747	794	870,000	505,942
Subtotal	1,452,938		2,530,545		2,250,282	1,172,674
2573	2,265,050	Group Health Plan	10,161,377	795	9,810,000	1,913,673
2575	1,793,763	Workers' Compensation	2,545,989	794	2,617,227	1,865,000
2576	-	Retiree Group Health Plan	4,449,254	795	4,442,000	(7,254)
Subtotal	4,058,813		17,156,620		16,869,227	3,771,419
2582	433,419	Obsolete Material Inventory	451,903	754 753	64,939 120,857	167,312
Subtotal	433,419		451,903		185,796	167,312
<b>TOTAL</b>	<b>5,945,169</b>		<b>20,139,068</b>		<b>19,305,304</b>	<b>5,111,405</b>

**SCHEDULE A -35**  
**Account No. 265 - Contributions in Aid of Construction**

Line No.	Item (a)	Total All Columns (b)	Subject to Amortization		Not Subject to Amortization	Depreciation Accrued through Dec. 31, 1954 on Property in Service at Dec. 31, 1954 (f)
			Property in Service After Dec. 31, 1954	Property Retired Before Jan. 1, 1955 (e)		
			Depreciable (c)	Non-Depreciable (d)		
1	Balance beginning of year	100,495,117	100,274,982	159,491	-	60,644
2	Add: Credits to account during year	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
3	Contributions received during year	8,844,072	8,844,072			
4	Other credits					
5	Total credits	8,844,072	8,844,072	-		
6	Deduct: Debits to account during year	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
7	Depreciation charges for year	3,745,665	3,745,665	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
8	Nondepreciable donated property retired		XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
9	Other debits					
10	Total debits	3,745,665	3,745,665	-		
11	Balance end of year	105,593,524	105,373,389	159,491	-	60,644

**SCHEDULE B-1**  
**Account No. 501 - Operating Revenues**

Acct. No.	ACCOUNT (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Brackets) (d)
<b>I WATER SERVICE REVENUES</b>				
601	Metered sales to general customers			
601.1	Commercial sales	240,913,236	236,725,074	4,188,162
601.2	Industrial sales	93,312,834	90,226,573	3,086,261
601.3	Sales to public authorities	21,543,134	21,982,531	(439,397)
	Sub-total	355,769,204	348,934,178	6,835,026
602	Unmetered sales to general customers			
602.1	Commercial sales	38,002,044	41,186,524	(3,184,480)
602.2	Industrial sales	18,847	18,840	7
602.3	Sales to public authorities	1,075	1,307	(232)
	Sub-total	38,021,966	41,206,672	(3,184,706)
603	Sales to irrigation customers			
603.1	Metered sales	136,298	133,874	2,424
603.2	Unmetered sales			
	Sub-total	136,298	133,874	2,424
604	Private fire protection service	4,474,138	4,430,920	43,218
605	Public fire protection service	262,125	253,404	8,721
606	Sales to other water utilities for resale/Cost of Capital	(1,805,782)	(979,655)	(826,127)
607	Sales to governmental agencies by contracts			
608	Interdepartmental sales			
609	Other sales or service	6,198,307	5,430,689	767,618
	WRAM adjustment	41,194,651	21,131,473	20,063,178
	MCBA adjustment	(22,729,024)	(9,180,479)	(13,548,545)
	WRAM/MCBA Interest	55,799	17,709	38,090
	Sub-total	27,650,214	21,104,061	6,546,153
	Total water service revenues	421,577,682	411,378,785	10,198,897
<b>II OTHER WATER REVENUES</b>				
611	Miscellaneous service revenues	942,290	640,535	301,755
612	Rent from water property	14,477	22,392	(7,915)
613	Interdepartmental rents			
614	Other water revenues	78,877	144,543	(65,666)
615	City finished water revenue	828,176	2,114,704	(1,286,528)
	Total other water revenues	1,863,820	2,922,174	(1,058,354)
	Total Operating Revenues	423,441,502	414,300,959	9,140,543

**SCHEDULE B-1a**

**Operating Revenues Apportioned to Cities and Towns**

	Location	Operating Revenues
Operations by district:	Bakersfield	58,531,898
	Bear Gulch	26,265,635
	Chico	17,434,107
	Dixon	1,837,145
	East Los Angeles	26,760,165
	Hermosa-Redondo	23,203,557
	King City	2,175,727
	Livermore	16,312,963
	Los Altos	21,113,216
	Marysville	2,407,427
	Oroville	3,394,783
	Salinas	25,082,810
	Mid-Peninsula	29,347,393
	Selma	3,435,021
	South San Francisco	14,378,868
	Stockton	29,736,794
	Visalia	19,964,765
	Willows	1,512,543
	Palos Verdes	32,718,596
	Westlake	13,714,464
	Dominguez	44,338,887
	Antelope Valley	1,458,363
	Kern River Valley	4,998,201
	Redwood Valley	2,471,128
	Grand Oaks	20,674
	BK treatment	828,178
	<b>Total</b>	<b>423,441,502</b>

**SCHEDULE B-2**  
**Account 502 - Operating Expenses - Class A, B, and C Water Utilities**

Line No.	Acct. No.	ACCOUNT	Amount Current Year	Amount Preceding Year	Net Change During Year
1		I SOURCE OF SUPPLY EXPENSE			
2		Operation			
3	701	Operation supervision and engineering	576,634	694,510	(117,876)
4	701	Operation supervision, labor and expenses			
5	702	Operation labor and expense	311,883	234,123	77,760
6	703	Miscellaneous expenses	8,165,455	9,206,229	(1,040,774)
7	704	Purchased water	122,064,239	118,062,690	4,001,549
8		Maintenance			
9	706	Maintenance supervision and engineering	132,601	148,660	(16,059)
10	706	Maintenance of structures and facilities			
11	707	Maintenance of structures and improvements	1,037	24,468	(23,431)
12	708	Maintenance of collect and impound reservoirs	8,168	-	8,168
13	708	Maintenance of source of supply facilities			
14	709	Maintenance lake, river and other intakes	1,407	28,256	(26,849)
15	710	Maintenance of springs and tunnels			
16	711	Maintenance of wells	422,301	737,599	(315,298)
17	712	Maintenance of supply mains	99	585	(486)
18	713	Maintenance of other source of supply plant	30		30
19		Total source of supply expense	131,683,854	129,137,122	2,546,732
20		II PUMPING EXPENSES			
21		Operation			
22	721	Operation supervision and engineering	939,312	1,008,624	(69,312)
23	721	Operation supervision, labor and expenses			
24	722	Power production labor and expenses	5,143	7,196	(2,053)
25	722	Power production labor, expenses and fuel			
26	723	Fuel for power production	5,337	6,434	(1,097)
27	724	Pumping labor and expenses	4,159,258	3,898,840	260,418
28	725	Miscellaneous expenses	1,661,489	1,667,273	(5,784)
29	726	Fuel or power purchased for pumping	21,594,705	21,230,013	364,692
30		Maintenance			
31	729	Maintenance supervision and engineering	318,556	476,564	(158,008)
32	729	Maintenance of structures and facilities			
33	730	Maintenance of structures and improvements	724,771	369,219	355,552
34	731	Maintenance of power production equipment			
35	732	Maintenance of pumping equipment	2,298,762	2,163,020	135,742
36	733	Maintenance of other pumping plant	9,949	11,577	(1,628)
37		Total pumping expense	31,717,282	30,838,760	878,522
38		III WATER TREATMENT EXPENSES			
39		Operation			
40	741	Operation supervision and engineering	418,049	402,903	15,146
41	741	Operation supervision, labor and expenses			
42	742	Operation labor and expense	6,135,755	5,934,653	201,102
43	743	Miscellaneous expenses	411,482	413,279	(1,797)
44	744	Chemicals and filtering materials	2,533,749	2,550,830	(17,081)
45	745	Water Treatment Alloc In/Out	(52,400)	(53,310)	910
46	746	Maintenance supervision and engineering	72,046	97,227	(25,181)
47	746	Maintenance of structures and facilities			
49	747	Maintenance of structures and improvements	5,824		5,824
50	748	Maintenance of water treatment equipment	998,748	1,253,063	(254,315)
51		Total water treatment expenses	10,523,253	10,598,645	(75,392)
52					
53					
54					

**SCHEDULE B-2**

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

Line No.	Acct. No.	ACCOUNT	Amount Current Year	Amount Preceding Year	Net Change During Year
1		<b>IV TRANS. AND DIST. EXPENSES</b>			
2		Operation			
3	751	Operation supervision and engineering	1,639,850	1,621,172	18,678
4	751	Operation supervision, labor and expenses			
5	752	Storage facilities expenses	785,914	864,604	(78,690)
6	752	Operation labor and expenses			
7	753	Transmission and distribution lines expenses	3,915,131	3,322,821	592,310
8	754	Meter expenses	2,252,969	2,209,642	43,327
9	755	Customer installation expenses	826,363	761,944	64,419
10	756	Miscellaneous expenses	2,944,436	2,973,698	(29,262)
11		Maintenance			
12	758	Maintenance supervision and engineering	640,352	678,514	(38,162)
13	758	Maintenance of structures and plant			
14	759	Maintenance of structures and improvements	7,559	4,408	3,151
15	760	Maintenance of reservoirs and tanks	381,928	392,446	(10,518)
16	761	Maintenance of trans. and distribution mains	5,420,767	5,000,993	419,774
17	761	Maintenance of mains			
18	762	Maintenance of fire mains			
19	763	Maintenance of services	4,374,523	3,561,701	812,822
20	763	Maintenance of other trans. and distribution plant			
21	764	Maintenance of meters	1,831,871	1,651,469	180,402
22	765	Maintenance of hydrants	656,019	557,431	98,588
23	766	Maintenance of miscellaneous plant	4,619		4,619
24		Total transmission and distribution expenses	25,682,301	23,600,842	2,081,459
25		<b>V CUSTOMER ACCOUNT EXPENSES</b>			
26		Operation			
27	771	Supervision	1,257,718	1,208,334	49,384
28	771	Supervision meter reading, other customer acct. exp			
29	772	Meter reading expenses	3,766,198	3,529,174	237,024
30	773	Customer records and collection expenses	11,553,908	11,456,129	97,779
31	773	Customer records and accounts expenses			
32	774	Miscellaneous customer accounts expenses	4,266,331	4,894,618	(628,287)
33	775	Uncollectable accounts	1,380,282	1,378,776	1,506
34	776	Cust Acct Allocation In/Out	(3,642,898)	(2,924,867)	(718,031)
35		Total customer account expenses	18,581,539	19,542,163	(960,624)
36		<b>VI SALES EXPENSES</b>			
37		Operation			
38	781	Supervision	N/A	N/A	
39	781	Sales expenses	N/A	N/A	
40	782	Demonstrating and selling expenses	N/A	N/A	
41	783	Advertising expenses	N/A	N/A	
42	784	Miscellaneous sales expenses	N/A	N/A	
43	785	Merchandising, jobbing and contract work	N/A	N/A	
44		Total sales expenses			
45		<b>VII ADMIN AND GENERAL EXPENSES</b>			
46		Operation			
47	791	Administrative and general salaries	10,271,199	9,837,093	434,106
48	792	Office supplies and other expenses	5,800,204	4,938,041	862,163
49	793	Property insurance	146,937	201,750	(54,813)
50	793	Property insurance, injuries and damages			
51	794	Injuries and damages	4,153,044	3,770,013	383,031
52	795	Employees' pensions and benefits	39,110,890	38,257,697	853,193
53	796	Franchise requirements	(934)	1,388	(2,322)
54	797	Regulatory commission expenses	(58,531)	49,185	(107,716)

**SCHEDULE B-2**  
**Account 502 - Operating Expenses - Class A, B, and C Water Utilities (Continued)**

Line No.	Acct. No.	ACCOUNT	Amount Current Year	Amount Preceding Year	Net Change During Year
1	798	Miscellaneous other general expenses	6,009,481	7,603,897	(1,594,416)
2	798	Miscellaneous other general operation expenses			
3	799	Miscellaneous general expenses	1,717,689	3,121,231	(1,403,542)
4		Maintenance			
5	805	Maintenance of general plant	390,399	570,200	(179,801)
6		Total administrative and general expenses	67,540,378	68,350,495	(810,117)
7		VIII MISCELLANEOUS			
8	811	Rents	1,239,911	1,143,722	96,189
9	812	Administrative expenses transferred - Cr.	(969,192)	(838,421)	(130,771)
10	907	Vacation/Sick leave		40	(40)
11	908	Floating holiday			-
12		Total miscellaneous	270,719	305,341	(34,622)
13					
14		<b>TOTAL OPERATING EXPENSES</b>	<b>285,999,326</b>	<b>282,373,368</b>	<b>3,625,958</b>

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

N/A

**SCHEDULE B-4**  
**Account 507 - Taxes Charged During Year**

Kind of Tax (A)	Total Taxes Charged During Year (B)	Water	Nonutility	Other	
		(Account 507) (C)	(Account 5270) (D)	(Account 5371) (E)	Capitalized (F)
Real and Property Taxes	7,593,555	7,503,555	90,000		
State corporate Franchise Tax	4,533,065	4,533,065			
State Unemployment Tax	151,930	115,815			36,115
Other State and Local Taxes	3,266,466	3,266,466			
Federal Unemployment Tax	53,765	46,718			7,047
FICA	4,863,196	4,103,791			759,405
Other Federal Tax					
Federal Income Tax Allocation	20,147,518 (172,239)	20,147,518 (172,239)			
<b>Total</b>	<b>40,437,256</b>	<b>39,544,689</b>	<b>90,000</b>		<b>802,567</b>

**SCHEDULE B-5**  
**Reconciliation of Reported Net Income With Taxable Income for Federal Income Taxes**

See Attached



**California Water Service Company**  
**Year 2010 Tax Provision Worksheet - Federal**

<b>1</b>	<b>Net Income before income taxes (Fed/CA)</b>		61,944,314
<b>2</b>	<b>Depreciation adjustments:</b>		
	Book depreciation (a/c 503000&503010)	38,871,422	
	Information systems (a/c143300)		
	Transportation equipment (a/c143200)	2,330,702	
	Tax depreciation (W470)	<u>(61,440,000)</u>	
		(20,237,877)	
	pre-82 excess depr book over tax		1,293,803
	post -81 excess depr tax over book		(21,531,680)
<b>3</b>	<b>Taxable services-ext agrmts</b>	actual	863,292
	<b>Taxable services-contributions</b>	actual	523,159
	WRAM/MCBA with 2008 WRAM adj		(16,700,000)
<b>4</b>	<b>Non deductible contributions</b>	538200	16,035
	(political and/or 10% limitation)		16,035
<b>5</b>	<b>Prior Yr CA franchise tax per return</b>		(3,973,000)
		(3,973,000)	(3,973,000)
<b>6</b>	<b>Change in reserve accounts:</b>	<b>GL</b>	<b>GL</b>
	legal fees, rate change, other legal	798100	2306xx
	bad debts	775000	254100
	uninsured losses	794400	256000
	workers compensation	794100	257500
	Group health plan	795200	2573xx
	material obsolescence	756000	258200
	retirement benefits (SERP)-short term	795102	222404
	defrd comp employees		222110
	defrd. Director fees	799400	222111
			<u>1,027,842</u>
<b>7</b>	<b>Other adjustments:</b>		
	prepays current year adj		494,193
	Property tax current year adj		(330,200)
	deferred revenue amortization	614200	248001
	ACRS property losses		(78,877)
			(1,787,000)
	tank painting (a/c 103421)	103421	(2,279,905)
	misc exp - def comp & serp	526008	(2,640,762)
	amort of retired bond premiums	5320xx	592,376
	non deductible meals 50%	792601	792601
	non deductible dues & penalty	792100	150,000
	Sec. 162(m) employee compensation over 1million		105,682
	Cost to remove net of salvage - pre82 asset only		(191,000)
	QPAD		(1,200,000)
	stock option exercise		(295,081)
			(195,333)
	ext agrmet refunds	E24136	(617,425)
		E24134	(921,941)
		E24138	(921,941)
<b>8</b>	<b>total adjustments ( 2. - 7.)</b>		<u>(49,128,498)</u>
<b>9</b>	<b>taxable income (1. + 8.)</b>		<u><u>12,815,816</u></u>

**SCHEDULE B-6**

**Account 521 - Income from Nonutility Operations**

Description	Net Income
City of Bakersfield	11,711.94
Tejon-Castac	(5,074)
City of Commerce	(180,194)
City of Montebello	(7,561)
Crane Ridge	(8,001)
Durham Irrigation District	16,324
Foothill Estates	5,743
Rio Hondo	92,853
West Basin	143,560
Prayer Mountain	1,081
Camp Erwin Owen	2,135
River kern Mutual	3,505
Grand Oaks	(141)
Mountain Mesa Water	(13,244)
Rural North Vacaville	(1,912)
Job Orders - Cal Water	35,139
City of Hawthorne, Net	1,274,071
Totals	1,369,996

<b>SCHEDULE B-7</b>	
<b>Account 526 - Miscellaneous Nonoperating Revenue</b>	
Description	Amount
Mark to market change	2,640,762
Royalty income	1,555
Desalter	12,000
Other	17,996
Gain on Sale of Property	21,587
Totals	2,693,901

<b>SCHEDULE B-8</b>	
<b>Account 527 - Nonoperating Revenue Deductions</b>	
Description	Amount
Property Tax	90,000
New Business	1,071,513
Assets Impairment	634,000
Other	726
Totals	1,796,239

<b>SCHEDULE B-9</b>	
<b>Account 535 - Other Interest Charges</b>	
Description	Amount
DWR Loans	400,068
Other	1,578,913
Totals	1,978,982

<b>SCHEDULE B-10</b>	
<b>Account 538 - Miscellaneous Income Deductions</b>	
Description	Amount
Charitable Contributions	246,533
Community Contributions	10,543
Miscellaneous-Political Contributions	16,035
Totals	273,111

**SCHEDULE C-1**  
**Engineering and Management Fees and Expenses, Etc., During Year**  
 Not Applicable

**SCHEDULE C-2**  
**Compensation of Individual Proprietor or Partners Included in Operating Expenses**  
 Not Applicable

**SCHEDULE C-3**  
**Employees and Their Compensation**

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

Classification	Number at End of Year	Total Salaries and Wages Paid During Year
Employees - Source of Supply		
Employees - Pumping		
Employees - Water Treatment		
Employees - Transmission and Distribution		
Employees - Customer account	634	
Employees - Sales		
Employees - Administrative:		
Officers	10	
General Office	279	
<b>Totals</b>	<b>923</b>	<b>70,563,779</b>

**SCHEDULE C-4**  
**Record of Accidents During Year**

See Attached

**SCHEDULE C-5**  
**Expenditures for Political Purposes**

See Attached

Total

**C-4(A) Record of Accidents During Year**

**General Liability**

Date of Loss	Emp. Killed	Emp. Injured	Public Killed	Public Injured	Co. Prop. Damage	Other Prop. Damage	Amount	Sent to Ins. Co.
1/13/2010							1	1/15/2010
1/5/2010				1				1/21/2010
1/25/2010							1	1/27/2010
1/25/2010							1	1/29/2010
2/18/2010							1	3/4/2010
2/25/2010							1	2/26/2010
3/16/2010							1	3/24/2010
3/23/2010							1	3/24/2010
3/26/2010							1	3/29/2010
3/29/2010							1	4/5/2010
40281							1	12/15/2010
4/21/2010							1	5/5/2010
5/2/2010							1	5/24/2010
4/23/2010				1				6/2/2010
5/29/2010							1	6/7/2010
6/5/2010							1	6/8/2010
6/21/2010				1				6/22/2010
6/13/2010								6/28/2010
6/21/2010							1	8/10/2010
7/5/2010						1		7/7/2010
7/6/2010							1	7/7/2010
7/6/2010							1	7/7/2010
7/12/2010							1	7/13/2010
7/12/2010							1	11/4/2010
7/15/2010							1	7/21/2010
7/31/2010				1				9/13/2010
6/30/2010							1	9/13/2010
9/13/2010								9/16/2010
9/14/2010				1				9/29/2010
9/17/2010							1	9/20/2010
9/27/2010							1	9/29/2010
9/28/2010						1		9/22/2010
10/26/2010				1				10/26/2010
11/2/2010							1	11/10/2010
11/23/2010							1	11/23/2010
12/15/2010							1	12/17/2010
12/17/2010							1	12/20/2010
12/19/2010				2			1	12/20/2010
12/4/2010							1	12/27/2010

**C-4(B) Record of Accidents During Year**

**Auto Accident Report**

Date of Loss	Emp. Killed	Emp. Injured	Public Killed	Public Injured	Co. Prop. Damage	Other Prop. Damage	Amount	Date Sent to Ins.
1/4/2010					1	1		1/6/2010
2/12/2010					1	1		2/16/2010
2/16/2010					1			3/11/2010
2/16/2010								
2/24/2010					1	1		2/24/2010
2/23/2010					1	1		2/26/2010
3/9/2010					1			3/10/2010
3/10/2010					1			3/10/2010
3/15/2010					1	1		4/7/2010
3/18/2010						1		4/5/2010
3/19/2010					1	1		3/22/2010
3/19/2010					1			3/30/2010
3/20/2010					1	1		3/22/2010
4/1/2010						1		4/5/2010
4/9/2010					1	1		4/13/2010
4/12/2010					1			4/13/2010
4/28/2010						1		5/4/2010
4/28/2010					1			5/4/2010
4/30/2010						1		5/4/2010
5/3/2010					2			5/5/2010
5/7/2010						1		5/10/2010
5/26/2010					1			5/26/2010
5/26/2010								5/28/2010
5/21/2010					1	1		6/2/2010
5/21/2010					1			6/10/2010
6/16/2010					1	1		6/23/2010
6/22/2010					1	1		6/23/2010
7/25/2010					1	1		12/9/2010
7/12/2010					1	1		7/14/2010
7/15/2010					1			7/16/2010
7/16/2010					1			7/19/2010
7/16/2010					1	1		7/19/2010
8/2/2010					1			12/30/2010
8/3/2010					1	1		8/4/2010
9/8/2010				1				9/9/2010
9/27/2010					1	1		9/29/2010
9/29/2010					1	1		9/29/2010
10/13/2010					1			10/13/2010
10/20/2010					1	1		10/25/2010
10/23/2010					1	1		10/27/2010
10/30/2010					1			11/1/2010
11/14/2010					1	1		11/16/2010
11/23/2010					1	1		11/23/2010
11/29/2010					1			11/30/2010
12/10/2010						1		12/10/2010
12/17/2010					1	1		12/22/2010
12/20/2010					1			12/27/2010
12/22/2010					1	1		1/5/2011
12/29/2010					1	1		1/4/2011

**SCHEDULE C-5  
Expenditures for Political Purposes**

Name	Total
ANNA CABALLERO	1,000
CAROL LIU (POLITICAL CONTRIBUTION)	500
CATHLEEN GALGIANI	750
CHARLES CALDERON	500
CHUCK REED	250
COMMITTEE TO SUPPORT MARIN CO MEAS "S"	1,000
CONNIE CONWAY	1,000
CURREN D. PRICE	500
DAN LOGUE	500
DOUG LAMALFA COMMITTEE ID# 1272476	500
FIONA MA	500
HUFFMAN FOR ASSEMBLY 2010	500
JEAN FULLER	1,000
JENNY OROPEZA	985
JOHN A. PEREZ	1,000
NOREEN EVANS	500
RON CALDERON FOR SENATE 2010	500
SALINAS STEINBECK ROTARY(use 5845)	50
SILICON VALLEY LEADERSHIP GROUP	1,000
STEVE COOLEY	500
STEVEN BRADFORD	500
TAXPAYERS FOR ROD WRIGHT	500
TIM THIESEN	500
WARREN FURUTANI	500
WOLK FOR SENATE 2012	500
YEE FOR SENATE 2010	500
Grand Total	<u>16,035</u>

**SCHEDULE C-6  
Loans to Directors, Officers or Shareholders  
Not Applicable**

**SCHEDULE C-7  
Bonuses Paid to Executives & Officers**

Name of Officer	Total Bonuses
Ekstrom, Paul G	6,706

# CALIFORNIA WATER SERVICE COMPANY

## WELL PRODUCTION - YEAR 2010

### SCHEDULE D-1

<u>District</u>	<u>Number Of Wells</u>	<u>Production (Million Gallons)</u>
Antelope Valley	11	255
Armstrong Valley	2	23
Bakersfield	135	14,336
Chico - Hamilton City	70	8,610
Coast Springs	9	9
Dixon	10	490
Dominguez	13	3,046
East Los Angeles	19	1,836
Grand Oaks	1	13
Hawkins	2	4
Kern River Valley	60	295
Hermosa - Redondo	3	464
King City	8	562
Livermore	12	1,002
Los Altos - Suburban	30	1,106
Marysville	10	770
Oroville	4	237
Salinas	40	3,768
Bolsa Knolls Division	10	517
Las Lomas Division	4	91
Oak Hills Division	3	94
Indian Springs Division	2	37
Country Meadows	2	17
Selma	17	1,955
South San Francisco	7	147
Stockton	51	-
Visalia	93	10,350
Willows	8	486
<b>TOTAL</b>	<u>636</u>	<u>50,520</u>

#### Purchased Water - Leased Wells

Bakersfield	1
Chico	1
Livermore	1
Oroville	1
Salinas	1
<b>TOTAL</b>	<u>5</u>



**WATER PURCHASED FOR RESALE - YEAR 2009**

**SCHEDULE D-1**

(Million Gallons)

<u>Purchased From</u>	<u>District</u>	<u>Purchased</u>	<u>2010 Total</u>
San Francisco Water Department	Bear Gulch		3,618
	San Carlos		1,306
	San Mateo		3,893
	South San Francisco		2,611
			<hr/>
			11,428
Antelope Valley - L A county Antelope Valley - East Kern Water Agency Wrigley Well *	Antelope Valley		-
	Antelope Valley		53
	Antelope Valley		
West Basin City of Torrance Recycled	Dominguez		7,380
	Dominguez		
	Dominguez		1,378
City of Bakersfield Verlan & Mary Wyatt * Kern County Water Agency	Bakersfield		
	Bakersfield		
	Bakersfield		
Central Basin Municipal Water District	East Los Angeles		
West Basin Municipal Water District West Basin Municipal Water District (Recycled) Patos Verdes District	Hermosa - Redondo		3,767
	Hermosa - Redondo		44
	Hermosa - Redondo		0
City of Bakersfield Kissack Ranch	Kern River Valley		
	Kern River Valley		
Alameda County Flood Control & Water Conservation Dist. Ben & Bernice Mingoia *	Livermore		
	Livermore		
Santa Clara Valley Water District San Jose Water Company	Los Altos - Suburban		
	Los Altos - Suburban		
Yolo County Flood Control and Water Conservation District	Lucerne		
Pacific Gas & Electric Company Union Pacific Railroad Company * County of Butte	Oroville		
	Oroville		
	Oroville		
West Basin Municipal Water District	Palos Verdes		6,245
City of Daly City Westborough County Water District	South San Francisco		
	South San Francisco		
Stockton East Water District	Stockton		
Calleges Calleges Municipal Water District (Recycled)	Westlake		
	Westlake		
<b>TOTAL WATER PURCHASED FOR RESALE</b>			<b>30,294</b>

SOURCE OF SUPPLY AND WATER DEVELOPED - 2010

Schedule D-1

District	Diverted Into	From Stream or Creek (name)	Location of Diversion (point)	Actual Diversion for Year (Million Gal.)
Bear Gulch	Bear Gulch Reservoir	Bear Gulch Creek	Woodside Ca.	423

Schedule D-2

California Water Service Company  
Storage Facilities  
December 31, 2010

District	Number of Storage Facilities	Capacity (1000 gal)
Antelope Valley	10	1,309
Bakersfield	55	46,184
Bear Gulch	35	226,292
Chico & Hamilton City	8	2,375
Dixon	1	75
Dominguez	12	19,544
East Los Angeles	19	19,901
Hermosa-Redondo	21	20,211
Kern River Valley	35	4,891
King City	2	423
Livermore	23	13,890
Los Altos-Suburban	46	14,616
Marysville	4	835
Mid Peninsula (SM)	19	14,656
Mid Peninsula (SC)	19	5,718
Oroville	4	7,209
Palos Verdes	18	30,700
Redwood Valley	22	1,603
Salinas	21	8,500
Selma	2	2,000
South San Francisco	14	8,125
Stockton	15	9,934
Visalia	4	2,600
Westlake	6	21,050
Willows	1	100
<b>Total</b>	<b>416</b>	<b>482,741</b>

**CALIFORNIA WATER SERVICE COMPANY**

**ANTELOPE VALLEY DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)
<u>Lancaster</u>				
2102 West Ave. L	Sta. 001-Tank 1	Wells	Steel	150
	Sta. 001-Tank 2	Wells	Steel	150
	Sta. 001-Tank 3	Wells	Steel	300
				<u>600</u>
<u>Fremont Valley</u>				
6332 Sonoma	Sta. 001-Tank 1	Well	Steel	84
				<u>84</u>
<u>Leona Valley</u>				
40200 90th St. West 800 feet south southwest of the south end of 98th St.	Sta. 001-Tank 1	Well, purchased water	Steel	105
	Sta. 005-Tank 1	System	Steel	150
1200 feet s/o Leona Ave., 1200 feet w/o 107th St.	Sta. 004-Tank 2	System	Steel	50
500 feet n/o North Side Dr., 3500 feet w/o 90 St.	Sta. 006-Tank 1	System	Steel	140
				<u>445</u>
<u>Lake Hughes</u>				
350 feet n/o the north end of Mt. View Rd.	Sta. 004-Tank 1	System	Concrete	80
500 feet SSE of the intersection of Sylvan Dr. and Austin Way	Sta. 003-Tank 1	System	Steel	100
				<u>180</u>
	<u>10</u>		<b>Total District</b>	<u>1,309</u>

CALIFORNIA WATER SERVICE COMPANY

BAKERSFIELD DISTRICT

STORAGE FACILITIES - DECEMBER 31, 2010

SCHEDULE D - 2

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)
Owens St. near Elmira	Sta. 023-Res. 2 Owens	Wells	Steel	2,000 D
Skyline-River Blvd. near Panorama Dr.	Sta. 087-Tank 3	"	"	500 D
do.	Sta. 087-Tank 5	"	"	1,000 D
do.	Sta. 087-Tank 6	"	"	1,000 D
do.	Sta. 087-Tank 7	"	"	1,000 D
do.	Sta. 087-Tank 8	"	"	1,000 D
Mt. Vernon Ave. near Lindora St.	Sta. 045-Tank 1 Mt. Vernon	"	"	500 D
do.	Sta. 045-Tank 2	"	"	1,000 D
do.	Sta. 045-Tank 3	"	"	1,000 D
do.	Sta. 045-Tank 4	"	"	2,000 D
do.	Sta. 045-Tank 5	"	"	450 D
Primavera and College Aves.	Sta. 073-Tank 1 Primavera	"	"	100 D
do.	Sta. 073-Tank 2	"	"	160 D
do.	Sta. 073-Tank 3	"	"	250 D
do.	Sta. 073-Tank 4	"	"	250 D
do.	Sta. 073-Tank 5	"	"	250 D
Monte Vista - Mt. Vernon Ave. near Cunha	Sta. 096-Tank 2 Monte Vista	"	"	500 D
do.	Sta. 096-Tank 3	"	"	500 D
do.	Sta. 096-Tank 4	"	"	500 D
do.	Sta. 096-Tank 5	"	"	500 D
Westchester near Bush St.	Sta. 082-Tank 1 Westchester	"	Elevated Steel	500 D
Edwards near Shelley Lane	Sta. 100-Tank 1 Hillcrest	"	Steel	500 D
do.	Sta. 100-Tank 2	"	"	500 D
do.	Sta. 100-Tank 3	"	"	500 D
do.	Sta. 100-Tank 4	"	"	1,000 D
do.	Sta. 100-Tank 5	"	"	1,000 D
University Ave. and Wenatchee Ave.	Sta. 116-Tank 1 University	"	"	660 D
do.	Sta. 116-Tank 2	"	"	660 D
do.	Sta. 116-Tank 3	"	"	1,500 D
do.	Sta. 116-Tank 4	"	"	800 D
	Sta. 129-Tank 1	Raw Water	"	22
	Sta. 153-Tank 1	"	"	50
Panorama-Crest Alley w/o Wenatchee Ave.	Sta. 147-Tank 4	Wells	"	200 D
University Ave. e/o Camden St.	Sta. 148-Tank 1	"	"	400 D
do.	Sta. 148-Tank 2	"	"	500 D
Extension of Columbus Ave.	Sta. 176-Tank 1 Panorama	"	"	5,000 D
do.	Sta. 176-Tank 2	"	"	5,000 D
Olive Ave. s/o Planz Rd.	Sta. 161-Tank 1	"	"	22 D inactive
Sperry w/o Don	Sta. 164-Tank 1	"	"	340 D
Olive Dr. e/o Pryor	Sta. 174-Tank 1	"	"	275 D
Alloway Ln. w/o Osweil St.	Sta. 155-Tank 1	"	"	500 D
Between Alken St. & Fruitvale Ave. n/o Meany Ave.	Sta. 188-Tank 1	"	"	350 D
Between Alken St. & Fruitvale Ave. n/o Meany Ave.	Sta. 188-Tank 2	"	"	1,000 D
S/E of Meany Ave. and Coffee Rd.	Sta. 196-Tank 1	"	"	340 D
Snow Rd. w/o Fruitvale Ave.	Sta. 194-Tank 1	"	"	750 D
Oleese System Storage	Sta. 205-Tank 1	Treated Surface Water	Concrete	500 D
do.	Sta. 213-Tank 2	"	Steel	130
do.	Sta. 209-Tank 1	Treated Surface Water	Concrete	500 D
do.	Sta. 210-Tank 1	"	Steel	700 D
do.	Sta. 210-Tank 2	"	"	698 D
do.	Sta. 213 Tank 3	"	"	32 D
do.	Sta. 218-Tank 1	"	Concrete	3,000
E/S of Sillect ave & N/o Gilmore ave	Sta. 192-Tank 1	Wells	Steel	50
N/E Bakersfield Treatment Plant	Sta. 216, Tank 1	Treated Surface Water	Steel	3,000
	Sta. 222 Tank-1	"	Steel	745
	55		District Total	46,184

**CALIFORNIA WATER SERVICE COMPANY**

**BEAR GULCH DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)	
Off Moore Rd.	Bear Gulch Reservoir	Surface Runoff	Earth	215,000	C
Woodside off Greer Rd.	Sta. 016-Res.1 Woodside	Treatment Plant and Purchases	Concrete	1,112	D
Woodside Highlands - Russel Ave.	Sta. 007-Tank 5 Highland	"	Redwood	100	D
Treatment Plant	Sta. 002-Tank 1 Lake	"	Steel	250	D
do.	Sta. 002-Tank 2 Lake	"	"	500	D
Off Moore Rd.	Sta.005- Tank 6 Intermediate	"	Redwood	100	D Inactive
do.	Sta. 005-Tank 8 Intermediate	"	Steel	250	D
do.	Sta. 005-Tank 9 Intermediate	"	"	1,000	D
Coombsville Way	Sta. 006-Tank 1 Coombsville	"	"	200	D
Westridge - Cevantes Rd.	Sta. 027-Tank 4 Westridge	"	"	750	D
Ormondale off Goya Rd.	Sta. 029-Tank 1 Ormondale	"	Redwood	100	D
do.	Sta. 029-Tank 2 Ormondale	"	Redwood	100	D
do.	Sta. 029-Tank 3 Ormondale	"	Steel	150	D
Woodside Knolls off Laning Ave.	Sta. 015-Tank 1 Woodside Knolls	"	Redwood	30	D
Golden Oak Dr.	Sta. 017-Tank 1 Alpine	"	Steel	250	D
Ridgeway Rd. near Crest Rd.	Sta. 019-Tank 1 Ridgeway	"	Steel	500	D
do.	Sta. 019-Tank 2 Ridgeway	"	"	500	D
Sioux Way near Cervantes Rd.	Sta. 021-Tank 1 Arrowhead	"	"	1,000	D
do.	Sta. 021-Tank 2 Arrowhead	"	"	1,000	D
Ladera off La Mesa	Sta. 028-Tank 1 Ladera	"	"	200	D
End of Wayside Rd.	Sta. 032-Tank 1 Wayside	"	"	250	D
Off Summit Springs Rd.	Sta. 025-Tank 1 Woodside Oaks	"	Redwood	100	D
Woodside Oaks - End of Summit Springs Rd	Sta. 031-Tank 2 Summit	"	Steel	165	D
Off Canada Rd. and Raymundo	Sta. 022-Tank 1 Canada	"	Steel	450	D
Off Alpine Rd. and Saddleback	Sta. 030-Tank 1 Portola	"	"	1,000	D
Los Trancos	Sta. 034-Tank 1	"	Concrete	50	
Los Trancos	Sta. 033-Tank 1	"	Steel	10	
Los Trancos	Sta. 036-Tank 1	"	Steel	125	
Los Trancos	Sta. 037-Tank 1	"	Steel	55	
Los Trancos	Sta. 038-Tank 1	"	Steel	212	
Los Trancos	Sta. 039-Tank 1	"	Steel	282	
Field Yard, Skyline	Sta. 041-Tank 1	"	Steel	189	
Field Yard, Skyline	Sta. 041-Tank 2	"	Steel	192	
Skywood Tanks- Skyline	Sta. 042-Tank 1	"	Steel	60	
Skywood Tanks- Skyline	Sta. 042-Tank 2	"	Steel	60	
<b>Total</b>			<b>District</b>	<b>226,292</b>	
<b>35</b>					

C - Collection      D - Distribution

Sta. 005-Tank 6 (Inactive)      Redwood      100

**CALIFORNIA WATER SERVICE COMPANY**

**CHICO - HAMILTON CITY DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

<u>LOCATION</u>	<u>DESIGNATION</u>	<u>FILLED FROM WHAT SOURCE</u>	<u>TYPE</u>	<u>CAPACITY (1000 gal)</u>
<u>Chico Area</u>				
Orient St. near First	Sta. 001-Tank 1	Wells	Elevated Steel	100 D
do.	Sta. 001-Tank 2	"	"	150 D
Second and Cherry	Sta. 003-Tank 4	"	"	300 D
Sixth Ave. near Esplanade	Sta. 008-Tank 3	"	"	300 D
California Park	Sta. 066-Tank 1	"	Steel	500 D
	Sta. 074-Tank 1	"	"	500 D
	Sta. 066-Tank 2	"	"	500 D
			Total	<u>2,350</u>
<u>Hamilton City Area</u>				
First and Walsh	Sta. 001-Tank 1	Wells	Elevated Steel	25 D
			Total	<u>25</u>
		Hamilton City Area		
	<u>8</u>	<b>Total Chico - Hamilton City District</b>		<b>2,375</b>

D - Distribution

**CALIFORNIA WATER SERVICE COMPANY**

**DIXON DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)	
Porter Rd. and Marvin Way	Sta. 001-Tank 1	Wells	Elevated Steel	75	D
	<u>1</u>		<b>Total District</b>	<u>75</u>	

D - Distribution



**CALIFORNIA WATER SERVICE COMPANY**

**DOMINGUEZ DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)
18800 S. Wilmington, Compton	Sta. 203-Tank 1	System	Steel	3,500
	Sta. 203-Tank 2	System	Steel	3,500
	Sta. 203-Tank 3	System	Steel	3,500
	Sta. 203-Tank 4	System	Steel	3,500
	Sta. 215-Tank 1	System	Steel	178
405 Maple Ave., Torrance	Sta. 232-Tank 1	wells to filterplant, system	Steel	5,000
	Sta. 275-Tank 1	System	Steel	147
	Sta. 277-Tank 1	System	Steel	56
	Sta. 297-Tank 1	System	Steel	50
	Sta. 298-Tank 1	Raw Water	Steel	75
	Sta. 279-Tank 1	Wells	Steel	19
	Sta. 279-Tank 2	Wells	Steel	19
Anchor ave,n/o 230th street				
	<b>12</b>			<b>19,544</b>

**CALIFORNIA WATER SERVICE COMPANY**

**EAST LOS ANGELES DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)
Rowan Ave. near Folsom	Sta. 004-Tank 1C	Wells & Purchases	Steel	1,320
Rowan Ave. near Blanchard	Sta. 060-Tank 2	"	"	250
Third St. near Humphrey	Sta. 023-Tank 3C	"	"	260
Degarmo St.	Sta. 012-Tank 4A	"	Concrete Lined	1,000
do.	Sta. 012-Tank 4B	"	Steel	1,000
Atlantic Blvd.	Sta. 061-Tank 9A	"	Steel	500
do.	Sta. 061-Tank 9B	"	"	500
Lincoln Ave.	Sta. 040-Tank 10A	"	"	1,000
do.	Sta. 040-Tank 10B	"	"	500
do.	Sta. 040-Tank 10C	"	"	1,000
Eastern Ave. near Posey	Sta. 042-Tank 11A	"	"	1,500
do.	Sta. 042-Tank 11B	"	"	3,000
Ferguson Dr. and Gerhart St.	Sta. 055-Tank 12	"	"	500
Washington Blvd. e/o Cobb St.	Sta. 010-Tank 13A	"	"	500
do.	Sta. 010-Tank 13B	"	"	500
Telegraph Road E/O Washington	Sta. 038-Tank 1	Raw Water	"	22
do.	Sta. 038-Tank 2	"	"	22
	Sta. 013-Tank 1	"	"	27
Repetto Ave. near Woods Ave.	Sta. 058-Res. 15	Wells & Purchases	"	6,500
	<u>19</u>		<b>Total District</b>	<u>19,901</u>

D - Distribution

**CALIFORNIA WATER SERVICE COMPANY**

**HERMOSA - REDONDO DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)	
Redondo - Lucia and Rita	Sta. 026-Tank 1-B	"	Steel	1,000.00	D
do.	Sta. 026-Tank 1-C	"	"	1,500.00	D
do.	Sta. 026-Tank 1-D	"	"	2,000.00	D
Redondo - Prospect and Anita	Sta. 029-Tank 3-B	"	"	1,500.00	D
Redondo - Paseo de las Estrellas	Sta. 023-Tank 5-B	"	"	246.00	D
do.	Sta. 023-Tank 5-C	"	"	500.00	D
Hermosa - Golden Ave. and 16th St.	Sta. 027-Tank 6	"	"	1,000.00	D
Redondo - Calle de Arboles	Sta. 024-Tank 8-A	"	Redwood	50.00	D
do.	Sta. 024-Tank 8-B	"	"	100.00	D
do.	Sta. 024-Tank 8-C	"	"	100.00	D
do.	Sta. 024-Tank 8-D	"	"	100.00	D
Hermosa - Golden Ave. and 16th St.	Sta. 009-Tank 9-A	"	Steel	1,000.00	D
do.	Sta. 009-Tank 9-B	"	"	1,000.00	D
do.	Sta. 009-Tank 9-C	"	"	1,000.00	D
do.	Sta. 009-Tank 9-D	"	"	2,000.00	D
Redondo - Rockefeller and Harkness	Sta. 005-Tank 10-A	"	"	3,500.00	D
do.	Sta. 005-Tank 10-B	"	"	3,500.00	D
Vanderbilt Lane	Sta. 008-Tank 1	Raw Water	"	20.00	
do.	Sta. 008-Tank 2	"	"	20.00	
Felton Lane & Robinson	Sta. 022-Tank 1	"	"	37.50	
Inglewood Ave. & Blaisdell Ave.	Sta. 030-Tank 1	"	"	37.50	
	<b>21</b>		<b>Total District</b>	<b>20,211</b>	

D - Distribution

**CALIFORNIA WATER SERVICE COMPANY**

**KERN RIVER VALLEY AREA**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)
<u>Arden</u>				
Evans Road	Sta. 014-Tank 1	System	Steel	300
Windy Hill	Sta. 013-Tank 1	System	Steel	79
Christmas Tree	Sta. 006-Tank 1	System	Steel	42
Countrywood	Sta. 009-Tank 1	System	Steel	40
Countrywood	Sta. 009-Tank 2	System	Steel	21
Nellie Dent	Sta. 011-Tank 1	System	Steel	320
Senjayho Drive	Sta. 002-Tank 2	Well	Steel	50
Oakwood Drive	Sta. 007-Tank 1	System	Steel	42
Upper Juniper Highlands	Sta. 008-Tank 1	System	Steel	42
	9			936
<u>Bodfish</u>				
Dodger	Sta. 010-Tank 1	System	Steel	300
Juniper Hills	Sta. 203-Tank 1	System	Steel	100
Rim Road	Sta. 011-Tank 1	System	Steel	42
Canyon Heights	Sta. 103-Tank 3	System	Steel	42
do.	Sta. 103-Tank 4	System	Steel	150
	5			634
<u>Kernville</u>				
Grove Park	Sta. 005-Tank 1	System	Steel	300
Pasco	Sta. 006-Tank 1	System	Steel	210
Treatment Plant	Sta. 001-Tank 2	Raw Water	"	6.5
Treatment Plant	Sta. 001-Tank 1	Treatment Plant	Steel	138
Treatment Plant	Sta. 001-Tank 3	Treatment Plant	Steel	400
	Sta. 001-Tank 4	Raw water	Steel	400
	6			1,454.50
<u>Lakeland</u>				
Warren Way	Sta. 007-Tank 1	System	Steel	300
Treatment Plant	Sta. 008-Tank 1	Treatment Plant	Steel	42
	2			342
<u>Mountain Shadows</u>				
Mountain Shadows	Sta. 003-Tank 1	System	Steel	42
So.of Pinehurst Way-off Old State Road	Sta. 006-Tank 3	System	Steel	22
So.of Pinehurst Way-off Old State Road	Sta. 006-Tank 4	System	Steel	22
	3			86
<u>Onyx</u>				
Coyote	Sta. 003-Tank 2	System	Steel	100
	Sta. 003-Tank 3			100
	2			200
<u>Southlake</u>				
Goat Ranch Road	Sta. 001-Tank 1	System	Steel	280
Upper Tank	Sta. 002-Tank 1	System	Steel	100
	2			380
<u>Squirrel Mountain</u>				
Big Spring	Sta. 005-Tank 1	System	Steel	93
Kissak	Sta. 013-Tank 1	System	Steel	300
Shadow Mountain	Sta. 007-Tank 1	System	Steel	210
	3			603
<u>Split Mountain</u>				
Cane Pike Court	Sta. 001-Tank 1	System	Steel	10
Homestead	Sta. 002-Tank 1	System	Steel	165
Pala	Sta. 004-Tank 1	System	Steel	80
	3			255
	<u>35</u>			<u>4,891</u>
		Total District		4,891

**CALIFORNIA WATER SERVICE COMPANY**

**KING CITY DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)
<b>District Owned</b>				
Second St. north of Ellis	Sta. 011-Tank 1	Wells	Elevated Steel	100 D
	<u>Sta. 013-Tank 1</u>	Wells	Steel	<u>323</u>
	<b>2</b>		<b>Total</b>	<b>423</b>
<b>Leased</b>				
City Airport - Leased Tank	<u>Sta. 010-Tank 1</u>	Wells	Steel	<u>250 D</u>
	<b>1</b>		<b>Total</b>	<b>250</b>
	<b>3</b>		<b>Total District</b>	<b>673</b>

D - Distribution

**CALIFORNIA WATER SERVICE COMPANY**

**LIVERMORE DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)
Las Positas Rd. and North Ave.	Sta. 025-Tank 3	Wells & Purchases	Steel	1,000 D
Las Positas Rd. and North Ave.	Sta. 025-Tank 2	Wells & Purchases	Steel	1,000 D
Olivina near "P" Street	Sta. 008-Tank 2	Wells	Redwood	100 C
County Rd. e/o School St.	Sta. 009-Tank 4	Wells & Purchases	Steel	250 C
Fir St. e/o Rincon	Sta. 010-Tank 1	Wells	Redwood	50 C
Kelly St. w/o Lee	Sta. 011-Tank 1	Wells & Purchases	"	100 D
do.	Sta. 011-Tank 2	"	"	100 D
East Ave. near Madison	Sta. 013-Tank 1	"	"	50 C
do.	Sta. 013-Tank 2	Wells & Purchases	Steel	90 D
Olivina near Bernal	Sta. 014-Tank 1	Wells	Redwood	100 C
"H" St. s/o Seventh St.	Sta. 015-Tank 1	"	"	50 C
College Ave. and "K" St.	Sta. 016-Tank 1	Wells & Purchases	"	100 D
Maderia Way near Estates	Sta. 018-Tank 1	"	Steel	500 D
do.	Sta. 018-Tank 2	"	"	250 D
Elm between "O" & "N" Streets	Sta. 019-Tank 1	Wells	Redwood	100 C
Pleasanton Rd. w/o Arroyo Mocho	Sta. 020-Tank 1	"	"	50 C
Blair Ave. near Barcelona	Sta. 022-Tank 1	Wells & Purchases	Steel	500 D
do.	Sta. 022-Tank 2	"	"	1,000 D
Mocho between Florence and Geneva	Sta. 023-Tank 1	"	"	2,500 D
do.	Sta. 023-Tank 2	"	"	2,500 D
	Sta. 029-Tank 1	"	"	1,500 D
	Sta. 029-Tank 2	"	"	1,500 D
Waverly - North of Waverly Lane	Sta. 030-Tank 1	"	Concrete	500 D
	<u>23</u>		<b>Total District</b>	<u>13,890</u>

C - Collection    D - Distribution

# CALIFORNIA WATER SERVICE COMPANY

## LOS ALTOS - SUBURBAN DISTRICT

### STORAGE FACILITIES - DECEMBER 31, 2010

#### SCHEDULE D - 2

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)	
Sunnyvale - Saratoga Rd. & Westside	Sta. 001-Tank 1	Wells	Redwood	100 C	
Grant Rd. and Portland Ave.	Sta. 002-Tank 1	"	Steel	200 C	Inactive
Sunshine Dr. near Springer Rd.	Sta. 004-Tank 1	"	Redwood	100 C	
Terrace Dr. near Corta	Sta. 007-Tank 1	Wells & Purchases	Steel	100 D	
Loyola Dr. & Eloise	Sta. 008-Tank 3	"	Redwood	130 D	
do.	Sta. 008-Tank 2	"	"	100 D	
Beechwood Dr. near Aspen	Sta. 009-Tank 1	"	Steel	1,000 D	
Magdalena near Blander	Sta. 010-Tank 2	"	"	250 D	
R.O.W. off St. Joseph Ave.	Sta. 014-Tank 1	"	"	1,000 D	
do.	Sta. 014-Tank 2	"	"	1,000 D	
Newcastle Dr. and Coleen Dr.	Sta. 015-Tank 1	Wells	Redwood	68 C	
Levin Ave.	Sta. 017-Tank 1	"	"	50 C	
Brookmill Rd.	Sta. 018-Tank 1	"	"	68 C	
Highland Ct. near Yorkshire Dr.	Sta. 019-Tank 1	Wells & Purchases	Steel	250 D	
Hartung Ave. near Lilliam Ave.	Sta. 020-Tank 1	Wells	Redwood	50 C	
	Sta. 021 Tank-2	Wells	Redwood	55	
Oak Ave. w/o Truman Ave.	Sta. 022-Tank 1	"	"	50 C	
Fremont Ave. and Cordilleras	Sta. 027-Tank 1	"	"	50 C	
Wolf Rd. near Vicksburg Dr.	Sta. 029-Tank 1	"	"	50 C	
Hollenbeck n/o Fremont	Sta. 030-Tank 1	"	"	50 C	
Fremont near Highway 9	Sta. 031-Tank 1	"	"	50 C	
East end Oak Ln.	Sta. 032-Tank 1	"	"	50 C	
R.O.W. off Foothill Blvd.	Sta. 033-Tank 1	Wells & Purchases	Steel	80 D	
do.	Sta. 033-Tank 2	"	"	80 D	
Portal Ave. & Junipero Serra Freeway	Sta. 034-Tank 1	Wells	Concrete	40 C	
First and Griffin St.	Sta. 104-Tank 1	"	Steel	50 C	
Pinecrest off De Bell Dr.	Sta. 113-Tank 1	Wells & Purchases	Steel	250 D	
O'Keefe Rd.	Sta. 114-Tank 1	"	"	500 D	
O'Keefe Rd.	Sta. 114-Tank 2	"	"	500 D	
Valencia Dr. and Jardin Dr.	Sta. 115-Tank 1	Wells	Redwood	68 C	
R.O.W. off Blandor Way	Sta. 028-Tank 2	Wells & Purchases	Steel	250 D	
do.	Sta. 028-Tank 3	"	"	250 D	
R.O.W. off Mora Dr.	Sta. 041-Tank 2	"	"	500 D	
Burke Ave. and Sunset Dr.	Sta. 111-Tank 1	"	"	250 D	
R.O.W. off Vineyard Dr.	Sta. 042-Tank 1	"	"	2,000 D	
do.	Sta. 042-Tank 2	"	"	1,500 D	
do.	Sta. 042-Tank 3	"	"	2,000 D	
Los Altos Heights	Sta. 040-Tank 1	"	Redwood	50 D	
Robleda Heights	Sta. 118-Tank 1	"	"	30 D	
Olive Tree Hill Station 37	Sta. 037-Tank 1	"	"	72 D	
Distel Dr. off Alvarado Ave.	Sta. 119-Tank 1	"	Steel	250 D	
do.	Sta. 119-Tank 2	"	"	250 D	
Portola Ave. & Pleasant Way	Sta. 121-Tank 1	"	"	125 D	
do.	Sta. 121-Tank 2	"	"	250 D	
do.	Sta. 121-Tank 3	"	"	250 D	
End of Van Buren Ave.	Sta. 123-Tank 1	"	"	200 D	

46

Total District

14,616

C - Collection    D - Distribution

**CALIFORNIA WATER SERVICE COMPANY**

**MARYSVILLE DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

<u>LOCATION</u>	<u>DESIGNATION</u>	<u>FILLED FROM WHAT SOURCE</u>	<u>TYPE</u>	<u>CAPACITY (1000 gal)</u>
Swezy St.	Sta. 010-Tank 2	Wells	Elevated Steel	300 D
	Sta. 011 - Tank 1	Backwash Tank	Steel	15
Ellis Lake Drive	Sta. 015 - Tank 1	Wells	Welded Steel	500
Ellis Lake Drive	Sta. 015 - Tank 2	Backwash Tank	Welded Steel	20
	<u>4</u>		<b>Total District</b>	<u>835</u>

D - Distribution



**CALIFORNIA WATER SERVICE COMPANY**

**MID-PENINSULA / SAN MATEO DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

LOCATION	DESIGNATION	WHAT SOURCE	TYPE	(1000 gal)
Crystal Springs Rd. at Park Blvd.	Sta. 006-Res. 1	Purchases	Brick	2,290 D
Borel - Off Alameda de Las Pulgas	Sta. 033-Tank 1	"	Steel	300 D
do.	Sta. 033-Tank 2	"	"	500 D
Wilshire Ave.	Sta. 017-Tank 1	"	"	500 D
do.	Sta. 017-Tank 2	"	"	500 D
do.	Sta. 017-Tank 3	"	"	500 D
Lincoln Ave. & Newlands Ave.	Sta. 025-Tank 1	"	Redwood	100 D
do.	Sta. 025-Tank 2	"	Steel	250 D
do.	Sta. 025-Tank 3	"	"	250 D
Baywood Park - Parrott Dr.	Sta. 031-Tank 1	"	"	216 D
Hillsdale Blvd.	Sta. 023-Tank 1	"	"	1,000 D
28th Ave. near Sunset Terrace	Sta. 027-Tank 1	"	"	2,500 D
do.	Sta. 027-Tank 2	"	"	2,500 D
R.O.W. off Yorktown Rd.	Sta. 032-Tank 1	"	"	250 D
do.	Sta. 032-Tank 2	"	"	500 D
do.	Sta. 024-Tank 1	"	"	500 D
do.	Sta. 024-Tank 2	"	"	500 D
R.O.W. off Murphy Dr.	Sta. 030-Tank 1	"	"	500 D
End of Broadview Ct.	Sta. 029-Tank 1	"	"	1,000 D
<b>19</b>			<b>Total District</b>	<b>14,656</b>

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)
Chestnut St., Manzanita Ave.	Sta. 123-Tank 3	Purchases	Steel	250 D
Chestnut St., Manzanita Ave.	Sta. 123-Tank 4	"	"	425 D
White Oaks - Hilltop Dr.	Sta. 103-Tank 1	"	Concrete	165 D
Highland - Northan	Sta. 106-Tank 2	"	Steel	250 D
do.	Sta. 106-Tank 3	"	"	500 D
Club Dr. near Oakley	Sta. 109-Tank 1	"	Concrete	50 D
do.	Sta. 109-Tank 2	"	Steel	250 D
Shelford and Lyndhurst	Sta. 116-Tank 2	"	Redwood	100 D
do.	Sta. 116-Tank 3	"	"	100 D
Wingate and Winding Way	Sta. 125-Tank 1	"	"	50 D
Beverly end of Sunset Dr.	Sta. 112-Tank 1	"	Steel	200 D
do.	Sta. 112-Tank 2	"	"	500 D
do.	Sta. 112-Tank 3	"	"	700 D
Melendy Dr.	Sta. 115-Tank 1	"	"	250 D
Crestview Dr. at Leslie Dr.	Sta. 118-Tank 1	"	Steel	200 D
do.	Sta. 118-Tank 2	"	"	750 D
Melendy Dr. east of Essex Ct.	Sta. 119-Tank 1	"	"	400 D
Crestview Dr. & Los Vientos Way	Sta. 120-Tank 1	"	"	500 D
99 Loma Rd.	Sta. 124-Tank 1	"	Steel	78 D
<b>19</b>			<b>Total District</b>	<b>5,718</b>

**CALIFORNIA WATER SERVICE COMPANY**

**OROVILLE DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)
<b>Raw Water</b>				
Cherokee Rd.	Cherokee Reservoir	Feather River (Powers Canal)	Earth	2,647 C
Palma Dr. off Oroville-Chico Hwy.	Oroville Reservoir	"	"	2,112 C
<b>Finished Water</b>				
Off Orange Ave. (High Duty) Treatment Plant	Sta. 016-Res. 2 Sta. 015-Tank 1	Wells & Treatment Plant Treatment Plant	Steel Steel	2,000 D 450 D
	<hr/> <b>4</b> <hr/>		<b>Total District</b>	<b>7,209</b>

C - Collection    D - Distribution

**CALIFORNIA WATER SERVICE COMPANY**

**PALOS VERDES DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)
Trotters Terrace	Sta. 039-Res. 1	Purchases	Concrete	100 D
Off Via Campesina near Graylog	Sta. 040-Res. 2	"	"	100 D
P.V.E. Golf Course	Sta. 041-Res. 5	"	"	1,500 D
Near Via Rincon	Sta. 042-Res. 6	"	"	50 D
Via Zurita	Sta. 043-Res. 7	"	"	100 D
East Vale and Sunnyridge north	Sta. 044-Res. 8	"	"	100 D
Narcisa and Peppertree Dr.	Sta. 045-Res. 11	"	"	100 D
Eastfield easterly of Hackmore	Sta. 046-Res. 12	"	"	100 D
Crest Rd. - Eastfield	Sta. 038-Res. 13	"	"	200 D
Sunnyridge - Eastvale south	Sta. 048-Res. 17	"	"	100 D
P.V.D.E. - Crownview	Sta. 023-Res. 19, Tank 1	"	"	3,000 D
	Sta. 023-Res. 19, Tank 2	"	Steel	3,000 D
Crest east - Eastfield	Sta. 049-Res. 20, Tank 1	"	Concrete	5,000 D
	Sta. 049-Res. 20, Tank 2	"	Steel	7,500 D
Tallyhand Rd.	Sta. 050-Res. 21	"	Concrete	100 D
Crest - Portuguese	Sta. 051-Res. 22	"	"	100 D
Crest - Highridge	Sta. 037-Res. 25	"	"	9,500 D
Crenshaw south - Seacrest	Sta. 052-Res. 26	"	Steel	50 D
	<u>18</u>		<b>Total District</b>	<u>30,700</u>

D - Distribution

**CALIFORNIA WATER SERVICE COMPANY**

**REDWOOD VALLEY DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)
<u>Coast Springs</u>				
	Sta. 007-Tank 2	Raw Water	Concrete	25
	Sta. 007-Tank 3	"	"	7.5
	Sta. 007-Tank 4	System	Steel	125
	Sta. 008-Tank 2	System	Bolted Steel	210
	<u>4</u>			<u>367.5</u>
<u>Lucern</u>				
Treatment Plant	Sta. 001-Tank 1	Treatment Plant	Steel	12
Clarifier	Sta. 001-Tank 2	Raw water	Steel	58
Arden	Sta. 002-Tank 1	System	Steel	200
	Sta. 002-Tank 2	Syatem	Steel	300
	Sta. 003-Tank 1	System	Steel	300
	Sta. 004-Tank 1	System	Steel	100
	Sta. 005-Tank 1	System	Steel	12
	<u>7</u>			<u>982</u>
<u>Armstrong Valley</u>				
Rancho del Paradiso	Sta.102-Tank 1	System	Concrete	10.5
	Sta.102-Tank 2	System	Concrete	10.5
	Sta.103-Tank 1	System	Concrete	10.5
	Sta.103-Tank 2	System	Concrete	10.5
	Sta.104-Tank 2	System	Concrete	10.2
	<u>5</u>			<u>52.2</u>
Noel Heights	Sta.202-Tank 1	System	Redwood	25
	Sta.202-Tank 2	"	Concrete	10.2
	<u>2</u>			<u>35.2</u>
Armstrong Valley	Sta. 002-Tank 2	Wells	Concrete	22
	Sta. 002-Tank 3	Wells	Concrete	22
	Sta. 002-Tank 1	Wells	Steel	110
	<u>3</u>			<u>154</u>
<u>Hawkins</u>	Sta. 001-Tank 1	Wells	Concrete	12
	<u>1</u>			
<b>Total</b>	<u><u>22</u></u>			<u><u>1,603</u></u>

**CALIFORNIA WATER SERVICE COMPANY**

**SALINAS DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)	
<b><u>Salinas Division</u></b>					
Natividad Rd. s/o Saratoga	Sta. 016-Tank 1	Wells	Concrete	3,000	D
River Rd. - Las Palmas Ranch	Sta. 053-Tank 1	"	Steel	500	D
Las Palmas Ranch	Sta. 048-Tank 1	"	Steel	500	D
Dayton Rd. & Harkins	Sta. 047-Tank 1	"	Steel	1,500	D
River Rd. - Indian Springs	Sta. 052-Tank 3	"	Steel	100	D
	Sta. 052-Tank 2	"	Steel	100	D
River Rd. - Las Palmas Ranch	Sta. 054-Tank 1	"	Steel	500	
	Sta. 108 Tank 1	"	Steel	1000	
	<u>8</u>	<b>Total Salinas Division</b>		<u>7,200</u>	
<b><u>Oak Hills Division</u></b>					
N/E of Century Oak Rd. & Charter Oak Blvd.	Sta. 201-Tank 2	Wells	Steel	380	D
Moro Cojo	Sta. 204-Tank 1	"	Steel	500	D
	<u>2</u>	<b>Total Oak Hills Division</b>		<u>880</u>	
<b><u>Las Lomas Division</u></b>					
E/O Las Lomas Dr. & Overpass Rd.	Sta. 302-Tank 2	Wells	Steel	150	D
N/O Boling Rd. & E/O Las Lomas Dr.	Sta. 304-Tank 1	Wells	Redwood	50	D
	<u>2</u>	<b>Total Las Lomas Division</b>		<u>200</u>	
<b><u>Country Meadows</u></b>					
	Sta. 057-Tank 1			20	
	Sta. 057-Tank 2			20	
	Sta. 057-Tank 3			20	
	Sta. 058-Tank 1		Steel	20	
	Sta. 058-Tank 2		Steel	20	
	<u>5</u>	<b>Country Meadows Division</b>		<u>100</u>	
<b><u>Buena Vista System</u></b>					
	Sta. 72-Tank 1	Wells	Concrete	60	Inactive
	Sta. 73-Tank 1	Wells	Steel	20	
	Sta. 73-Tank 2	Wells	Steel	20	
	Sta. 73-Tank 3	Wells	Steel	20	
	<u>4</u>	<b>Total Buena Vista System</b>		<u>120</u>	
Leased Tank					
Toro Park	Sta. 055-Tank 1	Wells	Steel	150	
	<u>1</u>		<b>Total</b>	<u>150</u>	
	<u>22</u>	50r		<u>8,650</u>	

D - Distribution

**CALIFORNIA WATER SERVICE COMPANY**

**SELMA DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

<b>LOCATION</b>	<b>DESIGNATION</b>	<b>FILLED FROM WHAT SOURCE</b>	<b>TYPE</b>	<b>CAPACITY (1000 gal)</b>
	Sta. 020 Tank 1	Wells	Steel	1,000
	Sta. 021 Tank 1	Wells	Steel	1,000
<b>Total</b>	<b>2</b>		<b>Total District</b>	<b>2,000</b>

**CALIFORNIA WATER SERVICE COMPANY**

**SOUTH SAN FRANCISCO DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)
<b><u>South San Francisco Area</u></b>				
Chestnut Ave. & Commercial	Sta. 001-Tank 1	Wells & Purchases	Steel	500 C
do.	Sta. 001-Tank 2	Raw Water	"	75
Chestnut St.	Sta. 005-Res. 2	Wells & Purchases	Concrete	1,500 D
Off Swift Ave.	Sta. 008-Res. 1	"	"	1,500 D
Off Spruce Ave.	Sta. 004-Res. 4, Tank 3	"	Steel	250 D
do.	Sta. 004-Res. 4, Tank 4	"	"	250 D
Above Reservoir 4	Sta. 009-Tank 3	"	Redwood	50 D
Junipero Serra near Alta Vista	Sta. 013-Res.10, Tank 1	Purchases	Steel	500 D
Off Hillside Blvd. near Evergreen	Sta. 011-Res. 7, Tank 1	Purchases	Steel	250 D
do.	Sta. 011-Res. 7, Tank 2	"	"	500 D
Off Stonegate Dr.	Sta. 012-Res. 9, Tank 1	Wells & Purchases	"	500 D
Hickey Blvd. w/o Longford	Sta. 014-Res. 11, Tank 1	Purchases	"	1,000 D
End of Green Park Terrace	Sta. 015-Res. 12, Tank 1	Wells & Purchases	"	1,000 D
			<b>Subtotal</b>	<b>7,875</b>
<b><u>Broadmoor Area</u></b>				
Stoneyford Dr. near Thornhill	Sta. 101-Tank 1	Purchases	Steel	250 D
	<b>14</b>		<b>Total District</b>	<b>8,125</b>

C - Collection D - Distribution

**CALIFORNIA WATER SERVICE COMPANY**

**STOCKTON DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)
Between Lafayette & Sonora	Sta. 001-Res. 1	Wells	Concrete	1,830 C
Buena Vista & Flora	Sta. 081-Tank 2	"	Elevated Steel	500 D
Myrtle & "F"	Sta. 084-Tank 3	"	"	500 D
Center & Clay	Sta. 003-Tank 4	"	"	500 D
Commerce & North Fulton	Sta. 018-Tank 5	"	"	500 D
Fresno & Hazelton	Sta. 083-Tank 6	"	"	300 D
Lindsay & Edison	Sta. 082-Tank 7	"	"	500 D
Near Alpine & Plymouth	Sta. 032-Tank 8-B	"	Steel	250 D
do.	Sta. 032-Tank 8-C	"	"	500 D
Plymouth Rd. near River Dr.	Sta. 065-Tank 10-A	"	"	500 D
do.	Sta. 065-Tank 10-B	"	"	1,000 D
Off Fresno Ave.	Sta. 080-Tank 11	"	"	1,000 D
	Sta. 069-Tank 1	"	"	2,000 D
	Sta. 018	Raw Water	"	27
	Sta. 076 Tank 1	"	"	27
	<b>15</b>		<b>Total District</b>	<b>9,934</b>

C - Collection D - Distribution



**CALIFORNIA WATER SERVICE COMPANY**

**VISALLA DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D-2**

<u>LOCATION</u>	<u>DESIGNATION</u>	<u>FILLED FROM WHAT SOURCE</u>	<u>TYPE</u>	<u>CAPACITY (1000 gal)</u>
Giddings near High School	Sta. 059-Tank 3	Wells	Elevated Steel	300 D
Roosevelt Ave.	Sta. 012-Tank 2	Wells	Elevated Steel	300 D
	Sta.095-Tank 1	Wells	Steel	1000
	Sta. 096-Tank 1	Wells	Steel	1,000
	<u>4</u>		<b>Total District</b>	<u>2,600</u>

D - Distribution

**CALIFORNIA WATER SERVICE COMPANY**

**WESTLAKE DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)
Brookview Ave. & Castlehill Ct. Johnson Reservoir	Sta. 001-Res. 1	Purchases	Concrete	5,000 D
Heritage Pl. & Sunnyhill St. Harper Reservoir	Sta. 007-Res. 1	Purchases	Concrete	4,000 D
Sunnyhill St. e/o Heritage Pl. Harris Reservoir	Sta. 004-Res. 1	Purchases	Concrete	4,000 D
Kanan Rd. w/o Windy Mountain Ave. Galanis Reservoir	Sta. 006-Res. 1	Purchases	Concrete	1,300 D
Kanan Rd. near Golf Course Dr. Kanan Reservoir	Sta. 008-Res. 1	Purchases	Steel	750 D
Duesenberg Dr. & Hillcrest Dr. Notter Reservoir	Sta. 009-Res. 1	Purchases	Steel	6,000
	<u>6</u>		<b>Total District</b>	<u>21,050</u>

D - Distribution

**CALIFORNIA WATER SERVICE COMPANY**

**WILLOWS DISTRICT**

**STORAGE FACILITIES - DECEMBER 31, 2010**

**SCHEDULE D - 2**

LOCATION	DESIGNATION	FILLED FROM WHAT SOURCE	TYPE	CAPACITY (1000 gal)
Willow St. near Fifth	Sta. 002-Tank 1	Wells	Elevated Steel	100 D
		1	<b>Total District</b>	<b>100</b>
<b>Total Co. Storage Facilities</b>	<b>1</b>	<b>Total Co. Storage Capacity</b>		<b>100</b>

These totals include three leased tanks in King City, Kaanapali and Salinas

CALIFORNIA WATER SERVICE COMPANY

D-3 SUPPLY AND DISTRIBUTION MAINS

December 31, 2010

	<u>FEET</u>	<u>MILES</u>
ANTELOPE VALLEY	143,149	27
BAKERSFIELD	4,792,387	908
BEAR GULCH	1,583,523	300
CHICO (1)	1,955,495	370
DIXON	176,457	33
DOMINGUEZ WATER CO.	1,972,073	373
EAST LOS ANGELES	1,438,456	272
HERMOSA REDONDO	1,121,220	212
KERN RIVER VALLEY	437,354	83
KING CITY	158,162	30
LIVERMORE	1,094,525	207
LOS ALTOS SUBURBAN	1,569,082	297
MARYSVILLE	286,965	54
OROVILLE	280,659	53
PALOS VERDES	1,816,768	344
REDWOOD VALLEY	167,546	32
SALINAS	1,669,396	316
MID-PENINSULA	1,881,103	356
SELMA	452,220	86
SOUTH SAN FRANCISCO	813,210	154
STOCKTON	2,672,879	506
VISALIA	2,779,208	526
WESTLAKE	556,218	105
WILLOWS	190,817	36
TOTAL	30,008,872	5,683

(1) Includes Hamilton City - 40,957 8

CALIFORNIA WATER SERVICE COMPANY

D-3 SUPPLY AND DISTRIBUTION MAINS

December 31, 2010

Pipe Size	Asbestos Cement	Cast Iron	Concrete Cylinder	Copper Tubing	Steel Standard	Steel Cement Lined	Steel Other	Ductile Iron	Plastic Pipe	Total
3/4"				4,586	9,784		555		345	15,270
1"				15,304	20,738		12,604		849	49,495
1-1/4"					362					362
1-1/2"		3,028	1,350	608	23,288		18,009		4,264	50,547
2"	1,346	179,083		5,637	162,877		114,497		44,619	508,059
2-3/8"							115			115
2-1/2"					7,204		9,430			16,634
3"	6,028	32,909			25,957		31,329		10,551	106,774
3-1/2"	4,310				299		318		190	5,117
4"	1,169,800	1,233,875	108		29,050	17,837	205,991	11,858	172,719	2,841,238
4-1/2"					239		4,095			4,334
5"					2,163		7,726			9,889
5-1/2"					690					690
6"	7,397,214	1,892,310	54		47,244	45,929	256,162	438,122	1,289,916	11,366,951
7"					340		4,716			5,056
8"	5,432,893	802,917			36,243	55,526	132,708	587,788	2,444,693	9,492,768
9"					272		899			1,171
10"	371,150	133,558	754		5,804	8,882	42,741	12,428	28,934	604,251
10-3/4"					2,105					2,105
12"	1,970,750	218,893	2,268		37,713	76,440	31,778	1,092,076	185,406	3,615,324
12-3/4"			1,947		639					2,586
14"	101,263	7,112	751		684	9,620	7,609	651	13,933	141,623
15"			2,324				15,735	27,223		45,282
16"	158,648	20,470	24,684		6,313	68,286	30,609	45,098	19,208	373,316
17"			491							491
18"	62,418	15,066	51,526		2,806	50,910	2,046	31,939		216,711
19"						14,019				14,019
20"	23,439	1,299	41,124		246	24,449	16,951	5,293		112,801
21"			18,949							18,949
22"						2,392				2,392
24"	2,020	1,263	135,788			19,020	25,623	33,660		217,374
26"										-
27"			47,709				20			47,729
30"			12,013					2,091		14,104
33"			24,731							24,731
36"			36,797					2,530		39,327
37"			5,795							5,795
42"			30,162				5,330			35,492
Total	16,701,279	4,541,783	439,325	26,135	423,060	193,310	977,596	2,290,757	4,215,627	30,008,872

**SCHEDULE D-4**

**Number of Active Service Connections**

	Metered- Dec. 31		Flat Rate- Dec. 31	
	Prior	Current	Prior	Current
	Year	Year	Year	Year
Commercial (including domestic)	385,036	397,936	59,083	49,360
Industrial	757	752	-	-
Public Authorities	5,444	5,446	-	-
Irrigation	-	-	-	-
Other (specify)	460	437	6	6
<b>Sub-Total</b>	<b>391,697</b>	<b>404,571</b>	<b>59,089</b>	<b>49,366</b>
Private Fire Connections	-	-	7,798	8,223
Public Fire Connections	-	-	42,327	42,467
<b>Totals</b>	<b>391,697</b>	<b>404,571</b>	<b>109,214</b>	<b>100,056</b>

**SCHEDULE D-5**

**Number of Meters and Services  
on Pipe Systems at End of Year**

Size	Meters	Services
5/8 -in.	323,373	67
3/4 - in.	709	232,207
1 - in.	84,713	168,221
1 1/4 - in.	-	1,268
1 1/2 - in.	12,144	1,593
2 - in.	16,623	26,580
2 1/2 - in.	-	3
3 - in.	2,164	335
4 - in.	802	4,550
5-in.	-	2
6 - in.	291	3,621
8 - in.	61	2,854
10 - in.	38	541
12 - in.	-	84
16 - in.	-	4
18 - in.	-	1
other	2	15,172
misc	-	271
<b>Totals</b>	<b>440,920</b>	<b>457,374</b>

**SCHEDULE D-6**

**Meter Testing Data**

<b>A. Number of Meters Tested During Year as Prescribed in Section VI of General Order No. 103:</b>	
1. New, after being received	-
2. Used, before repair	68
3. Used, after repair	802
4. Found fast, requiring billing adjustment	-
<b>B. Number of Meters in Service Since Last Test</b>	
1. Ten Years or Less	236,781
2. More than 10, but less than 15 years	70,954
3. More than 15 years	183,714

SCHEDULE D-7												
Water Delivered to Metered Customers by Months and Years in 100,000 CuFt. (Units Chosen)												
Classification Of Service	During Current Year											
	Jan	Feb	Mar	Apr	May	Jun	Sub-total	Total	Total Prior Yr			
Commercial	5,836	5,221	5,311	6,724	7,992	9,719	40,803			102,564	108,062	
Industrial	553	475	569	587	685	606	3,475	7,898	7,955			
Public Authority	315	226	311	446	614	933	2,845	8,803	9,649			
Irrigation	1	-	1	1	1	6	10	45	49			
Other (specify)	4	3	3	9	16	16	51	236	283			
Reclaimed	200	2	111	72	263	101	749	2,047	2,473			
<b>Total</b>	<b>6,909</b>	<b>5,927</b>	<b>6,306</b>	<b>7,839</b>	<b>9,571</b>	<b>11,381</b>	<b>47,933</b>	<b>121,593</b>	<b>128,471</b>			

Classification Of Service	During Current Year											
	Jul	Aug	Sep	Oct	Nov	Dec	Sub-total	Total	Total Prior Yr			
Commercial	12,444	11,919	12,293	10,568	7,875	6,662	61,761			102,564	108,062	
Industrial	761	753	798	759	672	680	4,423	7,898	7,955			
Public Authority	1,228	1,399	1,278	1,041	602	410	5,958	8,803	9,649			
Irrigation	8	7	8	6	3	3	35	45	49			
Other (specify)	40	40	42	28	20	15	185	236	283			
Reclaimed Water	326	215	236	158	194	169	1,298	2,047	2,473			
<b>Total</b>	<b>14,807</b>	<b>14,333</b>	<b>14,655</b>	<b>12,560</b>	<b>9,366</b>	<b>7,939</b>	<b>73,660</b>	<b>121,593</b>	<b>128,471</b>			

Quantity units to be in hundreds of cubic feet, thousands of gallons, acre-feet. Total Acres Irrigated: Total Population Served: 1,706,582

**SCHEDULE D-8**  
**Status With State Board of Public Health**  
 See next page

**SCHEDULE D-9**  
**Statement of Material Financial Interest**  
 Not Applicable



SCHEDULE D-8

**CALIFORNIA WATER SERVICE COMPANY**

*State Water Supply Permits and Amendments*

Current status of State Water Supply Permit dates and Amendments as of **March 25, 2011**, are provided for each district as follows:

<b>DISTRICT</b>	<b>PERMIT DATE</b>	<b>AMENDMENT DATE</b>
Bakersfield	5/25/73	10/20/08
Bakersfield North Garden	10/10/02	3/9/09
Bear Gulch	9/15/72	1/12/10
City of Commerce	10/6/87	11/17/09
Chico	2/18/66	9/10/08
Dixon	2/16/62	11/17/09
Dominguez	6/2/02	11/30/09
East Los Angeles	8/23/54	8/31/09
Hamilton City	8/23/77	
Hermosa Redondo	6/18/65	5/6/10
Hawthorne	7/31/01	4/24/02
King City	9/17/91	4/8/09
Las Lomas	7/6/89	3/5/92
Livermore	11/1/68	9/25/09
Los Altos Suburban	6/14/98	1/12/10
Marysville	6/2/67	6/9/05
Mullen	9/2/09	10/4/05
Oak Hills	7/6/89	2/1/01
Olcese	11/12/02	
Oroville	4/16/54	7/31/00
Palos Verdes	10/19/76	6/9/09
Rural North Vacaville	6/16/00	6/27/05
Salinas	4/7/72	4/26/10
Salinas Hills	12/18/87	3/28/07
San Carlos	6/18/76	1/13/04
San Mateo	11/6/70	1/13/04
Selma	5/14/82	12/14/09
South San Francisco	6/18/76	8/18/08
Stockton	2/20/80	2/17/10
Visalia	6/18/76	1/19/11
Willows	10/29/65	12/7/90
Westlake	7/13/84	9/30/93





**SCHEDULE D-8**

**CALIFORNIA WATER SERVICE COMPANY**

*State Water Supply Permits and Amendments*

Current status of State Water Supply Permit dates and Amendments as of **March 25, 2011**, are provided for each district as follows:

<b>DISTRICT</b>	<b>PERMIT DATE</b>	<b>AMENDMENT DATE</b>
<b>RDV</b>		
Coast Springs	4/18/01	6/30/10
Lucerne	3/1/99	6/24/09
Hawkins	4/10/03	10/1/04
Armstrong Valley		
Noel Heights	6/8/01	1/13/10
Rancho del Paradiso	6/4/01	12/3/02
<b>KRV</b>		
Arden	1/1/00	
Upper Bodfish	11/1/02	4/13/07 (Applied)
Lower Bodfish	4/1/00	8/12/07 (Applied)
Countrywood	4/3/02	
Juniper Hills	5/1/02	
Kernville	4/1/02	10/1/06
Lakeland	9/1/02	
Mountain Shadows	2/11/04	
Onyx	12/21/93	3/14/08
Ponderosa Pine	3/1/02	
Southlake	8/1/02	2/14/06
Squirrel Mountain	8/3/90	6/12/06 (applied)
Split Mountain	2/3/04	
<b>AV</b>		
Lancaster	12/1/02	12/22/06
Leona Valley	5/25/07	10/25/07
Lake Hughes	07/2002 (Applied)	8/1/2010
Fremont Valley	1/23/04	10/1/2007
Grand Oaks	1/3/1993	07/2008 (applied)

California Water Service Company  
 Incremental Cost Balancing Accounts: B.A.-Like Memorandum Accounts and Balancing Accounts

DISTRICT	2005	2006	2007	2008	Balance of Balancing Accounts	All Interest	BA Interest	MA Interest
	Memorandum Accounts thru 12/31/2005	Memorandum Accounts thru 12/31/2006	Memorandum Accounts thru 12/31/2007	Memorandum Accounts thru 6/30/2008				
Antelope Valley	\$ -	\$ -	\$ -	\$ -	(3,766)	(3,738)	(3,738)	\$ -
BAKERSFIELD	\$ -	\$ -	\$ -	\$ -	32,160	\$71,111	\$71,111	\$ -
BEAR GULCH	\$ 469,869	(305,582)	(255,685)	(119,899)	(31,176)	(65,802)	(31,623)	(\$34,179)
CHICO-HAM CITY	\$ -	\$ -	(109,756)	(25,719)	195,737	(\$21,316)	(9,363)	(\$11,953)
Coast Springs	\$ -	(204)	(410)	(226)	-	(\$13)	-	(\$13)
DIXON	\$ -	3,574	2,394	358	20,136	\$5,728	2,817	\$2,910
DOMINGUEZ	\$ -	\$ -	(76,803)	39,470	(433,546)	(\$52,315)	(26,343)	(\$25,972)
EAST LOS ANGELES	\$ -	\$ -	\$ -	\$ -	(4,747)	(\$46,815)	(46,815)	\$ -
HERMOSA REDONDO	\$ -	\$ -	\$ -	\$ -	(32,838)	(\$3,059)	(3,059)	\$ -
Kern River Valley	\$ -	\$ -	\$ -	\$ -	(4,485)	(\$4,460)	(4,460)	\$ -
KING CITY	\$ -	\$ -	\$ -	\$ -	184	\$35,709	35,709	\$ -
LIVERMORE	\$ -	\$ -	196,919	24,530	(259,632)	(\$129,003)	(66,428)	(\$62,575)
LOS ALTOS SUB	\$ -	\$ -	\$ -	\$ -	(6,728)	(\$173,788)	(173,788)	\$ -
Lucerne	\$ -	(2,636)	(5,139)	(2,162)	-	(\$164)	-	(\$164)
MARYSVILLE	\$ 15,779	2,351	(1,432)	4,087	5,957	(\$4,686)	(2,511)	(\$2,174)
MID-PENINSULA	\$ -	\$ -	(80,149)	(41,237)	160,718	(\$82,891)	(39,640)	(\$43,251)
OROVILLE	\$ -	3,652	(102)	(108,194)	46,989	\$11,167	5,779	\$5,388
PALOS VERDES	\$ -	\$ -	(292,917)	(312,887)	(11,019)	(\$163,304)	(79,200)	(\$84,104)
Redwood Unified	\$ -	(217)	(303)	17	-	(\$10)	-	(\$10)
SALINAS	\$ -	\$ -	(62,255)	2,118	437,236	(\$37,955)	(17,925)	(\$20,039)
SELMA	\$ -	(41,068)	(34,502)	(9,840)	19,989	(\$39,783)	(18,986)	(\$20,797)
SO. SAN FRANCISCO	\$ -	(111,605)	(18,396)	(141,013)	357,665	\$40,291	23,570	\$16,720
STOCKTON	\$ -	\$ -	704,859	(127,180)	(687,916)	(\$463,111)	(237,563)	(\$225,548)
VISALIA	\$ -	\$ -	(189,902)	(103,195)	(51,063)	(\$21,543)	(8,477)	(\$13,066)
WESTLAKE	\$ -	\$ -	\$ -	\$ -	8,712	(\$136,251)	(136,251)	\$ -
WILLOWS	\$ -	1,899	2,915	3,677	\$18,433	\$16	(26)	\$42
<b>CWS TOTAL</b>	<b>\$ 485,648</b>	<b>\$ (449,835)</b>	<b>\$ (320,665)</b>	<b>\$ (917,295)</b>	<b>\$ (223,005)</b>	<b>\$ (1,285,956)</b>	<b>\$ (767,211)</b>	<b>\$ (518,785)</b>

**Schedule E- 2(A)**  
**Description of Low-Income Rate Assistance Program(s)**

**1. RATE SUPPORT FUND LOW-INCOME SUPPORT SURCREDIT(RSF-LIRA)**

Credit Per Service Per Month \$10

**APPLICABILITY**

Applicable to all customers in the Antelope Valley, Kern River Valley, and Redwood Valley Districts who demonstrate they are CARE-eligible by presenting proof of enrollment in CARE, or by showing they meet eligibility requirements.

**2. PARTICIPATION RATE FOR YEAR 2010(RSF-LIRA)**

District	Number of customers enrolled	Number of customers for the district	Percentage enrolled	Dept ID
AV	49	621	8%	129
LNC	46	670	7%	130
FMT	13	71	18%	131
KRV	357	1,009	35%	134
ARD	271	1,234	22%	135
BDF	231	749	31%	136
KNV	74	600	12%	137
LKL	80	217	37%	138
SQM	57	424	13%	142
LUC	376	1,243	30%	147
ARM	42	376	11%	148
CSP	8	248	3%	149
HKN	3	52	6%	150
<b>TOTAL</b>	<b>1,607</b>	<b>7,514</b>	<b>21%</b>	

**Schedule E- 2(A)**

**Description of Low-Income Rate Assistance Program(s)**

**RSF-LIRA**

2010

Detail of balancing account authorized to record expenses incurred and revenues collected for low income rate assistance program.

DISTRICT	Beginning AR Balance	Credit to customers	Charges to the customers	Ending AR Balance
129 (AV)	6,365	5,496	(1,364)	10,497
130 (LNC)	2,764	4,636	(2,517)	4,883
131(FMT)	10,749	6,925	(178)	17,497
134 (KRV)	112,397	37,305	(837)	148,866
135 (ARD)	90,611	28,660	(915)	118,356
136 (BDF)	82,738	27,550	(596)	109,691
137 (KNV)	22,416	9,504	(751)	31,168
138 (LKL)	23,933	8,134	(147)	31,920
142 (SQM)	19,877	9,667	(571)	28,973
147 (LUC)	111,376	39,964	(994)	150,345
148 (ARM)	10,962	4,486	(243)	15,205
149 (CSP)	1,926	730	(66)	2,590
150 (HKN)	660	330	(35)	956
390(Interest accrued)		-	17,089	17,089
330(Proming develop.)	56,881	515		57,396
<b>Total</b>	<b>553,653</b>	<b>183,901</b>	<b>7,876</b>	<b>745,431</b>

Schedule E- 2(B)

Description of Low-Income Rate Assistance Program(s)

LOW-INCOME SUPPORT SURCREDIT(LIRA)

APPLICABILITY

Applicable to individually metered and flat rate residential customers, qualified non-profit group living facilities, qualified agricultural employee housing facilities, and migrant farm worker housing centers where the customer meets all the special conditions of this schedule.

TERRITORY

All tariff service areas of California Water Service Company

METERED SINGLE-FAMILY RESIDENTIAL RATES

Quantity Rates:

Customers will be charged per 100 cubic feet of water delivered at the metered rates as reflected in applicable rate schedule for single-family residential service.

Service Charges:

Eligible customers will receive a monthly LIRA credit equal to 50% of the 5/8"x3/4" service charge for single-family residential service, prorated based on the days of service, if service is not provided for a full month. The maximum monthly credit is \$10.

FLAT RATE RESIDENTIAL RATES

Customers will be charged the flat rate reflected in the applicable rate schedule for residential flat rate service.

Eligible customers will receive a monthly LIRA credit equal to 50% of the 5/8"x3/4" service charge for single-family residential service, prorated based on the days of service, if service is not provided for a full month. The maximum monthly credit is \$10.

QUALIFIED NON-PROFIT GROUP LIVING FACILITIES, QUALIFIED AGRICULTURAL EMPLOYEE HOUSING FACILITIES, MIGRANT FARM WORKER HOUSING CENTERS

Quantity Rates:

Customers will be charged per 100 cubic feet of water delivered at the metered rates as reflected in the applicable rate schedule.

Service Charges:

Eligible customers will receive a monthly LIRA credit of \$20, prorated based on the days of service, if service is not provided for a full month. The maximum monthly credit per qualifying sub-metered customers is \$20.

**Schedule E- 2(B)**  
**Description of Low-Income Rate Assistance Program(s)**

**PARTICIPATION RATE FOR YEAR 2010(LIRA)**

District	Number of cust enrolled	Number of cust for the district	Percentage enrolled	Dept ID
BK	10,328	67,727	15%	101
BG	405	18,758	2%	102
CH	1,930	27,855	7%	104
DIX	231	2,873	8%	105
ELA	4,381	26,667	16%	106
HR	634	26,584	2%	108
KC	399	2,524	16%	109
LIV	602	18,331	3%	110
LAS	331	18,729	2%	111
MRL	605	3,710	16%	112
ORO	458	3,593	13%	113
SLN	2,000	24,376	8%	114
MPS	1,142	36,371	3%	116
SEL	1,056	6,148	17%	117
SSF	878	16,861	5%	118
STK	6,117	42,768	14%	119
VIS	4,008	40,305	10%	120
WIL	354	2,373	15%	121
PV	463	24,098	2%	122
WLK	216	7,062	3%	123
LL	96	600	16%	124
OH	129	806	16%	125
BL	185	2,196	8%	126
DOM	2,425	33,859	7%	128
BUV	1	182	1%	154
<b>TOTAL</b>	<b>39,374</b>	<b>455,356</b>	<b>9%</b>	

Schedule E- 2(B)				
Description of Low-Income Rate Assistance Program(s)				
LIRA				
2010				
Detail of balancing account authorized to record expenses incurred and revenues collected for low income rate assistance program.				
DISTRICT	Beginning AR Balance	Credit to customers	Charges to the customers	Ending AR Balance
101 (BK)	870,846	794,707	(312,170)	1,353,383
102 (BG)	(132,466)	28,628	(54,577)	(158,415)
104 (CH)	(80,076)	134,804	(98,450)	(43,722)
105 (DIX)	24,873	21,337	(5,707)	40,504
106 (ELA)	439,210	320,612	(70,205)	689,617
108 (HR)	(115,589)	32,004	(52,383)	(135,968)
109 (KC)	72,791	42,114	(6,949)	107,956
110 (LIV)	(80,346)	39,240	(42,811)	(83,917)
111 (LAS)	(146,947)	24,327	(53,641)	(176,261)
112 (MRL)	46,569	44,445	(11,875)	79,139
113 (ORO)	82,390	54,506	(11,795)	125,101
114 (SLN)	131,464	170,918	(57,821)	244,562
116 (MPS)	(101,873)	58,493	(64,369)	(107,749)
117 (SEL)	108,438	91,700	(25,738)	174,399
118 (SSF)	1,740	55,551	(35,249)	22,042
119 (STK)	619,071	438,615	(110,089)	947,597
120 (VIS)	(95,334)	203,067	(132,419)	(24,686)
121(WIL)	75,125	41,290	(6,744)	109,671
122 (PV)	(241,075)	31,458	(79,171)	(288,788)
123 (WLK)	(89,766)	22,859	(32,972)	(99,878)
124(BL)	12,746	7,772	(1,019)	19,500
125(OH)	15,424	10,397	(1,067)	24,755
126(LL)	13,372	16,332	(5,194)	24,511
128 (DOM)	(334,225)	115,064	(159,983)	(379,144)
390(Interest accrued)		6,556		6,556
330(Proming develop.)	499,659	15,000	-	514,659
Total	1,596,023	2,821,796	(1,432,394)	2,985,425

Schedule E-3(A)

WATER CONSERVATION

In 1991, California Water Service Company became a member of the California Urban Water Conservation Council (CUWCC) by way of becoming a signatory to the Memorandum of Understanding Concerning Water Conservation in California (MOU). In 2009, Cal Water b

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CONSERVATION PROGRAM IMPLEMENTATION SUMMARY

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BMP-01

WATER SURVEY PROGRAMS FOR SINGLE-FAMILY RESIDENTIAL AND MULTI-FAMILY RESIDENTIAL CUSTOMERS

SERVICE AREAS	Antelope Valley, Bakersfield, Bear Gulch, Chico, Dixon, Dominguez, East Los Angeles, Hermosa Redondo, Kern River Valley, King City, Livermore, Los Altos, Marysville, Mid-Peninsula, Oroville, Palos Verdes, Salinas, Selma, South San Francisco, Stockton, Vis
DESCRIPTION	Provide indoor/outdoor survey with recommendations for water-efficiency improvements. Cal Water partners with wholesalers where available.
FUTURE PLANS	Expand program to Redwood Valley. Modify program to include installations of specified indoor and outdoor devices.

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BMP-02

RESIDENTIAL PLUMBING RETROFIT

SERVICE AREAS	Antelope Valley, Bakersfield, Bear Gulch, Chico, Dixon, Dominguez, East Los Angeles, Hermosa Redondo, Kern River Valley, King City, Livermore, Los Altos, Marysville, Mid-Peninsula, Oroville, Palos Verdes, Redwood Valley, Salinas, Selma, South San Francisc
DESCRIPTION	Distribute high-efficiency plumbing fixtures, including: Showerheads, bathroom aerators, kitchen aerators, hose nozzles, and toilet leak detection tablets.
DISTRIBUTION METHOD(S)	Direct mail program targeting low-income and high-use customers, customer service center, local events, and orders via website ( <a href="http://www.calwater.com">www.calwater.com</a> )
FUTURE PLANS	Continue program. Add installation of devices to Residential Water Use Survey program.

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Schedule E-3(A)

WATER CONSERVATION

In 1991, California Water Service Company became a member of the California Urban Water Conservation Council (CUWCC) by way of becoming a signatory to the Memorandum of Understanding Concerning Water Conservation in California (MOU). In 2009, Cal Water b

BMP-04

METERING WITH COMMODITY RATES FOR ALL NEW CONNECTIONS AND RETROFIT OF EXISTING CONNECTIONS

Assembly Bill 2572 requires water utilities to install water meters on connections after January 1, 1992. Water utilities are required to install water meters on all flat rate connections by January 1, 2025. Cal Water has developed plan to convert all f

BMP-05

LARGE LANDSCAPE CONSERVATION PROGRAMS AND INCENTIVES

SERVICE AREAS	Bakersfield, Bear Gulch, Chico, Dixon, East Los Angeles, King City, Livermore, Los Altos, Marysville, Mid-Peninsula, Oroville, Salinas, Selma, South San Francisco, Stockton, Visalia, Westlake, and Willows
DESCRIPTION	Provide monthly landscape water usage reports to selected customers. Provide landscape surveys to selected customers. Provide incentives for landscape upgrades.
FUTURE PLANS	Continue program

BMP-06

HIGH-EFFICIENCY CLOTHES WASHING MACHINE FINANCIAL INCENTIVE PROGRAMS

SERVICE AREAS	Antelope Valley, Bakersfield, Bear Gulch, Chico, Dixon, Dominguez, East Los Angeles, Hermosa Redondo, Kern River Valley, King City, Livermore, Los Altos, Marysville, Mid-Peninsula, Oroville, Palos Verdes, Redwood Valley, Salinas, Selma, South San Francisc
DESCRIPTION	Provide rebate for the purchase of qualified high-efficiency clothes washers. Cal Water partners with wholesalers and/or energy utility where available.
FUTURE PLANS	Continue program

BMP-07

PUBLIC INFORMATION PROGRAMS

SERVICE AREAS	Antelope Valley, Bakersfield, Bear Gulch, Chico, Dixon, Dominguez, East Los Angeles, Hermosa Redondo, Kern River Valley, King City, Livermore, Los Altos, Marysville, Mid-Peninsula, Oroville, Palos Verdes, Redwood Valley, Salinas, Selma, South San Francisc
DESCRIPTION	Implementation includes elements such as : speaker's bureau, local events, website, information provided at customer center, water awareness month events, radio advertising, print advertising, bill messages, bill inserts, and direct mail.
FUTURE PLANS	Continue program

Schedule E-3(A)

WATER CONSERVATION

In 1991, California Water Service Company became a member of the California Urban Water Conservation Council (CUWCC) by way of becoming a signatory to the Memorandum of Understanding Concerning Water Conservation in California (MOU). In 2009, Cal Water b

BMP-08

SCHOOL EDUCATION PROGRAMS

SERVICE AREAS	Antelope Valley, Bakersfield, Bear Gulch, Chico, Dixon, Dominguez, East Los Angeles, Hermosa Redondo, Kern River Valley, King City, Livermore, Los Altos, Marysville, Mid-Peninsula, Oroville, Palos Verdes, Redwood Valley, Salinas, Selma, South San Francisc
DESCRIPTION	Implementation includes elements such as : classroom presentations, WaterWise program, LivingWise program, activity books, and partnership with Disney's Planet Challenge
FUTURE PLANS	Continue program

BMP-09

CONSERVATION PROGRAMS FOR COMMERCIAL, INDUSTRIAL, AND INSTITUTIONAL (CII) ACCOUNTS

SERVICE AREAS	Antelope Valley, Bakersfield, Bear Gulch, Chico, Dixon, Dominguez, East Los Angeles, Hermosa Redondo, Kern River Valley, King City, Livermore, Los Altos, Marysville, Mid-Peninsula, Oroville, Palos Verdes, Redwood Valley, Salinas, Selma, South San Francisc
DESCRIPTION	Provide the following rebates (varies by service area): High-efficiency clothes washers, high-efficiency toilets, high-efficiency urinals, pressurized waterbrooms, and x-ray film processor re-circulation systems.
FUTURE PLANS	Continue program

BMP-14

RESIDENTIAL TOILET REBATE PROGRAMS

SERVICE AREAS	Antelope Valley, Bakersfield, Bear Gulch, Chico, Dixon, Dominguez, East Los Angeles, Hermosa Redondo, Kern River Valley, King City, Livermore, Los Altos, Marysville, Mid-Peninsula, Oroville, Palos Verdes, Redwood Valley, Salinas, Selma, South San Francisc
DESCRIPTION	Provide rebate for the purchase of qualified high-efficiency toilets. Cal Water partners with wholesalers where available. Cal Water also offers a bathroom retrofit program in selected service areas.
FUTURE PLANS	Continue program

**Schedule E-3(B)**  
**Water Conservation Programs**  
**Cost of Each Program by District**

2010

Dept	BMP01	BMP02	BMP05	BMP06	BMP07	BMP08	BMP09	BMP14	WRAM	MISC	Grand Total
101	9,000	19,054	9,700		26,094	36,541		133,092		204,450	437,931
102	14,350	2,291	3,846	65,118	4,731	6,439	160	31,862		49,071	177,868
104	8,400	1,527	3,034		3,154	4,736	3,500			95,419	119,770
105	150	281	2,595		581					12,010	15,618
106	600	3,591	9,120		4,482	16,601	0	0		112,598	146,992
108	17,000	1,407		15,200	2,905	0		1,700		30,003	68,214
109		321	3,030		664	0				16,517	20,533
110	6,150	1,326	15,355		2,739	6,907		150		55,727	88,354
111		1,969			7,412					125,834	135,215
112	1,650	442	5,205		913					22,598	30,808
113	1,050	522	7,427		1,079		2,500			17,200	29,778
114	3,900	2,009	13,180	0	4,150	13,518		0		131,011	167,768
116		90,842	2,685	41,000	5,644	11,632	196	45,053		65,112	262,165
117		522	4,625		1,079	0		0		25,940	32,166
118		2,009	3,035	59,541	4,150	11,241	141	11,744		59,093	150,956
119	4,200	2,974	9,700		6,142	8,640	0	0		215,709	247,365
120	10,650	1,728	9,410		3,569			0		105,227	130,584
121		241	2,500		498	0				11,513	14,752
122	4,400	1,125		13,000	2,324	0		1,400		89,549	111,799
123	4,350	1,849	100,860	1,760	3,818	0		1,360		(28,153)	85,844
127							200			1,239	1,439
128		1,567		12,900	3,237	0	20,550	1,800		86,999	127,054
129		362			747					12,745	13,854
134		402			830			0		15,530	16,762
146		281			581					10,695	11,557
147										0	0
151										2,729	2,729
152										62	62
381									3,021		3,021
384										44	44
387										89	89
389						0				4,301	4,301
393										0	0
Grand T	85,850	138,645	205,307	208,519	91,527	116,254	27,248	228,161	3,021	1,550,859	2,655,391

**California Water Service Company**  
 Annual Summary Statement of Affiliated Transactions  
 For the calendar year 2010

**1 Services provided by the Utility (California Water Service Company) to the affiliate companies:**

<p>a) To California Water Service Group (Holding Company):          Utility provides basic accounts payable services to Holding Company, and charges the amounts to Holding Company. In providing this service, Utility performed the following transactions:</p> <ol style="list-style-type: none"> <li>1. Payment of income taxes for Holding Company</li> <li>2. Payment of expenses to third parties on behalf of Holding Company (including legal fees, SEC fees, Board of Directors fees, annual report fees, interest, etc.)</li> </ol>	<p>205,700</p> <p>3,127,146</p>
<p>b) To CWS Utility Services (affiliate of Holding Company):          Utility provides basic accounts payable services to CWSUS, and charges the amounts to CWSUS. In providing this service, Utility performed the following transactions:</p> <ol style="list-style-type: none"> <li>1. Payment of income and property taxes for CWSUS</li> <li>2. Payment of expenses for CWSUS (including expenses to operate unregulated contracts include legal fees, license, repair &amp; maintenance, etc.) (These expenses are included in the payments from CWSUS to Utility in 2.b.2 below.)</li> <li>3. Receipt of payments from affiliate's customers (customer payment transfers, revenue share, benefits, etc.)</li> </ol>	<p>413,318</p> <p>14,993,118</p> <p>(15,533,857)</p>
<p>c) To HWS Utility Services (affiliate of Holding Company):          Utility provides basic accounts payable services to HWSUS, and is reimbursed for those payments. In providing this service, Utility performed the following transactions:</p> <ol style="list-style-type: none"> <li>1. Payment of expenses for HWSUS (including insurance, travel, shipping, construction overhead, phone, etc.)</li> <li>2. Receipt of income tax credit from HWSUS</li> <li>3. Receipt of reimbursement from HWSUS for payments made</li> </ol>	<p>37,329</p> <p>(57,500)</p> <p>(3,069)</p>

**2. Services provided by the affiliated companies to the Utility (California Water Service Company):**

<p>a) From Holding Company:</p> <ol style="list-style-type: none"> <li>1. Intercompany payment from Holding Company to Utility</li> <li>2. Reimbursement for the payments Utility made on behalf of Holding Company in 1a.2 above.          (includes Board of Directors' fees and expenses, shareholder expenses, SEC fees, annual reports etc.)          Amortization of stock awards and exercised stock options were allocated from Holding Company to Utility.</li> </ol>	<p>(500,000)</p> <p>(3,221,900)</p>
<p>b) From CWS Utility Services:</p> <ol style="list-style-type: none"> <li>1. Reimbursement provided to Utility for payments made on behalf of CWSUS</li> <li>2. Allocation to ratepayers of share of revenue for unregulated activities, and reimbursement of allocated expenses (direct costs are included in 1.b.3)</li> </ol>	<p>(841,212)</p> <p>1,313,128</p>

**California Water Service Company**  
Annual Summary Statement of Affiliated Transactions  
For the calendar year 2010

3. Utility rents space from CWSUS in a Rancho Dominguez building per the lease agreement between the entities. 504,840
- c Dividends were paid to Holding Company:  
Common Stock 22,633,711

**3. Assets transferred from the utility to the affiliated companies:**  
There were no assets transferred from the Utility to the affiliated companies in 2010.

**4. Assets transferred from the affiliated companies to the utility:**  
There were no assets transferred from the affiliated companies to the Utility in 2010.

**5. Employees transferred from the Utility to the affiliated companies:**  
There were no employees transferred from the Utility to the affiliated companies in 2010.

**6. Employees transferred from the affiliated companies to the Utility:**  
There were no employees transferred from the affiliated companies to the Utility in 2010.

**7. Financial arrangements and transactions between the Utility and the affiliated companies:**  
a) As noted in 2(c) the Utility paid Holding Company dividends.

- b) A long-term promissory note agreement was made on December 31, 2010 between Utility and Holding Company. 7,925,000  
The Utility also has a separate line of credit with the bank from the line of credit maintained by the Holding Company.

**8. Services provided by and/or assets transferred from the parent holding company to affiliate company which may have germane utility regulations impacts:**  
There were no services provided by and/or assets transferred from the parent holding company to affiliate company which may have germane utility regulations impact.

**9. Services provided by and/or assets transferred from affiliated company to the parent holding company which may have germane utility regulations impacts:**  
There were no services provided by and/or assets transferred from the affiliate company to the parent holding company which may have germane utility regulations impact.

**CLASS A, B, C AND D WATER COMPANIES  
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA**

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA) or Safe Drinking Water State Revolving Fund loan surcharge collection for the calendar year. Please use one page per loan.

1. Current Fiscal Agent: see A-24(a)

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_  
 Account Number: \_\_\_\_\_  
 Date Hired: \_\_\_\_\_

2. Total surcharge collected from customers during the 12 month reporting period:

\$	482,563	Meter Size	No. of Metered Customers	Monthly Surcharge Per Customer
		1 inch	21	31
		1 1/2 inch	14	26
		2 inch	5	86
		3 inch	1	356
		3/4 inch	19	11
		5/8 inch	3,633	10
		Mobile	3	169
		Number of Flat Rate Customers	0	0
		<b>Total</b>	<b>3,695</b>	

3. Summary of the bank account activities showing: see A-24(a)

Balance at beginning of year \_\_\_\_\_  
 Deposits during the year \_\_\_\_\_  
 Interest earned for calendar year \_\_\_\_\_  
 Withdrawals from this account \_\_\_\_\_  
 Balance at end of year \_\_\_\_\_

4. Reason or Purpose of Withdrawal from this bank account: see A-24(a)

\_\_\_\_\_  
 \_\_\_\_\_

CLASS A WATER COMPANIES  
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA (continued)

Plant amounts included in Schedule A-1a, 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	306	Land	8,450				8,450
4		Total non-depreciable plant	8,450				8,450
5		DEPRECIABLE PLANT					
6	311	Structures					
7	315	Wells	602,751				602,751
8	317	Other water source plant					
9	324	Pumping equipment	137,194				137,194
10	331	Structures					
11	332	Water treatment plant	8,638,654			(378,311)	8,260,343
12	342	Reservoirs, tanks, and standpipes	1,166,845		(1,870)		1,164,975
13	343	Water mains	857,859		(877)		856,982
14	345	Services and meter installations	606		(364)		242
15	346	Meters	707				707
16	348	Hydrants	4,824				4,824
17	378	Other equipment					
18	372	Office furniture and equipment					
19	373	Transportation					
20		Total depreciable plant	11,409,439		(3,110)	(378,311)	11,028,019
		Total water plant in service	11,417,889		(3,110)	(378,311)	11,036,469

**FACILITIES FEES DATA**

Please provide the following information relating to Facilities Fees for districts or subsidiaries servicing 2,000 or fewer connections for the calendar year. (Per D.91-04-068)

1. Trust Account Information: N/A

Bank Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Account Number: \_\_\_\_\_  
 Date Opened: \_\_\_\_\_

2. Facilities Fees collected for new connections during the calendar year:

**A. Commerical**

NAME	AMOUNT
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

**B. Residential**

DISTRICT	AMOUNT
BK	\$ 933,490
CHI	\$ 19,350
VIS	\$ 273,080

3. Summary of the bank account activities showing: N/A

Balance at beginning of year	_____
Deposits during the year	_____
Interest earned for calendar year	_____
Withdrawals from this account	_____
Balance at end of year	_____

4. Reason or Purpose of Withdrawal from this bank account:

N/A

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**DECLARATION**

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

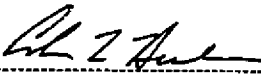
I, the undersigned Calvin L. Breed  
Officer, Partner or Owner

of California Water Service 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, 2010  
(date)

to and including December 31, 2010  
(date)

SIGNED   
Title Controller  
Date 3/29/2011

**2010 Annual Report of California Water Service Company  
to the California Public Utilities Commission**

**ATTACHMENTS A, B, C, and D**

**March 2011**

**Annual Report of California Water Service Company  
to the California Public Utilities Commission**

**ATTACHMENT A**

**Report on Excess Capacity and Non-Tariffed Products & Services  
("NTP&S")**

**For Calendar Year 2010 (Submitted March 2011)**

The Commission's new rules governing affiliate transactions and the provision of non-tariffed products and services ("NTP&S") will become effective on June 30, 2011. California Water Service Company ("Cal Water") provides the following information regarding its NTP&S projects in Calendar Year 2010 consistent with Rule X.E of the new rules:

	Page Number
1) Gross revenue per project, and ratepayer share of gross revenues	1
2) Descriptions of the NTP&S Projects	2
3) Regulated Assets used in the NTP&S Projects	12
4) Employee positions and amount of time spent on NTP&S Projects	14

## Excess Capacity and Non-Tariffed Services

Cal Water has revised this table to reflect the requirements contained in Rule X.E of the new Affiliate

Row Number	Name of Contract/Service	Active or Passive	Total Gross Revenue	Revenue allocated to ratepayers
1	Antenna Leases	Passive	2,103,035	630,911
2	Bakersfield, City of	N/A	6,389,961	-
3	Burlingame, City of	Active	2,153	215
4	Camp Erwin Owen	Active	3,950	395
5	Castlewood	N/A	191,940	-
6	Central Basin/Rio Hondo	N/A	92,853	-
7	Chico, City of (see Sewer system billing)*	Active		
8	Commerce, City of	N/A	461,593	-
9	Crane Ridge Mutual Water Company	N/A	32,479	-
10	Desalter Project	N/A	12,000	-
11	Durham Irrigation District	Active	23,400	2,340
12	Foothill Estates	N/A	42,000	-
13	Great Oaks Water Company	Active	41,531	4,153
14	Hawthorne, City of	N/A	7,546,587	-
15	Home Service USA Corp	Active	2,059,962	68,868
16	King City (see Sewer system billing)*	Active		
17	Marysville, City of (see Sewer system billing)*	Active		
18	Menlo Park, City of	N/A	99,137	-
19	Montebello, City of	N/A	377,840	-
20	Mountain Mesa Water Company	Active	47,924	4,792
21	Riverkern Mutual Water Company	Active	17,532	1,753
22	Rural North Vacaville Water District	Active	72,558	7,256
23	San Jose Water Company	Active	4,000	400
24	Stockton, City of	Active	446,324	44,632
25	Tejon-Castac Water District	Active	354,075	35,408
26	Torrance, City of (see Sewer system billing)*	Active		
27	Visalia, City of	Active	534,061	53,406
28	West Basin Municipal Water District	N/A	143,560	-
29	Willows, City of (see Sewer system billing)*	Active		
30	Young Nak/Prayer Mountain	Active	3,030	303
*	Sewer system billing (Chico, King City, Marysville, Torrance, Willows)	Active	250,046	25,005
	Job Orders (income from repairs charged to another party)	N/A	307,017	-
	Discounts from Vendors (for early payment)	N/A	5,451	-
	Dividend Revenue (credited by bank)	N/A	5	-
	Interest Revenue	N/A	16,965	-
	Other Income	N/A	4,283	-
	Lease of billboard sign	N/A	1,100	-

## Descriptions of Non-Tariffed Products & Services (“NTP&S”)

### 1) Antenna Leases (Multiple Cal Water Districts)

- Service:** Antenna leases (92 agreements with 14 mobile carriers)
- Description:** These antenna leases allow cellular service providers to install their antennas on Cal Water properties without interference to normal day-to-day operations. Cal Water has antenna leases in the following districts: Chico, Dixon, East Los Angeles, Hermosa Redondo, Livermore, Los Altos Suburban, Salinas, Mid-Peninsula (South San Francisco, San Carlos, San Mateo), Stockton, Visalia, Palos Verdes, Bear Gulch, and Rancho Dominguez.
- Cost Allocation:** The expenses Cal Water incurs to ensure equipment is safe and properly installed are directly charged to unregulated accounts. 30% of the gross revenues are allocated to ratepayers.

### 2) Bakersfield, City of (Bakersfield District)

- Service:** Operation, maintenance, and billing contract for water system (approximately 40,000 customers)
- Description:** In the Bakersfield area, both Cal Water and the City of Bakersfield own water systems that serve the population. This contract with the City of Bakersfield requires that Cal Water provides all qualified, trained and, if required, licensed and certified personnel, direct supervision, fully equipped vehicles, proper tools, equipment, fuels and various supplies to operate and maintain the City's system. Operation of the system includes treatment of water, transmission/distribution, repair of leaks, meter maintenance, meter reading, customer billing, and 24/7 on-call response.
- Cost Allocation:** Currently, all direct and indirect costs attributable to the contract are being fully allocated to unregulated accounts. By June 30, 2011, Cal Water will implement incremental cost allocation and revenue-sharing consistent with D.10-10-019, or will seek Commission authorization for an alternative cost allocation method.

### 3) Burlingame, City of (Cal Water's General Office)

- Service:** Lab services
- Description:** Cal Water furnishes personnel, services, and equipment necessary to provide drinking water testing and analysis for the City of Burlingame using methods approved by Department of Health Services for bacteriological samples from their distribution systems. Burlingame personnel take all samples and deliver them to Cal Water's Bayshore District Office, which in turn delivers them to the Water Quality Department in Cal Water's General Office. Approximately 10 to 12 samples per week are done for R2A HPC.
- This contract was signed by CWS Utility Services, Cal Water's unregulated affiliate. Now that Cal Water is authorized to perform unregulated activities, this agreement will be transferred to the utility by June 30, 2011.
- Cost Allocation:** Incremental costs are allocated to unregulated accounts, and 10% of gross revenues are shared with ratepayers.

**4) Camp Erwin Owen Contract (Kern River Valley District)**

**Service:** Observation and surveillance of well and chlorination system

**Description:** This contract with campground Camp Erwin Owen requires that we check the water system twice monthly, provide stand-by service 24/7 through a local answering service, act as the water system representative for Camp Erwin Owen in matters related to the Department of Health Services, procure and deliver monthly bacteriological samples, and prepare monthly reports.

**Cost Allocation:** Incremental costs are allocated to unregulated accounts, and 10% of gross revenues are shared with ratepayers.

**5) Castlewood (Livermore District)**

**Service:** Operation and maintenance contract for water and sewer systems (approximately 170 customers)

**Description:** The contract with the County of Alameda is to operate (and provide limited maintenance for) the Castlewood water and sewer systems. No billing services are provided.

This contract was signed by CWS Utility Services, Cal Water's unregulated affiliate. Now that Cal Water is authorized to perform unregulated activities, this agreement will be transferred to the utility by June 30, 2011.

**Cost Allocation:** Currently, all direct and indirect costs attributable to the contract are being fully allocated to unregulated accounts. Cal Water will implement incremental cost allocation and revenue-sharing consistent with D.10-10-019 when the agreement is transferred.

Current full cost allocation methodology: Cal Water directly charges to unregulated operations any service past the regulated meter. Employer payroll taxes and most employee benefits are allocated to the contract based upon the direct labor charged. Mileage is determined on a vehicle by vehicle basis and is allocated based upon the estimated miles driven. Any direct cost (i.e. repairs by a third party, etc.) is directly charged to the unregulated contract. Common district office costs are allocated to the contract based upon the relative percentage of customers. Some general office O&M expenses are allocated to the contract based upon revenue.

**6) Central Basin Municipal Water District/Rio Hondo (East Los Angeles District)**

**Service:** Operation and maintenance of recycled water system

**Description:** This agreement between the Central Basin Municipal Water District and Cal Water is for the operation and maintenance of a recycled water distribution system (in the Rio Hondo Reclamation Project area). In particular, Cal Water employs the equipment, personnel, facilities, expertise and capacity necessary to operate and maintain the Rio Hondo Pump Station, Cudahy Pump Station, Norwalk Boulevard Pressure Reducing Station and Distribution System. No billing services are provided.

**Cost Allocation:** Currently, all direct and indirect costs attributable to the contract are either passed on to Central Basin, or fully allocated to unregulated. Cal Water will

implement incremental cost allocation and revenue-sharing consistent with D.10-10-019 on or before June 30, 2011

**7) Chico, City of (Chico District)**

**Service:** Billing for sewer system (approximately 18,420 customers)

**Description:** The City of Chico owns and operates a sewer system. The City calculates sewer charges based upon water consumption, and Cal Water includes the sewer charges as a line item on the regulated water bills of its customers and processes payments.

This contract was signed by CWS Utility Services, Cal Water's unregulated affiliate. Now that Cal Water is authorized to perform unregulated activities, this agreement will be transferred to the utility by June 30, 2011.

**Cost Allocation:** There are few direct costs associated with this contract. To the extent that incremental costs from a separate mailing or additional postage fees are incurred, the additional costs are charged to the contract (i.e., allocated to non-regulated accounts). 10% of gross revenues are shared with ratepayers.

**8) Commerce, City of (East Los Angeles District)**

**Service:** Operation, maintenance, & billing for leased water system (approximately 1,200 customers)

**Description:** In mutual agreement with the City of Commerce, Cal Water performs all customary utility practices for Commerce residents that it would provide to regulated customers.

This contract was signed by CWS Utility Services, Cal Water's unregulated affiliate. Now that Cal Water is authorized to perform unregulated activities, this agreement will be transferred to the utility by June 30, 2011.

**Cost Allocation:** Currently, all direct and indirect costs attributable to the contract are being fully allocated to unregulated accounts. Cal Water will implement incremental cost allocation and revenue-sharing consistent with D.10-10-019 when the agreement is transferred.

Current full cost allocation methodology: Cal Water employees directly charge to unregulated accounts all labor associated with servicing the contract. Mileage is determined on a vehicle-by-vehicle basis and is allocated based upon the estimated miles driven multiplied by the mileage rate for the East Los Angeles District. Any direct costs (i.e. specific lab testing, repairs by a third party, postage, etc.) are also directly charged to the unregulated contract. Cal Water allocates common District Office costs to the contract based upon the relative percentage of unregulated customers. Included in this allocation are the costs of operating the customer service center minus those costs that are exclusively related to the regulated operations (example: bad debt expenses, collection activities, conservation, etc.). Some General Office operations and maintenance expenses are allocated to the contract based on the relative percentage of revenue. In addition, a portion of Information System (IS) labor and expense used for the customer billing process are allocated to the contract.

**9) Crane Ridge Mutual Water Company (Livermore District)**

Service: Operation, maintenance & billing for water system (approximately 25 customers)

Description: Cal Water operates and maintains a small water system owned by the Crane Ridge Mutual Water Company.

Cost Allocation: Currently, all direct and indirect costs attributable to the contract are being fully allocated to unregulated accounts. Cal Water will implement incremental cost allocation and revenue-sharing consistent with D.10-10-019 on or before June 30, 2011.

Current cost allocation methodology: Cal Water directly charges to the unregulated operations any service past the regulated meter. Cal Water allocates to the contract employee payroll taxes and employee benefits based upon the direct labor charged. Mileage is determined on a vehicle by vehicle basis and is allocated based upon the estimated miles driven multiplied by the mileage rate of Cal Water's Livermore District. Any direct cost (i.e. repairs by a third party, etc.) is directly charged to the unregulated contract. Cal Water allocates common District Office costs to the contract based upon the relative percentage of customers. Postage for mailing bills and special mailings to unregulated customers is charged to the Crane Ridge contract. Some General Office operations and maintenance expenses are allocated to the contract based on the relative percentage of revenue.

#### 10) Desalter Project (Dominguez District)

Service: Land leased to third party

Description: This contract is an agreement between West Basin Municipal Water District and Cal Water's Dominguez District. West Basin constructed a desalination project on land leased from the Dominguez District (formerly the Dominguez Water Corporation). West Basin installed a reverse osmosis unit to treat two wells with brackish water content. Cal Water operates the project, obtains water from the project, and receives monthly lease amounts from West Basin.

Cost Allocation: Currently, all direct and indirect costs attributable to the contract are either passed on to West Basin, or fully allocated to unregulated. Cal Water will implement incremental cost allocation and revenue-sharing consistent with D.10-10-019 on or before June 30, 2011.

#### 11) Durham Irrigation District (Chico District)

Service: Operation and maintenance of water system (approximately 450 customers)

Description: Cal Water operates and maintains a water system owned by the Durham Irrigation District. No billing services are provided.

Cost Allocation: Incremental costs are allocated to unregulated accounts, and 10% of gross revenues are shared with ratepayers.

#### 12) Foothill Estates (Salinas District)

Service: Operation and maintenance of water system

Description: Cal Water operates and provides limited maintenance for a water system owned by land developer Foothill Estates. No billing services are provided.



**Cost Allocation:** Currently, all direct and indirect costs attributable to the contract are being fully allocated to unregulated accounts. Additional services such as water quality service, extraordinary maintenance, emergency work, and capital improvements are charged directly to the contract. Cal Water will implement incremental cost allocation and revenue-sharing consistent with D.10-10-019 on or before June 30, 2011.

**13) Great Oaks Water Company (General Office)**

**Service:** Lab services

**Description:** Cal Water furnishes the personnel, services, and equipment necessary to provide drinking water testing and analysis for Great Oaks Water Company using methods approved by Department of Health Services for bacteriological samples from Great Oaks' distribution systems.

This contract was signed by CWS Utility Services, Cal Water's unregulated affiliate. Now that Cal Water is authorized to perform unregulated activities, this agreement will be transferred to the utility by June 30, 2011.

**Cost Allocation:** Incremental costs are allocated to unregulated accounts, and 10% of gross revenues are shared with ratepayers.

**14) Hawthorne, City of (Rancho Dominguez District)**

**Service:** Operation, maintenance & billing for leased water system (approximately 6,000 customers)

**Description:** Cal Water leases the City of Hawthorne's water system and groundwater and furnishes water service to the City's customers. Cal Water performs all customary utility practices that it would provide to regulated customers and in mutual agreement with the City of Hawthorne.

**Cost Allocation:** Currently, all direct and indirect costs attributable to the contract are being fully allocated to unregulated accounts. Cal Water will implement incremental cost allocation and revenue-sharing consistent with D.10-10-019 on or before June 30, 2011.

Current full cost allocation methodology: Cal Water employees directly charge to unregulated accounts all labor associated with servicing the contract. Mileage is determined on a vehicle-by-vehicle basis and is allocated based upon the estimated miles driven multiplied by the mileage rate for the Rancho Dominguez District. Any direct costs (i.e. specific lab testing, repairs by a third party, postage, etc.) are also directly charged to the unregulated contract. Cal Water allocates common District Office costs to the contract based upon the relative percentage of unregulated customers. Included in this allocation are the costs of operating the customer service center minus those costs that are exclusively related to the regulated operations (example: bad debt expenses, collection activities, conservation, etc.). Some General Office operations and maintenance expenses are allocated to the contract based on the relative percentage of revenue. In addition, a portion of Information System (IS) labor and expense used for the customer billing process are allocated to the contract.

**15) Home Service USA Corp (General Office)**

**Service:** Marketing, billing, and associated services

**Description:** Cal Water provides marketing mailings, billing, accounting, accounts payable, cash receipts, and reporting for programs for CWS Utility Services (CWSUS), an affiliate of Cal Water. These services enable Utility Services to contract with Home Service USA Corp (also known as Home Emergency Insurance Solutions) to offer residential emergency home warranty repair services.

This contract was signed by CWS Utility Services, Cal Water's unregulated affiliate. Now that Cal Water is authorized to perform unregulated activities, this agreement will be transferred to the utility by June 30, 2011. In addition, the terms of the contract are in the process of being renegotiated for compliance with the new Affiliate Transaction Rules, effective June 30, 2011.

**Cost Allocation:** All direct and incremental indirect costs attributable to the contract are allocated to unregulated accounts, and 10% of gross revenues that CWSUS receives are shared with ratepayers.

**16) King City (King City District)**

**Service:** Billing for sewer system (approximately 2,400 customers)

**Description:** Cal Water bills the monthly sewer service charge for the City of King as an additional separate line on the monthly water bill of Cal Water's regulated customers, and processes payments. Water consumption data is used to calculate monthly sewer charges as directed by the City of King.

This contract was signed by CWS Utility Services, Cal Water's unregulated affiliate. Now that Cal Water is authorized to perform unregulated activities, this agreement will be transferred to the utility by June 30, 2011.

**Cost Allocation:** Incremental costs are allocated to unregulated accounts, and 10% of gross revenues are shared with ratepayers.

**17) Marysville, City of (Marysville District)**

**Service:** Billing for sewer system (approximately 3,630 customers)

**Description:** Cal Water bills the monthly sewer service charge for the City of Marysville as an additional separate line on the monthly water bill of Cal Water's regulated customers, and processes payments. Water consumption data is used to calculate monthly sewer charges as directed by the City of Marysville.

This contract was signed by CWS Utility Services, Cal Water's unregulated affiliate. Now that Cal Water is authorized to perform unregulated activities, this agreement will be transferred to the utility by June 30, 2011.

**Cost Allocation:** Incremental costs are allocated to unregulated accounts, and 10% of gross revenues are shared with ratepayers.

**18) Menlo Park, City of (Bear Gulch District)**

**Service:** Meter reading, billing, and customer service (approximately 4,200 customers)

**Description:** Cal Water reads the 4,200 City of Menlo Park meters on a monthly basis and provides billing and collections services. During the course of the business day, Customer Service Representatives answer customer inquiries regarding typical

water system questions. For system operation and maintenance inquiries (such as a leak), separate work orders are directed to City staff. For service issues, Cal Water performs investigations where needed. After-hours issues are handled by the City.

This contract ended in April 2010.

Cost Allocation: All direct and indirect costs attributable to the contract were being fully allocated to unregulated accounts.

**19) Montebello, City of (East Los Angeles District)**

Service: Operation, maintenance & billing for water system (approximately 1,600 customers)

Description: For the water system owned by the City of Montebello, Cal Water performs the following services: operations, billing and collections, customer service, accounts payable and accounts receivable.

Cost Allocation: Currently, unregulated costs are being fully allocated to unregulated accounts. Cal Water will implement incremental cost allocation and revenue-sharing consistent with D.10-10-019 on or before June 30, 2011.

Current full cost allocation methodology: Cal Water employees directly charge to unregulated accounts all labor associated with servicing the contract. Mileage is determined on a vehicle-by-vehicle basis and is allocated based upon the estimated miles driven multiplied by the mileage rate for the Rancho Dominguez District. Any direct costs (i.e. specific lab testing, repairs by a third party, postage, etc.) are also directly charged to the unregulated contract. Cal Water allocates common District Office costs to the contract based upon the relative percentage of unregulated customers. Included in this allocation are the costs of operating the customer service center minus those costs that are exclusively related to the regulated operations (example: bad debt expenses, collection activities, conservation, etc.). Some General Office operations and maintenance expenses are allocated to the contract based on the relative percentage of revenue. In addition, a portion of Information System (IS) labor and expense used for the customer billing process are allocated to the contract.

**20) Mountain Mesa Water Company (Kern River Valley District)**

Service: Operation, maintenance & billing for water system (approximately 370 customers)

Description: For the water system owned by Mountain Mesa Water Company, Cal Water performs the following services: operations, billing and collections, customer service, accounts payable and accounts receivable.

Cost Allocation: Incremental costs are allocated to unregulated accounts, and 10% of gross revenues are shared with ratepayers.

**21) Riverkern Mutual Water Company (Kern River Valley District)**

Service: Operation and maintenance for water system

Description: Cal Water operates and maintains a water system owned by Riverkern Mutual Water Company. No billing services are provided.

Cost Allocation: Incremental costs are allocated to unregulated accounts, and 10% of gross revenues are shared with ratepayers.

**22) Rural North Vacaville Water District (Dixon District)**

Service: Operation, maintenance & billing for water system (approximately 500 customers)

Description: For the water system owned by the Rural North Vacaville Water District, Cal Water performs the following services: operations, billing and collections, customer service, accounts payable and accounts receivable.

This contract was signed by CWS Utility Services, Cal Water's unregulated affiliate. Now that Cal Water is authorized to perform unregulated activities, this agreement will be transferred to the utility by June 30, 2011.

Cost Allocation: Incremental costs are allocated to unregulated accounts, and 10% of gross revenues are shared with ratepayers.

**23) San Jose Water Company (General Office)**

Service: Lab services

Description: Cal Water furnishes the personnel, services, and equipment necessary to provide drinking water testing and analysis for San Jose Water Company using methods approved by Department of Health Services for bacteriological samples from San Jose Water's distribution systems.

This contract ended in January 2010.

Cost Allocation: Incremental costs were allocated to unregulated accounts, and 10% of gross revenues were shared with ratepayers.

**24) Stockton, City of (Stockton District)**

Service: Billing for several city services (approximately 38,000 customers)

Description: The City of Stockton provides wastewater, storm water, garden refuse, and solid waste collection services to residents and businesses in and about the City of Stockton. Cal Water lists these charges as separate line items on the monthly bills to regulated customers, and processes payments.

This contract was signed by CWS Utility Services, Cal Water's unregulated affiliate. Now that Cal Water is authorized to perform unregulated activities, this agreement will be transferred to the utility by June 30, 2011.

Cost Allocation: Cal Water employees directly charge to unregulated accounts all direct costs and labor associated with servicing the contract. Some General Office operations and maintenance expenses are allocated to the contract based upon the relative percentage revenue. A portion of Information System (IS) labor and expense are also allocated to the contract. 10% of gross revenues are shared with ratepayers.

**25) Tejon-Castac Water District (Bakersfield District)**

**Service:** Operation, maintenance, and billing for water and wastewater systems (approximately 14 customers)

**Description:** For the water and wastewater systems owned by the Tejon-Castac Water District, Cal Water performs the following services: operations, billing and collections, customer service, accounts payable and accounts receivable.

This contract was signed by CWS Utility Services, Cal Water's unregulated affiliate. Now that Cal Water is authorized to perform unregulated activities, this agreement will be transferred to the utility by June 30, 2011.

**Cost Allocation:** Incremental costs are allocated to unregulated accounts, and 10% of gross revenues are shared with ratepayers.

**26) Torrance, City of (Dominguez and Hermosa-Redondo Districts)**

**Service:** Billing for sewer system (approximately 9,800 customers)

**Description:** Cal Water bills the monthly sewer service charge for the City of Torrance as a separate line on the monthly water bill of Cal Water's regulated customers, and processes customer payments. This contract is for customers in Cal Water's Dominguez and Hermosa-Redondo Districts.

This contract was signed by CWS Utility Services, Cal Water's unregulated affiliate. Now that Cal Water is authorized to perform unregulated activities, this agreement will be transferred to the utility by June 30, 2011.

**Cost Allocation:** Incremental costs are allocated to unregulated accounts, and 10% of gross revenues are shared with ratepayers.

**27) Visalia, City of (Visalia District)**

**Service:** Billing for various city services (approximately 38,000 customers)

**Description:** Cal Water bills regulated customers for city-imposed sewer, garbage and other city services. Cal Water also sends special mailings and processes payments.

This contract was signed by CWS Utility Services, Cal Water's unregulated affiliate. Now that Cal Water is authorized to perform unregulated activities, this agreement will be transferred to the utility by June 30, 2011.

**Cost Allocation:** Cal Water employees directly charge to unregulated accounts all direct costs and labor associated with servicing the contract, as well as one half of the monthly salary for a Customer Service Representative 5. Cal Water allocates common District Office costs to the contract based upon the relative percentage of unregulated customers. Some General Office operations and maintenance expenses are allocated to the contract based on the relative percentage of revenue. In addition, a portion of Information System (IS) labor and expense used for the customer billing process are allocated to the contract. 10% of gross revenues are shared with ratepayers.

**28) West Basin Municipal Water District (Hermosa-Redondo District)**

**Service:** Operation and maintenance of recycled water system

**Description:** The West Basin Municipal Water District owns recycled water distribution systems. Cal Water provides labor, materials, transportation and equipment necessary to perform basic operation and maintenance of the systems. The services include being available to inspect, operate, test maintain and repair the distribution system, on a 24-hour day, 7-day a week basis. Cal Water annually recommends and informs West Basin if capital improvements are needed, and performs any emergency services needed to protect health, safety, and property. Cal Water is also responsible for regulatory compliance work. No billing services are provided.

**Cost Allocation:** Currently, all direct and indirect costs attributable to the contract are either passed on to West Basin, or fully allocated to unregulated. Cal Water will implement incremental cost allocation and revenue-sharing consistent with D.10-10-019 on or before June 30, 2011.

**29) Willows, City of (Willows District)**

**Service:** Billing for sewer system (approximately 235 customers)

**Description:** Cal Water bills the monthly sewer service charge for the City of Willows as a separate line on the monthly water bill of Cal Water's regulated customers, and processes customer payments.

This contract was signed by CWS Utility Services, Cal Water's unregulated affiliate. Now that Cal Water is authorized to perform unregulated activities, this agreement will be transferred to the utility by June 30, 2011

**Cost Allocation:** Incremental costs are allocated to unregulated accounts, and 10% of gross revenues are shared with ratepayers.

**30) Young Nak/Prayer Mountain (Antelope Valley District)**

**Service:** Chlorine Inspection and Testing

**Description:** Under a contract between Young Nak and Cal Water, Cal Water conducts weekly chlorine inspection and testing, and associated activities, for a well located in the Prayer Mountain area. (Note that this contract ended in January 2011.)

**Cost Allocation:** Incremental costs are allocated to unregulated accounts, and 10% of gross revenues are shared with ratepayers.

## **Regulated Assets Used in NTP&S Projects**

Cal Water's non-tariffed products and services ("NTP&S") projects generally fall within the below categories. For each category, the regulated assets used for the projects are identified. All of the activities involve the asset of human labor. The personnel time spent on unregulated activities is provided separately.

### **A) Antenna Leases**

Antennas for mobile communications are usually mounted on elevated water tanks, co-located on utility poles with Cal Water communications facilities, or installed on the grounds of tank sites. No other regulated assets are generally used in antenna lease contracts. Cal Water employees perform visual inspections of new and modified installations, but all other activities (permitting, installation, maintenance, and security) are performed by antenna owners.

### **B) Operation and Maintenance ("O&M") Contracts**

Under these contracts, Cal Water fully operates and maintains an unregulated water and/or sewer system through a service contract, or through a lease of the system. Some of these O&M contracts include billing and meter-reading services, and some do not. For contracts including billing and meter-reading, see the regulated assets described under the section for "Billing and Meter-Reading Contracts."

The regulated assets used for O&M contracts include:

- General office equipment and buildings for operations and customer service
- Customer service computer systems – automated systems that direct customer inquiries
- Mainframe and distributed computing hardware and software – for facilities monitoring and controls, communications, corporate support
- Heavy machinery, miscellaneous machinery
- Warehousing facilities
- Field instrumentation tools, sampling equipment, chemicals
- Miscellaneous mechanical hand and power tools
- Vehicles, fleet management system
- Landline and mobile communications equipment

### **C) Billing and Meter-Reading Contracts**

Under these contracts, Cal Water provides meter-reading and billing for unregulated services that may include water service, sewer service, refuse (trash) service, and other city services.

For the billing of unregulated services provided in Cal Water's regulated territory, billing activities consist of adding line item charges to regulated bills, and collecting and processing payments. For billing in unregulated systems that Cal Water operates and maintains, billing activities consist of the calculation, preparation, and mailing of bills, as well as the collection and processing of payments. In both situations, excess capacity contracts for billing and meter-reading include the use of the following regulated assets:

- General office equipment and buildings for customer service, bill preparation, and payment processing
- Customer service computer systems – automated systems that direct customer inquiries
- Vehicles
- Landline and mobile communications equipment
- Hand-held meter-reading devices
- RMS Billing System – computer system that maintains customer information
- Printing machines – machines that print utility bill statements

- Bill insertion machines – machines for inserting customer bills into mailing envelopes
- Cash remittance equipment – sorts and opens payment envelopes, extracts payments

#### **D) Lab Services Contracts**

Cal Water provides water quality testing laboratory services to third parties. These contracts include the use of the following regulated assets:

- General office equipment
- Laboratory
- Lab equipment, chemicals

In addition to laboratory services, Cal Water also conducts field inspections and sampling for some contracts, which include the use of the following regulated assets:

- Field instrumentation tools, sampling equipment
- Vehicles

#### **E) Home Service USA Contract**

For the contract with Home Service USA, Cal Water uses the billing-related regulated assets discussed above under "Billing and Meter-Reading Contracts" to add line item charges for Home Service products to regulated bills.

Under the contract that is in the process of being renegotiated, Cal Water also used those assets to insert written Home Service materials into bills, and provided customer addresses under confidential seal to a third-party vendor that provided direct-mailing services to Home Service. An employee with Cal Water's affiliate, CWS Utility Services, reviewed all materials sent to Cal Water customers to ensure that the content was neither confusing nor inappropriate, and monitors Home Service customer complaints and satisfaction.

This contract will be transferred from CWS Utility Services to Cal Water, and the billing activities will be conducted consistent with the new rules for non-tariffed products and services (contained in the new Affiliate Transaction Rules, effective June 30, 2011). In addition, the marketing aspects of the current contract have been suspended pending negotiation of terms that are consistent with the new NTP&S rules.



Allocation of CWS Employees to Unregulated Contracts					
Dept ID	General Office Position	% of Time on Contracts	Dept ID	Field Office Position	% of Time on Contracts
	Vice-President, Corporate Development	10%	101	Acting Supt-Production	0.4%
	Senior Developer	17%	101	Acting Supt-Production	26%
	Senior Developer	5%	101	CBK General Foreman	82%
	Senior Developer	5%	101	Cert Pump Operator-Opers Clerk	29%
	Senior Clerk	1%	101	Certified Chief Pump Operator	31%
	Regulatory Counsel	1%	101	Certified Pump Operator	0.1%
	Regulatory Analyst	2%	101	Certified Pump Operator	1%
	Regulatory Analyst	1%	101	Certified Pump Operator	12%
	Regulatory Analyst	1%	101	Certified Pump Operator	16%
	Regulatory Analyst	1%	101	Certified Pump Operator	20%
	Operations Manager	10%	101	Certified Pump Operator	24%
	Financial Analyst	40%	101	Certified Pump Operator	30%
	Director Corporate Development & Real Estate	10%	101	Certified Pump Operator	35%
	Developer	10%	101	Certified Pump Operator	54%
	Department	14%	101	Certified Pump Operator	76%
	Corporate Secretary	5%	101	Certified Pump Operator Acting	43%
	Consolidation Supervisor	15%	101	Collector	16%
	Business Development Mgr. - Cell Site Leases	100%	101	Collector	30%
	Billing Manager	20%	101	Collector Acting	8%
	Vice-President, Regulatory & Corp. Relations	1%	101	Collector Acting	10%
	Vice-President, Cust Svc, H.R., I.T.	1%	101	Customer Service Rep 3	43%
	Vice-President, Operations	<1%	101	Customer Service Rep 5 Acting	12%
	VP, CFO, & Treasurer	<1%	101	District Manager	3%
	Corporate Controller	<1%	101	Foreman	0.1%
	Vice-President, Engineering & Water Quality	<1%	101	Foreman	2%
			101	Foreman	2%
Dept ID	Field Office Position	% of Time on Contracts	101	Foreman	2%
102	Assistant District Manager	0.2%	101	Foreman	3%
102	Meter Reader	3%	101	Foreman	4%
102	Meter Reader	3%	101	Foreman	8%
102	Meter Reader	1.1%	101	Foreman	9%
102	Serviceperson	4%	101	Foreman	10%
104	Customer Service Rep 2	1%	101	Foreman	10%
104	Customer Service Rep 2	3%	101	Foreman	13%
104	Customer Service Rep 3	0.4%	101	Foreman	70%
104	Customer Service Rep 3	1%	101	Foreman - Pump & Electrical Ma	0.1%
104	Utility Worker	0.4%	101	Foreman - Pump & Electrical Ma	19%
105	Customer Service Rep 3	3%	101	Foreman-Construction & Operati	29%
105	Customer Service Rep 4	28%	101	General Foreman	5%
105	Local Manager	1%	101	Inspector	13%
105	Serviceperson	0.1%	101	Inspector	18%
105	Serviceperson	19%	101	Inspector	35%
105	Serviceperson-Inspector	5%	101	Laborer	3%
110	Certified Pump Operator	0.1%	101	Laborer	3%
110	Certified Pump Operator	0.3%	101	Laborer	10%
110	Collector-Meter Reader	0.2%	101	Laborer	15%
110	Customer Service Manager	1%	101	Laborer	17%
110	Customer Service Rep 2	2%	101	Laborer	26%
110	Customer Service Rep 3	0.05%	101	Locator-Inspector	76%
110	Customer Service Rep 4	0.05%	101	Meter Reader	0.2%
110	Customer Service Rep 4	0.1%	101	Meter Reader	9%
110	District Manager	0.1%	101	Meter Reader	24%
110	General Foreman	1%	101	Meter Reader	31%
110	Laborer II	0.05%	101	Meter Reader	34%
110	Laborer II	0.1%	101	Meter Reader	37%
110	Laborer II	1%	101	Meter Reader	37%
110	Operation Maintenance Worker	0.1%	101	Meter Reader	37%
110	Operation Maintenance Worker	0.5%	101	Meter Reader	39%
110	Operation Maintenance Worker	1%	101	Meter Reader	40%
110	Operation Maintenance Worker	2%	101	Meter Reader	43%
110	Operation Maintenance Worker	19%	101	Meter Reader Acting	33%
110	Storekeeper-Opers Clerk	0.1%	101	Meter Repairperson	40%
110	Storekeeper-Opers Clerk	0.4%	101	Meter Repairperson	53%
110	UW/Relief Certified Pump Opera	0.05%	101	Operation Maintenance Worker	9%
110	UW/Relief Certified Pump Opera	2%	101	Operation Maintenance Worker	26%
110	UW/Relief Certified Pump Opera	2%	101	Serviceperson	0.5%
110	UW/Relief Certified Pump Opera	3%	101	Serviceperson	3%
110	UW/Relief Certified Pump Opera	5%	101	Serviceperson	5%
110	UW/Relief Certified Pump Opera	8%	101	Serviceperson	25%
113	Foreman-Operation & Maint	0.05%	101	Serviceperson	79%
113	Laborer	0.1%	101	Serviceperson-Inspector	6%

			Dept ID	Field Office Position	% of Time on Contracts
114	Acting Supt-Construction	2%	101	Storekeeper	1%
114	Certified Pump Operator	0.2%	101	Supt-Construction	21%
114	Certified Pump Operator	1%	101	Supt-Construction, Prod Sys	0.5%
114	Certified Pump Operator	2%	101	Supt-Operations	31%
114	Certified Pump Operator	2%	101	Supt-Production	27%
114	Certified Pump Operator	3%	101	Treatment Plant Oper Grd II	8%
114	Certified Pump Operator	3%	101	Treatment Plant Oper Grd III	5%
114	Foreman	0.2%	101	Treatment Plant Oper Grd III	17%
114	Foreman - Pump & Electrical Ma	3%	101	Utility Worker	12%
114	Laborer	0.02%	101	Utility Worker	15%
114	Serviceperson-Collector	0.2%	101	Utility Worker	18%
119	Customer Service Rep 5	8%	101	Utility Worker	21%
119	Customer Service Rep 5	9%	101	Utility Worker	22%
119	Customer Service Rep 5	41%	101	Utility Worker	27%
119	Customer Service Rep 5	45%	101	Utility Worker	37%
119	Customer Service Rep 5	45%	101	Utility Worker Acting	16%
119	Customer Service Rep 5	45%	101	Utility Worker Acting	40%
119	Customer Service Rep 5	48%	101	Waste Water TPO Grd II	132%
119	Customer Service Rep 5	48%	101	Waste Water TPO Grd III	95%
119	General Superintendent	2%	108	Cert Pump Operator-Opers Clerk	11%
120	Administrative Assistant	6%	106	Certified Chief Pump Operator	0.2%
120	Customer Service Manager	11%	106	Certified Pump Operator	1%
120	Customer Service Rep 2	8%	106	Certified Pump Operator	1%
120	Customer Service Rep 3	0.3%	106	Certified Pump Operator	2%
120	Customer Service Rep 3	11%	106	Certified Pump Operator	9%
120	Customer Service Rep 4	10%	106	Certified Pump Operator	11%
120	Customer Service Rep 4	11%	106	Certified Pump Operator	16%
120	Customer Service Rep 4	11%	106	Certified Pump Operator Acting	1%
120	Customer Service Rep 4	11%	106	District Manager	1%
120	Customer Service Rep 5	2%	106	Foreman	1%
120	Customer Service Rep 5	6%	108	Foreman	3%
120	Customer Service Rep 5	6%	106	General Foreman	1%
120	Customer Service Rep 5	9%	106	Locator-Inspector	2%
120	Customer Service Rep 5	11%	108	Meter Reader	1%
120	Customer Service Rep 5	11%	108	Meter Reader	1%
120	District Manager	2%	106	Meter Reader	5%
134	Customer Service Rep 3	2%	106	Operation Maintenance Worker	1%
134	Customer Service Rep 3	3%	108	Serviceperson	1%
134	Pump Operator	0.05%	106	Serviceperson-Inspector	1%
134	Pump Operator	0.3%	106	Serviceperson-Inspector	2%
134	Pump Operator	1%	106	Storekeeper	1%
134	Pump Operator	1%	106	Supt-Distribution	0.3%
134	Pump Operator	1%	106	Supt-Production	1%
134	Pump Operator	2%	106	Utility Worker	0.2%
134	Pump Operator	21%	106	Utility Worker	0.3%
134	Treatment Plant Oper Grd III	1%	106	Utility Worker	1%
134	Treatment Plant Oper Grd III	1%	108	Utility Worker Acting	4%
134	Treatment Plant Oper Grd III	5%	106	UW/Relief Certified Pump Opera	2%
146	UW/Relief Certified Pump Opera	0.1%	106	UW/Relief Certified Pump Opera	4%
146	UW/Relief Certified Pump Opera	25%	129	Serviceperson-Inspector	1%

**Annual Report of California Water Service Company  
to the California Public Utilities Commission**

**ATTACHMENT B**

**BIENNIAL AFFILIATE COMPLIANCE PLAN  
OF  
CALIFORNIA WATER SERVICE COMPANY (U-60-W)**

Affiliate Transaction Rules (D.10-10-019)

Effective June 30, 2011

(Submitted March 2011)

## INTRODUCTION

In compliance with Rule VIII.C of the California Public Utilities Commission's ("CPUC's") Rules for Water and Sewer Utilities Regarding Affiliate Transactions and the Use of Regulated Assets for Non-Tariffed Utility Services adopted in D.10-10-019, CALIFORNIA WATER SERVICE COMPANY ("Cal Water") has prepared and files this 2011 Affiliate Rules Compliance Plan ("2011 Plan"), which reflects the current status of its efforts to comply with the Affiliate Transactions Rules ("Rules" or "ATRs").

Cal Water submits the following Compliance Plan ("Plan") to comply with the Affiliate Transaction Rules for Class A and B Water Companies adopted by the CPUC in D.10-10-019. Cal Water's Plan includes a variety of procedures and mechanisms for implementation and compliance with these Rules, which when taken as a whole, will provide a comprehensive approach to ATRs compliance. Although not specifically described in the Plan, all Rules will be implemented by means of a combination of one or more of the following:

- Development and distribution of written policies and procedures;
- Education, training for and communications to employees of Cal Water and Cal Water affiliates;
- Collection of companywide records for required reports and reviews;
- Monitoring affiliate transactions and overall compliance on a continuing basis; and
- Additional training and corrective actions as needed

Cal Water's Rates Department will implement this Plan. The Rates Department will be responsible for issuing periodic memoranda to Cal Water's parent company, California Water Service Group ("CWS Group"), and its subsidiaries governed by these Rules. These memoranda outline the importance of complying with the Rules and may include corporate policy statements. The policy statements clearly articulate what Cal Water employees must do to ensure compliance with the Rules. Among the compliance tools that the Rates Department will use are: employee education and training; a document that describes certain policies and procedures governing affiliate transactions; preparing compliance reports for the Division of Water & Audits, as prescribed; and ongoing internal reviews of compliance with the ATRs.

In the following pages, each Rule is shown in bold type. Following each Rule, in normal type, is Cal Water's Plan (where applicable).

Cal Water will have in place, as of June 30, 2011, the following specific mechanisms and procedures to fully implement these Rules:

- (1) Written policies, which are disseminated to employees of Cal Water and those subsidiaries that are governed by these Rules, and which describe these Rules and their obligations hereunder;

- (2) Employees of Cal Water who provide permitted corporate support or shared services, and who have access to non-public utility information, shall be required to sign a statement that they are aware of, have read, and will follow all written policies regarding limitations on the use of non-public Cal Water information, and that failure to observe these limitations in the future will result in subjecting them to corporate discipline policies;
- (3) All support personnel, services, physical plant, equipment, supplies, and other overhead owned by and used by CWS Group shall be charged to CWS Group, as appropriate;
- (4) All corporate support services rendered by Cal Water employees to affiliates shall be charged to the affiliates receiving the services in accordance with the affiliate transactions procedures;
- (5) Periodic training and reminders regarding the Rules will be provided to the employees of Cal Water and affected affiliates;
- (6) Cal Water employee transfers to affiliates will be tracked by Cal Water to ensure that they conform to the Rules;

The undersigned verify the adequacy of these specific mechanisms to ensure that the utility is not utilizing the parent company or any of its affiliates not covered by these Rules as a conduit to circumvent any of these Rules:

/s/ THOMAS F. SMEGAL

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Thomas F. Smegal  
Vice President, Regulatory and Corporate Relations  
California Water Service Company

## Affiliate Transaction Rules Applicable to Class A and B Water Utilities

### **RULE I. Jurisdiction and Applicability**

#### **I.A.**

**These Rules apply to all Class A and Class B California public utility water and sewer corporations or companies subject to regulation by the California Public Utilities Commission (Commission).**

**Cal Water Compliance:** As a Class A water utility subject to Commission regulation, Cal Water affirms that these Rules will apply to it and its employees when they become effective. Cal Water will have appropriate procedures and mechanisms to ensure compliance with these Rules in place when the Rules go into effect. Cal Water's training materials and resources will reference the respective compliance requirements associated with each rule.

#### **I.B.**

**These Rules apply to transactions between a Commission-regulated utility and another affiliated entity that is engaged in the provision of products that use water or sewer services or the provision of services that relate to the use of water or sewer services, including the utility's parent company, and to the utility's use of regulated assets for non-tariffed utility services, unless specifically modified or exempted by the Commission. Transactions between a Commission-regulated utility and an affiliated utility regulated by a state regulatory commission (whether the utility is located in California or elsewhere) are exempt from these Rules, except for provisions of Rule IV.B and Rule X.**

**Cal Water Compliance:** Cal Water affirms that these Rules will apply to transactions with its covered affiliates. Under the definition of "affiliate" in Rule II.E, the following entities are affiliates of Cal Water, the regulated utility:

- **California Water Service Group ("CWS Group"):** Cal Water's holding company, and the parent company for all affiliates listed here.
  - o Transactions between Cal Water and CWS Group are subject to these Rules.
- **Hawaii Water Service Company:** a regulated utility that provides service to water and wastewater customers on the islands of Maui and Hawaii.
  - o Transactions between Cal Water and Hawaii Water Service Company are exempt from these Rules per Rule I.B.
- **New Mexico Water Service Company:** a regulated utility that provides service to water and wastewater customers in New Mexico.
  - o Transactions between Cal Water and New Mexico Water Service Company are exempt from these Rules per Rule I.B.
- **Washington Water Service Company:** a regulated utility that provides domestic water service in Washington State.

- Transactions between Cal Water and Washington Water Service Company are exempt from these Rules per Rule I.B.
- **CWS Utility Services (“CWSUS”)**: an unregulated company in California that facilitates the provision of insurance products offered by Home Service USA to Cal Water’s customers.
  - Transactions between Cal Water and CWSUS are subject to these Rules.
- **HWS Utility Services (“HWSUS”)**: an unregulated company in Hawaii that provides unregulated waste and wastewater services.
  - Per Rule I.H (see below discussion), transactions between Cal Water and HWS Utility Services are subject to these Rules except for Rules III.B and III.C.

**Transactions with regulated affiliates:** Rule I.B specifically exempts from these Rules (except for Rule IV.B and Rule X) any transactions between the utility and “an affiliated utility regulated by a state commission.” Accordingly, transactions between Cal Water and its regulated affiliates in Hawaii, New Mexico, and Washington State are exempt from these rules.

**Transactions with affiliates outside of California that do not substantially affect Cal Water’s operations or operating costs:** Consistent with Rule I.H, HWS Utility Services operates entirely outside of California, and the few transactions between HWS Utility Services and Cal Water do not substantially affect Cal Water’s operations or operating costs. Such transactions are therefore exempt from Rules III.B and III.C regarding “Utility Operations and Service Quality.”

Cal Water reserves the right to reclassify an affiliate as the activities of that affiliate dictate.

**I.C.**

**Utilities shall comply with all applicable State and Federal statutes, laws and administrative regulations.**

Cal Water Compliance: Cal Water affirms that it is in compliance with all applicable State and Federal statutes, laws, and administrative regulations to which it is subject.

**I.D.**

**Existing Commission rules for each utility and its parent company continue to apply except to the extent they conflict with these Rules. In such cases, these Rules supersede prior rules and guidelines, provided that nothing herein shall preclude (1) the Commission from adopting other utility-specific guidelines; or (2) a utility or its parent company from adopting other utility-specific guidelines, with advance Commission approval through Decision or Resolution. In the case of ambiguity regarding whether a conflict exists, there shall be a rebuttable presumption that these Rules apply.**

Cal Water Compliance: Cal Water affirms that existing Commission rules for Cal Water and CWS Group continue to apply except to the extent that they conflict with these Rules.

**I.E.**

**Where these Rules do not address an item currently addressed in a utility's existing rules imposed by this Commission, which govern that utility's transactions with its affiliate(s) or its use of regulated assets for non-tariffed utility services, the existing utility-specific rules continue to apply for that item only.**

Cal Water Compliance: In D.97-12-011, the Commission approved Cal Water's current holding company structure. Attachment A to that decision contained a Settlement Agreement with certain requirements. Requirements from that Settlement Agreement that are not addressed by these Rules include the following:

**From Section IV. Annual Report**

A. The annual consolidated financial statements of the Holding Company as reported on Form 10K to the Securities and Exchange Commission. The Utility shall also provide workpapers that reconcile the Holding Company's Form 10K filing with the Holding Company's, the Utility's and each affiliate's general ledgers for the previous calendar year.

**From Section IV. Annual Report**

C. A copy of all periodic reports filed with the Securities and Exchange Commission during the previous year.

**Section V. Capital Requirements**

The capital requirements of the Utility shall be given first priority by the Utility and the Holding Company's boards of directors.

**VI. Capital Structure Of The Utility**

The Utility shall maintain a balanced capital structure consistent with that determined to be reasonable by the Commission in its most recent decision on the Utility's capital structure and, to the extent the Commission determines that the Utility has not maintained a reasonable capital structure, the Holding Company shall provide or cause to be provided equity capital to restore such capital structure.

**IX. Dividend Policy**

The dividend policy of the Utility will continue to be established by the Utility's board of directors as though the Utility were a stand-alone utility company

**I.F.**

**These Rules do not preclude or stay any form of civil relief, or rights or defenses thereto, that may be available under state or federal law.**

Cal Water Compliance: Cal Water affirms that these Rules do not preclude or stay any form of civil relief, or rights or defenses thereto, that may be available under state or federal law.

**I.G.**

**A California utility that is also a multi-state utility and subject to the jurisdiction of other state regulatory commissions, may file an application with this Commission, served on all parties to this proceeding and its most recent general rate case, requesting a limited**



**exemption from these Rules or a part thereof, for transactions between the utility solely in its capacity serving its jurisdictional areas wholly outside of California, and its affiliates if such out-of-state operations do not substantially affect the utility's operations and the operating costs inside California. The applicant has the burden of proof.**

Cal Water Compliance: Cal Water notes that Rule I.G does not apply to it.

**I.H.**

**A California utility's affiliates that operate entirely outside of California are exempt from Rule III.B and Rule III.C of these Rules, for transactions between the utility and such affiliates, if the affiliates' operations do not substantially affect the utility's operations and the operating costs inside California.**

Cal Water Compliance: See the discussion under Rule I.B.

**I.I.**

**These Rules shall be interpreted broadly, to effectuate the Commission's stated objectives of protecting consumer and ratepayer interests and, as an element thereof, preventing anti-competitive conduct.**

Cal Water Compliance: Cal Water affirms that, for its particular circumstances, application of these Rules, broadly interpreted, will protect consumer and ratepayer interests and will prevent anti-competitive conduct.

**RULE II. Definitions**

**II.A. "Parent company" or "parent"**

**"Parent company" or "parent" is the entity, including a holding company or corporation, that owns, or has substantial operational control (as defined in Rule II.E) of, the regulated utility.**

**II.B. "Utility"**

**"Utility" (unless specified as a XYZ) refers to all water utilities and sewer utilities regulated by the Commission.**

**II.C. "XYZ"**

**"XYZ" refers to all water utilities regulated by the Commission.**

**II.D. "Sewer utility"**

**"Sewer utility" refers to all sewer utilities regulated by the Commission.**

**II.E. "Affiliate"**

**"Affiliate" means any entity whose outstanding voting securities are more than 10 percent owned, controlled, directly or indirectly, by a utility, by its parent company, or by any subsidiary of either that exerts substantial operational control.**

**For purposes of these Rules, "substantial operational control" includes, but is not limited to, the possession, directly or indirectly of the authority to direct or cause the direction of**

the management or policies of a company. A direct or indirect voting interest of more than 10 percent by the utility in an entity's company creates a rebuttable presumption of substantial operational control.

For purposes of these Rules "affiliate" includes the utility's parent company, or any company that directly or indirectly owns, controls, or holds the power to vote more than 10 percent of the outstanding voting securities of a utility or its parent company.

Regulated subsidiaries of a utility, the revenues and expenses of which are subject to regulation by the Commission and are included by the Commission in establishing rates for the utility, are not included within the definition of affiliate for the purpose of these Rules. However, these Rules apply to all interactions any such regulated subsidiary has with other affiliated unregulated entities covered by these Rules.

#### **II.F. "Costs"**

"Costs" are used in these Rules to refer to the total expenses assigned or allocated to different projects or activities through the utility's and parent company's accounting systems. Cost categories include:

1. *Direct Costs.* Direct costs are costs that can be clearly identified to specific projects or activities because the resource in question, or some measurable portion of that resource, has been dedicated to the project or activity. An example would be the hours of a worker's time spent on the effort, materials purchased and used specifically on that effort, or the proportion of a machine's hours dedicated to the effort.
2. *Direct Overhead Costs.* For organizations that produce multiple outputs, direct overhead costs are the common costs of a subset of the organization, such as supervisors and support staff of a division not assigned or traceable to specific projects, or machinery shared among a subset of the company's projects. Such overhead costs require allocation to specific projects through proxies and methodologies designed to accurately reflect the particular production aspects of each project; e.g., some processes are more capital-intensive than others and need less supervision input. Allocation methodologies for direct overhead costs can make use of several factors, often activity-based and often using "cost causation" as one of the principles in their design.
3. *Indirect Overhead Costs.* Indirect overhead costs are functions that affect the entire organization, such as the headquarters building, the Chief Executive Officer and Chief Financial Officer, General Counsel and associated legal support, personnel departments, security for this building or these offices, shareholder and public relations, insurance, depreciation, advertising, and similar functions. These are real costs of the organization and must be allocated to the ongoing projects and activities to determine the total cost of each. These are also sometimes called "General Overhead Costs."
4. *Fully-loaded* (also known as fully-allocated) costs. Fully-loaded (or fully-allocated) costs refer to the total cost of a project or activity, which is the sum of

**Direct, Direct Overhead, and Indirect Overhead costs, as defined in Rule II.F.1, 2 and 3.**

**II.G. "Transaction"**

**"Transaction" means any transfer of an item of value such as a good, service, information or money between a utility and one or more of its affiliates.**

**II.H. "Property"**

**"Property" refers to any right or asset, tangible or intangible, to which an entity has legal or equitable title.**

**II.I. "Real Property"**

**"Real property" refers to any interest in real estate including leases, easements, and water rights.**

**II.J. "Customer"**

**"Customer" means any person, firm, association, corporation or governmental agency supplied or entitled to be supplied with water, wastewater, or sewer service for compensation by a utility.**

**II.K. "Customer information"**

**"Customer information" means non-public information and data specific to a utility customer which the utility acquired or developed in the course of its provision of utility services.**

**II.L. "Cross-subsidy"**

**"Cross-subsidy" means the unauthorized over-allocation of costs to captive ratepayers resulting in under-allocation of costs to a utility affiliate.**

Cal Water Compliance: Cal Water affirms that it will apply all of the above definitions in the administration of its procedures, mechanisms and policies for ensuring compliance with these Rules.

**RULE III. Utility Operations and Service Quality**

**III.A.**

**A utility shall not allow transactions with affiliates to diminish XYZ staffing, resources, or activities in a manner that would result in degradation of the reliability, efficiency, adequacy, or cost of utility service or an adverse impact on customer service. Utility management attention shall not be diverted to such transactions in a way that would result in such degradation. The utility's parent and affiliates shall not acquire utility assets at any price if such transfer of assets would impair the utility's ability to fulfill its obligation to serve or to operate in a prudent and efficient manner.**

Cal Water Compliance: Cal Water will maintain appropriate procedures and mechanisms to ensure compliance with Rule III.A. Further, Cal Water's ongoing compliance with General Order 103-A precludes the possibility of degradation of the reliability, efficiency, adequacy, or

cost of utility service (in particular, Section II of GO 103-A, Standards of Service, “requires that each utility shall operate its system so as to deliver reliable, high quality service to its customers at reasonable cost” and that “each water utility shall ensure that it complies with the [California Dept. of Public Health’s] permit requirements and all applicable drinking water regulations”). Finally, Cal Water’s compliance with Public Utilities Code Section 851 precludes the acquisition of utility assets in such a manner as to impair the utility’s ability to fulfill its obligation to serve or to operate in a prudent and efficient manner.

### **III.B**

#### **Except as otherwise provided by these Rules, a utility shall not**

##### **1. Provide leads to its affiliates;**

Cal Water Compliance: Cal Water affirms that it will have adequate procedures, mechanisms and policies in place to comply with Rule III.B.1.

Cal Water will have a policy stated in its affiliated company transactions procedures that Cal Water employees will not provide any leads to affiliates that fall under the applicability of this Rule. Those affiliates falling under the applicability of this Rule will be specifically identified to Cal Water employees

Cal Water notes the pending changes to these Rules that may occur as a result of the California Water Association’s Petition for Modification (filed March 25, 2011), and states that compliance with this Rule is one-way in nature. That is, affiliates are not prohibited from providing leads to Cal Water, especially with respect to potential acquisitions of water or sewer systems that may ultimately be regulated by the Commission.

Cal Water further notes that a utility advising its parent (which is an affiliate under the current definition) of a possible purchase of water or sewer system (e.g., a mutual water company) is not considered a lead if ultimately it is the utility and not the parent that is going to make the purchase.

##### **2. Solicit business on behalf of its affiliates;**

Cal Water Compliance: Cal Water affirms that it will have adequate procedures, mechanisms and policies in place to comply with Rule III.B.2. Cal Water will have a policy stated in its affiliated company transactions procedures that Cal Water employees will not solicit business on behalf of affiliates that fall under the applicability of this Rule. Cal Water will issue periodic communications to its employees and affiliates governed by these Rules directing them to comply with this Rule. Cal Water will provide training, as necessary, to its employees.

##### **3. Acquire information on behalf of or to provide to its affiliates;**

Cal Water Compliance: Cal Water affirms that it will have adequate procedures, mechanisms and policies in place to comply with Rule III.B.3. With the exception noted in Rule III.B.8 and above regarding water or sewer system acquisition leads from the utility to its parent as being applicable here – that is, Cal Water is permitted to acquire information on behalf of or provide information to its parent regarding a potential water or sewer system purchase – Cal Water will issue periodic communications to its employees and affiliates governed by these Rules directing them to comply with this Rule. Cal Water will provide training, as necessary, to its employees.

- 4. Share market analysis reports or any other types of proprietary or non-publicly available reports, including but not limited to market, forecast, planning or strategic reports, with its affiliates, except that a utility may share such information with a parent under the condition that the parent does not share the information with any other entity;**

Cal Water Compliance: Cal Water affirms that it will have adequate procedures, mechanisms and policies in place to comply with Rule III.B.4. With the exceptions noted in Rule III.B.8 and above regarding water or sewer system acquisition leads from the utility to its parent, or information regarding same being supplied to its parent, as being applicable here – that is, Cal Water is permitted to share proprietary or non-public reports or analyses of a potential water or sewer system acquisition with its parent. Cal Water will provide training, as necessary, and issue periodic communications to its employees and affiliates governed by these Rules directing them to comply with this Rule.

Cal Water interprets this Rule to exclude any information that an employee might otherwise legally disclose to others after termination of employment. Further, corporate governance and corporate support services covered by Rule V are expressly permitted.

- 5. Request authorization from its customers to pass on customer information exclusively to its affiliates;**

Cal Water Compliance: With the exception noted in Rule III.B.8, Cal Water affirms that it will have adequate procedures, mechanisms and policies in place to comply with Rule III.B.5. Under these procedures, information will be released either with the specified customer's explicit written consent, or the use of a Standard Customer Information Release Form.

- 6. Give the appearance that the utility speaks on behalf of its affiliates; or**

Cal Water Compliance: Cal Water affirms that it will have adequate procedures, mechanisms and policies in place to comply with Rule III.B.6. Cal Water will provide training, as necessary, and issue periodic communications to its employees and affiliates governed by these Rules directing them to comply with this Rule.

- 7. Represent that, as a result of the affiliation with the utility, its affiliates or customers of its affiliates will receive any different treatment by the utility than the treatment the utility provides to other, unaffiliated companies or their customers.**

Cal Water Compliance: Cal Water affirms that it will have adequate procedures, mechanisms and policies in place to comply with Rule III.B.7. Cal Water will provide training, as necessary, and will issue periodic communications to its employees and affiliates governed by these Rules directing them to comply with this Rule.

- 8. Provisions 3, 4 and 5 of Rule III.B shall not apply to utility affiliates that are non-profit and whose sole purpose is to serve the functions of regulated utilities, the parents of regulated utilities, governmental or non-profit entities, including non-profit affiliates of regulated utilities.**

Cal Water Compliance: Cal Water does not have any non-profit affiliates, but acknowledges the exceptions provided for in Rule III.B.8.

- 9. Utilities may file an Advice Letter seeking an exemption to Rule III.B.8 within ninety days of the effective date of the Commission decision adopting these rules, requesting that a non-profit affiliate subject to Rule III.B.8 be allowed to serve the functions of other affiliates, as long as those other affiliates provide no more than five per cent of the annual revenues of the non-profit affiliate.**

Cal Water Compliance: Cal Water does not have any non-profit affiliates, but acknowledges the exemption provided for in Rule III.B.9.

### **III.C.**

**Except as provided for elsewhere in these rules, if a utility provides customer or utility information, services, or unused capacity or supply to an affiliate, it must offer such customer or utility information, services, or unused capacity or supply to all similarly situated market participants in a non-discriminatory manner, which includes offering on a timely basis.**

Cal Water Compliance: Cal Water affirms that it will have adequate procedures, mechanisms and policies in place to comply with Rule III.C. Cal Water will issue a communication to its employees and to its affiliates governed by these Rules directing them to comply with Rule III.C. Further, if it offers customer or utility information, services or unused capacity to an affiliate governed by these Rules, it will make such information available to all similarly situated market participants on the company's web site.

## **RULE IV. Separation**

### **IV.A**

**The utility shall maintain accounting records in accordance with Generally Accepted Accounting Principles, the Commission's Uniform System of Accounts, Commission decisions and resolutions, and the Public Utilities Code.**

Cal Water Compliance: Cal Water interprets the applicability of this Rule according to whether the utility (or its Parent) is publicly traded or privately owned. Accordingly, Cal Water affirms that it maintains its accounting records in accordance with Generally Accepted Accounting Principles, the Commission's Uniform System of Accounts, relevant Commission decisions and resolutions, and the Public Utilities Code, particularly Public Utilities Code Sections 314 and 701. Utility accounting records are available for review upon Commission request. CWS Group financial statements and Cal Water financial statements are audited for compliance by independent accountants on an annual basis.

### **IV.B**

**The utility, its parent and other affiliated companies shall allocate common costs among them in such a manner that the ratepayers of the utility shall not subsidize any parent or other affiliate of the utility.**

Cal Water Compliance: Cal Water affirms that it will have adequate procedures, mechanisms and policies in place to comply with Rule IV.B. Cal Water applies Rule II.F's definitions to its compliance with Rule IV.B. All such costs are reviewed and approved in each of Cal Water's general rate cases.

#### **IV.C**

**The utility shall list all shared directors and officers between the utility and its affiliates in its annual report to the Commission. Not later than 30 days following a change to this list, the utility shall notify the Director of the Division of Water and Audits and the Director of the Division of Ratepayer Advocates of the change(s).**

Cal Water Compliance: Cal Water affirms that it will have adequate procedures, mechanisms and policies in place to comply with Rule IV.B. Cal Water will provide a list of all shared directors and officers between the utility and its affiliates in its Annual Report to the Commission, and in the supporting documentation for its general rate case applications.

Cal Water's affiliate transactions procedures document specifies that no later than 30 days following a change to the list of shared directors and officers, Cal Water shall notify the Director of the Division of Water and Audits and the Director of the Division of Ratepayer Advocates of the change(s).

#### **IV.D**

**Employees transferred or temporarily assigned from the utility to an affiliate shall not use non-public, proprietary utility information gained from the utility in a discriminatory or exclusive fashion to the benefit of the affiliate to the detriment of unaffiliated competitors.**

Cal Water Compliance: Cal Water will provide training to employees transferred or temporarily assigned to affiliates that fall under the applicability of this Rule, specifying that the employees shall not use non-public, proprietary utility information gained from the utility in a discriminatory or exclusive fashion to the benefit of the affiliate to the detriment of unaffiliated competitors.

#### **IV.E**

**All employee movement between a utility and its affiliates, as defined in Rule I.B, shall be consistent with the following provisions:**

##### **IV.E.1**

**A utility shall track and report to the Commission all employee movement between the utility and affiliates, consistent with Rule VIII.F.**

Cal Water Compliance: Cal Water interprets this Rule as being applicable to permanent movement only, and it affirms that it will have adequate procedures, mechanisms and policies in place to comply with Rule IV.E.1. Cal Water includes this information in its Annual Report to the Commission. Cal Water's affiliate transactions procedures document will provide guidance for compliance with this Rule. The current version of the Affiliate Transactions Procedures document will be available to the Commission upon request on June 30, 2011. These procedures may be updated periodically and issued by Cal Water's Rates Department.

#### **IV.E.2**

**When an employee of a utility is transferred, assigned, or otherwise employed by the affiliate, the affiliate shall make a one-time payment to the utility in an amount equivalent to 15% of the employee's base annual compensation. All such fees paid to the utility shall be accounted for in a separate memorandum account to track them for future ratemaking treatment on an annual basis, or as otherwise necessary to ensure that the utility's ratepayers receive the fees. This transfer payment provision does not apply to clerical workers.**

Cal Water Compliance: Cal Water affirms that it will have adequate procedures, mechanisms and policies in place to comply with Rule IV.E.2. Cal Water includes this information in its Annual Report to the Commission. Cal Water's affiliate transactions procedures document will provide guidance for compliance with this Rule. The current version of the affiliate transactions procedures document will be available to the Commission upon request on June 30, 2011. These procedures may be updated periodically and issued by Cal Water's Rates Department.

#### **IV.E.3**

**Utility employees may be used on a temporary or intermittent basis (less than 30% of an employee's chargeable time in any calendar year) by affiliates only if:**

- a. All such use is documented, priced and reported in accordance with these Rules and existing Commission reporting requirements, except that when the affiliate obtains the services of a non-executive employee, compensation to the utility shall be priced at a minimum of the greater of fully loaded cost plus 5% of direct labor cost, or fair market values. When the affiliate obtains the services of an executive employee, compensation to the utility shall be priced at a minimum of the greater of fully loaded cost plus 15% of direct labor cost, or fair market value;**
- b. Utility needs for utility employees always take priority over any affiliate requests;**
- c. No more than 10% of full time equivalent utility employees may be on loan at a given time;**
- d. Utility employees agree, in writing, that they will abide by these Rules; and**
- e. Affiliate use of utility employees shall be conducted pursuant to a written agreement approved by the appropriate utility and affiliate officers.**

Cal Water Compliance: Cal Water affirms that it will have adequate procedures, mechanisms and policies in place to comply with Rule IV.E.3. Cal Water includes this information in its Annual Report to the Commission. Cal Water's affiliate transactions procedures document will provide guidance for compliance with this Rule. The current version of the Affiliate Transactions Procedures document will be available to the Commission upon request on June 30, 2011. These procedures may be updated periodically and issued by Cal Water's Rates Department.



## **RULE V. Shared Corporate Support**

### **V.A.**

**A utility, its parent company, or a separate affiliate created solely to perform corporate support services may share with its affiliates joint corporate oversight, governance, support systems, and personnel as further specified in these Rules. Any shared support shall be priced, reported and conducted in accordance with these Rules as well as other applicable Commission pricing and reporting requirements.**

Cal Water Compliance: Cal Water's affiliate transactions procedures document will state that the portion of the fully loaded costs of shared corporate services that benefits CWS Group and/or affiliates shall be charged to CWS Group and/or affiliates. Cal Water interprets this rule as permitting allocations pursuant to existing practice and previous GRC decisions.

### **V.B.**

**Corporate support shall not be shared in a manner that allows or provides a means for the transfer of confidential information from the utility to the affiliate, creates the opportunity for preferential treatment or unfair competitive advantage, leads to customer confusion, or creates significant opportunities for cross-subsidy of affiliates. The restriction on transfer of confidential information from the utility to the affiliate does not apply to corporate support, shared services and access to capital.**

Cal Water Compliance: Cal Water notes that the California Water Association's Petition for Modification of D.10-10-019, filed March 25, 2011, addresses the inherent contradiction in the first and last sentence of this Rule V.B, and proposes a solution. Accordingly, Cal Water interprets this Rule such that the restriction on transfer of confidential information from the utility to the affiliate does not apply to corporate support, shared services and access to capital. The provision of corporate support services will not provide a means for the transfer of confidential non-public Cal Water information from Cal Water to an affiliate that would create the opportunity for preferential treatment or unfair competitive advantage, lead to customer confusion, or create significant opportunities for cross-subsidy of affiliates.

### **V.C.**

**Examples of services that may be shared include: corporate governance and oversight, payroll, taxes, shareholder services, insurance, financial reporting, financial planning and analysis, corporate accounting, corporate security, human resources (compensation, benefits, employment policies), employee records, regulatory affairs, lobbying, legal, and pension management.**

Cal Water Compliance: Cal Water affirms that all of the services listed in Rule V.C can be shared between Cal Water, its parent company, and all covered affiliates.

### **V.D.**

**Examples of services that may not be shared include: engineering, hedging and financial derivatives and arbitrage services, water or sewage for resale, water storage capacity, purchasing of water distribution systems, and marketing.**

Cal Water Compliance: Subject to the Commission's Decision on CWA's Petition for Modification regarding the shared service status of engineering, water or sewage for resale,

water storage capacity and purchasing of water distribution systems, Cal Water's affiliated transactions procedures will include a list of services that cannot be shared.

**RULE VI. Pricing of Goods and Services between the Utility and Its Affiliate(s)**

**To the extent that these Rules do not prohibit the transfer of goods and services between a utility and its affiliates:**

**VI.A.**

**Transfers from the utility to its affiliates of goods and services offered by the utility on the open market will be priced at fair market value.**

**VI.B**

**Transfers from an affiliate to the utility of goods and services offered by the affiliate on the open market shall be priced at no more than fair market value.**

**VI.C.**

**For goods or services for which the price is regulated by a state agency, that price shall be deemed to be the fair market value, except that in cases where more than one state commission regulates the price of goods or services, this Commission's pricing provisions govern.**

**VI.D.**

**Goods and services produced, purchased or developed to be offered on the open market by the utility shall be provided to the utility's affiliates and unaffiliated companies on a nondiscriminatory basis, except as otherwise required or permitted by these Rules or applicable law.**

**VI.E.**

**Transfers from the utility to its affiliates of goods and services not produced, purchased or developed to be offered on the open market by the utility shall be priced at fully allocated cost plus 5% of direct labor cost.**

**VI.F.**

**Transfers from an affiliate to the utility of goods and services not produced, purchased or developed to be offered on the open market by the affiliate shall be priced at the lower of fully loaded cost or fair market value.**

**VI.G.**

**The utility shall develop a verifiable and independent appraisal of fair market value for any goods or services that are transferred to any affiliated company at fair market value under these Rules. The Commission's staff shall have access to all supporting documents used in the development of the fair market value. If sufficient support for the appraisal of fair market value does not exist to the reasonable satisfaction of the Commission's staff, the utility shall hire an independent consultant acceptable to the Commission staff to reappraise the fair market value for these transactions.**

Cal Water Compliance for Rules VI.A, VI.B, VI.C, VI.D, VI.E, VI.F, and VI.G: Cal Water maintains appropriate procedures and mechanisms to ensure compliance with Rule VI.A. Cal Water's Accounting Department is responsible for ensuring that transfers are calculated and recorded appropriately. When the Accounting Department questions the amount charged for the utility's goods or services, the utility's affiliate compliance officer and the affected affiliate will be notified for review of the transaction.

Further, with respect to Rule VI.G, Cal Water interprets the surrogate for fair market value as a preference for "shall be priced at fully allocated cost plus 5% of direct labor cost." Often, employee transfers will be done on an emergency basis where there isn't time to ascertain "fair market value." Accordingly, Cal Water will employ the formula in Rule VI.E, and it will interpret this approach as being consistent with the definitions in Rule II.F.

## **RULE VII. Financial Health of the Utility**

### **VII.A.**

**The parent shall provide the utility with adequate capital to fulfill all of its service obligations prescribed by the Commission.**

Cal Water Compliance: Cal Water will maintain appropriate procedures and mechanisms to ensure compliance with Rule VII.A. Cal Water's Finance Department maintains the utility's long-term capital investment estimates, as well as the utility's estimate of capital needed to meet its investment capital requirements.

### **VII.B.**

**If the parent is publicly traded, the utility shall notify the Director of the Commission's Division of Water and Audits and the Director of the Division of Ratepayer Advocates in writing within 30 days of any downgrading to the bonds of the parent, another affiliate, and/or the utility, and shall include with such notice the complete report of the issuing bond rating agency.**

Cal Water Compliance: As a publicly traded company, Cal Water maintains appropriate procedures and mechanisms to ensure compliance with Rule VII.B and affirms that it will comply, as required.

### **VII.C.**

**The creation of a new affiliate by the parent or another affiliate shall not adversely impact the utility's operations and provision of service.**

Cal Water Compliance: As a publicly traded company, Cal Water maintains appropriate procedures and mechanisms to ensure compliance with Rule VII.C and affirms that the creation of any new affiliate by Cal Water or its parent will not adversely affect the utility's operations and provision of service.

### **VII.D.**

**Debt of the utility's parent or other affiliates shall not be issued or guaranteed or secured by the utility.**

Cal Water Compliance: Cal Water maintains appropriate procedures and mechanisms to ensure compliance with Rule VII.D. Cal Water interprets this rule as being applicable to debt issued by the parent on behalf of a non-regulated affiliate, not when the parent is issuing debt on behalf of the utility or another Commission-regulated affiliate.

#### **VII.E.**

**Financial Separation.** Within three months of the effective date of the decision adopting these Rules, each utility with a parent company shall file a Tier III advice letter proposing provisions that are sufficient to prevent the utility from being pulled into the bankruptcy of its parent company. The process specified by the Advice Letter Filing shall include a verification that the provisions have been implemented and signed by the utility's senior management (e.g., the Chief Executive Officer, Chief Financial Officer, and General Counsel).

Cal Water Compliance: Pursuant to the conditions stated in the letter from Commission Executive Director Paul Clanon to CWA Attorney Jose E. Guzman, Jr., dated December 9, 2010, Cal Water filed its Tier III advice letter on or before March 31, 2011, demonstrating its compliance with Rule VII.E.

#### **VII.F.**

**Rules VI, VII, VIII(B) and VIII(C) adopted in Decision 97-12-011 (applicable to California Water Service Company), and Rules 12, 13, 15 and 16 adopted in Decision 98-06-068 (applicable to Golden State Water Company), continue in effect for those companies only.**

Cal Water affirms that the stated Rules VI, VII, VIII(B) and VIII(C) in Attachment A to D.97-12-011 continue in effect.

### **RULE VIII Regulatory Oversight**

#### **VIII.A**

**The officers and employees of the utility and its affiliated companies shall be available to appear and testify in any proceeding before the Commission involving the utility. If, in the proper exercise of the Commission staff's duties, the utility cannot supply appropriate personnel to address the staff's reasonable concerns, then the appropriate staff of the relevant utility affiliated companies including, if necessary, its parent company, shall be made available to the Commission staff.**

Cal Water Compliance: Cal Water maintains appropriate procedures and mechanisms to ensure compliance with Rule VIII.A. Cal Water will continue to make the officers and employees of the utility and its covered affiliates available to testify before the Commission, as necessary or required, consistent with the provisions of Public Utilities Code Section 314 and D.97-12-011.

#### **VIII.B**

**The utility and its affiliated companies shall provide the Commission, its staff, and its agents with access to the relevant books and records of such entities in connection with the exercise by the Commission of its regulatory responsibilities in examining any of the costs sought to be recovered by the utility in rate proceedings or in connection with a transaction or transactions between the utility and its affiliates. The utility shall continue to maintain**

**its books and records in accordance with all Commission rules. The utility's books and records shall be maintained and housed available in California.**

Cal Water Compliance: Cal Water maintains appropriate procedures and mechanisms to ensure compliance with Rule VIII.B. Cal Water will continue to make its books and records open for examination by the Commission and its staff, consistent with the provisions of Public Utilities Code Section 314 and D.97-12-011.

### **VIII.C.**

**Compliance Plans. Each utility shall include a compliance plan as part of its annual report, starting in 2011 with the 2010 annual report and biennially thereafter. The compliance plan shall include:**

- 1. A list of all affiliates of the utility, as defined in Rule II.D, and for each affiliate a description of its purposes or activities, and whether the utility claims that Rule I.B makes any portion of these Rules applicable to the affiliate;**
- 2. A description of the procedures in place to assure compliance with these Rules; and**
- 3. A description of both the specific mechanisms and the procedures that the utility and parent company have in place to assure that the utility is not utilizing the parent company or any of its affiliates not covered by these Rules as a conduit to circumvent any of these Rules in any respect. The description shall address, but shall not be limited to (a) the dissemination of information transferred by the utility to an affiliate covered by these Rules, (2) the provision of services to its affiliates covered by these Rules or (c) the transfer of employees to its affiliates covered by these Rules in contravention of these Rules. A corporate officer from the utility and parent company shall verify the adequacy of these specific mechanisms and procedures to ensure that the utility is not utilizing the parent company or any of its affiliates not covered by these Rules as a conduit to circumvent any of these Rules.**

Cal Water Compliance: Cal Water filed its initial compliance plan with the Commission on March 31, 2011. Cal Water will maintain appropriate procedures and mechanisms to ensure compliance with Rule VIII.C. Cal Water's Rates Department is responsible for maintaining and updating this Compliance Plan. If changes are determined to be necessary to ensure compliance, this plan will be revised and updated annually or as needed. Cal Water maintains a current list of applicable affiliates of the utility as identified in its discussion of Rule I.B. Further, Cal Water affirms that this plan complies with Rule VIII.C, and that the appropriate procedures and mechanisms will be detailed in its affiliate transactions procedures document.

### **VIII.D**

**New Affiliates. Upon the creation of a new affiliate, the utility shall immediately notify the Commission of its creation, as well as posting notice of this event on its web site. No later than 60 days after the creation of this affiliate, the utility shall file a Tier 3 advice letter with the Director of the Commission's Division of Water and Audits, with service on the Director of the Division of Ratepayer Advocates. The advice letter shall state the affiliate's purpose or activities and whether the utility claims these Rules applicable to the new**

**affiliate, and shall include a demonstration to the Commission that there are adequate procedures in place that will assure compliance with these Rules. The advice letter may include a request, including supporting explanation, that the affiliate transaction rules not be applied to the new affiliate.**

Cal Water Compliance: Cal Water will maintain appropriate procedures and mechanisms to ensure compliance with Rule VIII.D. Cal Water will notify the Commission of the creation by the utility or its parent of any new affiliate. Not later than 60 days after the creation of an applicable affiliate, the utility shall file a Tier 3 advice letter with the Director of the Commission's Division of Water and Audits, with service on the Director of the Division of Ratepayer Advocates, demonstrating how Cal Water will implement these Rules with respect to the new affiliate. Cal Water notes that its compliance will comport with the discussion in Rule II.E of this plan.

#### **VIII.E**

**Independent Audits. Commencing in 2013, and biennially thereafter, the utility shall have an audit performed by independent auditors if the sum of all unregulated affiliates' revenue during the last two calendar years exceeds 5% of the total revenue of the utility and all of its affiliates during that period. The audits shall cover the last two calendar years which end on December 31, and shall verify that the utility is in compliance with these Rules. The utility shall submit the audit report to the Director of the Division of Water and Audits and the Director of the Division of Ratepayer Advocates no later than September 30 of the year in which the audit is performed. The Division of Water and Audits shall post the audit reports on the Commission's web site. The audits shall be at shareholder expense.**

Cal Water Compliance: Cal Water will comply with this Rule, as stated, and will cooperate with the Commission's independent auditor, as well as the Division of Water & Audits during the audit.

#### **VIII.F.**

**Annual Affiliate Transaction Reports. Each year, by March 31, the utility shall submit a report to the Director of the Division of Water and Audits and the Director of the Division of Ratepayer Advocates that includes a summary of all transactions between the utility and its affiliated companies for the previous calendar year. The utility shall maintain such information on a monthly basis and make such information available to the Commission's staff upon request. The summary shall include a description of each transaction and an accounting of all costs associated with each transaction although each transaction need not be separately identified where multiple transactions occur in the same account (although supporting documentation for each individual transaction shall be made available to the Commission staff upon request). These transactions shall include the following:**

- 1. Services provided by the utility to the affiliated companies;**
- 2. Services provided by the affiliated companies to the utility;**
- 3. Assets transferred from the utility to the affiliated companies;**
- 4. Assets transferred from the affiliated companies to the utility;**
- 5. Employees transferred from the utility to the-affiliated companies;**

6. **Employees transferred from the-affiliated companies to the utility;**
7. **The financing arrangements and transactions between the utility and the affiliated companies;**
8. **Services provided by and/or assets transferred from the parent holding company to affiliate company which may have germane utility regulations impacts; and**
9. **Services provided by and/or assets transferred from affiliated company to the parent holding company which may have germane utility regulation impacts.**

Cal Water Compliance: Cal Water will maintain appropriate procedures and mechanisms to ensure compliance with Rule VIII. F. Cal Water affirms that, as part of its Annual Report to the Commission, it will submit an affiliate transactions report to the Director of the Division of Water and Audits and the Director of the Division of Ratepayer Advocates that includes a summary of all transactions between the utility and its affiliated companies for the previous calendar year. With respect to Rule VIII.F.8, Cal Water interprets this rule as being applicable to those affiliates and affiliate transactions covered in Rule 1B.

#### **RULE IX. Confidentiality**

**Any records or other information of a confidential nature furnished to the Commission pursuant to these Rules that are individually marked Confidential are not to be treated as public records and shall be treated in accordance with P. U. Code § 583 and the Commission's General Order 66-C, or their successors.**

Cal Water Compliance: Cal Water affirms compliance with Rule IX.

#### **RULE X. Provision of Non-tariffed Products and Services (NTP&S)**

##### **X.A**

**Except as provided for in these rules, new products and services shall be offered through affiliates.**

##### **X.B.**

**A utility may only offer on the open market the following products and services:**

1. **Existing products and services offered by the utility pursuant to tariff;**
2. **New products and services that are offered on a tariffed basis; and**
3. **Products and services that are offered on a non-tariffed basis (NTP&S) and that meet the following conditions:**
  - a) **The NTP&S utilizes a portion of the excess or unused capacity of a utility asset or resource;**
  - b) **Such asset or resource has been acquired for the purpose of and is necessary and useful in providing tariffed utility services;**

- c) The involved portion of such asset or resource may only be used to offer the product or service on a non-tariffed basis without adversely affecting the cost, quality or reliability of tariffed utility products and services;
- d) The products and services can be marketed with minimal or no incremental ratepayer capital, minimal or no new forms of liability or business risk being incurred by utility ratepayers, and no undue diversion of utility management attention; and
- e) The utility's offering of the NTP&S does not violate any California law, regulation, or Commission policy regarding anticompetitive practices.

**X.C.**

**Revenues.** Gross revenue from NTP&S projects shall be shared between the utility's shareholders and its ratepayers. In each general rate case, NPT&S revenues shall be determined and shared as follows:

1. Active NTP&S projects: 90% shareholder and 10% ratepayer.
2. Passive NTP&S projects: 70% shareholder and 30% ratepayer.
3. A utility shall classify all NTP&S as active or passive according to the table below. For a new NTP&S not listed in the table, which requires approval by the Commission by advice letter pursuant to Rule X.G, an "active" project requires a shareholder investment of at least \$125,000. Otherwise the new NTP&S shall be classified as passive. No costs recoverable through rates shall be counted toward the \$125,000 threshold.
4. Revenues received that are specified in a contract as pass-through of costs, without any mark-up, shall be excluded when determining revenue sharing. If an advice letter is required pursuant to Rule X.G, the utility shall specify in the advice letter any items other than postage, power, taxes, and purchased water for which it proposes pass-through treatment and must obtain Commission approval for such treatment.
5. For those utilities with annual Other Operating Revenue (OOR) of \$100,000 or more, revenue sharing shall occur only for revenues in excess of that amount. All NTP&S revenue below that level shall accrue to the benefit of ratepayers.
6. For those utilities with annual OOR below \$100,000, there shall be no sharing threshold, and ratepayers shall accrue all benefits for non-tariffed products and services.

**X.D.**

**Cost Allocation.** All costs, direct and indirect, including all taxes, incurred due to NTP&S projects shall not be recovered through tariffed rates. These costs shall be tracked in separate accounts and any costs to be allocated between tariffed utility services and NTP&S shall be documented and justified in each utility's rate case. More specifically, all incremental investments, costs, and taxes due to non-tariffed utility products and services shall be absorbed by the utility shareholders, i.e., not recovered through tariffed rates.



Cal Water Compliance: Cal Water notes the pending changes to this Rule that may occur as a result of CWA's Petition for Modification (filed March 25, 2011) urging the deletion of "indirect" costs referenced in the first sentence of this Rule. See pages 18-19. As discussed in the Petition for Modification, this deletion would be consistent with the Commission's decision, prior to final adoption of the Rule, to delete the requirement that a utility providing an NTP&S "fully allocate non-incremental costs incurred for labor and capital jointly used" to unregulated accounts, an approach that is inconsistent with the Commission's historical excess capacity cost allocation methodology.

As detailed in Cal Water's annual report on NTP&S projects being submitted concurrently with this Affiliate Compliance Plan, Cal Water and CWS Utility Services have several contracts for unregulated services. For some contracts, all direct and indirect costs attributable to the contracts have been fully allocated to unregulated accounts. For other contracts, all incremental costs attributable to the contracts have been allocated to unregulated accounts, and 10% of the gross revenues associated with the contracts have been allocated to ratepayers. The cost allocation and revenue-sharing aspects of these contracts have been consistently reviewed and approved in Cal Water's general rate cases, most recently in A.09-07-001, resulting in D.10-12-017.

In order to comply with these new Rules, Cal Water is in the process of migrating all CWS Utility Services contracts to Cal Water, modifying its cost allocation practices to ensure that all incremental costs are allocated to shareholders, and allocating 10% of all gross revenues to ratepayers.

#### **X.E.**

**Annual Report of NTP&S Projects. Each utility shall include information regarding its NTP&S projects in its Annual Reports, including but not be limited to the following:**

- 1. A detailed description of each NTP&S activity;**
- 2. Whether and why it is classified active or passive;**
- 3. Gross revenue received;**
- 4. Revenue allocated to ratepayers and to shareholders, as established in the company's current general rate case;**
- 5. A complete identification of all regulated assets used in the transaction;**
- 6. A complete list of all employees (by position) that participated in providing the non-tariffed service, with amount of time spent on provision of the service;**
- 7. If the NTP&S has been classified as active through advice letter submission, provide the number of the advice letter and the authorizing Resolution; and**
- 8. If the NTP&S did not require approval through advice letter, provide the date notice was given to the Commission.**

#### **X.F.**

**When a utility initiates the offering of NTP&S that are designated as active or passive in the table below, the utility shall provide notice of such activity by letter to the Director of**

the Division of Water and Audits and the Program Manager of the Division of Ratepayer Advocates-Water Branch, within 30 days of instituting such activity.

**X.G.**

**Provision of New NTP&S.** Any water or sewer utility that proposes to engage in the provision of new NTP&S not included in the table below, using the excess capacity of assets or resources reflected in the utility's revenue requirement, and which are proposed to be classified as active as described herein, shall file a Tier 3 advice letter (see Resolution ALJ-202) with the Director of the Division of Water and Audits seeking Commission approval. The advice letter shall be served on the service list for Rulemaking 09-04-012 and the service list for the utility's current or most recent general rate case. The advice letter shall contain the following:

1. A full description of the proposed NTP&S, including, without limitation, the identity of parties served (if known), revenue and cost forecasts, and the term of any contract to be employed.
2. A description of the accounting method to be used to allocate the incremental costs between tariffed services and caused by the NTP&S.
3. Copies of all operative documents for the proposed service.
4. A detailed description of any items other than postage, power, taxes, and purchased water for which the utility proposes pass-through treatment for purposes of calculating revenue sharing.
5. Complete identification of all utility regulated assets and personnel resources that will be used in the proposed transaction. Identify the particular excess capacity (or capacities) asset or resource to be used to provide the NTP&S.
6. A complete list of all employees that will participate in providing the service, with an estimate of the amount of time each will spend.
7. A showing that the proposed NTP&S may be offered without adversely affecting the cost, quality, or reliability of the utility services.
8. A showing of how the NTP&S will be marketed with minimal or no incremental ratepayer capital, minimal or no new forms of liability or business risk, and no undue diversion of utility management attention.
9. A showing of how the NTP&S does not violate any law, regulation, or Commission policy regarding anti-competitive practices.
10. A justification for classifying the NTP&S as active. The utility shall demonstrate that there is or will be incremental shareholder investment above \$125,000.
11. A statement that all risks incurred through this proposed NTP&S project shall be borne by the utility's shareholders.
12. A description of the market served by the proposed NTP&S project, a list or description of the current incumbents in that market, and an

**analysis of how the utility's entry into the market will affect the market's competitiveness. Include in this analysis a description of how the utility will guard against using anti-competitive pricing in this market.**

- 13. Any other information, opinions, or documentation that might be relevant to the Commission's consideration of the NTP&S.**

Cal Water Compliance: Cal Water will comply with all provisions of Rule X consistent with Cal Water's discussion herein of Rule X.D. Cal Water will file a Report on Non-Tariffed Products and Services with its Annual Report to the Commission.

**VERIFICATION**

I, Thomas F. Smegal, declare and say that I am an officer, to wit, the Vice-President of Regulatory and Corporate Relations of California Water Service Company, a California corporation. I make this verification on behalf of said corporation that I know the contents of the corporation's Compliance Plan, submitted to the California Public Utilities Commission in compliance with Rule VII.C of the Commission's Affiliate Transaction Rules (D.10-10-019), and that those provisions will be implemented by the corporation by June 30, 2011, the effective date of those rules.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 31, 2011, in San Jose, California.

/s/ THOMAS F. SMEGAL

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Thomas F. Smegal  
Vice President, Regulatory and Corporate Relations  
California Water Service Company

**Annual Report of California Water Service Company  
To the California Public Utilities Commission**

**ATTACHMENT C**

**Directors and Officers of  
California Water Service Company and its Affiliates**

(Compliance with Rule IV.C of the Affiliate Transaction Rules (D.10-10-019))

**CALIFORNIA WATER SERVICE GROUP**

**BOARD OF DIRECTORS**

2010 – 2011

Douglas M. Brown  
Robert W. Foy – Chairman of the Board  
Edwin A. Guiles  
Bonnie G. Hill  
Thomas M. Krummel, M.D.  
Richard P. Magnuson  
Linda R. Meier  
Peter C. Nelson – President & CEO  
George A. Vera

**OFFICERS**

Peter C. Nelson, President & Chief Executive Officer  
Martin A. Kropelnicki, Vice President, Chief Financial Officer & Treasurer  
Lynne P. McGhee, Corporate Secretary  
Calvin L. Breed, Controller, Assistant Secretary & Assistant Treasurer

**CALIFORNIA WATER SERVICE COMPANY**

**BOARD OF DIRECTORS**

2010 – 2011

Douglas M. Brown  
Robert W. Foy – Chairman of the Board  
Edwin A. Guiles  
Bonnie G. Hill  
Thomas M. Krummel, M.D.  
Richard P. Magnuson  
Linda R. Meier  
Peter C. Nelson – President & CEO  
George A. Vera

**OFFICERS**

Peter C. Nelson, Chief Executive Officer  
Paul G. Ekstrom, Vice President, Customer Service & Information Systems  
Francis S. Ferraro, Vice President, Corporate Development  
Robert R. Guzzetta, Vice President, Operations  
Christine L. McFarlane, Vice President, Chief Administrative Officer  
Martin A. Kropelnicki, Vice President, Chief Financial Officer & Treasurer  
Michael J. Rossi, Vice President, Engineering & Water Quality  
Thomas F. Smegal, Regulatory Matters & Corporate Relations  
Lynne P. McGhee, Corporate Secretary  
Calvin L. Breed, Controller & Assistant Secretary & Assistant Treasurer

**CWS UTILITY SERVICES**

**BOARD OF DIRECTORS  
2010 - 2011**

Douglas M. Brown  
Robert W. Foy – Chairman of the Board  
Edwin A. Guiles  
Bonnie G. Hill  
Thomas M. Krummel, M.D.  
Richard P. Magnuson  
Linda R. Meier  
Peter C. Nelson – President & CEO  
George A. Vera

**OFFICERS**

Peter C. Nelson, President & Chief Executive Officer  
Francis S. Ferraro, Vice President, Corporate Development  
Robert R. Guzzetta, Vice President, Operations  
Martin A. Kropelnicki, Vice President, Chief Financial Officer & Treasurer  
Michael J. Rossi, Vice President, Engineering and Water Quality  
Lynne P. McGhee, Corporate Secretary  
Calvin L. Breed, Controller, Assistant Secretary & Assistant Treasurer

**WASHINGTON WATER SERVICE COMPANY**

**DIRECTORS**

Robert W Foy  
Peter C. Nelson  
Lynne P. McGhee

**OFFICERS**

Peter C. Nelson, Chief Executive Officer  
Michael P. Ireland, President  
Martin A. Kropelnicki, Vice President, Chief Financial Officer & Treasurer  
Christine L. McFarlane, Vice President, Chief Administrative Officer  
Lynne P. McGhee, Corporate Secretary  
Calvin L. Breed, Controller and Assistant Secretary  
Michael J. Rossi, Vice President

**NEW MEXICO WATER SERVICE COMPANY**

**DIRECTORS**

Robert W Foy  
Peter C. Nelson  
Lynne P. McGhee

**OFFICERS**

Peter C. Nelson, Chief Executive Officer  
Francis S. Ferraro, Vice President  
Martin A. Kropelnicki, Vice President, Chief Financial Officer & Treasurer  
Christine L. McFarlane, Vice President and Administration  
Thomas F. Smegal, Vice President  
Lynne P. McGhee, Corporate Secretary  
Calvin L. Breed, Assistant Corporate Secretary  
Michael J. Rossi, Vice President

**HAWAII WATER SERVICE COMPANY**

**DIRECTORS**

Robert W Foy  
Peter C. Nelson  
Lynne P. McGhee

**OFFICERS**

Peter C. Nelson, President & CEO  
Francis S. Ferraro, Vice President  
Martin A. Kropelnicki, Vice President, Chief Financial Officer & Treasurer  
Christine L. McFarlane, Vice President and Chief Administrative Officer  
Thomas F. Smegal, Vice President  
Lynne P. McGhee, Corporate Secretary  
Calvin L. Breed, Controller, Assistant Secretary and Assistant Treasurer  
Michael J. Rossi, Vice President

**HWS UTILITY SERVICES, LLC**

Note: Hawaii Water Service Company is the "manager" of the LLC. For this reason, an officer of Hawaii Water Service Company is also authorized to act on behalf of the LLC. Group is the sole "member" of the LLC.

Annual Report of California Water Service Company to the California Public Utilities Commission

ATTACHMENT D

CUSTOMER SERVICE PERFORMANCE MEASURES\*  
YEAR 2010

Goal	Year to Date				Comments
	Q1	Q2	Q3	Q4	
<b>PHONE SYSTEM</b>					
Total Calls Received	183,184	186,976	211,141	182,387	763,688
# Calls Answered in 30 seconds	145,492	154,037	161,105	149,882	610,516
1(A) % Calls Answered in 30 seconds	79.4%	82.4%	76.3%	82.2%	79.9%
# Calls Abandoned	8,903	8,644	12,800	8,473	38,820
1(B) Abandonment Rate	4.9%	4.6%	6.1%	4.6%	5.1%
<b>BILLING</b>					
Total Bills Scheduled to Run	1528114	1527140	1527698	1490151	6,073,103
Total Bills Rendered	1528114	1527140	1527698	1490151	6,073,103
Bills Not Rendered in 7 days (10 for finals)	0	0	0	0	0
2(A) % Bills Rendered in 7 days	100.0%	100.0%	100.0%	100.0%	100.0%
Inaccurate Bills Rendered	11830	8574	8893	9775	39,072
2(B) % of Inaccurate Bills Rendered	0.8%	0.6%	0.6%	0.7%	0.6%
<b>PAYMENTS</b>					
Total Payments Posted	1328168	1319688	1333089	1311351	5,292,296
Payment Posting Errors	29	29	26	37	121
2(C) % of Payment Posting Errors	0.00%	0.00%	0.00%	0.00%	0.00%
<b>METER READING</b>					
Total Number of Meter Reads Scheduled	1420583	1386707	1447224	1450909	5,705,423
Total Scheduled Reads Not Read	12351	9169	7261	8361	37,142
3(A) % Meters Not Read	0.87%	0.66%	0.50%	0.58%	0.65%
<b>WORK ORDER COMPLETION</b>					
Total Work Orders Scheduled	45,228	50,508	52,880	45,552	194,168
# Scheduled Orders Missed	1,352	1,622	1,525	1,696	6,195
4(A) % of Scheduled Appointments Missed	2.99%	3.21%	2.88%	3.72%	3.19%
Total Customer Requested Work Orders	3,462	4,030	3,750	2,878	14,120
# Customer Requested Scheduled Orders Missed	314	289	302	213	1,118
4(B) % Customer Requested Scheduled Orders Missed	0.7%	0.6%	0.6%	0.5%	0.6%
<b>CAB COMPLAINTS</b>					
Total # of Connections/Customers	458762	460321	461295	482006	460828
# of Complaints to Utility from CAB	12	10	23	12	57
5(A) % of Complaints to Utility from CAB	0.00	0.00	0.00	0.00	0.00

\*Compliance with General Order 103-A, Section VIII & Appendix E