

Received _____

Examined _____

**CLASS A
WATER UTILITIES**

U# _____

**2012
ANNUAL REPORT
OF**

SUBURBAN WATER SYSTEMS

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

1325 N. GRAND AVENUE, SUITE 100

COVINA, CA 91724-4044

(OFFICIAL MAILING ADDRESS)

ZIP

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2012**

REPORT MUST BE FILED NOT LATER THAN APRIL 2, 2013

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GENERAL INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN APRIL 2, 2013**, with:

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

2. Failure to file the report on time may subject a utility to the penalties and sanctions provided by the Public Utilities Code.
3. The Oath on Page 60, must be signed by an authorized officer, partner, or owner.
4. The report must be prepared in ink or by the use of a typewriter. Computer generated report forms may be substituted.
5. The report must be filled in, and every question answered. **LEAVE NO SCHEDULE BLANK.** Insert the words "none" or "not applicable" or "n/a" when appropriate.
6. Certain balance sheet and income statement accounts refer to supplemental schedules. The totals of the details in the latter must agree with the balances of the accounts to which they refer.
7. Some schedules provide for a "balance at beginning of year." The amount shown should agree with the "balance at end of year" as shown in the report for the previous year. If there is a difference, it should be explained by footnote.
8. When there is insufficient space in a schedule to permit a complete statement of the requested information, insert sheets should be prepared and identified by the number of the schedule to which it refers. Be certain that the inserts are securely attached to the report. If inserts are needed, prepare all inserts in one separate electronic file in Microsoft Excel format and file it with the electronic file of this report.
9. This report must cover the calendar year from January 1, 2012, through December 31, 2012. Fiscal year reports will not be accepted.
10. Your company's external auditor information, such as external auditor's name, phone number, and address, must be included in Page 12, Item 12, of this report.

INSTRUCTIONS

FOR PREPARATION OF SELECTED FINANCIAL DATA SHEET FOR ALL WATER UTILITIES

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

Please follow the instructions below:

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

BALANCE SHEET AND CAPITALIZATION DATA

Calendar Year 2012

Name of Utility: SUBURBAN WATER SYSTEMS Telephone: (626) 543-2500

Person Responsible for this Report: ROBERT KELLY

	<u>1/1/2012</u>	<u>12/31/2012</u>	<u>Average</u>
BALANCE SHEET DATA			
1 Intangible Plant	<u>962,231</u>	<u>962,231</u>	<u>962,231</u>
2 Land and Land Rights	<u>1,068,040</u>	<u>1,068,040</u>	<u>1,068,040</u>
3 Depreciable Plant	<u>188,930,149</u>	<u>205,470,966</u>	<u>197,200,558</u>
4 Gross Plant in Service	<u>190,960,420</u>	<u>207,501,237</u>	<u>199,230,829</u>
5 Less: Accumulated Depreciation	<u>(67,076,888)</u>	<u>(71,940,426)</u>	<u>(69,508,657)</u>
6 Net Water Plant in Service	<u>123,883,532</u>	<u>135,560,811</u>	<u>129,722,172</u>
7 Water Plant Held for Future Use	<u>823,916</u>	<u>1,043,442</u>	<u>933,679</u>
8 Construction Work in Progress	<u>4,906,687</u>	<u>4,359,468</u>	<u>4,633,078</u>
9 Materials and Supplies	<u>293,282</u>	<u>356,862</u>	<u>325,072</u>
10 Less: Advances for Construction	<u>(7,288,323)</u>	<u>(7,332,865)</u>	<u>(7,310,594)</u>
11 Less: Contributions in Aid of Construction	<u>(16,271,805)</u>	<u>(15,548,449)</u>	<u>(15,910,127)</u>
12 Less: Accumulated Deferred Income and Investment Tax Credits	<u>(28,894,039)</u>	<u>(26,422,966)</u>	<u>(27,658,503)</u>
13 Net Plant Investment	<u>77,453,250</u>	<u>92,016,302</u>	<u>84,734,776</u>
CAPITALIZATION			
14 Common Stock	<u>745,380</u>	<u>745,380</u>	<u>745,380</u>
15 Proprietary Capital (Individual or Partnership)	<u>0</u>	<u>0</u>	<u>0</u>
16 Paid-in Capital	<u>5,008,394</u>	<u>5,008,394</u>	<u>5,008,394</u>
17 Retained Earnings	<u>58,034,841</u>	<u>62,331,375</u>	<u>60,183,108</u>
18 Common Stock and Equity (Lines 14 through 17)	<u>63,788,615</u>	<u>68,085,149</u>	<u>65,936,882</u>
19 Preferred Stock	<u>3,982,267</u>	<u>3,982,267</u>	<u>3,982,267</u>
20 Long-Term Debt	<u>33,000,000</u>	<u>33,000,000</u>	<u>33,000,000</u>
21 Notes Payable	<u>0</u>	<u>0</u>	<u>0</u>
22 Total Capitalization (Lines 18 through 21)	<u>100,770,882</u>	<u>105,067,416</u>	<u>102,919,149</u>

INCOME STATEMENT AND OTHER DATA

Calendar Year 2012

Name of Utility: SUBURBAN WATER SYSTEMS Telephone: (626) 543-2500

INCOME STATEMENT	<u>Annual Amount</u>
23 Unmetered Water Revenue	324,524
24 Fire Protection Revenue	930,807
25 Irrigation Revenue	0
26 Metered Water Revenue	67,254,169
27 Total Operating Revenue	68,509,500
28 <u>Operating Expenses</u>	<u>42,744,077</u>
29 Depreciation Expense (Composite Rate: 3.44%)	5,809,082
30 Amortization and Property Losses	28,424
31 Property Taxes	1,488,350
32 Taxes Other Than Income Taxes	622,286
33 Total Operating Revenue Deduction Before Taxes	<u>50,692,218</u>
34 California Corp. Franchise Tax	1,335,821
35 Federal Corporate Income Tax	4,821,949
36 Total Operating Revenue Deduction After Taxes	<u>56,849,988</u>
37 Net Operating Income (Loss) - California Water Operations	11,659,512
38 Other Operating and Nonoperating. Income and Exp. - Net (Exclude Interest Expense)	478,550
39 Income Available for Fixed Charges	11,180,962
40 Interest Expense	2,227,640
41 Net Income (Loss) Before Dividends	8,953,322
42 Preferred Stock Dividends	168,792
43 Net Income (Loss) Available for Common Stock	<u>8,784,530</u>

OTHER DATA	
44 Refunds of Advances for Construction	251,781
45 Total Payroll Charged to Operating Expenses	7,306,107
46 Purchased Water	8,123,278
47 Power	<u>3,140,466</u>
48 Class A Water Companies Only:	
a. Pre-TRA 1986 Contributions in Aid of Construction	1,499,140
b. Pre-TRA 1986 Advances for Construction	250,954
c. Post TRA 1986 Contributions in Aid of Construction	14,049,309
d. Post TRA 1986 Advances for Construction	<u>7,081,911</u>

<u>Active Service Connections</u>	(Exc. Fire Protect.)	Jan. 1	Dec. 31	<u>Annual Average</u>
49 Metered Service Connections		75,356	75,575	75,466
50 Flat Rate Service Connections		75	63	69
51 Total Active Service Connections		<u>75,431</u>	<u>75,638</u>	<u>75,535</u>

INCOME STATEMENT AND OTHER DATA

Adjusted to Exclude Non-Regulated Activity

Calendar Year 2012

Name of Utility: SUBURBAN WATER SYSTEMS Telephone: (626) 543-2500

INCOME STATEMENT

	Annual Amount
23 Unmetered Water Revenue	324,524
24 Fire Protection Revenue	930,807
25 Irrigation Revenue	0
26 Metered Water Revenue	67,254,169
27 Total Operating Revenue	68,509,500
28 <u>Operating Expenses</u>	42,744,077
29 Depreciation Expense (Composite Rate: 3.44%)	5,809,082
30 Amortization and Property Losses	28,424
31 Property Taxes	1,488,350
32 Taxes Other Than Income Taxes	622,286
33 Total Operating Revenue Deduction Before Taxes	50,692,218
34 California Corp. Franchise Tax	1,309,093
35 Federal Corporate Income Tax	4,720,206
36 Total Operating Revenue Deduction After Taxes	56,721,517
37 Net Operating Income (Loss) - California Water Operations	11,787,983
38 Other Operating and Nonoperating. Income and Exp. - Net (Exclude Interest Expense)	478,550
39 Income Available for Fixed Charges	11,309,433
40 Interest Expense	2,227,640
41 Net Income (Loss) Before Dividends	9,081,793
42 Preferred Stock Dividends	168,792
43 Net Income (Loss) Available for Common Stock	8,913,001

OTHER DATA

44 Refunds of Advances for Construction	251,781
45 Total Payroll Charged to Operating Expenses	7,306,107
46 Purchased Water	8,123,278
47 Power	3,140,466
48 Class A Water Companies Only:	
a. Pre-TRA 1986 Contributions in Aid of Construction	1,499,140
b. Pre-TRA 1986 Advances for Construction	250,954
c. Post TRA 1986 Contributions in Aid of Construction	14,049,309
d. Post TRA 1986 Advances for Construction	7,081,911

				Annual Average
<u>Active Service Connections</u>	(Exc. Fire Protect.)	Jan. 1	Dec. 31	
49 Metered Service Connections		75,356	75,575	75,466
50 Flat Rate Service Connections		75	63	69
51 Total Active Service Connections		75,431	75,638	75,535

Notes to Adjusted Selected Financial Data

Instructions: Provide reasons for each adjustment to the Selected Financial Data due to non-regulated activities. Detail this information by name of line item (Gross Plant, Operating Revenues, etc.), account number, dollar amount, and by point in time (end of year, beginning of year, or average).

- 1 California Corp. Franchise Tax, Account #50710, **\$26,728** (end of year balance), to exclude state tax on non-tariff activity (i.e., non-regulated)

- 2 Federal Corporate Income Tax, Account #50720, **\$101,743** (end of year balance), to exclude federal tax on non-tariff activity (i.e., non-regulated)

- 3 Other Operating and Nonoper. Income and (Exp.), Account #52600, **\$302,355** (end of year balance), to exclude non-tariff activity (i.e., non-regulated)

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Excess Capacity and Non-Tariffed Services

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

Based on the information and filings required in D.00-07-018, D.03-04-028, and D.04-12-023, provide the following information by each individual non-tariffed good and service provided in 2012:

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter											
Row Number	Description of Non-Tariffed Goods/Services	Active or Passive	Total Revenue Derived from Non-tariffed Goods/ Services (by account)	Revenue Account Number	Total Expenses Incurred to Provide Non-tariffed Goods/ Services (by account)	Expense Account Number	Advice Letter and/or Resolution Number Approving Non-tariffed Goods/ Services	Total Income Tax Liability Incurred Because of Non-tariffed Goods/ Services (by account)	Income Tax Liability Account Number	Gross Value of Regulated Assets Used in the Provision of a Non-tariffed Goods/ Services (by account)	Regulated Asset Account Number
1	Residential Houseline Program	Active	499,692	526	N/A		Approval not required	86,199	50720		
2	Antenna-Lease	Passive	66,062	526	N/A		Approval not required	11,728	50720		
3	Recycled Water Operating Charges	Passive	16,200	526	N/A		Approval not required	3,816	50720		

GENERAL INFORMATION

1. Name under which utility is doing business: SUBURBAN WATER SYSTEMS

2. Official mailing address: 1325 N GRAND AVENUE, SUITE 100, COVINA, CALIFORNIA, 91724-4044

3. Name and title of person to whom correspondence should be addressed: RICHARD J. RICH, VICE PRESIDENT-FINANCE & CFO Telephone: (626) 543-2500

4. Address where accounting records are maintained: 1325 N GRAND AVENUE, SUITE 100, COVINA, CALIFORNIA, 91724-4044

5. Service Area (Refer to district reports if applicable): IN OR NEAR WEST COVINA, COVINA, WHITTIER, LA PUENTE, VALINDA, GLENDORA, LA MIRADA, HACIENDA HGHTS, INDUSTRY, LA HABRA & PORTIONS OF LOS ANGELES AND ORANGE COUNTIES.

6. Service Manager (If located in or near Service Area.) (Refer to district reports if applicable.)
Name: MICHAEL O. QUINN, PRESIDENT Telephone: (626) 543-2500
Address: 1325 N GRAND AVENUE, SUITE 100, COVINA, CALIFORNIA, 91724-4044

7. OWNERSHIP. Check and fill in appropriate line:
 Individual (name of owner) _____
 Partnership (name of partner) _____
 Partnership (name of partner) _____
 Partnership (name of partner) _____
 Corporation (corporate name) SUBURBAN WATER SYSTEMS
Organized under laws of (state) CALIFORNIA Date: APRIL 15, 1907

Principal Officers:
Name: MICHAEL O. QUINN Title: PRESIDENT
Name: RICHARD J. RICH Title: V.P.- FIN. & CFO
Name: JOHN A. BRETTL Title: V.P.-QUALITY ASSURANCE
Name: DONALD F. KING Title: V.P.-REGIONAL
Name: CRAIG D. GOTT Title: V.P.-ENGINEERING

8. Names of associated companies: SOUTHWEST WATER COMPANY
WATER SUPPLIERS MOBILE COMMUNICATIONS

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:
Name: NONE Date: _____
Name: _____ Date: _____
Name: _____ Date: _____
Name: _____ Date: _____

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

11. List Name, Grade, and License Number of all Licensed Operators:
See attached

12. List Name, Address, and Phone Number of your company's external auditor:
Name: Price Waterhouse Coopers Telephone: (713) 356-4000
Address: 1201 Louisiana St., Suite 2900, Houston, TX 77002

Suburban affiliates

- 1) California Domestic Water Company
- 2) Covina Irrigating Company
- 3) ECO Resources, Inc.
- 4) New Mexico Utilities, Inc.
- 5) Monarch Utilities, Inc.
- 6) Monarch Utilities I, L.P.
- 7) North County Water Reclamation, Inc.
- 8) Southwest Environmental Laboratories, Inc.
- 9) SW Merger Acquisition Corporation
- 10) Southwest Water Alabama Onsite System Services, LLC.
- 11) Southwest Water Company
- 12) SWWC Services, Inc.
- 13) Texas Water Services Group, LLC.
- 14) TWC Utility Company, LLC.
- 15) SWWC Operations, Inc.
- 16) SWWC Utilities, Inc.
- 17) Metro-H2O, Ltd
- 18) Metro-H2O, Inc.
- 19) Midway Water Utilities, Inc.

Cert No.	Grade	FName	M	LName
34511	T1	Eric	J.	Aguilar
30295	T1	Michael		Chiraulo
34197	T1	Victor		Franco
34010	T1	David	A.	Huerth
33410	T1	Dominic		Luevano
32347	T1	Elias		Montoya
33174	T1	Luis		Preciado
34625	T1	John	R.	Shute
19570	T1	Dominica	M.	Briseno
22933	T1	Leonard	L.	Gaskin
22627	T1	Daniel	W.	Lopez
18482	T1	Kathleen	M.	Medina
27179	T1	Johnny	R.	Pestano
21492	T1	Nora	D.	Velarde
30840	T2	Pedro	J.	Angel
31842	T2	Darrin	M.	Carbajal
26212	T2	Jesus		Chabolla
32138	T2	Amador		Gomez
29737	T2	Craig		Gott
22952	T2	Jerry	S.	Hoing
31915	T2	Brendon	D.	Keathley
18440	T2	Randy		Keefer
21840	T2	Mona	B.	Kort
31818	T2	Santiago	E.	Loera
32761	T2	Vincent	O.	Mata
23687	T2	Bob		McIntyre
30959	T2	Jose	G.	Palacios
34503	T2	Kenneth		Reich
31881	T2	Richard	J.	Rich
32477	T2	Michael		Rodriguez
32303	T2	Phillip		Rodriguez
32669	T2	Richard	C.	Stephens
33011	T2	Brandon	L.	VanVeldhuizen
3264	T2	Damon	E.	Bingle
25867	T2	Michael	T.	Blake
19421	T2	Wayne	R.	Brewer
19467	T2	David	H.	Button
9346	T2	Nicholas	R.	Cafagno
22573	T2	Perry	J.	Davis
26742	T2	Daniel	M.	Gonzalez
18823	T2	Curtis	D.	Hansen
26595	T2	Fernando		Hernandez
12719	T2	David	J.	Huang
25813	T2	Donald	F.	King
27045	T2	Jesse	J.	Malinowski
27770	T2	Matthew	L.	Martinez
12722	T2	Tom	D.	Medina
12429	T2	Donald	J.	Mitchell
27538	T2	Omar		Ochoa
25855	T2	William		Pulido
15203	T2	Alejandro	N.	Rangel

	Cert No.	Grade	FName	M	LName
1	35802	D1	Eryk	J.	Aguilar
2	38716	D1	Koa		Bartlett
3	38722	D1	Salvatore		Bertola
4	30741	D1	Michael	E.	Chiraulo
5	33464	D1	Danielle	A.	Escontrias
6	37031	D1	Robert		Galvez
7	38766	D1	Leonard	L.	Gaskin
8	39009	D1	Jeremy		Gladu
9	40070	D1	Vanessa		Hernandez
10	29928	D1	Susan	C.	Kenny
11	39543	D1	Dominic		Luevano
12	34817	D1	Kevin		Ortiz
13	33914	D1	Eric		Reynaga
14	27696	D1	Irene	A.	Standi
15	37246	D1	Franco		Victor
16	37959	D2	Victor		Mendoza
17	41182	D2	Steven	E.	Alvarez
18	36730	D2	Pedro	J.	Angel
19	7151	D2	Dominica	M.	Briseno
20	35455	D2	Tracy		Corder
21	9394	D2	Perry	J.	Davis
22	34144	D2	Amador		Gomez
23	37337	D2	Craig		Gott
24	35743	D2	David	A.	Huerth
25	37729	D2	Brian	J.	Inman
26	34150	D2	Santiago		Loera
27	30263	D2	Jesse	J.	Malinowski
28	8921	D2	Kathleen	M.	Medina
29	9395	D2	Susan		Monette
30	9616	D2	Tanger		Newman
31	8923	D2	Pamela	A.	Nolton
32	30290	D2	Omar		Ochoa
33	29195	D2	Johnny	R.	Pestano
34	33462	D2	Darleen	L.	Phares
35	37614	D2	Luis		Preciado
36	36162	D2	Michael	D.	Rodriguez
37	7365	D2	Joseph	P.	Serna
38	38685	D2	Richard		Stephens
39	36056	D2	Brandon		Van Veldhuizen
40	8199	D2	Nora	D.	Velarde
41	8928	D2	Brenda	V.	Zuniga
42	8917	D3	Damon	E.	Bingle
43	3912	D3	Wayne	R.	Brewer
44	34545	D3	Darrin		Carbajal
45	28265	D3	Jesus		Chabolla
46	29009	D3	Daniel	M.	Gonzalez
47	27548	D3	Fernando		Hernandez
48	7762	D3	Jerry	S.	Hoing
49	2857	D3	David		Huang
50	33930	D3	Brendon		Keathley
51	8920	D3	Mona	B.	Kort
52	7781	D3	Daniel	W.	Lopez
53	14586	D3	Rosalba		Magana
54	29191	D3	Matthew	L.	Martinez
55	34601	D3	Vince		Mata
56	25918	D3	Bob	W.	McEntyre
57	2578	D3	Donald	J.	Mitchell
58	35756	D3	Patricio	E.	Montoya
59	36248	D3	Jose	G.	Palacios
60	4851	D3	Alejandro	N.	Rangel
61	38187	D3	Richard	J.	Rich
62	35764	D3	Phillip		Rodriguez
63	7167	D3	Jayne		Schaefer
64	18825	D3	Ramona		Thompson
65	14187	D4	Christopher	D.	Arrighi
66	2849	D4	Nicholas	R.	Cafagno
67	1700	D4	Norris	C.	Fulfer
68	8012	D4	Curtis	D.	Hansen
69	6734	D4	Randy		Keefer
70	3343	D4	Thomas	M.	Luczak
71	27074	D4	William		Pulido
72	28240	D4	Josh		Vaughn
73	2443	D5	Michael	T.	Blake
74	7262	D5	David	H.	Button
75	2574	D5	Donald	F.	King
76	4078	D5	Tom	D.	Medina
77	7729	D5	Timothy	M.	Tillery

**SCHEDULE A
COMPARATIVE BALANCE SHEETS
Assets and Other Debits**

Line No.	Acct.	Title of Account (a)	Schedule No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		I. UTILITY PLANT			
2	100	Utility plant	A-1	212,904,147	196,691,023
3	107	Utility plant adjustments		-	-
4		Total utility plant		212,904,147	196,691,023
5	250	Reserve for depreciation of utility plant	A-3	(71,573,941)	(66,738,827)
6	251	Reserve for amortization of limited term utility investments	A-3	(388,875)	(358,888)
7	252	Reserve for amortization of utility plant acquisition adjustment	A-3	22,390	20,827
8		Total utility plant reserves		(71,940,426)	(67,076,888)
9		Total utility plant less reserves		140,963,721	129,614,135
10					
11		II. INVESTMENT AND FUND ACCOUNTS			
12	110	Other physical property	A-2	116,145	116,145
13	253	Reserve for depreciation and amortization of other property	A-3	(25,225)	(25,225)
14		Other physical property less reserve		90,920	90,920
15	111	Investments in associated companies	A-4	-	-
16	112	Other investments	A-5	-	-
17	113	Sinking funds	A-6	-	-
18	114	Miscellaneous special funds	A-7	-	-
19		Total investments and fund accounts		90,920	90,920
20					
21		III. CURRENT AND ACCRUED ASSETS			
22	120	Cash		86,836	-
23	121	Special deposits	A-8	-	-
24	122	Working funds		900	900
25	123	Temporary cash investments		-	-
26	124	Notes receivable	A-9	-	-
27	125	Accounts receivable		6,927,584	5,813,077
28	126	Receivables from associated companies	A-10	-	-
29	131	Materials and supplies		356,862	293,282
30	132	Prepayments	A-11	111,549	176,921
31	133	Other current and accrued assets		5,710,627	3,504,827
32		Total current and accrued assets		13,194,357	9,789,007
33					
34		IV. DEFERRED DEBITS			
35	140	Unamortized debt discount and expense	A-13	721,794	783,932
36	141	Extraordinary property losses	A-14	-	-
37	142	Preliminary survey and investigation charges		-	-
38	143	Clearing accounts		-	-
39	145	Other work in progress		36,276	51,432
40	146	Other deferred debits	A-15	11,182,965	9,896,255
41		Total deferred debits		11,941,035	10,731,619
42		Total assets and other debits		166,190,033	150,225,681
43					

SCHEDULE A
COMPARATIVE BALANCE SHEETS
Liabilities and Other Credits

Line No.	Acct.	Title of Account (a)	Schedule No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		I. CORPORATE CAPITAL AND SURPLUS			
2	200	Common capital stock	A-18	745,380	745,380
3	201	Preferred capital stock	A-18	3,982,267	3,982,267
4	202	Stock liability for conversion		-	-
5	203	Premiums and assessments on capital stock	A-19	126,550	126,550
6	150	Discount on capital stock	A-16	-	-
7	151	Capital stock expense	A-17	-	-
8	270	Capital surplus	A-20	4,881,844	4,881,844
9	271	Earned surplus	A-21	62,331,375	58,034,841
10		Total corporate capital and surplus		72,067,416	67,770,882
11					
12		II. PROPRIETARY CAPITAL			
13	204	Proprietary capital (Individual or partnership)	A-22	-	-
14	205	Undistributed profits of proprietorship or partnership	A-23	-	-
15		Total proprietary capital		-	-
16					
17		III. LONG-TERM DEBT			
18	210	Bonds	A-24	33,000,000	33,000,000
19	211	Receivers' certificates		-	-
20	212	Advances from associated companies	A-25	-	-
21	213	Miscellaneous long-term debt	A-26	-	-
22		Total long-term debt		33,000,000	33,000,000
23					
24		IV. CURRENT AND ACCRUED LIABILITIES			
25	220	Notes payable	A-28	-	-
26	221	Notes receivable discounted		-	-
27	222	Accounts payable		1,089,201	974,625
28	223	Payables to associated companies	A-29	12,362,394	6,332,642
29	224	Dividends declared		-	-
30	225	Matured long-term debt		-	-
31	226	Matured interest		-	-
32	227	Customers' deposits		427,163	467,892
33	228	Taxes accrued	A-31	91,983	(12,871)
34	229	Interest accrued		573,746	584,241
35	230	Other current and accrued liabilities	A-30	4,385,042	2,055,540
36		Total current and accrued liabilities		18,929,528	10,402,069
37					
38		V. DEFERRED CREDITS			
39	240	Unamortized premium on debt	A-13	-	-
40	241	Advances for construction	A-32	7,332,865	7,288,323
41	242	Other deferred credits	A-33	(6,992,287)	(13,491,974)
42		Total deferred credits		340,578	(6,203,651)
43					
44		VI. RESERVES			
45	254	Reserve for uncollectible accounts	A-34	\$ 166,086.51	90,536
46	255	Insurance reserve	A-34	-	-
47	256	Injuries and damages reserve	A-34	-	-
48	257	Employees' provident reserve	A-34	-	-
49	258	Other reserves	A-34	26,137,975	28,894,039
50		Total reserves		26,304,062	28,984,575
51					
52		VII. CONTRIBUTIONS IN AID OF CONSTRUCTION			
53	265	Contributions in aid of construction	A-35	15,548,449	16,271,805
54		Total liabilities and other credits		166,190,033	150,225,681

SCHEDULE B
Income Account for the Year

Line No.	Account Acct.	Account (a)	Schedule Page No. (b)	Amount (c)
1		I. UTILITY OPERATING INCOME		
2	501	Operating revenues	B-1	68,509,500
3				
4		Operating Revenue Deductions:		
5	502	Operating expenses	B-2	42,744,077
6	503	Depreciation	A-3	5,809,082
7	504	Amortization of limited-term utility investments	A-3	29,987
8	505	Amortization of utility plant acquisition adjustments	A-3	(1,563)
9	506	Property losses chargeable to operations	B-3	-
10	507	Taxes	B-4	8,268,406
11		Total operating revenue deductions		56,849,988
12		Net operating revenues		11,659,512
13	508	Income from utility plant leased to others		-
14	510	Rent for lease of utility plant		-
15		Total utility operating income		11,659,512
16				
17		II. OTHER INCOME		
18	521	Income from nonutility operations (Net)	B-6	-
19	522	Revenue from lease of other physical property		-
20	523	Dividend revenues		-
21	524	Interest revenues		20,776
22	525	Revenues from sinking and other funds		-
23	526	Miscellaneous nonoperating revenues	B-7	302,355
24	527	Nonoperating revenue deductions - Dr.	B-8	(79,884)
25		Total other income		243,247
26		Net income before income deductions		11,902,759
27				
28		III. INCOME DEDUCTIONS		
29	530	Interest on long-term debt		2,165,447
30	531	Amortization of debt discount and expense	A-13	62,138
31	532	Amortization of premium on debt - Cr.		-
32	533	Taxes assumed on interest		-
33	534	Interest on debt to associated companies		593,733
34	535	Other interest charges	B-9	55
35	536	Interest charged to construction - Cr.		-
36	537	Miscellaneous amortization		-
37	538	Miscellaneous income deductions	B-10	128,064
38		Total income deductions		2,949,437
39		Net income		8,953,322
40				
41		IV. DISPOSITION OF NET INCOME		
42	540	Miscellaneous reservations of net income		-
43				
44		Balance transferred to Earned Surplus or		-
45		Proprietary Accounts scheduled on page 21		
46				

SCHEDULE A-1
Account 100 - Utility Plant

Line No.	Acct	Title of Account (a)	Balance Beg of Year (b)	Additions During Year (c)	Retirements During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
1	100 - 1	Utility plant in service (Schedule A-1a)	191,024,460	16,960,807	(419,990)	-	207,565,277
2	100 - 2	Utility plant leased to others	-				-
3	100 - 3	Construction work in progress	4,906,687	(547,219)			4,359,468
4	100 - 4	Utility plant held for future use (Sch A-1c)	823,916	219,526			1,043,442
5	100 - 5	Utility plant acquisition adjustments	(64,040)				(64,040)
6	100 - 6	Utility plant in process of reclassification	-				-
7		Total utility plant	196,691,023	16,633,114	(419,990)	-	212,904,147

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

Line No.	Acct	Title of Account (a)	Balance Beg of Year (b)	Additions During Year (c)	Retirements During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
1		I. INTANGIBLE PLANT					
2	301	Organization	24,996				24,996
3	302	Franchises and consents (Schedule A-1b)	8,040				8,040
4	303	Other intangible plant	929,195				929,195
5		Total intangible plant	962,231	-	-	-	962,231
6							
7		II. LANDED CAPITAL					
8	306	Land and land rights	1,068,040				1,068,040
9							
10		III. SOURCE OF SUPPLY PLANT					
11	311	Structures and improvements	-				-
12	312	Collecting and impounding reservoirs	-				-
13	313	Lake, river and other intakes	-				-
14	314	Springs and tunnels	-				-
15	315	Wells	9,301,857	592,955			9,894,812
16	316	Supply mains	7,133,950				7,133,950
17	317	Other source of supply plant	255,705				255,705
18		Total source of supply plant	16,691,512	592,955	-	-	17,284,467
19							
20		IV. PUMPING PLANT					
21	321	Structures and improvements	7,088,131	365,746			7,453,877
22	322	Boiler plant equipment	-				-
23	323	Other power production equipment	-				-
24	324	Pumping equipment	13,939,707	934,106	(5,636)		14,868,177
25	325	Other pumping plant	254,376				254,376
26		Total pumping plant	21,282,214	1,299,852	(5,636)	-	22,576,430
27							
28		V. WATER TREATMENT PLANT					
29	331	Structures and improvements	1,152,709				1,152,709
30	332	Water treatment equipment	3,363,748	46,622			3,410,370
31		Total water treatment plant	4,516,457	46,622	-	-	4,563,079

SCHEDULE A-1a
Account 100.1 - Utility Plant in Service (Continued)

Line No.	Acct	Title of Account (a)	Balance Beg of Year (b)	Additions During Year (c)	Retirements During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
32		VI. TRANSMISSION AND DIST. PLANT					
33	341	Structures and improvements	405,137				405,137
34	342	Reservoirs and tanks	18,196,037	2,044,723			20,240,760
35	343	Transmission and distribution mains	82,165,324	6,912,969	(22,849)		89,055,444
36	344	Fire mains	-				-
37	345	Services	21,515,387	2,812,357	(19,863)		24,307,881
38	346	Meters	4,952,409	436,595	(291,456)		5,097,548
39	347	Meter installations	210,865	97,863			308,728
40	348	Hydrants	7,169,513	639,180	(2,850)		7,805,843
41	349	Other transmission and distribution plant	-				-
42		Total transmission and distribution plant	134,614,672	12,943,687	(337,018)	-	147,221,341
43							
44		VII. GENERAL PLANT					
45	371	Structures and improvements	6,310,316	432,594	(2,848)		6,740,062
46	372	Office furniture and equipment	1,181,662	88,542	(65,612)		1,204,592
47	373	Transportation equipment	45,562	939,710	(1,975)		983,297
48	374	Stores equipment	-				-
49	375	Laboratory equipment	-				-
50	376	Communication equipment	2,693,903	163,635			2,857,538
51	377	Power operated equipment	71,852				71,852
52	378	Tools, shop and garage equipment	385,886	360,616			746,502
53	379	Other general plant	-				-
54	381	GIS Mapping Facilities	1,200,153	92,594	(6,901)		1,285,846
55		Total general plant	11,889,334	2,077,691	(77,336)	-	13,889,689
56							
57		VIII. UNDISTRIBUTED ITEMS					
58	390	Other tangible property	-				-
59	391	Utility plant purchased	-				-
60	392	Utility plant sold	-				-
61		Total undistributed items	-	-	-	-	-
62		Total utility plant in service	191,024,460	16,960,807	(419,990)	-	207,565,277

SCHEDULE A-1b
Account 302 - Franchises and Consents

Line No.	Name of Original Grantor (a)	Date of Grant (b)	Term in Years (c)	Date of Acquisition by Utility (d)	Amount at which Carried in Account ¹ (e)
1	City of Whittier	4/21/87	12	9/20/1930	5,621
2	City of Industry	8/13/59	50	6/25/1959	251
3	City of La Puente	9/27/60	50	9/27/1960	478
4	County of Los Angeles	10/27/05	15	11/28/1980	1,690
5	Total				8,040

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

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

Line No.	Description and Location of Property (a)	Date of Acquisition (b)	Approximate Date When Property Will be Placed in Service (c)	Balance End of Year (d)
1	Plant 501 - Vault Rehabilitation Project	5/11	2013	3,820
2	Cadiz Valley Project	6/11	2014	125,000
3	I-10 Widening Project	1/12	2013	2,406
4	Interconnection with San Gabriel Valley Company at Hacienda Blvd & La Monde St.	3/12	2014	1,550
5	Rowland Ave. Pipeline Replacement	4/12	2013	543
6	Covina Irrigating Pump Station	11/12	2013	97,800
7	Plant 408 R-1	2/10	2017	108,201
8	Plant 216-Replacement of Reservoir and Pump Station	4/10	2013	616,771
9	Well Sighting Study	7/10	2013	1,439
10	Reis St. - Sorenson Channel Crossing	1/12	2013	16,161
11	I-5 Widening Project	4/12	2014	19,187
12	Anola Walthall, DuPage & Racimo Pipeline Project	7/12	2013	5,337
13	Milvern & Leffingwell Pipeline Project	8/12	2013	15,234
14	Ocaso Pipeline Project	10/12	2013	11,462
15	Mystic and Painter Pipeline Project	11/12	2013	2,484
15	Bright Avenue Pipeline Project	11/12	2013	3,300
16	Plant 224 - Replacement of Reservoir at Plant 216	12/12	2014	12,747
	Total			1,043,442

SCHEDULE A-2
Account 110 - Other Physical Property

Line No	Name and Description of Property (a)	Book Value End of Year (b)
1	Land, Structures, Fences, Landscaping, etc.	89,544
2	Other	26,601
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15	Total	116,145

**SCHEDULE A-1d
RATE BASE AND WORKING CASH**

Line No.	Acct.	Title of Account (a)	Balance 12/31/2012 (c)	Balance 1/1/2012 (d)
		RATE BASE		
1		TOTAL COMPANY		
2		Utility Plant	207,501,237	190,960,420
3		Construction Work in Progress	4,359,468	4,906,687
4		Materials and Supplies	356,862	293,282
5		Working Cash	(3,395,629)	(1,819,106)
6		Total Gross Plant (=Line 2 + Line 3 + Line 4)	208,821,938	194,341,283
7				
8		LESS DEDUCTIONS FROM RATE BASE		
9		Reserve for Depreciation	71,573,940	67,265,679
10		Unamortized Investment Tax Credits	284,991	317,912
11		Contributions in Aid of Construction	15,548,449	16,271,805
12		Advances for Construction	7,332,865	7,288,323
13		Accumulated Deferred Federal Income Taxes, Depreciation Timing Differences	17,785,102	16,766,415
14		Accumulated Deferred Taxes Associated with Taxable Advances for Construction	(110,035)	(116,170)
15		Accumulated Deferred Taxes Associated with Taxable CIAC	(19,236)	(29,131)
16		Pension Reserve	-	-
17		Unamortized Deferred Revenues, Taxable C.I.A.C.	33,051	40,212
18		Accumulated Deferred Income Taxes - Pension Reserve	-	-
19		Accumulated Deferred Taxes Associated with Interest During Construction (IDC)	509,170	326,641
20		Accumulated Deferred Taxes Associated with Amortization of Interest During Construction	(51,988)	(35,271)
21		SUBTOTAL DEDUCTIONS	112,886,309	108,096,415
22				
23		TOTAL RATE BASE	95,935,629	86,244,868
24				
25				
26				



Working Cash				
27		Determination of Operational Cash Requirement		
28		Operating Expenses, Excluding Taxes, Depreciation & Uncollectible	42,517,568	30,832,648
29		Purchased Power & Commodity for Resale*	3,140,466	3,077,627
30		Mefer Revenues: Monthly Billing	67,199,908	51,034,348
31		Other Revenues: Flat Rate Monthly Billing	1,309,592	1,437,089
32		Total Revenues (=Line 30 + Line 31)	68,509,500	52,471,437
33		Ratio - Flat Rate to Total Revenues (=Line 31 / Line 32)	2%	3%
34		5/24 x Line 28 x (100% - Line 33)	8,680,670	6,230,764
35		1/24 x Line 28 x Line 33	35,431	38,541
36		1/12 x Line 29	261,705	256,469
37		Operational Cash Requirement (=Line 34 + Line 35 - Line 36)	8,454,396	6,012,836
		* Electric power, gas or other fuel purchased for pumping and/or purchased commodity for resale billed after receipt (metered).		
		Working cash per settlement in D. 12-04-009	(3,395,629)	(1,819,106)

SCHEDULE A-3
Accounts 250 to 253, Inclusive - Depreciation and Amortization Reserves

Line No.	Item (a)	Account 250 Utility Plant (b)	Account 251 Limited-Term Utility Investments (c)	Account 252 Utility Plant Acquisition Adjustments (d)	Account 253 Other Property (e)
1	Balance in reserves at beginning of year	66,738,827	358,888	(20,827)	25,225
2	Add: Credits to reserves during year				
3	(a) Charged to Account 503, 504, 505 ⁽¹⁾	6,536,929	29,987	(1,563)	
4	(b) Charged to Account 265				
5	(c) Charged to clearing accounts				
6	(d) Salvage recovered	38,834			
7	(e) All other credits ⁽²⁾	-			-
8	Total credits	6,575,763	29,987	(1,563)	-
9	Deduct: Debits to reserves during year				
10	(a) Book cost of property retired	419,990			
11	(b) Cost of removal	1,320,659			
12	(c) All other debits ⁽³⁾				
13	Total debits	1,740,649	-	-	-
14	Balance in reserve at end of year	71,573,941	388,875	(22,390)	25,225
15					
16	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE:				3.44%
17					
18	(2) EXPLANATION OF ALL OTHER CREDITS:				
19	None				
20					
21					
22					
23					
24					
25					
26					
27	(3) EXPLANATION OF ALL OTHER DEBITS:				
28	None				
29					
30					
31					
32					
33					
34					
35	METHOD USED TO COMPUTE INCOME TAX DEPRECIATION:				
36	(a) Straight Line	()			
37	(b) Liberalized	()			
38	(1) Double declining balance	()			
39	(2) ACRS	()			
40	(3) MACRS	()			
41	(4) Others	()			
42	(c) Both straight line and liberalized	(X)			
				DDB with change-over to Straight-line (pre 1982 assets)	
				ACRS (1982 - 1986 assets)	
				Macrs (1987 - Present)	

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

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

Line No.	Acct.	DEPRECIABLE PLANT (a)	Balance Beginning of Year (b)	Credits to Reserve During Year Excl. Salvage (c)	Debits to Reserves During Year Excl. Cost Removal (d)	Salvage and Cost of Removal Net (Dr.) or Cr. (e)	Balance End of Year (f)
1		I. SOURCE OF SUPPLY PLANT					
2	311	Structures and improvements					
3	312	Collecting and impounding reservoirs					
4	313	Lake, river and other intakes					
5	314	Springs and tunnels					
6	315	Wells	1,610,000	379,662	-		1,989,662
7	316	Supply mains	3,197,421	192,474			3,389,895
8	317	Other source of supply plant	248,257	(800)	-		247,457
9		Total source of supply plant	5,055,678	571,336	-	-	5,627,014
10							
11		II. PUMPING PLANT					
12	321	Structures and improvements	1,455,673	252,388	-		1,708,061
13	322	Boiler plant equipment	-				
14	323	Other power production equipment	-				
15	324	Pumping equipment	5,202,683	681,362	(5,636)		5,878,409
16	325	Other pumping plant	54,589	13,095			67,684
17		Total pumping plant	6,712,945	946,845	(5,636)	-	7,654,154
18							
19		III. WATER TREATMENT PLANT					
20	331	Structures and improvements	209,955	39,088			249,043
21	332	Water treatment equipment	1,795,006	157,268			1,952,274
22		Total water treatment plant	2,004,961	196,356	-	-	2,201,317
23							
24		IV. TRANS. AND DIST. PLANT					
25	341	Structures and improvements	147,210	20,707			167,917
26	342	Reservoirs and tanks	3,638,637	503,946		(26,939)	4,115,644
27	343	Transmission and distribution mains	28,481,349	2,047,429	(22,849)	(329,927)	30,176,002
28	344	Fire mains	-				
29	345	Services	10,203,759	882,443	(19,863)	(812,525)	10,253,814
30	346	Meters	1,569,726	356,913	(291,456)	(54,798)	1,580,385
31	347	Meter installations	25,072	16,625			41,697
32	348	Hydrants	4,144,594	294,753	(2,850)	(24,390)	4,412,107
33	349	Other transmission and distribution plant	-				
34		Total trans. and distribution plant	48,210,347	4,122,816	(337,018)	(1,248,579)	50,747,566
35							
36		V. GENERAL PLANT					
37	371	Structures and improvements	(168,135)	168,824	(2,848)	(35,046)	(37,205)
38	372	Office furniture and equipment	791,890	200,089	(65,612)		926,367
39	373	Transportation equipment	94	36,459	(1,975)	1,800	36,378
40	374	Stores equipment	-				
41	375	Laboratory equipment	-				
42	376	Communication equipment	2,346,454	147,305			2,493,759
43	377	Power operated equipment	70,055	(527)			69,528
44	378	Tools, shop and garage equipment	224,610	59,865			284,475
45	379	Other general plant	-				
46	381	GIS Mapping	1,489,927	87,561	(6,901)		1,570,587
47	390	Other tangible property	-				-
48	391	Water plant purchased	-				-
49		Total general plant	4,754,895	699,576	(77,336)	(33,246)	5,343,889
50		Total	66,738,826	6,536,929	(419,990)	(1,281,825)	71,573,940

SCHEDULE A-4
Account 111 - Investments in Associated Companies

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

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

SCHEDULE A-5
Account 112 - Other Investments

Line No.	Name and Description of Property (a)	Balance End of Year (b)
1		
2	NONE	
3		
4		
5		
6		
7		
8		
9	Total	\$ -

SCHEDULE A-6
Account 113 - Sinking Funds

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

SCHEDULE A-7
Account 114 - Miscellaneous Special Funds

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

SCHEDULE A-8
Account 121 - Special Deposits

Line No.	Name of Depository (a)	Purpose of Deposit (b)	Balance End of Year (c)
1			
2	NONE		
3			
4			
5			
6	Total		\$ -

SCHEDULE A-9
Account 124 - Notes Receivable

Line No.	Maker (a)	Date of Issue (b)	Date Payable (c)	Balance End of Year (d)	Interest Rate (e)	Interest Accrued During Year (g)	Interest Received During Year (g)
1							
2	NONE						
3							
4							
5							
6	Total						\$ -

SCHEDULE A-10
Account 126 - Receivables from Associated Companies

Line No.	Due from Whom (a)	Amount (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Received During Year (e)
1					
2					
3	NONE				
4					
5					
6					
7					
8					
9					
10	Total				

SCHEDULE A-11
Account 132 - Prepayments

Line No.	Item (a)	Amount (b)
1	Security Deposit-La Mirada Office	18,864
2		
3	FNL / Covina Partners LLC	15,264
4		
5	Prepaid Contracts & Misc.	77,421
6		
7		
8		
9		
10	Total	111,549

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

Line No.	Item (a)	Amount (b)
1		
2		
3	NONE	
4		
5		
6		
7		
8		
9		
10	Total	-

SCHEDULE A-13
Accounts 140 and 240 - Unamortized Debt Discount and Expense and
Unamortized Premium on Debt

1. Report under separate subheadings for Unamortized Debt Discount and Expense and Unamortized Premium or Debt, particulars of discount and expense of premium applicable to each class and series of long-term debt.
2. Show premium amounts in red or by enclosure in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the discount and expense or premium with respect to the amount of bonds or other long-term debt originally issued.
5. Furnish particulars regarding the treatment of unamortized debt discount and expense or premium, redemption premiums, and redemption expenses associated with issues redeemed during the year, also, date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
6. Set out separately and identify undisposed amounts applicable to issues which were redeemed in prior years.
7. Explain any debits and credits other than amortization debited to Account 531, Amortization of Debt Discount and Expense, or credited to Account 532, Amortization of Premium on Debt-Credit.

Line No.	Designation of long-term debt (a)	Principal amount of securities to which discount and expense, or premium minus expense, relates (b)	Total discount and expense or net Premium (c)	AMORTIZATION PERIOD		Balance beginning of year (f)	Debits during year (g)	Credits during year (h)	Balance end of year (i)
				From- (d)	To- (e)				
1									
2	Series B	8,000,000	384,066	2/20/1992	2/20/2022	129,904	-	12,804	117,100
3									
4	Series D	15,000,000	764,013	10/24/2004	10/1/2024	489,180	-	38,200	450,980
5									
6	Series E	10,000,000	222,684	10/20/2006	10/20/2026	164,848	-	11,134	153,714
7									
8	Total	33,000,000	1,370,763			783,932	-	62,138	721,794
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									

SCHEDULE A-14
Account 141 - Extraordinary Property Losses

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

SCHEDULE A-15
Account 146 - Other Deferred Debits

Line No.	Item (a)	Balance End of year (b)
1	Miscellaneous-Other Deferred Debits	344,799
2	Investments-Co Bank	236,000
3	FASB 109, Regulatory assets	7,498,315
4	Rate Case Expenses-Regulatory	495,913
5	Accrued Vacation	781,518
7	Goodwill	1,826,420
	Total	11,182,965

SCHEDULE A-16
Account 150 - Discount on Capital Stock

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

Line No.	Class and Series of Stock (a)	Balance End of year (b)
1	NONE	
2		
3	Total	\$ -

SCHEDULE A-17
Account 151- Capital Stock Expense

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

Line No.	Class and Series of Stock (a)	Balance End of year (b)
1	NONE	
2		
3	Total	\$ -

SCHEDULE A-18
Accounts 200 and 201- Capital Stock

Line No.	Class of Stock (a)	Number of Shares Authorized by Articles of Incorporation (b)	Par Value of Stock Authorized by Articles of Incorporation (c)	Number of Shares Outstanding ¹ (d)	Total Par Value ² Outstanding End of Year (e)	Dividends Declared During Year	
						Rate (f)	Amount (g)
1	Common Stock	500,000	5	149,076.00	745,380	7.5264	4,487,996
2	Series A - Preferred	100,000	50	43,843.83	2,192,192	0.6563	115,090
3	Series B - Preferred	80,000	50	35,801.50	1,790,075	0.375	53,702
4							
5							
6	Total	680,000		228,721.33	4,727,647		4,656,788

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

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

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

Line No.	COMMON STOCK		PREFERRED STOCK	
	Name (a)	Number Shares (b)	Name (c)	Number Shares (d)
1	SouthWest Water Company	149,076.0	SouthWest Water Company	43,843.83
2			SouthWest Water Company	35,801.50
3				
4				
5				
6				
7				
8				
9	Total number of shares	149,076.0	Total number of shares	79,645.33

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

Line No.	Class of Stock (a)	Balance End of Year (b)
1	Common Stock	126,550
2		
3		
4		
5		
6		
7		
8		
9	Total	126,550

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

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	4,881,844
2	CREDITS (Give nature of each credit and state account charged)	
3		
4		
5	Total credits	4,881,844
6	DEBITS (Give nature of each debit and state account credited)	
7		
8		
9		
10	Total debits	-
11	Balance end of year	4,881,844

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

Line No.	Acct	Account (a)	Amount (b)
1		Balance beginning of year	58,034,841
2		CREDITS	
3	400	Credit balance transferred from income account	8,953,322
4	401	Miscellaneous credits to surplus (specify)	-
5			
6		Total credits	66,988,163
7		DEBITS	
8	410	Debit balance transferred from income account	-
9	411	Dividend appropriations-preferred stock	168,792
10	412	Dividend appropriations-Common stock	4,487,996
11	413	Miscellaneous reservations of surplus	-
12	414	Miscellaneous debits to surplus (specify)	-
13			
14		Total debits	4,656,788
15		Balance end of year	62,331,375

SCHEDULE A-22
Account 204 - Proprietary Capital
(Sole Proprietor or Partnership)

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

SCHEDULE A-23
Account 205 - Undistributed Profits
of Proprietorship or Partnership
(The use of this account is optional)

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

SCHEDULE A-24
Account 210 - Bonds

Line No.	Class of Bond (a)	Date of Issue (b)	Date of Maturity (c)	Principal Amount Authorized (d)	Outstanding ¹ per Balance Sheet (e)	Rate of Interest (f)	Sinking Fund Added in Current Year (g)	Cost of Issuance (h)	Interest Accrued During Year (i)	Interest Paid During Year (j)
1	Series B	2/20/1992	2/20/2022	8,000,000	8,000,000	9.09%			727,200	727,200
2	Series D	10/20/2004	10/1/2024	15,000,000	15,000,000	5.64%			846,000	846,000
3	Series E	10/20/2006	10/20/2026	10,000,000	10,000,000	6.30%			629,496	639,992
4										
5										
6										
7										
8	Totals			33,000,000	33,000,000				2,202,696	2,213,192

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

SCHEDULE A-24 (a)
CLASS A WATER COMPANIES
SAFE DRINKING WATER BOND ACT DATA

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA) loan outstanding during the 12-month reporting period. (Use one sheet for each loan.)

1. Current Fiscal Agent:
 Name: N/A
 Address: _____
 Phone Number: _____
 Date Hired: _____

2. Total surcharge collected from customers during the 12 month reporting period: \$ N/A

3. Summary of the trust bank account activities showing:

Balance at beginning of year	\$	<u>N/A</u>
Deposits during the year	\$	_____
Withdrawals made for loan payments	\$	_____
Other withdrawals from this account	\$	_____
Balance at end of year	\$	_____

4. Account information:
 Bank Name: N/A
 Account Number: _____
 Date Opened: _____

5. 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	303	Land					
4		Total non-depreciable plant	N/A				N/A
5		DEPRECIABLE PLANT					
6	304	Structures					
7	307	Wells					
8	311	Pumping equipment					
9	317	Other water source plant					
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes					
12	331	Water mains					
13	333	Services and meter installations					
14	334	Meters					
15	335	Hydrants					
16	339	Other equipment					
17	340	Office furniture and equipment					
18	341	Transportation equipment					
19		Total depreciable plant	N/A				N/A
20		Total water plant in service	N/A				N/A

SCHEDULE A-25
Account 212 - Advances from Associated Companies

Line No.	Nature of Obligation (a)	Amount of Obligation (b)	Rate of Interest (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1					
2	****NONE****				
3					
4					
5	Total				\$ -

SCHEDULE A-26
Account 213 - Miscellaneous Long Term Debt

Line No.	Nature of Obligation (a)	Date of Issue (b)	Date of Maturity (c)	Principal Amount Authorized (d)	Outstanding ¹ Per Balance Sheet (e)	Rate of Interest (f)	Interest Accrued During Year (g)	Interest Paid During Year (h)
1								
2								
3								
4	****NONE****							
5								
6								
7								
8	Total							\$ -

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

SCHEDULE A-27
Securities Issued or Assumed During Year

Line No.	Class of Security (a)	Commission Authorization (b)	Amount Issued During Year (omit cents) (c)	Discount or Premium (d)	Expenses (e)
1					
2					
3	****NONE****				
4					
5	Total				\$ -

SCHEDULE A-28
Account 220 - Notes Payable

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

SCHEDULE A-29
Account 223 - Payables to Associated Companies

Line No.	Nature of Obligation (a)	Balance End of Year (b)	Rate of Interest (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1	Southwest Water Company	10,212,296	6.500%	467,833	467,833
2	Southwest Water Company	2,000,000	6.295%	125,900	125,900
3	SWWC Utilities Inc.	150,068			
4	Adjustment	30			
5					
6					
7	Total	12,362,394		593,733	593,733

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

Line No.	Description (a)	Balance End of Year (b)
1	Volume Related	1,260,336
2	Accrued Salaries	993,577
3	WIP Retention	200,291
4	Contract Retainage	30,574
5	Consulting Obligation - Short Term	40,306
6	Franchise Fees Payable	1,702,242
7	Unclaimed Refund Contract Payments	15,062
8	Deferred Rent - Current	(205)
9	EEAP Liability	0
10	Accrued Bonus (Safety)	6,200
11	Accrued Employee Benefits - United Way	0
12	Customer Refunds	(674)
13	Legal Costs	100,000
14	Consulting Fees	0
15	CA-Dept of Public Health (License Fees)	37,332
16		
17	Total	4,385,042

SCHEDULE A-31
Account 228 - Accrued and Prepaid Taxes

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

Line No.	Kind of Tax (See Instruction 5) (a)	BALANCE BEGINNING OF YEAR		Taxes Charged During Year (d)	Paid During Year (e)	Adjustments (f)	BALANCE END OF YEAR	
		Taxes Accrued (b)	Prepaid Taxes (c)				Taxes Accrued (Account 228) (g)	Prepaid Taxes (Incl. in Acct. 132) (h)
1	Taxes on real and personal property	12,871		1,568,234	1,459,221	4,159	(91,983)	
2	State corporation franchise tax	0		562,422	562,422	0	0	
3	State unemployment insurance tax	0		54,194	54,194		0	
4	Other state and local taxes	0					0	
5	Federal unemployment insurance tax	0		4,225	4,225		0	
6	Fed. ins. contr. act (old age retire.)	0		557,457	557,457		0	
7	Other federal taxes	0					0	
8	Federal income taxes	0		3,994,319	3,994,319		0	
	Subtotal	12,871	0	6,740,851	6,631,838	4,159	(91,983)	0
9	Accrued payroll tax	0		104,117	97,707		6,410	
10								
11								
12								
13								
14	Total	12,871	0	6,844,968	6,729,545	4,159	(85,573)	0

SCHEDULE A-32
Account 241 - Advances for Construction

Line No.	Description (a)	Amount (b)	Amount (c)
1	Balance beginning of year		7,288,323
2	Additions during year		296,323
3	Subtotal - Beginning balance plus additions during year		7,584,646
4	Charges during year		
5	Refunds		
6	Percentage of revenue basis		
7	Proportionate cost basis	244,801	
8	Present worth basis	6,980	
9	Total refunds		251,781
10	Transfers to Acct 265 - Contributions in Aid of Construction		
11	Due to expiration of contracts		
12	Due to present worth discount		
13	Total transfers to Acct. 265		0
14	Securities Exchanged for Contracts (enter detail below)		
15	Subtotal - Charges during year		251,781
16	Balance end of year		7,332,865

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

Line No.	Type of Security or Other Consideration (Other than Cash) (a)	Dividend or Interest Rate (b)	PUC Decision Number (c)	Amount Issued (d)
17	Common stock			0.00
18	Preferred stock			0.00
19	Bonds			0.00
20	Other (describe)			0.00
21				
22				

SCHEDULE A-33
Account 242 - Other Deferred Credits

Line No.	Item (a)		Balance End of Year (b)
1	Deferred Revenue (CIAC)	242-30	36,005
2	Developer Deposits	242-00	1,343,014
3	Long-term Refund Contracts Unclaimed	242-89	8,577
4			
5	Long-term Unclaimed Checks Payable	242-90	0
6	Lessee Deposits	242-40	20,000
7	Other Long Term Liab.	242-00	737,898
7a	Deferred Rent Non Current	242-50	66,452
7b	Deferred ITC (Unamortized Investments Tax Credits-ITC)	242-96	284,991
7c	FASB 109 Federal Reg Liability	242-98	357,924
7d	FASB 109 State Reg Liability	242-99	144,363
7e	Low Income Program	242-95	595,947
7f	Asset Retirement Obligation	242-9X	0
7g	Future Cost of Removal Liability	242-9X	0
7h	Balancing Account (2001-2010)	242-00	15,219,908
7i	Balancing Account Contra (12/01 to 06/10)	242-00	(25,912,576)
7j	Low Income/Water Conservation	242-00	0
8	Accrued Regulatory Fees		105,209
	Total		(6,992,287)

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

Line No.	Account (a)	Balance Beginning of Year (b)	DEBITS		CREDITS		Balance End of Year (g)
			Nature of Items (c)	Amount (d)	Account Charged (e)	Amount (f)	
1	25400	90,536		175,055		250,605	166,087
2	25450						
3	#254	90,536		175,055		250,605	166,087
4							
5	#258	28,894,039		5,492,278		2,736,214	26,137,975
6							
7	Total	28,984,575		5,667,333		2,986,819	26,304,062

SCHEDULE A-35
Account 265 - Contributions in Aid of Construction

Instructions for Preparation of Schedule of Contributions in Aid of Construction:

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

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

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

Line No.	Item (a)	Total All Columns (b)	Subject to Amortization		Not Subject to Amortization	
			Property in Service After Dec. 31, 1954		Property Retired Before Jan. 1, 1955 (e)	Depreciation Accrued through Dec. 31, 1954 on Property in Service at Dec. 31, 1954 (f)
			Depreciable (c)	Non-Depreciable (d)		
1	Balance beginning of year	16,271,805	16,009,015	262,790		
2	Add: Credits to account during year					
3	Contributions received during year	125,198	125,198			
4	Other credits*					
5	Total credits	125,198	125,198			
6	Deduct: Debits to account during year					
7	Depreciation charges for year	727,847	727,847			
8	Nondepreciable donated property retired					
9	Other debits*	120,707.00	120,707			
10	Total debits	848,554	848,554			
11	Balance end of year	15,548,449	15,285,659	262,790		

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

SCHEDULE B-1
Account 501 - Operating Revenues

Line No.	Acct.	ACCOUNT (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Parenthesis) (d)
1		I. WATER SERVICE REVENUES			
2	601	Metered sales to general customers	50,879,977	38,436,998	12,442,979
3		601.1 Commercial sales	11,032,337	8,962,201	2,070,136
4		601.2 Industrial sales	1,419,964	1,034,256	385,708
5		601.3 Sales to public authorities	3,761,706	2,598,570	1,163,136
6		601.34 Recycled water revenues	105,924	2,324	103,600
7		Sub-total	67,199,908	51,034,349	16,165,559
8		601.4 Metered flooding	9,548	21,387	(11,839)
9	602	Unmetered sales to general customers	-	-	-
10		602.1 Commercial sales	-	-	-
11		602.2 Industrial sales	-	-	-
12		602.3 Sales to public authorities	-	-	-
13		Sub-total	9,548	21,387	(11,839)
14	603	Sales to irrigation customers	-	-	-
15		603.1 Metered sales	-	-	-
16		603.2 Unmetered sales	-	-	-
17		Sub-total	-	-	-
18	604	Private fire protection service	930,807	867,069	63,738
19	605	Public fire protection service	-	-	-
20	606	Sales to other water utilities for resale	44,713	28,720	15,993
21	607	Sales to governmental agencies by contracts	-	-	-
22	608	Interdepartmental sales	-	-	-
23	609	Other sales or service	-	-	-
24		Sub-total	975,520	895,789	79,731
25		Total water service revenues	68,184,976	51,951,525	16,233,451
26		II. OTHER WATER REVENUES			
27	611	Miscellaneous service revenues	200,647	345,847	(145,200)
28	612	Rent from water property	14,873	10,814	4,059
29	613	Interdepartmental rents	-	-	-
30	614	Other water revenues	109,004	163,251	(54,247)
31		Total other water revenues	324,524	519,912	(195,388)
32	501	Total operating revenues	68,509,500	52,471,437	16,038,063

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

Line No.	Location (a)	Operating Revenues (b)
31	Operations not within incorporated cities ¹	
32	Los Angeles County	16,510,790
33	Orange County	287,740
34		
35	Operations within incorporated territory	
36	City or town of West Covina	19,134,703
37	City or town of La Puente	3,274,754
38	City or town of Glendora	1,274,277
39	City or town of Industry	1,486,656
40	City or town of Walnut	3,281,605
41	City or town of Whittier	9,776,306
42	City or town of La Mirada	13,126,420
43	City or town of Covina	178,125
44	City or town of La Habra	102,764
45	City or town of Buena Park	75,360
46	Total	68,509,500

¹ Should be segregated to operating districts.

SCHEDULE B-2

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

Respondent should use the group of accounts applicable to its class

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Parenthesis) (d)
			A	B	C			
1		I. SOURCE OF SUPPLY EXPENSE						
2		Operation						
3	701	Operation supervision and engineering	A	B		-	-	-
4	701	Operation supervision, labor and expenses			C	-	-	-
5	702	Operation labor and expenses	A	B		-	-	-
6	703	Miscellaneous expenses	A			7,155,727	(171,657)	7,327,384
7	704	Purchased water	A	B	C	8,123,278	6,701,593	1,421,685
7a	70401	Contributions from cooperating respondents	A	B	C	-	(129,678)	129,678
8		Maintenance						
9	706	Maintenance supervision and engineering	A	B		-	-	-
10	706	Maintenance of structures and facilities			C	-	-	-
11	707	Maintenance of structures and improvements	A	B		-	-	-
12	708	Maintenance of collect and impound reservoirs	A			-	-	-
13	708	Maintenance of source of supply facilities		B		-	-	-
14	709	Maintenance of lake, river and other intakes	A			-	-	-
15	710	Maintenance of springs and tunnels	A			-	-	-
16	711	Maintenance of wells	A			9,999	11,998	(1,999)
17	712	Maintenance of supply mains	A			-	-	-
18	713	Maintenance of other source of supply plant	A	B		-	-	-
19		Total source of supply expense				15,289,004	6,412,256	8,876,748
20		II. PUMPING EXPENSES						
21		Operation						
22	721	Operation supervision and engineering	A	B		-	-	-
23	721	Operation supervision labor and expense			C	-	-	-
24	722	Power production labor and expense	A			-	-	-
25	722	Power production labor, expenses and fuel		B		-	-	-
26	723	Fuel for power production	A			-	-	-
27	724	Pumping labor and expenses	A	B		527,759	532,827	(5,068)
28	725	Miscellaneous expenses	A			-	-	-
29	726	Fuel or power purchased for pumping	A	B	C	3,140,466	3,077,627	62,839
30		Maintenance						
31	729	Maintenance supervision and engineering	A	B		-	-	-
32	729	Maintenance of structures and equipment			C	-	-	-
33	730	Maintenance of structures and improvements	A	B		53,909	108,137	(54,228)
34	731	Maintenance of power production equipment	A	B		-	-	-
35	732	Maintenance of pumping equipment	A	B		354,818	296,781	58,037
36	733	Maintenance of other pumping plant	A	B		-	-	-
37		Total pumping expenses				4,076,952	4,015,372	61,580

SCHEDULE B-2

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

Respondent should use the group of accounts applicable to its class

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Parenthesis) (d)
			A	B	C			
38		III. WATER TREATMENT EXPENSES						
39		Operation						
40	741	Operation supervision and engineering	A	B		-	-	-
41	741	Operation supervision, labor and expenses			C	-	-	-
42	742	Operation labor and expenses	A			632,107	568,626	63,481
43	743	Miscellaneous expenses	A	B		-	-	-
44	744	Chemicals and filtering materials	A	B		329,793	301,433	28,360
45		Maintenance						
46	746	Maintenance supervision and engineering	A	B		-	-	-
47	746	Maintenance of structures and equipment			C	-	-	-
48	747	Maintenance of structures and improvements	A	B		-	-	-
49	748	Maintenance of water treatment equipment	A	B		3,870	15,981	(12,111)
50		Total water treatment expenses				965,770	886,040	79,730
51		IV. TRANS. AND DIST. EXPENSES						
52		Operation						
53	751	Operation supervision and engineering	A	B		-	-	-
54	751	Operation supervision, labor and expenses			C	-	-	-
55	752	Storage facilities expenses	A			105,189	68,398	36,791
56	752	Operation labor and expenses		B		123	-	123
57	753	Transmission and distribution lines expenses	A			-	1,339	(1,339)
58	754	Meter expenses	A			-	317	(317)
59	755	Customer installations expenses	A			-	-	-
60	756	Miscellaneous expenses	A			-	-	-
61		Maintenance						
62	758	Maintenance supervision and engineering	A	B		-	-	-
63	758	Maintenance of structures and plant			C	-	-	-
64	759	Maintenance of structures and improvements	A	B		-	-	-
65	760	Maintenance of reservoirs and tanks	A	B		42,689	38,201	4,488
66	761	Maintenance of trans. and distribution mains	A			1,106,526	904,275	202,251
67	761	Maintenance of mains		B		-	-	-
68	762	Maintenance of fire mains	A			-	-	-
69	763	Maintenance of services	A			354,077	376,082	(22,005)
70	763	Maintenance of other trans. and distribution plant		B		-	-	-
71	764	Maintenance of meters	A			153,415	133,282	20,133
72	765	Maintenance of hydrants	A			118,416	77,649	40,767
73	766	Maintenance of miscellaneous plant	A			-	-	-
74		Total transmission and distribution expenses				1,880,435	1,599,543	280,892

SCHEDULE B-2

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

Respondent should use the group of accounts applicable to its class

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Parenthesis) (d)
			A	B	C			
75		V. CUSTOMER ACCOUNT EXPENSES						
76		Operation						
77	771	Supervision	A	B		-	-	
78	771	Superv., meter read., other customer acct expenses			C	-	-	
79	772	Meter reading expenses	A	B		251,208	345,657	
80	773	Customer records and collection expenses	A			1,560,940	1,278,771	
81	773	Customer records and accounts expenses		B		-	235	
82	774	Miscellaneous customer accounts expenses	A			-	-	
83	775	Uncollectible accounts	A	B	C	226,509	114,202	
84		Total customer account expenses				2,038,657	1,738,865	
85		VI. SALES EXPENSES						
86		Operation						
87	781	Supervision	A	B		-	-	
88	781	Sales expenses			C	-	-	
89	782	Demonstrating and selling expenses	A			-	-	
90	783	Advertising expenses	A			323,056	166,540	
91	784	Miscellaneous sales expenses	A			-	-	
92	785	Merchandising, jobbing and contract work	A			-	-	
93		Total sales expenses				323,056	166,540	
94		VII. ADMIN. AND GENERAL EXPENSES						
95		Operation						
96	791	Administrative and general salaries	A	B	C	2,993,320	3,000,957	
97	792	Office supplies and other expenses	A	B	C	1,115,710	1,146,254	
98	793	Property insurance	A			171,175	187,798	
99	793	Property insurance, injuries and damages		B	C	-	-	
100	794	Injuries and damages	A			529,985	460,513	
101	795	Employees' pensions and benefits	A	B	C	2,217,507	2,530,293	
102	796	Franchise requirements	A	B	C	855,881	631,080	
103	797	Regulatory commission expenses	A	B	C	1,306,399	957,491	
104	798	Outside services employed	A			358,766	591,266	
105	798	Miscellaneous other general expenses		B		-	-	
106	798	Miscellaneous other general operation expenses			C	-	-	
107	799	Miscellaneous general expenses	A			107,091	108,097	
108		Maintenance						
109	805	Maintenance of general plant	A	B	C	133,731	167,499	
110		Total administrative and general expenses				9,789,565	9,781,247	
111		VIII. MISCELLANEOUS						
112	811	Rents	A	B	C	492,928	328,066	
113	812	Administrative expenses transferred - Cr.	A	B	C	(1,269,748)	(807,049)	
114	813	Duplicate charges - Cr.	A	B	C	-	-	
114a	901	Charges by associated companies, clearing	A			8,445,343	6,123,377	
114b	902	Stores expense, clearing	A			-	-	
114c	903	Transportation expense, clearing	A			648,047	640,622	
114d	906	Tools and work equipment, clearing	A			64,068	61,971	
115		Total miscellaneous				8,380,638	6,346,987	
116		Total operating expenses				42,744,077	30,946,850	
							11,797,227	

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

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

SCHEDULE B-4
Account 507 - Taxes Charged During Year

1. This schedule is intended to give the account distribution of total taxes charged to operations and other final accounts during the year.
2. Do not include gasoline and other sales taxes which have been charged to accounts to which the material on which the tax was levied was charged. If the actual or estimated amounts of such taxes are known, they should be shown as a footnote and designated whether estimated or actual amounts.
3. The accounts to which taxes charged were distributed should be shown in columns (c) to (f). Show both the utility department and number of account charged except for taxes capitalized.
4. For any tax which it was necessary to apportion to more than one utility department or account, state in a footnote the basis of apportioning such tax.
5. The total taxes charged as shown in column (b) should agree with the amounts shown by column (d) of schedule entitled "Accrued and Prepaid Taxes," page 24.
6. Do not include in this schedule entries with respect to deferred income taxes, or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

Line No.	Kind of Tax (a)	Total Taxes Charged During Year (b)	DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)			
			Water (Account 507) (c)	Nonutility (Account 521) (d)	Other (Account ---) (e)	Capitalized (Omit Account) (f)
1	Taxes on real and personal property	1,488,350	1,488,350			
2	State corp. franchise tax	1,335,821	1,335,821			
3	State unemployment insurance tax	54,194	54,194			
4	Other state and local taxes					
5	Federal unemployment insurance tax	4,225	4,225			
6	Federal insurance contributions act	563,867	563,867			
7	Other federal taxes					
8	Federal income tax	4,821,949	4,821,949			
9	Accrued payroll taxes	-	-		-	
10	Payroll taxes capitalized					
11						
12						
13						
14	Total	8,268,406	8,268,406	-	-	-

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

1. Report hereunder a reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, inter-company amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. Show taxable year if other than calendar year from-----to-----.

Line No.		Amount (b)
1	Net income for the year per Schedule B, page 15	8,953,322
2	Reconciling amounts (list first additional income and unallowable deductions, followed by additional	
3	deductions for non-taxable income):	
4		
5	Federal income taxes	4,821,949
6		
7	State income taxes	1,335,821
8		
9	Taxable income not recorded on books:	
10	Income from deferral of gains on sales of properties	167,664
11		
12	Tax deductions not recorded on books:	
13	Amortization of Contributions	(16,611)
14	State tax (Priv. 2011) California	(410,659)
15	2012/13 Property Taxes	(149,798)
16	Flow-through depreciation	(2,141,021)
17	Normalized depreciation - 1982 and forward	339,234
18	IDC - capitalized interest	215,443
19	Repayment of advances including gross up	(86,774)
20	Tax Basis Gain (Loss) on Retirement of Assets	0
21	Goodwill of WC Acquisition 2002	0
22	Book income not recorded on return:	
23	Amortization of deferred revenue associated with contributions	(5,969)
24		
25	Book expenses not deducted on return	7,349,762
26		
27	Federal taxable income	20,372,363
28		
29	Federal tax rate (35%)	7,130,327
30	Depreciation Tax Adjustment	901,675
31	Amortization of ITC on '82-89 Assets	(32,921)
32		
33		
34	Tax per 2012 return	7,999,081
35		

SCHEDULE B-6				
Account 521 - Income from Nonutility Operations				
Line No.	Description (a)	Revenue (b)	Expenses (c)	Net Income (d)
1	NONE			
2				
3				
4				
5	Total			

SCHEDULE B-7		
Account 526 - Miscellaneous Nonoperating Revenue		
Line No.	Description (a)	Amount (b)
1	Misc. On-Operating Expense (Revenues)	(302,355)
2		
3		
4		
5		
6		
7		
8	Total	

SCHEDULE B-8		
Account 527 - Nonoperating Revenue Deductions (Dr.)		
Line No.	Description (a)	Amount (b)
1	AD Valorem Tax Expense	79,884
2		
3		
4		
5	Total	

SCHEDULE B-9		
Account 535 - Other Interest Charges		
Line No.	Description (a)	Amount (b)
1	Interest Expense - Capitalized	55
2		
3		
4	Total	

SCHEDULE B-10		
Account 538 - Miscellaneous Income Deductions		
Line No.	Description (a)	Amount (b)
1	Donations	68,729
2	Political Contributions - California Water Association	6,000
3	Other Expense	53,334
4		
5	Total	128,064

SCHEDULE C-2
Compensation of Individual Proprietor or Partner

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

Line No.	Nature of Allowance (a)	Account Charged (b)	Amount (c)
1			
2			
3	NONE		
4			
5			
6	Total		0

SCHEDULE C-3
Employees and Their Compensation
 (Charged to Account 502 - Operating Expenses - Schedule B-2)

Line No.	Classification (a)	Number at End of Year (b)	Total Salaries and Wages Paid During Year (c)
1	Employees - Source of supply	1	6,214
2	Employees - Pumping	15	936,675
3	Employees - Water treatment	7	445,548
4	Employees - Transmission and distribution	20	1,184,224
5	Employees - Customer account	24	1,416,801
6	Employees - Sales		
7	Employees - Administrative		
8	General officers	5	1,109,976
9	General office	51	2,206,669
10	Total	123	7,306,107

SCHEDULE C-4
Record of Accidents During Year

Line No.	Date of Accident (a)	TO PERSONS					TO PROPERTY			
		Employees on Duty		Public ¹		Total Number (f)	Company		Other	
		Killed (b)	Injured (c)	Killed (d)	Injured (e)		Number (g)	Amount (h)	Number (i)	Amount (j)
1		0	8	0	0	8	13	65,239	0	0
2										
3										
4	Total	0	8	0	0	8	13	65,239	0	0

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

SCHEDULE C-5 Expenditures for Political Purposes

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

1			
2			
3	California Water Association	6,000.00	
4	Consumers for Clean Water PAC	6,500.00	
5			
6	TOTAL	12,500.00	

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

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

1			
2			
3	NONE		
4			
5			
6			

SCHEDULE C-7 Bonuses Paid to Executives & Officers

Show hereunder the amount of bonuses paid to Executives and Officers, both cash and non-cash. List by the name of each Executive or Officer receiving the bonus, the dollar value of that bonus, and a description of the bonus if it is non-cash.

1	Michael Quinn	133,163.00	
2	Craig Gott	33,349.00	
3	Donald King	33,391.00	
4	John Brettl	29,274.00	
5	Richard Rich	25,000.00	
6			
7			
8			
9	TOTAL	254,177.00	

**SCHEDULE D-1
Sources of Supply and Water Developed**

STREAMS					FLOW IN(unit) ²				Annual Quantities Diverted(Un	Remarks
Line No.	Diverted into*	From Stream or Creek (Name)	Location of Diversion Point	Priority Right		Diversions				
				Claim	Capacity	Max.	Min.			
1										
2										
3			***** NONE *****							
4										
5										
WELLS							Annual Quantities Pumped(Un	Remarks		
Line No.	At Plant (Name or Number)	Location	Number	Dimensions	¹ Depth to Water	Pumping Capacity(Unit) ²				
6										
7			*****	SEE ATTACHED	*****					
8										
9										
10										
TUNNELS AND SPRINGS				FLOW IN(Unit) ²			Annual Quantities Used(Unit)	Remarks		
Line No.	Designation	Location	Number	Maximum	Minimum					
11										
12			***** NONE *****							
13										
14										
15										
Purchased Water for Resale										
16	Purchased from									
17	Annual quantities purchased (Unit chosen) ²									
18	***** SEE ATTACHED *****									
19										

* State ditch, pipe line, reservoir, etc., with name, if any.
¹ Average depth to water surface below ground surface.
² The quantity unit in established use for expressing water stored and used in large amounts is the acre foot, which equals 42,560 cubic feet; in domestic use the thousand gallon or the hundred cubic feet. The rate of flow or discharge in larger amounts is expressed in cubic feet per second, in gallons per minute, in gallons per day, or in the miner's inch. Please be careful to state the unit used.

**SCHEDULE D-2
Description of Storage Facilities**

Line No.	Type	Number	Combined Capacity (Gallons or Acre Feet)	Remarks
1	A. Collecting reservoirs			
2	Concrete			
3	Earth			
4	Wood			
5	B. Distribution reservoirs			
6	Concrete	6	16,869,491	
7	Earth			
8	Wood			
9	C. Tanks			
10	Wood			
11	Metal	26	57,170,659	
12	Concrete			
13	Total			

(SEE D1 AND D2 SUPPORT IN PDF FILE IN PUC 12 FOLDER)

Suburban Water Systems
Schedule D-1 2012
Wells

<u>Plant and Location</u>	<u>Dimensions of Casing</u>	<u>Water Depth</u>	<u>Capacity in G. P. M</u>	<u>Acre Feet Pumped</u>
<i>San Jose Hills District</i>				
121 W1 Stone	16"	233' PWL	2,200	2,568.50
126 W2 Rio Verde	18"	197' SWL	1,147	0.00
139 W2 La Puente CO.	26"	152' SWL	2,510	0.00
139 W4 La Puente CO.	20"	156' SWL	1,800	0.00
139 W5 La Puente CO.	18"	157' SWL	3,300	0.00
140 W3 La Grande	18"	117' SWL	1,107	0.00
140 W4 La Grande	18"	123' SWL	2,657	0.00
140 W5 La Grande	18"	113' SWL	2,720	2,130.69
142 W2 Vine	16"	200' PWL	3,133	4,576.04
147 W3 Jones	18"	163' PWL	1,233	1,700.14
151 W2	18"	152' PWL	3,617	<u>4,524.62</u>
<u>Total Acre Feet San Jose District</u>				15,499.99
<u>Plant and Location</u>	<u>Dimensions of Casing</u>	<u>Water Depth</u>	<u>Capacity in G. P. M</u>	<u>Acre Feet Pumped</u>
<i>Whittier \ La Mirada District</i>				
201 W4 Bartolo	16"	31' SWL	1,920	0.00
201 W7 Bartolo	18"	56' PWL	3,448	4,697.93
201 W8 Bartolo	18"	92' PWL	3,166	4,087.16
201 W9 Bartolo	18"	41' SWL	4,020	2,805.97
201 W10 Bartolo	18"	39' SWL	3,928	51.55
409 W3 Canary	16"	202' PWL	2,060	2,163.69
410 W1 Firestone	14"	152' PWL	770	<u>1,205.50</u>
<u>Total Acre Feet Whittier \ La Mirada District</u>				<u>15,011.80</u>
<u>Total Acre Feet Company</u>				<u>30,511.79</u>

Purchased Water For Resale

<i>San Jose Hills District</i>	<u>Acre feet Purchased</u>
City of Covina	0.00
City of Glendora	113.67
Covina Irrigating Company	3,466.48
La Puente Valley County Water District	1,584.83
Rowland Water District	0.00
Upper San Gabriel Valley Municipal Water District (Reclaimed)	364.91
Upper San Gabriel Valley Municipal Water District	269.55
Valencia Heights Water Company	0.00
Valley Counties Municipal Water District	8,302.04
Walnut Valley Water District	<u>346.26</u>
<u>Total Acre Feet San Jose District</u>	14,447.74

<i>Whittier \ La Mirada District</i>	<u>Acre Feet Purchased</u>
California Domestic Water Company	6,939.20
Central Basin Municipal Water District	120.10
City of Whittier	0.00
La Habra Heights County Water District	2.56
Orchard Dale	7.83
San Gabriel Valley Water Company	12.43
<u>Total Acre Feet Whittier \ La Mirada District</u>	7,082.12
<u>Total Acre Feet Company</u>	21,529.86

(Information provided by Nick Cafagno)

Backup for D2 Schedule

<u>San Jose Hills</u>	<u>Number</u>	<u>Gallons</u>
Concrete	3	4,296,819
Metal Tanks	<u>17</u>	<u>39,472,639</u>
Total	20	43,769,458

Whittier / La Mirada

Concrete	3	12,572,672
Metal Tanks	<u>9</u>	<u>17,698,020</u>
Total	12	30,270,692

Company Totals

Concrete	6	16,869,491
Metal Tanks	<u>26</u>	<u>57,170,659</u>
Total	32	74,040,150

SCHEDULE D-3 Description of Transmission and Distribution Facilities

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

Line No.		0 to 5	6 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 75	76 to 100
1	Ditch								
2	Flume								
3	Lined conduit				***NONE***				
4									
5	Total								

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

Line No.		101 to 200	201 to 300	301 to 400	401 to 500	501 to 750	751 to 1000	Over 1000	Total All Lengths
6	Ditch								
7	Flume				***NONE***				
8	Lined conduit								
9									
10	Total								

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

Line No.		1	1 1/2	2	2 1/2	3	4	5	6	8
11	Cast Iron									
12	Cast Iron (cement lined)									
13	Concrete									
14	Copper									
15	Riveted steel			***SEE ATTACHED***						
16	Standard screw									
17	Screw or welded casing									
18	Cement - asbestos									
19	Welded steel									
20	Wood									
21	Other (specify)									
22	Total									

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

Line No.		10	12	14	16	18	20	Other Sizes (Specify Sizes)	Total All Sizes
23	Cast Iron								
24	Cast Iron (cement lined)								
25	Concrete								
26	Copper								
27	Riveted steel			***SEE ATTACHED***					
28	Standard screw								
29	Screw or welded casing								
30	Cement - asbestos								
31	Welded steel								
32	Wood								
33	Other (specify)								
34	Total								

	1	1 1/2	2	2 1/2	3	4	5	6	8
Cast Iron						11689		16940	1579
Cast Iron (cement lined)									
Cement-Asbestos					912	507809	337	1138284	1302583
Concrete									0
Copper	59	24							
Ductile Iron						191		784	2870
Galvanized	196	295	1969			18			
HD PE			520						1544
Plastic	292		9716			30260		935	0
PVC			2892			15416		69285	196401
Rivited Steel									
Screw or Welded casing									
Standard Screw									
Welded Steel	0	0	6472	215	540	15981	1186	26472	68725
Wood									
Other									
Total	547	319	21569	215	1453	581364	1522	1252700	1573701

	10	12	14	16	18	20	21 to 29	30 & over	Total
Cast Iron									30208
Cast Iron (cement lined)									0
Cement-Asbestos	51383	432411	2275	84231	11549	12403	813	4447	3549436
Concrete	0	212	0	2257	24	1716			4210
Copper									83
Ductile Iron	71	2243	74	54685	2903	7280	24299	31645	127045
Galvanized									2477
HD PE	1411	4418					3594		11488
Plastic									41203
PVC	928	147128	0	5795	0	5989			443835
Rivited Steel									0
Screw or Welded casing									0
Standard Screw									0
Welded Steel	14580	51042	12952	37061	4260	8125	29491	29943	307044
Wood									0
Other									0
Total	68372	637454	15302	184029	18736	35514	58198	66035	4517028

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

Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior Year	Current Year	Prior Year	Current Year
Residential	67,097	65,933		
Commercial	3,226	3,179		
Industrial	46	35		
Public authorities	538	520		
Low Income	3,689	5,187		
Irrigation				
Other (specify) Constr Wtr, Recycled	10	25		
Other Utility	16	16		
Subtotal	74,622	74,895		
Private fire connections	768	680		
Public fire hydrants			75	63
Total	75,390	75,575	75	63

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

Size	WLM Meters	SJH Meters	
5/8 x 3/4 in	5,902	2,229	
3/4 in	23,830	34,257	
1 in	6,246	7,595	
1 1/2 in	708	975	
2 in	670	932	
3 in	81	156	
4 in	67	66	
6 in	12	11	
8 in	0	5	
other	253	359	
Total	37,769	46,585	84,354

**SCHEDULE D-6
Meter Testing Data**

A. Number of Meters Tested During Year as Prescribed in Section VI of General Order No. 103:	
1. New, after being received . . .	77
2. Used, before repair	262
3. Used, after repair	67
4. Found fast, requiring billing adjustment	3
	3
B. Number of Meters in Service Since Last Test	
1. Ten years or less	59,767
2. More than 10, but less than 15 years	25,634
3. More than 15 years	523

SCHEDULE D-7

Water delivered to Metered Customers by Months and Years in hundreds of cubic feet (Unit Chosen)¹

Classification of Service	During Current Year							Subtotal
	January	February	March	April	May	June	July	
Commercial	237,860	293,664	288,001	290,648	298,213	409,628	447,406	2,265,420
Industrial	55,075	94,135	47,802	54,013	44,615	53,034	49,773	398,447
Public authorities	85,550	53,227	59,330	63,599	72,254	172,232	187,973	694,165
Irrigation	0	0	0	0	0	0	0	0
Other (specify)*	1,088,637	949,831	977,765	1,039,030	1,042,870	1,545,416	1,620,627	8,264,176
Total	1,467,122	1,390,857	1,372,898	1,447,290	1,457,952	2,180,310	2,305,779	11,622,208

Classification of Service	During Current Year						Subtotal	Total	Total Prior Year
	August	September	October	November	December				
Commercial	418,919	386,995	389,464	331,352	268,736	1,795,466	4,060,886	3,892,821	
Industrial	51,266	41,923	29,253	50,882	39,590	212,914	611,361	608,362	
Public authorities	192,277	199,428	157,850	116,539	64,374	730,468	1,424,633	1,149,489	
Irrigation	0	0	0	0	0	0	0	0	
Other (specify)*	1,624,908	1,694,372	1,431,277	1,279,562	959,442	6,989,561	15,253,737	14,431,666	
Total	2,287,370	2,322,718	2,007,844	1,778,335	1,332,142	9,728,409	21,350,617	20,082,338	

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

Total acres irrigated N/A Total population served 293,000

- * Other (specify):
 Residential (Non LIRA/LIRA)
 Flood Meter
 Other Utility
 Recycled

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

1. Has the State or Local Health Department reviewed the sanitary condition of your water system during the past year?

Answer: Yes X No

2. Are you having routine laboratory tests made of water served to your consumers?

Answer: Yes X No

3. Do you have a permit from the State Board of Public Health for operation of your water system?

Answer: Yes X No

4. Date of permits: San Jose Hills System - System No. 1910205 - permit date: May 23, 2001
La Mirada System - System No. 1910059 - permit date: January 20, 1967
Whittier System - System No. 1910174 - permit date: October 25, 1962
Glendora System - System No. 1910046 - permit date: February 2, 1962
Covina Knolls System - System No. 1910200 - permit date: November 1, 1961

5. If permit is "temporary", what is the expiration date? N/A

6. If you do not hold a permit, has an application been made for such permit?

Answer: Yes No **N/A**

7. If so, on what date? **N/A**

**SCHEDULE D-9
Statement of Material Financial Interest**

Use this space to report the information required by Section 2 of General Order No. 104-A. If no material financial interest existed during the year or contemplated at the end of the year, such fact shall be so stated. If additional space is required, attach a supplementary statement with reference made thereto.

No material financial interest, as defined by General Order 104-A, existed at Suburban Water Systems during 2012, and Suburban did not propose at the conclusion of the report year to become a party to any transaction involving such material financial interest as defined in General Order 104-A.

**SCHEDULE E-1
Balancing and Memorandum Accounts**

Financial Accounting

Line No.	Description (a)	Authorized by Decision or Resolution No. (b)	Beginning of Year Balance (c)	Offset Revenues (d)	Offset Expenses (e)	Interest (f)	Surcharge (g)	Surcredit (h)	End of Year Balance (i)
1	2007 Balancing Accounts - Jan thru June (AL252)	D.03-06-072	(1,211,321)		1,211,321	-	-		-
2	2007 Balancing Accounts - July thru Dec (AL 257-286)	D.03-06-072	153,323		(153,323)	-	-		-
3	2008 Balancing Accounts - Jan thru Sep (AL 286)	D.03-06-072	98,883		(98,883)				(0)
4	2008 Balancing Accounts - Oct thru Dec (AL 272)	D.03-06-072	469,005		(469,005)				-
5	2009 Balancing Accounts (AL 272)	D.03-06-072	3,862,397		(763,048)	2,704	(1,835,755)		1,266,298
6	2010 Balancing Accounts - Jan thru June (AL 276)	D.03-06-072	1,793,448		120,596	1,546	(1,425,631)		489,959
7	2010 Balancing Accounts - July thru Dec (AL 286)	D.03-06-072	5,704,715		146,114	10,298	(2,838,011)		3,023,116
8	2011 balancing Accounts - Jan thru June (AL 286)	D.03-06-072	3,034,620		-	6,228	-		3,040,848
9	2011 Balancing Accounts - July thru Dec (AL 289)	D.03-06-072	3,750,805		244,179		(1,388,821)		2,606,163
10	2012 Reserve Accounts	D.03-06-072	-		266,284				266,284
11	Rate Case Expense 2011	D.12-04-009	396,552	(100,173)					296,380
12	Low Income Ratepayer Assistance Balancing Account	D. 12-04-009	(1,232,515)	(56,526)	37,145			734,418	(517,478)
13	Low Income Ratepayer Assistance Memorandum Acct.	08-02-036	-	(41,325)	20,125	-	-	-	(21,200)
14	Water Revenue Adjustment Mechanism Bal. Acct.	08-02-036	(0)	-					(0)
15	Water Contamination Litigation Memo Acct.	W-4094	-						-
16	Conservation Objectives Oil	08-02-036	37,142		(37,142)				(0)
17	Cost of Capital	D.10-10-035	62,494		(20,831)				41,663
18	Interim Rates True Up (AL 293 effective 06/2012)	D.12-04-009	-		3,629,309		(2,504,090)		1,125,219
19	Military Family Relief Program Memorandum Account	AB 1666	-						-
20	Security Measures Memorandum Account	D. 03-05-078	-						-
21	American Jobs Creation Act Deduction Memorandum Account	D.06-08-034	-						-
22	Cornerstone Project Memorandum Account	D.09-03-007	-						-
23	Low Income Customer Data Sharing Memorandum Account	D.11-05-020	-						-

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

Note 2: The detail for each individual account includes the Beginning of Year Balance, End of Year Balance, each Offset Expense adjustment during the

Note 3: The following table reflects certain of the above memorandum accounts on a PUC reporting basis irrespective of financial accounting requirements

Regulatory Accounting

Line No.	Description (a)	Authorized by Decision or Resolution No. (b)	Beginning of Year Balance (c)	Offset Revenues (d)	Offset Expenses (e)	Interest (f)	Surcharge (g)	Surcredit (h)	End of Year Balance (i)
1	2008 Balancing Accounts - Jan thru Sep	D.03-06-072	98,883		-				98,883
2	2008 Balancing Accounts - Oct thru Dec	D.03-06-072	439,920		-				439,920
3	2009 Balancing Accounts	D.03-06-072	2,833,483		-	2,704	(1,835,755)		1,000,432
4	2010 Balancing Accounts - Jan thru June	D.03-06-072	1,793,448		-	1,546	(1,425,631)		369,363
5	2010 Balancing Accounts - July thru Dec	D.03-06-072	5,704,715		-				5,704,715
6	2011 Balancing Accounts - Jan thru June	D.03-06-072	3,034,620			10,298	(2,838,011)		206,907
7	2011 Balancing Accounts - July thru Dec	D.03-06-072	-		3,988,755	6,228	(1,388,821)		2,606,163
8	Low Income Ratepayer Assistance Memo Acct.	08-02-036	-						-
9	Water Revenue Adjustment Mechanism Bal. Acct.	08-02-036	299,247				(264,213)		35,034
10	2009 Cost of Capital	09-12-019	-	(20,831)	62,494				41,663
11	2012 Cost of Capital Litigation Memorandum Account (Tier 2)	D. 12-04-009	-	(36,646)	109,937				73,291
12	Low Income Ratepayer Assistance Balancing Account	D. 12-04-009	-	-	(1,251,898)			734,418	(517,478)
13	Low Income Ratepayer Assistance Memorandum Acct.	08-02-036	-	(41,325)	20,125				(21,200)
14	2013 Cost of Capital Memorandum Account	D.12-05-004	-						-
15	Rate Case Expense 2011	D.12-04-009	-	(170,955)	512,865				341,910
16	Interim Rates True Up (AL 293 effective 06/2012)	D.12-04-009	-		3,629,309		(2,504,090)		1,125,219
17	Security Measures Memorandum Account	D.03-05-078	-						-
18	Military Family Relief Program Memorandum Account	AB 1666	-						-
19	American Jobs Creation Act Deduction Memorandum Account	D.06-08-034	-						-
20	Cornerstone Project Memorandum Account	D.09-03-007	-						-
21	Low Income Customer Data Sharing Memorandum Account	D.11-05-020	-						-

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

For all low income rate assistance programs offered by water utility, provide detailed responses to the following items:
****SEE ATTACHED****

1. Brief description of each low-income rate assistance program provided, by district. This shall include but is not limited to the percent of discount, the dollar amount of discount, what rate is discounted (service charge, quantity, or total bill), qualifying income level, dollar rate increase to remaining customers to pay for this program.
2. Participation rate for Year 2012 (as a percent of total customers served).
3. Detail of balancing or memorandum account authorized to record expenses incurred and revenues collected for low income rate assistance program.

Schedule E- 3
Description of Water Conservation Program(s)

For all water conservation programs offered by water utility, provide detailed responses to the following items:
****SEE ATTACHED****

1. Brief description of each water conservation program offered by the water company, by district. This description shall include but not be limited to the type of program offered (such as provision of low-flow plumbing fixtures, leak detection, leak repair, written water conservation tips, or other similar programs to its customers), whether offered with a third party, whether direct install or rebate, and length of time the program was offered.
2. For each water conservation program described above, an estimated conservation savings report in the following basic format (if it is necessary to deviate from this table, provide estimated program savings).

A	B	C	D	E	F	G	H	I	J
Name of measure, as listed in Decision or Settlement*	Description of measure	Authorized \$	# of units / activities purchased, provided, performed	\$ per unit, activity, etc.	Total \$ spent	Designated water savings per unit per year**	Unit lifespan**	Estimated Annual measure savings** (AFY)	Estimated Lifetime measure savings** (AF)
					(D x E)			(D x G)	(I x H)
Measure A									
Measure B									
Measure C									
Total									

* If not specifically listed, state the category in which the activity falls and rationale for including this particular activity

** This may not apply to all measures, e.g., public information / education

If requested information is provided in another report or format, the water company can provide a copy of the report and note the page on which the information is found.

**2012 ANNUAL REPORT
SCHEDULE E-2**

1. Brief description of each low-income rate assistance program provided, by district. This shall include but is not limited to the percent of discount, the dollar amount of discount, what rate is discounted (service charge, quantity, or total bill), qualifying income level, dollar rate increase to remaining customers to pay for this program.

Response:

Suburban implemented low-income rate assistance program on September 1, 2008 for its San Jose Hills and Whittier/La Mirada service areas. The monthly credit of \$6.50 applies to all residential metered water service, and the monthly credit of \$20.00 applies to all non-profit group living facilities, agricultural employee housing facilities, and migrant farm worker housing centers.

Beginning June 1, 2012, Suburban removed the limitation on residential meter size to qualify for the Low Income Assistance Program. To qualify for the credit, the residential customer:

- Must have the water utility bill for service in his or her name.
- Must not be claimed as a dependent on another person's tax return.
- Must re-apply each time you change your personal residence.
- Must renew his or her application every two years, or sooner, if requested.
- Must notify Suburban Water Systems within thirty days if he or she becomes ineligible for Suburban Water Systems' low income assistance program but continue to be a customer of Suburban Water Systems.
- Must provide verification of household income by providing a utility bill showing participation in a low income assistance program for electric or gas utility service or by completing Suburban' self verification form.

Gross annual household income must not exceed the maximum qualifying household income levels specified annually by the California Public Utilities Commission for the CARE program. Gross annual income means the gross income of all persons residing in the household, as further defined below. For Suburban Water Systems' low income assistance program, "gross annual household income" means all money and non-cash benefits available for living expenses, received from all sources, both taxable and non-taxable, before any tax deductions, by or for all persons residing in the household during the most recently ended calendar year.

The income Qualification guidelines (effective June 1, 2012 through May 31, 2013):

Total persons in household	Maximum total combined annual income
1	\$22,340
2	\$30,260
3	\$38,180
4	\$46,100
5	\$54,020
6	\$61,940
7	\$69,860
8	\$77,780

For each additional person, add \$7,920 to the total combined annual income.

In order to support the program, a surcharge of \$0.014 per 100 cubic feet is to be applied to the monthly bills of all metered customers, excluding those customers receiving a low-income rate assistance credit in San Jose Hills and Whittier/La Mirada service areas.

In 2012, semi-annually Suburban shares Low-Income Customer Information with energy utilities (Southern CA Edison and Southern California Gas Company) to increase the participation rates in water low-income assistance program. The data matching process requires Suburban to identify customers' eligibility by mailing automatic enrollment and opt-out letters 30 days prior to enrollment to permit those customers to decline to be automatically enrolled.

2. Participation rate for Year 2012 (as a percent of total customers served).

Response:

At the end of 2012 the LIRA participation rate as a percentage of total customers served was 7.7%.

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

Response:

	San Jose Hills Service Area			Whittier/La Mirada Service Area		
	Surcharge Collected	Benefit Profided	Over/(Under) Collection	Surcharge Collected	Benefit Profided	Over/(Under) Collection
<i>Beg. Bal.</i>	\$1,215,421	\$587,782	\$627,639	\$912,853	\$307,977	\$604,876
Jan-12	\$26,448	\$18,077	\$8,372	\$17,879	\$8,509	\$9,370
Feb-12	\$19,493	\$16,790	\$2,703	\$16,970	\$8,600	\$8,371
Mar-12	\$21,265	\$16,738	\$4,528	\$16,771	\$8,645	\$8,126
Apr-12	\$22,150	\$16,712	\$5,439	\$18,073	\$8,457	\$9,617
Amortized by AL 294-W, effective July 1, 2012						
	Refunded to Customer			Refunded to Customer		
Jul-12	(\$73,002)		(\$73,002)	(\$59,723)		(\$59,723)
Aug-12	(\$83,193)		(\$83,193)	(\$61,157)		(\$61,157)
Sep-12	(\$82,007)		(\$82,007)	(\$61,463)		(\$61,463)
Oct-12	(\$70,567)		(\$70,567)	(\$53,062)		(\$53,062)
Nov-12	(\$62,779)		(\$62,779)	(\$46,529)		(\$46,529)
Dec-12	(\$47,099)		(\$47,099)	(\$33,837)		(\$33,837)
<i>Balance as of 12-31-2012</i>			<u>\$230,034</u>			<u>\$324,589</u>
Beginning Balance			\$0			\$0
May-12	\$23,078	\$16,757	\$6,321	\$18,366	\$8,450	\$9,916
Jun-12	\$36,044	\$16,907	\$19,138	\$28,367	\$8,424	\$19,943
Jul-12	\$18,381	\$17,004	\$1,377	\$14,093	\$8,522	\$5,571
Aug-12	\$18,783	\$18,389	\$395	\$13,807	\$8,671	\$5,136
Sep-12	\$18,512	\$17,687	\$825	\$13,793	\$9,536	\$4,257
Oct-12	\$15,928	\$21,723	(\$5,795)	\$11,977	\$10,628	\$1,350
Nov-12	\$14,170	\$23,777	(\$9,607)	\$10,494	\$10,738	(\$244)
Dec-12	\$10,637	\$24,343	(\$13,706)	\$7,634	\$11,187	(\$3,552)
<i>Balance as of 12/31/12</i>			<u>(\$1,052)</u>			<u>\$42,378</u>

2012 Low Income Rate Assistance Program Cost Details

<u>No.</u>	<u>Date</u>	<u>Vendor Name</u>	<u>Amount</u>	<u>Total By Month</u>
1	05/12/12	C. Santillan Inc.	\$1,456	
2	05/29/12	C. Santillan Inc.	\$1,262	
				\$2,718
3	06/11/12	C. Santillan Inc.	\$6,191	
4	06/25/12	S&S Bindery Inc.	\$1,845	
				\$8,037
5	07/02/12	Postage	\$46	
6	07/03/12	S&S Bindery Inc.	(\$58)	
				(\$12)
7	09/06/12	Postage	\$260	
8	09/19/12	Postage	\$125	
9	09/30/12	Postage	\$2,552	
10	09/30/12	Postage	\$163	
11	09/30/12	Postage	\$261	
				\$3,362
12	10/31/12	Postage		\$2,463
13	11/30/12	Postage		\$3,243
14	12/31/12	Postage	\$218	
15	12/31/12	Postage	\$97	
				\$315
				<u>\$20,125</u>

ANNUAL REPORT, SCHEDULE E-3
DESCRIPTION OF WATER CONSERVATION PROGRAMS

Appendix A

A	B	C	D	E	F	G	H	I	J
Name of measure, as listed in Decision or Settlement*	Description of measure	Authorized \$	# of units / activities purchased, provided, performed	\$ per unit, activity, etc.	Total \$ spent (D x E)	Designated water savings per unit per year** (AF)	Unit lifespan**	Estimated Annual measure savings** (AFY) (D x G)	Estimated Lifetime measure savings** (AF) (J x H)
High Efficiency Toilet Distributions	Distribute high efficiency toilets to customers		1,448	\$195	\$281,970	0.0425	10	61.46	614.55
High Efficiency Toilet Distributions	Distribute high efficiency toilets to customers/Upper District event*	\$300,000	58	\$150	\$8,400	0.0425	10	2.38	23.80
High Efficiency Toilet Distributions	Installation of toilets for low income customers*		20	\$195	\$3,900	0.0425	10	0.85	8.50
High Efficiency Toilet Distributions	Postcards mailed to customers to advertise HET Programs		20,121	\$0.42	\$8,451	NA	NA	NA	NA
Public Outreach/Community Events	Participated in 10 Public Events		various materials	NA	\$1,517	NA	NA	NA	NA
Public Outreach/Community Events	Hosted 2 California Friendly Gardening Landscape Classes		2	\$730	\$1,460	NA	NA	NA	NA
Public Outreach/Community Events	Sponsored School Education/Theatre Programs		20	\$1,097	\$21,940	NA	NA	NA	NA
Public Outreach/Community Events	Contributed to City of West Covina's Children's Park/recycled water	\$37,500	1	\$5,000	\$5,000	NA	NA	NA	NA
Public Outreach/Community Events	Whittier irrigation retrofit for water efficient irrigation system at library		1	\$5,000	\$5,000	NA	NA	NA	NA
Public Outreach/Community Events	Contribution for Water Replenishment District Water Event		1	\$1,000	\$1,000	NA	NA	NA	NA
Public Outreach/Community Events	Contribution for County Sanitation Earth Day Event		1	\$1,000	\$1,000	NA	NA	NA	NA
Public Outreach/Community Events	Contribution for Generation Water fund-raiser (non-profit group that employs college students and trains them for landscape audit and retrofit work)		1	\$1,500	\$1,500	NA	NA	NA	NA
Total		\$337,500			\$341,138			64.69	646.85
Rebate Funding received from Central Basin in 2012	Authorized to carry over to 2013 HET Program \$57,050								

*This was the amount that Suburban contributed to the program, the total costs were greater and were paid by the wholesale district(s)

** This may not apply to all measures, e.g., public information / education

SUBURBAN WATER SYSTEMS

Supplement to CPUC Annual Report

2012 Information-Only Filing

In Compliance With Commission Decisions 11-05-004 and 11-05-020

**ATTACHMENT 2
2012 INFORMATION-ONLY FILING
CONSERVATION DATA REPORT**

1. Baseline average (from 2003-2007 or 10-year baseline if it includes 2003-2007 and only includes years prior to the adoption of a conservation rate design) estimated monthly or bimonthly (depending on billing cycle) per customer or service connection consumption by ratemaking district, separated by customer class and meter size. If the water company elects to use a baseline in reliance on the Department of Water Resources methodology developed to implement SBX7-7 without calendar years 2003-2007, the water company shall attach workpapers to support the use of that baseline.

Response:

Suburban utilized the methodologies developed by Department of Water Resources to calculate baseline per capita water use expressed in gallons per capita per day ("GPCD"). These baselines, which are detailed in Suburban's 2010 Urban Water Management plan were based on 10-year baseline (1999-2008):

San Jose Hills Service Area = 168.9 GPCD
Whittier/La Mirada Service Area = 192.9 GPCD

2. Average estimated monthly or bimonthly (depending on billing cycle) per customer or service connection consumption in one hundred cubic feet by ratemaking district, separated by customer class and meter size.

Response:

Average Monthly Residential Usage by Meter Size (ccf)						
5/8"x3/4"	3/4"	1"	1.5"	2"	3"	

San Jose Hills Service Area:

2012 Monthly Average	17.95	16.22	22.42	61.02	109.44	160.52
----------------------	-------	-------	-------	-------	--------	--------

Whittier/La Mirada Service Area:

2012 Monthly Average	14.70	15.73	22.59	57.23	107.10	248.50
----------------------	-------	-------	-------	-------	--------	--------

3. Comparison table including baseline and annual average estimated consumption by ratemaking district, separated by customer class and meter size, for each year following implementation of conservation rate designs, with the percentage reduction in consumption calculated by district and by customer class and meter size within each ratemaking district.

Response:

The method to calculate per capita water use in GPCD is not comparable to the annual average estimated consumption in hundred cubic feet. However, the following Table shows 2012 annual average consumption by service area:

2012 Residential - by Meter Size						
5/8"x3/4"	3/4"	1"	1.5"	2"	3"	

San Jose Hills Service Area:

2012 Consumption (ccf)	435,935	5,927,400	1,771,692	386,592	198,306	15,410
2012 Avg. Connections	2,024	30,450	6,584	528	151	8
2012 Avg. Consumption (ccf)	215.4	194.7	269.1	732.2	1,313.3	1,926.3

Whittier/La Mirada Service Area:

2012 Consumption (ccf)	942,571	3,840,602	1,372,636	188,868	39,842	2,982
2012 Avg. Connections	5,345	20,347	5,063	275	31	1
2012 Avg. Consumption (ccf)	176.3	188.8	271.1	686.8	1,285.2	2,982.0

ATTACHMENT 2 (Continued)

4. For non-low income customers, the average estimated monthly/bimonthly (depending on billing cycle) consumption per tier or block separated by ratemaking district, by meter size, and by customer class, and the # of customers in each sub-grouping.

Response:

Customer Class Conservation: Residential

Meter Size						
5/8"x3/4"	3/4"	1"	1-1/2"	2"	3"	

Average Estimated Monthly Consumption by tier

San Jose Hills Service Area:

Tariff Area 1 - Tier 1	14.61	13.98	13.57	46.25	123.66	-
Tariff Area 1 - Tier 2	12.00	10.19	19.28	87.80	178.14	-
Tariff Area 2 - Tier 1	13.72	13.14	18.72	46.90	89.15	241.92
Tariff Area 2 - Tier 2	10.39	11.26	22.78	81.20	167.51	-
Tariff Area 3 - Tier 1	-	12.14	18.89	40.22	102.98	140.96
Tariff Area 3 - Tier 2	-	10.56	15.53	36.08	150.73	106.50

Whittier/La Mirada Service Area:

Tariff Area 1 - Tier 1	12.78	12.94	12.44	43.83	229.00	-
Tariff Area 1 - Tier 2	8.73	7.99	22.02	22.91	-	-
Tariff Area 2 - Tier 1	12.84	13.66	17.27	45.23	99.84	248.50
Tariff Area 2 - Tier 2	9.83	9.51	23.05	51.71	72.39	-
Tariff Area 3 - Tier 1	-	2.75	24.32	40.63	60.17	-
Tariff Area 3 - Tier 2	-	-	30.03	43.20	-	-

Number of Customers in each sub-grouping

San Jose Hills Service Area:

Tariff Area 1 - Tier 1	1,316	16,400	1,694	63	11	-
Tariff Area 1 - Tier 2	427	4,309	190	18	2	-
Tariff Area 2 - Tier 1	533	10,178	3,163	239	130	1
Tariff Area 2 - Tier 2	162	2,615	997	76	11	-
Tariff Area 3 - Tier 1	1,288	1,663	226	10	7	-
Tariff Area 3 - Tier 2	272	424	34	6	1	-

Whittier/La Mirada Service Area:

Tariff Area 1 - Tier 1	1,209	830	319	21	1	-
Tariff Area 1 - Tier 2	216	149	24	3	-	-
Tariff Area 2 - Tier 1	3,825	18,515	4,642	252	29	1
Tariff Area 2 - Tier 2	782	4,298	1,133	63	3	-
Tariff Area 3 - Tier 1	-	1	86	2	1	-
Tariff Area 3 - Tier 2	-	-	56	1	-	-

5. Estimated monthly or bimonthly (depending on billing cycle) number of customers by district, monthly or bimonthly number of disconnection notices generated to those customers, number of customers disconnected for non-payment, and number of customers reconnected.

Response:

Estimated Monthly - Residential					
SJH Serv. Area			WLM Serv. Area		
Disconnect Notice	Disconnect for Non-Payment	Reconnect Notice	Disconnect Notice	Disconnect for Non-Payment	Reconnect Notice
10,390	2,549	2,549	7,595	2,339	2,339

6. Estimated monthly Best Management Practices compliance costs, by district, separated by customer class, coverage goals or flex track menu (by measure);.

Response:

Suburban does not separate costs by district nor by customer class, coverage goals, or flex track menu. The monthly estimated Best Management Practices compliance costs approximately \$27,595 for residential customers and \$833 for commercial customers.

7. Any other district-specific factor (such as changes in weather, increases in supply from recycled water, or economic factors) that might contribute to consumption changes.

Response:

None.

**ATTACHMENT 3
2012 INFORMATION-ONLY FILING
LOW-INCOME DATA REPORT**

1. Average estimated monthly or bimonthly (depending on billing cycle) per customer or service connection low-income customer consumption in one hundred cubic feet by ratemaking district, separated by meter size.

Response:

Average Monthly LIRA Residential Usage by Meter Size (ccf)							
SJH Service Area				WLM Service Area			
5/8"x3/4"	3/4"	1"	1.5"	5/8"x3/4"	3/4"	1"	1.5"
17.00	15.13	16.32	25.67	14.13	13.98	15.10	11.00

2. Average estimated monthly or bimonthly (depending on billing cycle) consumption per tier or block separated by ratemaking district, by meter size, and by customer class for low-income customers and the number of customers in each sub-grouping.

Response:

RESIDENTIAL - LOW INCOME CUSTOMERS										
TARIFF AREA 1			TARIFF AREA 2				TARIFF AREA 3			
5/8"x3/4"	3/4"	1"	5/8"x3/4"	3/4"	1"	1.5"	5/8"x3/4"	3/4"	1"	1.5"

San Jose Hills Service Area

Tier 1 Average Consumption/Month (ccf):

14.19 13.61 11.55 12.88 12.36 16.78 16.78 - 11.58 16.28 26.25

Avg. # Customers:

134 1,768 51 42 744 50 1 - 72 29 2

Tier 2 Average Consumption/Month (ccf):

11.16 8.47 7.33 11.98 10.21 11.75 - - 7.85 12.53 -

Avg. # Customers:

38 396 3 9 152 12 - 12 12 5 -

Whittier/La Mirada Service Area

Tier 1 Average Consumption/Month (ccf):

12.55 12.15 12.00 12.58 12.58 14.35 11.00

Avg. # Customers:

94 54 8 216 946 24 1

Tier 2 Average Consumption/Month (ccf):

7.17 8.41 6.25 9.58 8.18 7.75 -

Avg. # Customers:

15 8 1 40 167 4.00 -

3. Estimated monthly or bimonthly (depending on billing cycle) number of participating low-income customers by district, monthly or bimonthly number of disconnection notices generated to those customers, number of customers disconnected for non-payment and number of customers reconnected, for all low-income customers.

Response:

Estimated Monthly LIRA - Residential							
SJH Serv. Area				WLM Serv. Area			
LIRA Participant	Disconnect Notice	Disconnect for Non-Payment	Reconnect Notice	LIRA Participant	Disconnect Notice	Disconnect for Non-Payment	Reconnect Notice
2,883	1,777	375	375	1,415	748	196	196

4. Average low-income customer household size and average estimated monthly or bimonthly (depending on billing cycle) consumption by ratemaking district for low-income households of 5 or more, and the number of customers in each subgrouping.

Response:

Not available.

Ordering Paragraph 4 stated:

".... but shall report low-income household size data no later than concurrently with their 2013 Annual Reports."

ATTACHMENT 3 (Continued)

5. Average water revenue adjustment mechanism/Modified Cost Balancing Accounts (WRAM/MCBA) surcharge(s) bill impact on participating low-income customers by ratemaking district. This bill impact should be compared with the same bill under the uniform/standard rate. The bill impact should separately identify bill components, including applicable rates, WRAM/MCBA surcharge(s), and low-income assistance program discount, calculated at average consumption for the typical meter size.

Response:

Suburban has not been authorized a MCBA or conventional decoupling WRAM.

6. Participating low-income customer inclusion in conservation programs offered by the water utility:
a) describe the water conservation program by ratemaking district(s),

Response:

Please see Schedule E-3, number 1, item 3.

- b) identify whether it is offered with a third party,

Response:

Please see Schedule E-3, number 1, item 3.

- c) specify how low-income customers are targeted by or included in the program,

Response:

Please see Schedule E-3, number 1, item 3.

- d) describe outreach efforts used to reach low-income program participants (application, re-certification, separate outreach),

Response:

Annually Suburban sends out Low Income application to all customers, LIRA re-certification every two-years, LIRA applications were enclosed with Shut-Off Notice/ Disconnect Notice, HET program were offered to low-income customers, and semi-annually data sharing with Southern California Edison and Southern California Gas Company.

- e) how long has the program been offered, and

Response:

51 months for LIRA discount, which qualified customer receives \$6.50 credit on their monthly water bill, 10 months for HET direct installation program, and 6 months for direct delivery HET program.

- f) what criteria are used to establish the success of the program.

Response:

LIRA program applications are available in Suburban's service area offices, and at conservation events. Each year, all customers receive a bill insert that provides information and an application regarding the LIRA program. Suburban also includes LIRA brochures with shut-off notices. Targeted programs to low-income customers include direct mailing of LIRA brochures, distributing flyers at public events, and sending out survey letters to all customers who participated in the HET program.

**In Compliance With D.11-05-020
ATTACHMENT 3
2012 INFORMATION-ONLY FILING
LOW-INCOME DATA SHARING REPORT**

1. For each data file received:

- a) Number of CARE customer records received.
- b) Number of CARE customers not matched to water utility records.
- c) Number of CARE customers successfully matched.

Response:

- a) 4,705
- b) 1,372
- c) 3,333

2. Enrollment Results:

- a) Number of CARE customers automatically enrolled.
- b) Number of customers re-certified for assistance.
- c) Number of CARE customers ineligible for enrollment due to metering conditions (as compared with water utility records).
- d) Number of customers opting-out.
- e) Number of potential customers identified and served with outreach material.

Response:

- a) 3,237
- b) Suburban does not maintain customers' re-certification for assistance from data sharing. Suburban's 2012 customers recertification for assistance not from data sharing was 887.
- c) Unknown
- d) 96
- e) Suburban does not maintain potential customers identified and served with outreach material data.

3. Program Costs:

Itemized annual expenses specifically incurred for operating and administering the data sharing program, including:

- a) Personnel with number of hours allocated to particular data sharing tasks.
- b) Special equipment.
- c) Translation services.
- d) Printing, mailing and other costs.
- e) Specify if any costs are included in rates.
- f) Summary of annual low-income program discounts, surcharges, and itemized low-income program costs.
- g) Specify which costs are included in rates, if any.

Response:

- a) Suburban does not maintain records for the number of hours allocated to particular data sharing tasks
- b) None
- c) None
- d) The 2012 cost for postage was \$1,499.85
- e) None
- f) None
- g) None

Schedule E- 4 Report on Affiliate Transactions

Affiliate includes all related companies including but not limited to Parent, Affiliates, and Subsidiaries.

INSTRUCTIONS:

* For those utilities with specifically authorized affiliate transaction rules, provide all information required by those rules.

* For those utilities with no specifically authorized affiliate transaction rules, or those utilities whose authorized affiliate transaction rules do not provide the following information, provide the following:

1. Summary of all transactions between regulated water utility and its affiliated companies for the previous calendar year. The summary shall include a description of each transaction and an accounting of all dollars associated with each transaction although each transaction need not be separately identified where multiple transactions occur in the same account. These transactions shall include:

- | | |
|---|--------------|
| (a) services provided by regulated water utility to any affiliated company; | N/A |
| (b) services provided by any affiliated company to regulated water utility; | See Attached |
| (c) assets (both tangible and intangible) transferred from regulated water utility to any affiliated company; | N/A |
| (d) assets (both tangible and intangible) transferred from any affiliated company to regulated water utility; | N/A |
| (e) employees transferred from regulated water utility to any affiliated company; | N/A |
| (f) employees transferred from any affiliated company to regulated water utility; and | See Attached |
| (g) financing arrangements and transactions between regulated water utility and any affiliated company. | See Attached |
| (h) services provided by and/or assets transferred from the parent holding company to affiliate company which may have germane utility regulations impacts; and | N/A |
| (i) services provided by and/or assets transferred from affiliated company to the parent holding company which may have germane utility regulation impacts. | N/A |

E-4 (b)

SERVICES PROVIDED BY ANY AFFILIATED COMPANY TO REGULATED WATER UTILITY:

1.	Direct costs from non-parent company affiliates		
	IT and related costs		
2.	Direct costs from parent company		
	Direct Payments Made by (for) SWC:		
	IT Charges		0
	Audit Fees		150,000
	Legal Fees		0
	Bank of America - account analysis monthly charges		52,741
	Insurance Charges: (General, Medical, Auto, Worker's Comp)		1,845,598
	Total Direct		2,048,339
3.	Indirect costs from parent company		
	Corporate Management Fee Allocation		2,011,383
	Utility Group Management Fee Allocation		252,555
	Shared Services Allocation		5,887,939
	IT Depreciation & Amortization Allocation		293,466
	Total Indirect		8,445,343

Schedule E- 4 (f)
Report on Affiliate Transactions

(f) Employees transferred from any affiliated company to regulated water utility

Transferred from parent company-SWWC to Suburban:

Jocelyn Padilla
Tim Tillery

SCHEDULE E-4
(Attachment)

Line No.	
1	
	g. Financing arrangements and transactions between regulated water utility and any affiliated company:
	INTERCOMPANY LOANS
	6.295% on the first \$2,000,000.00
	6.50% over \$2,000,000.00
	INTERCOMPANY MANAGEMENT FEES
	\$8,445,343

**FOR ALL 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:

Name: _____ **N/A** _____
 Address: _____
 Phone Number: _____
 Account Number: _____
 Date Hired: _____

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

\$ _____

Meter Size	No. of Metered Customers	Monthly Surcharge Per Customer
3/4 inch		
1 inch		
1 1/2 inch		
2 inch		
3 inch		
4 inch		
6 inch		
Number of Flat Rate Customers		
Total		

3. Summary of the bank account activities showing:

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:

FOR ALL WATER COMPANIES
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA (Continued)

5. Plant amounts included in Schedule A-1a, Account No. 101--Water Plant in Service which were funded using SDWBA or SRF 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	N/A				N/A
3	303	Land					
4		Total non-depreciable plant					
5		DEPRECIABLE PLANT					
6	304	Structures	N/A				N/A
7	307	Wells	N/A				N/A
8	317	Other water source plant	N/A				N/A
9	311	Pumping equipment	N/A				N/A
10	320	Water treatment plant	N/A				N/A
11	330	Reservoirs, tanks and sandpipes	N/A				N/A
12	331	Water mains	N/A				N/A
13	333	Services and meter installations	N/A				N/A
14	334	Meters	N/A				N/A
15	335	Hydrants	N/A				N/A
16	339	Other equipment	N/A				N/A
17	340	Office furniture and equipment	N/A				N/A
18	341	Transportation equipment	N/A				N/A
19		Total depreciable plant					
20		Total water plant in service					

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:

Bank Name: N/A
 Address: _____
 Account Number: _____
 Date Opened: _____

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

A. Commercial

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

B. Residential

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

3. Summary of the bank account activities showing:

	AMOUNT
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:

DECLARATION

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

I, the undersigned Robert Kelly
Officer, Partner, or Owner (Please Print)

of Suburban Water Systems
Name of Utility

under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, papers and records of the respondent; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of the above-named respondent and the operations of its property for the period of January 1, 2012, through December 31, 2012.

Vice President Regulatory Affairs, SWWC

Title (Please Print)


Signature

(626) 543 - 2590

Telephone Number

8/1/13
Date

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Supplement to 2012 Annual Report of Suburban Water Systems In Compliance With D.12-01-042

Affiliate Compliance Plan- Attachment 1

Rule IV.C. of the California Public Utilities Commission's (Commission's) *Modified Rules for Water and Sewer Utilities Regarding Affiliate Transactions and the Use of Regulated Assets for Non-Tariffed Utility Services*, contained in Appendix A of D.12-01-042, requires the utility to list all shared directors and officers between the utility and its affiliates in its annual report to the Commission.

Michael Quinn, William K. Dix, and Sami Ahmad are shared officers. Suburban does not have shared directors.

Rule VIII.C. of the California Public Utilities Commission's (Commission's) *Modified Rules for Water and Sewer Utilities Regarding Affiliate Transactions and the Use of Regulated Assets for Non-Tariffed Utility Services*, contained in Appendix A of D.12-01-042, requires the submission of a Compliance Plan.

Consistent with this rule, Suburban Water Systems (Suburban) has prepared and is herewith filing its Affiliate Compliance Plan with its 2012 annual report to the Commission.

Suburban Water Systems
Affiliate Transaction Rules and
Non-Tariffed Products and Services Rules
Compliance Plan

Pursuant to Rules Adopted in D.10-10-019
By the California Public Utilities Commission

June 30, 2011
Amendment No. 1

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INTRODUCTION

In compliance with Rule VIII.C of the California Public Utilities Commission's ("CPUC's" or "Commission'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, Suburban Water Systems ("Suburban") 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").

Suburban submits the following Compliance Plan ("Plan") to comply with the Affiliate Transaction Rules ("Rules") for Class A and B Water Companies adopted by the CPUC in D.10-10-019. Suburban'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 Suburban and Suburban 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

Suburban's Accounting Department will implement this Plan under the direction of the Accounting Manager who will have operational responsibility to ensure that Suburban complies with these Rules. The Accounting Department will be responsible for issuing periodic memoranda to its affiliates governed by these Rules. These memoranda outline the importance to Suburban of complying with these Rules and that it expects employees to comply with Company policies. Among the compliance tools that the Accounting Department will use are: employee education and training; a document that describes certain policies and procedures governing affiliate transactions and NTP&S activities; preparing compliance reports for the Division of Water & Audits, as prescribed; and ongoing internal reviews of compliance with the Rules.

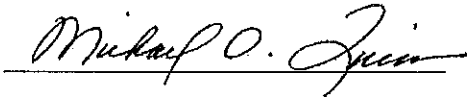
In the following pages, each Rule is shown in bold type. Following each Rule, in normal type, is Suburban's Plan (where applicable).

Suburban will have in place or complete the following items that are deemed necessary to fully implement these Rules:

- (1) A written policy, which will be disseminated to employees of Suburban and those affiliates that are governed by these Rules, and which describe these Rules and their obligations hereunder;

- (2) Employees of Suburban, 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 Utility 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 rendered between Suburban and its affiliates will be direct charged or allocated in a manner consistent with these Rules;
- (4) Training regarding the Rules will be provided to the employees of Suburban and affected affiliates;
- (5) Suburban employees transferred to an affiliate will be required to conform to the Rules, especially those Rules limiting the use of information in an anti-competitive manner.

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:



Michael O. Quinn
President

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).

As a Class A water utility subject to Commission regulation, Suburban affirms that these Rules apply to it and its employees. Suburban maintains appropriate policies, procedures and mechanisms to ensure compliance with these Rules. Further, Suburban's training materials and resources 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.

Suburban affirms that these Rules apply to transactions with its covered affiliates, as defined in Rule I.E. Suburban will maintain appropriate policies, procedures and mechanisms to ensure compliance with Rule I.B. Further, Suburban will maintain a list of covered affiliates, and Attachment A shows that currently Suburban has no affiliates.

I.C.

Utilities shall comply with all applicable State and Federal statutes, laws and administrative regulations to which they are subject.

Suburban affirms that it will comply 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.

The Rate Case Plan requirements adopted in D.04-06-018 (shown below) are not superseded by these Rules:

Transactions with Corporate Affiliates

Identify and explain all transactions with corporate affiliates involving utility employees or assets, or resulting in costs to be included in revenue requirement. Include all documentation, including a list of all such contracts, and accounting detail necessary to demonstrate that any services provided by utility officers or employees to corporate affiliates are reimbursed at fully allocated costs.

Unregulated Transactions

To the extent the utility uses assets or employees included in revenue requirement for unregulated activities, the utility shall identify, document, and account for all such activities, including all costs and resulting revenue, and provide a list of all contracts.

Decision 10-09-012 provided that the terms of a settlement in that proceeding were subject to the Commission adopting water utility industry affiliate transaction rules. The approved settlement required that the Rules herein would supersede and wholly replace the interim affiliate transaction rules contained in that settlement.

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.

See response to I.D.

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.

The Plan does not require a response to this Rule.

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.

Rule I.G does not apply to Suburban.

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.

The following affiliates and subsidiaries of Suburban that operate outside of California are exempt from Rules III.B and III.C:

1. SWWC ENTERPRISES, INC.
2. NORTH COUNTY WATER RECLAMATION, INC.
3. CDC MAINTENANCE, INC.
4. ECO CAPISTRANO VALLEY, INC.
5. SOUTHWEST ENVIRONMENTAL LABORATORIES, INC.
6. MONARCH UTILITIES, INC.
7. MONARCH UTILITIES I L.P.
8. NEW MEXICO UTILITIES, INC.
9. SOUTHWEST WATER ALABAMA ONSITE SYSTEM SERVICES, LLC.
10. TEXAS WATER SERVICES GROUP, LLC
11. TWC UTILITY COMPANY, LLC

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.

Suburban affirms that its compliance policies, procedures and mechanisms will be guided by what we understand to be the intent of the Rules factoring in the concept embodied by this Rule.

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 water utility) refers to all water utilities and sewer utilities regulated by the Commission.

II.C. "Water utility"

"Water utility" 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.

III.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.

RULE III. Utility Operations and Service Quality

III.A.

A utility shall not allow transactions with affiliates to diminish Suburban 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.

Suburban will maintain a policy to ensure compliance with Rule III.A. Further, Suburban'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"). Further, Suburban'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;

Suburban affirms that it has a policy in place to comply with Rule III.B.1. Suburban 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 Suburban employees. Suburban will issue periodic communications to its employees and affiliates governed by these Rules directing them to comply with this Rule. Suburban will provide training, as necessary, to its employees.

Suburban's understanding of this rule is that the intent was to ensure that the utility did not provide leads to unregulated affiliates providing products or services in a manner that unfairly disadvantaged the competitive marketplace. Therefore, a utility advising its parent that it had been contacted by a third party or of information disseminated publicly regarding water or sewer systems being available for purchase, leased or provision of services under operating contract would not be a violation of this Rule.

2. Solicit business on behalf of its affiliates;

Suburban affirms that it has a policy in place to comply with Rule III.B.2. Suburban employees will not solicit business on behalf of affiliates that fall under the applicability of this Rule. Those affiliates subject to this Rule will be specifically identified to Suburban employees. Suburban will issue periodic communications to its employees and affiliates governed by these Rules

directing them to comply with this Rule. Suburban will provide training, as necessary, to its employees.

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

Suburban affirms that it has a policy in place to comply with Rule III.B.3, with the exception noted in Rule III.B.8 and subject to Suburban's compliance plan response to Rule III.B.1 above. Suburban will issue periodic communications to its employees and affiliates governed by these Rules directing them to comply with this Rule. Suburban 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;

Suburban affirms that it has a policy in place to comply with Rule III.B.4, with the exceptions noted in Rule III.B.8 and subject to Suburban's compliance plan response to Rule III.B.1 above. Suburban 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.

Suburban 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;

Suburban affirms that it has a policy and a procedure in place to comply with Rule III.B.5. Under these procedures, information will be released to affiliates only with the specified customer's explicit written consent.

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

Suburban affirms that it has a policy in place to comply with Rule III.B.6. Suburban 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.

Suburban affirms that it has a policy in place to comply with Rule III.B.7. Suburban 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.

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.

Suburban Compliance: Suburban 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.**

This Rule is not currently applicable to Suburban or its affiliates as none of them meet the non-profit standard.

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.

Suburban affirms that it has a policy in place to comply with Rule III.C. Suburban 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 Suburban 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 Suburban'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.

Suburban affirms that its accounting records are available in accordance with Generally Accepted Accounting Principles, the Commission's Uniform System of Accounts, relevant Commission decisions and resolutions, and that its accounting records are available consistent with the provisions in Public Utility Code Sections 314 and 701. Utility accounting records are available for review upon Commission request. SouthWest Water Company financial statements and Suburban 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.

Suburban affirms that it has adequate policies, procedures and mechanisms to comply with Rule IV.B. In addition, the Division of Ratepayer Advocates has the opportunity to review Suburban's allocation of common costs in each of Suburban'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).

Suburban affirms that it has adequate policies, procedures and mechanisms to comply with Rule IV.B. Suburban will provide a list of all shared directors and officers between the utility and its affiliates in its Annual Report to the Commission and provide the required notification to the Director of the Division of Water and Audits and the Director of the Division of Ratepayer Advocates no later than 30 days following a change.

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.

Suburban has a policy in place to comply with Rule IV.D. Suburban 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:

Since intermittent use is covered by sub-rule 3, Suburban interprets the sub-rules 1 and 2 below as being applicable to permanent movement only.

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.

Suburban affirms that it has adequate procedures to comply with Rule IV.E.1. Suburban will include this information in its Annual Report to the Commission.

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.

Suburban affirms that it has adequate procedures to comply with Rule IV.E.2. Suburban will include this information in its Annual Report to the Commission.

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.**

Suburban affirms that it has adequate procedures to comply with Rule IV.E.3. Suburban will include this information in its Annual Report to the Commission.

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.

Suburban affirms that it has adequate procedures and mechanisms to comply with Rule V.A. The relevant accounting procedures and mechanisms that impact the allocation of costs for the shared corporate services are consistent with Commission rate case decisions. The Division of Ratepayer Advocates has the opportunity to review these accounting procedures and mechanisms in each general rate case proceeding.

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.

Suburban affirms that its policy is adequate to ensure that the provision of corporate support services will not provide a means for the transfer of confidential non-public Utility information from the Utility 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.

Suburban affirms its understanding that the listed services are examples of services which can be rendered to or received from Suburban's unregulated 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.

Suburban affirms its policy is sufficient to ensure that the listed services (examples) will not be shared with Suburban's unregulated affiliates, except in the instance of water or sewage for resale, which will be shared only as necessary to provide safe and adequate service.

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:

Suburban interprets the services aspect of this Rule not to apply to Shared Corporate Services as there are separate Rules for that classification of service and the Division of Ratepayer Advocates has the opportunity to review that allocation of costs during every general rate case. Suburban affirms that it has adequate procedures and mechanisms to records the cost of goods and services between the Utility and its affiliates consistent with the following Rules. The responses below are for information only as they highlight the areas of transactions that are applicable or not applicable currently between Suburban and its affiliates. Should the Rule become applicable Suburban will comply.

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.

Not currently applicable.

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.

Not currently applicable.

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.

Not currently applicable.

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.

Not currently applicable.

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.

Not currently applicable.

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.

Suburban affirms its policy is sufficient to ensure that 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.

Not currently applicable.

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.

Suburban affirms that its parent's policies ensure that Suburban shall be provided with adequate capital to fulfill all of its service obligations prescribed by the Commission.

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.

SouthWest Water Company is not publicly traded, so this Rule is not applicable.

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.

Suburban will maintain a policy to ensure compliance with Rule VII.C. Further, Suburban'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.)

VII.D.

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

Suburban's parent maintains an appropriate policy to ensure compliance with Rule VII.D.

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).

On March 31, 2011 Suburban filed Advice Letter 282-W proposing provisions sufficient to prevent Suburban from being pulled into the bankruptcy of its parent.

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.

This Rule is not applicable to Suburban.

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.

Suburban affirms that it will make available the appropriate officers or employees necessary to testify in any proceeding before the Commission.

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.

Suburban affirms that it will make available the relevant records that are germane to any of the costs sought to be recovered by the utility in rate proceedings or in connection with a transaction or transactions between Suburban and its affiliates. Suburban affirms that it will make available its books and records in accordance with all commission rules. The utility affirms that its books and records will be available in California.

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.

This filing constitutes the required Plan responsive to this Rule. Suburban affirms that it has a policy in place that will comply with the subsequent biennially update filing requirements of Rule VIII.C. The list of affiliates is provided in Attachment A (currently there are none), and the policies and procedures are provided in Attachment B.

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.

Suburban affirms that it has policies in place to conform to Rule VIII.D.

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.

Suburban affirms that it has adequate procedures in place to comply with Rule

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.**

Suburban interprets these requirements as applying to all services (excluding shared corporate services), assets or employee transfers and financing arrangements and transactions. Suburban affirms that it has adequate procedures in place to comply with Rule VIII.F.

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.

Suburban affirms that it has adequate procedures in place to comply 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.

Suburban affirms that it has adequate policies, procedures and mechanisms to comply with Rule X.A.

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.**

Suburban affirms that it has adequate policies, procedures and mechanisms to comply with Rule X.B.

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.**

Suburban affirms that it has adequate policies, procedures and mechanisms to comply with Rule X.C. Suburban will share gross revenues from NTP&S projects as described above. Furthermore, in each general rate case, the Division of Ratepayer Advocates will have the opportunity to review the sharing of the gross revenues from NTP&S projects.

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.

Suburban affirms that it adequate policies, procedures and mechanisms to comply with Rule X.D.

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.

Suburban affirms that it will comply with all provisions of Rule X.E. Suburban will file a Report on Non-Tariffed Products and Services annually with its Annual Report to the Commission, beginning on June 30, 2011.

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.

When required, Suburban will 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.**

When required, Suburban will file a Tier 3 advice letter containing the above information with the Director of the Division of Water and Audits seeking Commission approval. Suburban will serve the advice letter on the service list for Rulemaking 09-04-012 and the service list for the Suburban's current or most recent general rate case.

ATTACHMENT A
Suburban Water Systems Affiliates

Subsidiary Name	Subsidiary's Line of Business	Primary Location of Subsidiary	Applicability of Rules
N/A	N/A	N/A	N/A

Attachment B

Suburban Water Systems Company

Affiliated Transaction Rules and
Non-Tariffed Products and Services

Policies and Procedures

Policy on Compliance with ATR and NTP&S Rules

Suburban's policy is to comply with all applicable Rules established in the Decision. Suburban's management team has the overall responsibility to ensure that the Company complies with the Rules established in the Decision and those related rules that were not superseded by these Rules. Where interpretation of a Rule is required by Suburban's management team, it will do so in good faith and consistent with Rule I.I. which would require a broad interpretation and with the intent of meeting the objectives of protecting consumer and ratepayer interests and preventing anti-competitive conduct.

Policy on Utility Operations and Service Quality

It is Suburban's policy not to allow affiliate transactions to diminish 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. Suburban shall not sell 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."

It is Suburban's policy not to engage in anti-competitive behaviors. As such, employees are prohibited from the following activities:

1. Providing business leads to its unregulated affiliates;
2. Soliciting business on behalf of its unregulated affiliates;
3. Acquiring information on behalf of or to provide to its unregulated affiliates;
4. Sharing 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 unregulated affiliates, except that Suburban may share such information with a parent under the condition that the parent does not share the information with any other entity;
5. Requesting authorization from its customers to pass on customer information exclusively to its unregulated affiliates;
6. Giving the appearance that the utility speaks on behalf of its affiliates; or

7. Representing 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.

It is Suburban's policy that should it provide information, services or unused capacity to an unregulated affiliate that Suburban will provide similarly situated market participants with the same. This information will be posted on Suburban's internet site.

Unregulated affiliates of Suburban are as follows:

1. SW MERGER ACQUISITION CORPORATION
2. SOUTHWEST WATER COMPANY
3. SWWC ENTERPRISES, INC.
4. NORTH COUNTY WATER RECLAMATION, INC.:
5. SWWC SERVICES, INC.
6. CDC MAINTENANCE, INC.
7. ECO CAPISTRANO VALLEY, INC.
8. ECO RESOURCES, INC.
9. SOUTHWEST ENVIRONMENTAL LABORATORIES, INC.
10. CALIFORNIA DOMESTIC WATER COMPANY
11. COVINA IRRIGATING COMPANY

Policy on Separation

It is Suburban's policy to fairly allocate common costs amongst all affiliates benefitting from those common costs such that ratepayers of the utility are not subsidizing activities of the parent or another affiliate.

It is Suburban's policy that employees transferred or temporarily assigned from the utility to an affiliate shall not use non-public, proprietary utility information from the utility in a manner that would be detrimental to unaffiliated competitors.

Policy on Shared Corporate Services

It is Suburban's policy that the provision of shared corporate services will not provide a means to transfer confidential non-public utility information from the utility to an affiliate that would create the opportunity for preferential treatment or unfair competitive advantage for the utility's

affiliate, lead to customer confusion or create significant opportunities for cross-subsidy of affiliates.

It is Suburban's policy that it will not provide to unregulated affiliates any of the following services:

1. Engineering
2. Hedging and financial derivatives
3. Arbitrage services
4. Water or sewage for resale, except as necessary to provide safe and adequate service.
5. Water storage capacity
6. Purchasing of water distribution services
7. Marketing

Policy on the Financial Health of the Utility

It is the policy of Suburban that it will not allow the creation of a new affiliate to adversely impact Suburban's operation or provision of service.

It is Suburban's policy not to issue, guarantee or secure debt of Suburban's affiliates.

Policy on the Provision of Non-Tariffed Products and Services

It is Suburban's policy to only offer services consistent with those services provided for in this Decision.

Procedures on Related Rules Not Superseded by the Decision

These related rules pertain to filing of the general rate cases and debt financing. As these rules are an on-going requirement for Suburban, the existing procedures for filing of the general rate cases and debt financing applications do not require modification. Suburban's Accounting Department is directly responsible for compliance with these Rules.

Procedure on Utility Operations and Service Quality

1. Any request from an affiliate to Suburban for customer information must include the specified customer's explicit written consent. The written consent must include a release to provide the same information to any similarly situated market participant. The request must be made to Suburban's President. If the President deems the request to be approved

by the customer, the information can be released. The written consent will be retained for three years by Suburban's Customer Service Manager for the applicable service area.

2. Provision of any of the following to an affiliate is to be approved in writing by Suburban's President:
 - a. Provision of customer information
 - b. Provision of utility services
 - c. Allowing use of unused capacity or supply

A copy of the written approval will be posted on Suburban's website so that similarly situated market participant can request similar treatment.

Procedures on Separation

1. Suburban has allocated common costs for more than 30 years. The accounting procedures used by Suburban have routinely been reviewed by the Division of Ratepayer Advocates or its predecessors in Suburban's general rate cases. No changes in those procedures are required to comply with the related rules of this Decision.
2. Existing procedures and mechanisms provide direction and the means for employees to charge time between affiliates when appropriate. Mechanisms for allocating direct and indirect costs are routinely reviewed by the Division of Ratepayer Advocates in every general rate case.
3. All permanent transfers of Suburban employees to an affiliate will be coordinated through SouthWest's Human Resources Department. The Human Resources Department will provide notification of the transfer, after it has been finalized and consummated, to the Manager of Accounting. The Manager of Accounting will coordinate the necessary recordation of any applicable fees in a separate Memorandum Account so that the ratepayers receive those fees in the next general rate case. In addition, SouthWest's Human Resource department will provide a copy of the Policy on Separation and will review it with the transferring employee and the hiring authority at the affiliate.
4. Each month, the Manager of Accounting will coordinate the preparation of a report showing the number of hours worked by an employee for an unregulated affiliate in accordance with Rule IV.E.3. All potential problems will be communicated to Suburban's President and Chief Financial Officer for resolution, if necessary.

Procedure for Shared Corporate Services

The accounting procedures that Suburban uses for shared corporate services have routinely been reviewed by the Division of Ratepayer Advocates in its general rate cases. No changes in those procedures are required to comply with the related Rules of this Decision.

Procedure for Pricing of Goods and Services between Suburban and Unregulated Affiliates

This procedure is not applicable to Suburban because Suburban does not transact with unregulated affiliates.

Procedure for Regulatory Oversight

1. SouthWest's Board of Directors will advise Suburban's Manager of Accounting within 14 days of establishing a new affiliate. Suburban's Manager of Accounting will provide this information to both the Manager of Communications and Suburban's Vice President of Regulatory Affairs. The Manager of Communications will include the new affiliate on Suburban's website. The Vice President of Regulatory Affairs will file the necessary Tier 3 Advice Letter with the Commission within the 60 day requirement.
2. Biennially Suburban's Manager of Accounting will make the necessary calculation to determine if an independent audit is required. This calculation will be provided to Suburban's Chief Financial Officer by March 31st. If an audit is required, the Chief Financial Officer will direct the Manager of Accounting to scope the audit and engage an appropriate firm to perform such an audit. The audit results will be provided to the Commission by September 30th of the year in which the audit is performed.
3. Suburban's Manager of Accounting will review annually the reporting requirements associated with the Annual Report to the Commission to ensure that the report is complete. This includes the biennial requirement to update this Plan.
4. The existing accounting system has sufficient capability to track the requirements of the Annual Affiliate Transaction Reports. Suburban's Manager of Accounting will coordinate the preparation of this report and submit it as required by Rule VIII.F.

Procedure on Confidentiality

All individuals responsible for submitting reports to the Commission or members of the Commission's staff will determine if any portion of the information is deemed to be confidential. If so, it will mark the filing as Confidential in the manner required by the Commission.

Procedures on Provision of Non-tariffed Products and Services

The Rules in this Decision made minimal change to the rules adopted in D.00-07-018. Suburban has reviewed its existing procedure from D.00-07-018 and no changes are deemed necessary to comply with the requirements of the Decision. The procedure covers gross revenue sharing, classification of products and services, reporting requirements, accounting treatment and the process of dealing with proposed new products or services Suburban may consider providing. Prior to the provision of any new services, the individual advocating that the Company undertake this endeavor is required to convene a meeting where the Commission Rules are discussed, and if appropriate, the Company would request approval of the Commission prior to engaging in that service.

Procedure for Seeking an Interpretation of the Commission Rules

Any individual who is responsible for complying with the Rules of this Decision or engaged in any activity that is subject to these Rules and who has a question about the Rules, shall email a request for interpretation to the Chief Financial Officer and Manager of Accounting. The request should include a brief explanation of the question or concern and indicate when they need a response. The Chief Financial Officer and/or Manager of Accounting will respond in writing.

Supplement to 2012 Annual Report of Suburban Water Systems In Compliance With D.12-01-042 (Continued)

Report on Non-Tariffed Products and Services (NTP&S) - Attachment 2

In compliance with Rule X.E. in Appendix A of Decision 12-01-042, Suburban Water Systems ("Suburban") provides the following information regarding its NTP&S activities.

1. A detailed description of each NTP&S activity;

a. Residential Houseline Program

Suburban offers a houseline maintenance plan called "LifeLine" which is designed for residential customers who own the water pipe running from Suburban's water meter to their foundation wall for a monthly fee of \$4.97 which is billed through customers' monthly bill. The LifeLine maintains customer's "Lateral Line" subject to some exceptions.

Lateral Line is the water pipe extending from customer's water meter to the outside foundation wall of the related house. To be eligible for the Lifeline, the Lateral Line must be no greater than 1-1/2 inches in diameter.

b. Antenna Leases

Antenna leases allow cellular service providers to install their antennas on Suburban properties without interference to normal day-to-day operations.

Suburban has 3 antenna leases.

c. Recycled Water Operating Charges

Suburban receives monthly operating charges from Upper District for the maintenance of recycled water system as defined in Section 2(i)(i) and 2(i)(ii) of Agreement for the Construction, Operation and Maintenance of a Recycled Water Distribution System by the Upper San Gabriel Valley Municipal Water District and Suburban Water Systems.

2. Whether and why it is classified active or passive;

Residential Houseline Program is classified as an active NTP&S as designated in the category of Customer Ancillary Services.

Antenna Leases and Recycled Water Operating Charges are classified as passive NTP&S as designated in the category of Use of General Facilities and there is no incremental investment above \$125,000.

3. Gross revenue received;

Please see Attachment A

4. Revenue allocated to ratepayers and to shareholders, as established in the company's current general rate case;

Please see Attachment B

5. A complete identification of all regulated assets used in the transaction;
Assets used in NTP&S transactions represent excess capacity of Suburban, and cannot be separately identified.
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;
Employees participating in NTP&S transactions and time spent on NTP&S transactions, other than overtime, cannot be separately identified.
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
N/A
8. If the NTP&S did not require approval through advice letter, provide the date notice was given to the Commission.
N/A

SUBURBAN WATER SYSTEMS
NTP&S ACTIVITIES

Attachment A
GROSS REVENUE RECEIVED

	2012												Total	
	Jan	Feb	Mar	Apr	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
GROSS NTP&S REVENUES														
Residential Houseline Program	\$ (12,261)	\$ 25,382	\$ 25,272	\$ 45,334	\$ 85,342	\$ 40,814	\$ 41,808	\$ 41,912	\$ 41,740	\$ 41,446	\$ 39,894	\$ 41,544	\$ 41,465	\$ 499,692
Antenna-Lease	\$ 5,407	\$ 5,407	\$ 5,458	-	\$ 5,458	\$ 5,458	\$ 5,458	\$ 5,569	\$ 5,569	\$ 5,569	\$ 5,569	\$ 5,569	\$ 5,569	\$ 66,062
Recycled Water Operating Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,750	\$ 1,350	\$ 1,350	\$ 1,350	\$ 1,350	\$ 1,350	\$ 1,350	\$ 1,350	\$ 16,200
Total Gross NTP&S Revenues	\$ (6,854)	\$ 30,789	\$ 30,730	\$ 45,334	\$ 90,800	\$ 53,022	\$ 48,616	\$ 48,831	\$ 48,659	\$ 48,365	\$ 46,814	\$ 48,464	\$ 48,384	\$ 581,954

SUBURBAN WATER SYSTEMS
NTP&S ACTIVITIES

Attachment B
REVENUE ALLOCATED TO RATEPAYERS AND TO SHAREHOLDERS

	2012													
	Jan	Feb	Mar	Apr	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential Houseline Program	\$ (12,261)	\$ 25,382	\$ 25,272	\$ 45,334	\$ 6,534	\$ 4,081	\$ 4,181	\$ 4,191	\$ 4,174	\$ 4,145	\$ 3,989	\$ 4,154	\$ 4,146	\$ 125,324
Antenna-Lease	\$ 5,407	\$ 5,407	\$ 5,458	\$ -	\$ 1,637	\$ 1,637	\$ 1,637	\$ 1,671	\$ 1,671	\$ 1,671	\$ 1,671	\$ 1,671	\$ 1,671	\$ 31,209
Recycled Water Operating Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,025	\$ 405	\$ 405	\$ 405	\$ 405	\$ 405	\$ 405	\$ 405	\$ 4,880
Total Revenue Allocated to Ratepayers	\$ (6,854)	\$ 30,789	\$ 30,730	\$ 45,334	\$ 10,172	\$ 7,744	\$ 6,223	\$ 6,267	\$ 6,250	\$ 6,220	\$ 6,065	\$ 6,230	\$ 6,222	\$ 161,393

REVENUE ALLOCATED TO SHAREHOLDERS														
Residential Houseline Program					\$ 76,808	\$ 36,732	\$ 37,627	\$ 37,721	\$ 37,566	\$ 37,301	\$ 35,905	\$ 37,390	\$ 37,318	\$ 374,367
Antenna-Lease					\$ 3,821	\$ 3,821	\$ 3,821	\$ 3,899	\$ 3,899	\$ 3,899	\$ 3,899	\$ 3,899	\$ 3,899	\$ 34,853
Recycled Water Operating Charges					\$ -	\$ 4,725	\$ 945	\$ 945	\$ 945	\$ 945	\$ 945	\$ 945	\$ 945	\$ 11,340
Total Revenue Allocated to Shareholders	\$ -	\$ -	\$ -	\$ -	\$ 80,628	\$ 45,278	\$ 42,393	\$ 42,564	\$ 42,409	\$ 42,145	\$ 40,749	\$ 42,233	\$ 42,162	\$ 420,560