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SEWER UTILITIES

U# SWR 418

2012  
ANNUAL REPORT  
OF

CALIFORNIA UTILITIES SERVICE, INC.

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

\_\_\_\_\_  
P.O. Box 5100, Salinas, CA  
(OFFICIAL MAILING ADDRESS)

\_\_\_\_\_  
93915  
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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## 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](mailto:kok@cpuc.ca.gov)**

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

**CLASS D SEWER UTILITIES**  
(HAVING LESS THAN 500 SERVICE CONNECTIONS)

California Utilities Service, Inc.

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

P.O. Box 5100, Salinas, CA 93915

(Official mailing address)

Highway 68 and Corral De Tierra Areas of Monterey County

(Service area-town and county)

**GENERAL INFORMATION**

RETURN ORIGINAL  
TO COMMISSION  
NO PHOTOCOPIES

1 If a corporation show:  
(A) Date of organization 2/13/1985 incorporated in the State of California  
(B) Names, titles and addresses of principal officers:

2 If unincorporated give the name and address of owner or of each partner:

3 Name and telephone number of:  
(A) One person listed above to receive correspondence:  
(B) Person responsible for operations and services:

4 Were any contracts or agreements in effect with any organization or person covering service, supervision and/or management of your business affairs during the year? (Yes or No)  
If so, what was the nature and the amount of each payment made under the agreement, to whom were payments made, and to what account was each payment charged?

5 State the names of associated companies or persons which, directly or indirectly, or through one or more intermediaries, control, or are controlled by, or are under common control with respondent:

**PUBLIC HEALTH STATUS**

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

Yes	No	Latest Date
	X	Apr-09
X		
X		

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

Edward Alexandre, Grade IV, License Number IV-1103

Lotfi Boukraa, Grade III, License Number III-29080

Ryan Monighetti, Grade 1, License Number I-29060

## Excess Capacity and Non-Tariffed Services

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

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

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter											
Row No.	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue Derived From Non-Tariffed Goods/ Services (by account)	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

**SCHEDULE A - BALANCE SHEET (AS OF DECEMBER 31, 2012)**

<b>Line</b>	<b>Acct.</b>	<b>Assets</b>	<b>Balance</b>
1	101	Water Plant In Service	\$5,063,795
2	101.1	SDWBA Plant	
3	103	Water Plant Held for Future Use	
4	104	Water Plant Purchased or Sold	
5	105	Water Plant Construction Work in Progress	
6	100.3	Construction Work in Progress (Prop 50)	
7	108	Accumulated Depreciation of Water Plant	(\$3,071,295)
8	108.1	Accumulated Amortization of SDWBA Loan	
9	114	Water Plant Acquisition Adjustments	
10	121	Non-water Utility Property and Other Assets	
11	121.3	Cash - Miscellaneous Special Deposits (Prop 50)	
12	122	Accumulated Depreciation of Non-water Utility Property	
13	124	Other Investments	
14	131	Cash	\$135,922
15	132	Special Deposits	\$7,443
16	141	Accounts Receivable - Customers	\$13,371
17	142	Receivables from Associated Companies	\$0
18	143	Accumulated Provision for Uncollectible Accounts	(\$3,954)
19	151	Materials and Supplies	\$2,176
20	174	Other Current Assets	\$33,674
21	180	Deferred Charges	\$36,091
22			
23			
24		<b>Total Assets</b>	<b>\$2,217,222</b>
<b>Line</b>	<b>Acct.</b>	<b>Equity and Liabilities</b>	<b>Balance</b>
25	201	Common Stock (for corporations only)	\$10,000
26	204	Preferred Stock (for corporations only)	\$0
27	211	Other Paid-in Capital (for corporations only)	\$0
28	215	Retained earnings (for corporations only)	\$15,827
29	218	Proprietary Capital (for proprietorships and partnerships only)	
30	224	Long-Term Debt	\$274,755
31	231	Accounts Payable	\$104,044
32	232	Short-Term Notes Payable	\$600,000
33	233	Customer Deposits	\$231
34	241	Payable to Associated Companies	\$84,439
35	236	Taxes Accrued	\$83,352
36		Shareholder Advances	\$78,300
37	241	Other Current Liabilities	\$74,450
38	250	Reserve for Depreciation of Utility Plant (Prop 50)	
39	252	Advances for Construction	
40	253	Other Credits	\$430
41	255	Accumulated Deferred Investment Tax Credits	
42	266	Publicly Funded Grant Plant (Prop 50)	
43	271	Contributions in Aid of Construction	\$3,326,951
44	272	Accumulated Amortization of Contributions	(\$2,491,526)
45	282	Accumulated Deferred Income Taxes - ACRS Depreciation	\$55,968
46	283	Accumulated Deferred Income Taxes - Other	
47			
48		<b>Total Equity and Liabilities</b>	<b>\$2,217,222</b>

**SCHEDULE B - SEWER PLANT IN SERVICE (AS OF DECEMBER 31, 2012)**

Line	Acct	Title of Account	Balance Beg of Year	Plant Additions During year	Plant Retirements During year	Other Debits or (Credits)	Balance End of year
1	301	Intangible Plant					
2	303	Land					
3	304	Structures					
4	307	Wells					
5	311	Pumping Equipment	See Schedule 1				
6	317	Other Water Source Plant					
7	320	Water Treatment Plant					
8	330	Reservoirs, Tanks and Standpipes					
9	331	Water Mains					
10	333	Services and Meter Installations					
11	334	Meters					
12	339	Other Equipment					
13	340	Office Furniture and Equipment					
14	341	Transportation Equipment					
15		Total Sewer Plant in Service	\$5,058,533	\$5,262	\$0	\$0	\$5,063,795

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

**SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT (AS OF DECEMBER 31, 2012)**

Line	Item	Account 108 Water Plant	Water Plant Funded by Prop 50 (For information only)
1	Balance in reserves at beginning of year	2,878,567	A. Method used to compute depreciation expense
2	Add: Credits to reserves during year		(Acct. 403) and rate.
3	(a) Charged to Account No. 272	130,649	S/L 3.927%
4	(b) Charged to Account No. 403	62,079	B. Amount of depreciation expense claimed or
5	(c) Charged to Account No. 407		to be claimed on utility property in your federal
6	(d) Salvage recovered		income tax return for the year covered by this
7	(e) All other credits		report \$
8	Total credits	192,728	
9	Deduct: Debits to reserves during year		C. State method used to compute tax depreciation.
10	(a) Book cost of property retired	-	S/L
11	(b) Cost of removal		
12	(c) All other debits		
13	Total debits	-	
14	Balance in reserve at end of year	3,071,295	
15	(1) Explanation of all other credits		
16	(2) Explanation of all other debits		

**SCHEDULE D - CAPITAL STOCK OUTSTANDING (AS OF DECEMBER 31, 2012)**

Line	Description	Shareholder Name	Number of Shares	Par Value	
1	Common Stocks	The Adcock Family Irrevocable Wastewater Trust	10,000	-	
2	Common Stocks				
3	Common Stocks				
4	Common Stocks				
5	Common Stocks				
6	Common Stocks				
7	Common Stocks				
8	Common Stocks				
9	Common Stocks				
10	Common Stocks				
11	<b>Total - Common Stocks</b>		10,000	-	
12	Preferred Stocks		-	-	
13	Preferred Stocks				
14	Preferred Stocks				
15	Preferred Stocks				
16	Preferred Stocks				
17	<b>Total - Preferred Stocks</b>		-	-	
18	Total annual dividends declared and/or paid to common stockholders			\$	-
19	Percentage of total annual dividend to common stockholders as a percentage of total net income (%)				0.00%
20	Total annual dividends declared and/or paid to preferred stock shareholders			\$	-
21	Percentage of total annual dividend to preferred stockholders as a percentage of total net income (%)				0.00%

**SCHEDULE E - LONG-TERM DEBTS**

Line	Class	Date of Issuance	Date of Maturity	Principle Amount Authorized	Interest Rate (%)	Accrued Interest for Current Year	Interest Paid for Current Year	Outstanding Balance as of 12/31/2012
1	E.U. Capital - Capital Lease	11/5/2010	12/5/2015	\$420,000	10.00%	\$37,883	\$37,883	\$274,755
2								
3								
4								
5								
6								
7								
8								
9								
10								
11	<b>Total</b>			\$420,000		\$37,883	\$37,883	\$274,755

**Note: Please use duplicate page(s) to meet your company's needs if more lines are needed.**



**SCHEDULE F - INCOME STATEMENT**

<b>Line</b>	<b>Acct.</b>	<b>Description</b>	<b>Balance</b>
1		<b>Operating Revenues:</b>	
2	460	Unmetered Water Revenue	\$1,617,776
3	462	Fire Protection Revenue	
4	465	Irrigation Revenue	
5	470	Metered Water Revenue	
6	475	Approved Total Surcharge Revenue(s)	
7	480	Other water revenue	
8		<b>Total Revenue Received</b>	\$1,617,776
9		Less: Revenue Deductions	
10		SDWBA/SRF Surcharge Revenue	\$0
11		<b>Total Operating Revenue</b>	\$1,617,776
12		<b>Operating Expenses:</b>	
13	610	Purchased Water	
14	615	Power	\$60,027
15	618	Other Volume Related Expenses	\$4,912
16	630	Employee Labor	\$237,834
17	640	Materials	\$18,079
18	650	Contract Work	\$134,075
19	660	Transportation Expense	\$183,753
20	664	Other Plant Maintenance Expenses	\$43,401
21	670	Office Salaries	\$97,684
22	671	Management Salaries	\$121,950
23	674	Employee Pensions and Benefits	\$191,165
24	676	Uncollectible Accounts Expense	\$0
25	678	Office Services and Rentals	\$12,494
26	681	Office Supplies and Expense	\$40,647
27	682	Professional Services	\$47,695
28	684	Insurance	\$81,089
29	688	Regulatory Commission Expense	\$847
30	689	General Expense	\$5,186
31		<b>Total Operating Expenses</b>	\$1,280,837
32	403	Depreciation Expense	\$62,079
33	407	SDWBA/SRF Loan Amortization Expense	\$0
34	408	Taxes Other Than Income Taxes	\$93,537
35	409	State Corporate Income Tax expense	\$4,866
36	410	Federal Corporate Income Tax Expense	\$7,545
37		<b>Total Operating Revenue Deductions</b>	\$168,027
38		<b>Utility Operating Income</b>	\$168,912
39	421	Non-utility Income	(\$11,582)
40	426	Miscellaneous Non-utility Expense	\$16
41	427	Interest Expense	\$137,857
42		<b>Net Income</b>	\$42,621

**SCHEDULE G - EMPLOYEES AND THEIR COMPENSATION**

Line	Acct	Account	Number at End of Year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
1	630	Employee Labor	4	237,834	-	237,834
2	670	Office salaries*	1	97,684	-	97,684
3	671	Management salaries	2	121,950	-	121,950
4		Total	7	457,468	-	457,468

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

**SCHEDULE H - ADVANCES FOR CONSTRUCTION**

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

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

Size	Meters	Services
-in		1,109
-in		
-in		
-in		
-in		
Total		1,109

**SCHEDULE J - METER-TESTING DATA**

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

**SCHEDULE K - SERVICE CONNECTIONS AT END OF YEAR**

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences		1,104	1,104		5	5		1,109
Industrial								
Other (specify)								
Total		1,104	1,104		5	5		1,109

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

**SCHEDULE L - STORAGE FACILITIES**

**SCHEDULE M - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)**

Description	No.	Combined capacity in gallons	Description	2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)			Total
							8"	10"	12"	
Concrete			Cast Iron							
Earth	1	14,000,000	Welded steel							
Wood			Standard screw							
Steel			Cement-asbestos			1,542	27,136	11,041		39,719
Other			Plastic		295	11,703	8,366	4,167	12,645	37,176
			Other (VCP)			5,139	2,957			8,096
Total	1	14,000,000	Total	-	295	18,384	38,459	15,208	12,645	84,991

**DECLARATION**

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

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

of \_\_\_\_\_ California Utilities Service, Inc.  
Name of Utility

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

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

\_\_\_\_\_  
*Thomas R. Adcock*  
Signature

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

\_\_\_\_\_  
1-Apr-13  
Date

**California Utilities Service, Inc.  
2012 Annual Report**

**SCHEDULE B - SEWER PLANT IN SERVICE**

Line	Acct	Title of Account	Balance Beg of Year	Plt Additions During year	Plt Retirements During year	Other Debits or (Credits)	Balance End of year
	301 000	Intangible plant	53,810				53,810
	303 000	Land	99,566				99,566
	304 000	Structures	81,965				81,965
	305 100	Mains - Collection systems	1,342,252				1,342,252
	305 200	Manholes	176,269				176,269
	305 300	Cleanouts	4,536				4,536
	305 400	Laterals	683,181				683,181
	307 100	Transmission	257,382				257,382
	307 200	Manholes	47,450				47,450
	307 300	Laterals	1,000				1,000
	307 400	Structures	22,641				22,641
	307 500	Force mains, transmission	38,621				38,621
	307 600	Pump equipment	53,921				53,921
	311 100	Ponds - water storage	201,647				201,647
	311 200	Sumps - treatment plant	4,608				4,608
	311 300	Treatment Plant	7,112				7,112
	311 400	Mains - Treatment plant	20,287				20,287
	311 500	Structures	45,368				45,368
	311 600	Storage	147				147
	311 900	Other Assets	12,340				12,340
	312 100	Concrete - sumps and tanks	331,964				331,964
	312 200	Piping	260,086				260,086
	312 310	Treatment Plant	26,788				26,788
	312 320	Pumping and Electrical	590,069				590,069
	312 330	Standby generator	5,659				5,659
	312 340	Chlorine & Chem. Treat. Equipment	13,471				13,471
	312 350	Sludge System	146,683				146,683
	312 400	Treatment Building	123,115				123,115
	312 410	Freshwater supply	-				-
	312 420	Fire Protection system	6,000				6,000
	312 430	Roads and fencing	20,267				20,267
	312 500	Laboratory equipment	282				282
	320 100	Mains - Force mains	25,056				25,056
	320 200	Sumps - Force mains	-				-
	320 300	Pumps - Force mains	-				-
	320 400	Sprayfield improvements	179,365				179,365
	339 000	Other equipment	90,327	5,262			95,589
	340 000	Office	30,303				30,303
	341 000	Transportation Equipment	54,995				54,995
			5,058,533	5,262	-	-	5,063,795