

Received _____
Examined _____

SEWER UTILITIES

U# _____

2013 ANNUAL REPORT OF

California Utilities Service, Inc.

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

P.O. Box 5100, Salinas, CA 93915
(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE YEAR ENDED DECEMBER 31, 2013

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2014

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INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN MARCH 31, 2014**, 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 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, 2013, through December 31, 2013. Fiscal year reports will not be accepted.

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

California Utilities Service, Inc.

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

P.O. Box 5100, Salinas, CA 93915

 (Official mailing address)

Highway 68 and Corral De Tierra Areas of Monterey County

 (Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

- 1 If a corporation show:
 (A) Date of organization 2/13/1985 incorporated in the State of California
 (B) Names, titles and addresses of principal officers: _____
- 2 If unincorporated give the name and address of owner or of each partner:

- 3 Name and telephone number of:
 (A) One person listed above to receive correspondence: Thomas R. Adcock, President (831) 424-0442
 (B) Person responsible for operations and services: Thomas R. Adcock, President (831) 424-0442
- 4 Were any contracts or agreements in effect with any organization or person covering service, supervision and/or management of your business affairs during the year? (Yes or No) Yes
 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?
Contract Plant Operator, \$50,535 annually, Edward Alexandre, Contract Work
Collection System GIS, \$45,000 annually, K. J. Woodard, Contract Work
- 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:
Alisal Water Corporation dba Alco Water Service
- 6 This annual report was prepared by:
 Name of firm or consultant: N/A
 Address of firm or consultant: _____
 Phone Number of firm or consultant: ()

PUBLIC HEALTH STATUS

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

Yes	No	Latest Date
	X	Apr-09
X		
X		2/9/2007

- 12 List Name, Grade, and License Number of all Licensed Operators:
Edward Alexandre, Grade IV, License Number IV-01103
Lotfi Boukraa, Grade III, License Number III-29080
Thomas R. Adcock, Grade III, License Number III-36882
Adnen Chaabane, Grade III, License Number III-40761
Ryan Monighetti, Grade I, 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 2013:

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
N/A											

SCHEDULE A - BALANCE SHEET (AS OF DECEMBER 31, 2013)

Line	Acct.	Assets	Balance
1	101	Water Plant in Service (Excluding SDWBA)	\$5,077,696
2	101.1	Water Plant in Service - SDWBA	\$0
3	101.2	Water Plant in Service - Prop 50	\$0
4	103	Water Plant Held for Future Use	\$6,096
5	104	Water Plant Purchased or Sold	\$0
6	105	Construction Work in Progress - Water Plant	\$6,612
7	100.3	Construction Work in Progress (Prop 50)	\$0
8	108	Accumulated Depreciation of Water Plant	(\$3,264,300)
9	108.1	Accumulated Amortization of SDWBA Loan	\$0
10	114	Water Plant Acquisition Adjustments	\$0
11	121	Non-utility Property and Other Assets	\$0
12	122	Accumulated Depreciation of Non-water Utility Property	\$0
13	124	Other Investments	\$0
14	131	Cash	\$63,584
15	131.3	Cash - Miscellaneous Special Deposits (Prop 50)	\$0
16	132	Special Deposits	\$7,443
17	141	Accounts Receivable - Customers	\$38,745
18	142	Receivables from Associated Companies	\$0
19	143	Accumulated Provision for Uncollectible Accounts	(\$10,113)
20	151	Materials and Supplies	\$2,238
21	174	Other Current Assets	\$34,495
22	180	Deferred Charges	\$34,971
23			
24			
25		Total Assets	\$1,997,466
<hr/>			
Line	Acct.	Equity and Liabilities	Balance
26	201	Common Stock (for corporations only)	\$10,000
27	204	Preferred Stock (for corporations only)	\$0
28	211	Other Paid-in Capital (for corporations only)	\$0
29	215	Retained earnings (for corporations only)	\$79,860
30	218	Proprietary Capital (for proprietorships and partnerships only)	
31	224	Long-Term Debt/ Capital Leases	\$191,112
32	231	Accounts Payable	\$144,805
33	232	Short-Term Notes Payable	\$600,000
34	233	Customer Deposits	\$231
35	236	Taxes Accrued	\$43,772
36	237	Interest Accrued	\$0
37	241	Payable to Associated Companies	\$32,826
38	241	Other Current Liabilities	\$64,182
39	250	Reserve for Depreciation of Utility Plant (Prop 50)	\$0
40	252	Advances for Construction	\$0
41	253	Other Credits	\$430
42	255	Accumulated Deferred Investment Tax Credits	\$0
43	266.0	Contributions - Publicly Grant-Funded Plant (Prop 50)	\$0
44	266.1	Accumulated Amortization of Contributions - Publicly Grant-Funded Plant (Prop 50)	\$0
45	271	Contributions in Aid of Construction	\$3,326,951
46	272	Accumulated Amortization of Contributions	(\$2,622,075)
47	282	Accumulated Deferred Income Taxes - ACRS Depreciation	\$125,372
48	283	Accumulated Deferred Income Taxes - Other	\$0
49			
50			
51		Total Equity and Liabilities	\$1,997,466

SCHEDULE B - SEWER PLANT IN SERVICE (AS OF DECEMBER 31, 2013)

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	See Schedule 1				
5	311	Pumping Equipment					
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	5,063,795	13,901	-	-	5,077,697

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

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT (AS OF DECEMBER 31, 2013)

Line	Item	Account 108 Water Plant	Water Plant Funded by Prop 50 (For information only)	
1	Balance in reserves at beginning of year	3,071,295		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	130,549		S/L 3.927%
4	(b) Charged to Account No. 403	62,456		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 \$ 62,000 estimated
8	Total credits	193,005		
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	3,264,300		
15	(1) Explanation of all other credits			
16	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (AS OF DECEMBER 31, 2013)

Line	Description	Shareholder Name	Number of Shares	Par Value
1	Common Stocks	The Adcock Family Irrevocable Wastewater Trust	10,000	No Par
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	Common Stocks			
12	Common Stocks			
13	Common Stocks			
14	Common Stocks			
15	Common Stocks			
16	Total - Common Stocks		10,000	
17	Preferred Stocks		-	-
18	Preferred Stocks			
19	Preferred Stocks			
20	Preferred Stocks			
21	Preferred Stocks			
22	Preferred Stocks			
23	Preferred Stocks			
24	Preferred Stocks			
25	Preferred Stocks			
26	Preferred Stocks			
27	Preferred Stocks			
28	Preferred Stocks			
29	Preferred Stocks			
30	Preferred Stocks			
31	Preferred Stocks			
32	Total - Preferred Stocks			
33	Total annual dividends declared and/or paid to common stockholders			\$ -
34	Percentage of total annual dividend to common stockholders as a percentage of total net income (%)			0.00%
35	Total annual dividends declared and/or paid to preferred stock shareholders			\$ -
36	Percentage of total annual dividend to preferred stockholders as a percentage of total net income (%)			0.00%

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

SCHEDULE E - LONG-TERM DEBTS

Line	Lender Name	CPUC Order No.	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 12/31/2013
1	E.U Capital - Capital Lease	N/A	N/A	11/5/2010	12/5/2015	\$420,000	10.00%	\$28,469	\$28,469	\$191,112
2										
3										
4										
5										
6										
7										
8										
9										
10										
11	Total					\$420,000		\$28,469	\$28,469	\$191,112

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

SCHEDULE F - INCOME STATEMENT

Line	Acct.	Description	Balance
1		Operating Revenues:	
2	460	Unmetered Water Revenue	\$1,641,920
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		Total Revenue Received	\$1,641,920
9		Less: Revenue Deductions	
10		SDWBA/SRF Surcharge Revenue	\$0
11		Total Operating Revenue	\$1,641,920
12		Operating Expenses:	
13	610	Purchased Water	\$0
14	615	Power	\$66,041
15	618	Other Volume Related Expenses	\$5,517
16	630	Employee Labor	\$203,226
17	640	Materials	\$25,537
18	650	Contract Work	\$195,031
19	660	Transportation Expense	\$188,324
20	664	Other Plant Maintenance Expenses	\$60,473
21	670	Office Salaries	\$95,239
22	671	Management Salaries	\$82,120
23	674	Employee Pensions and Benefits	\$190,966
24	676	Uncollectible Accounts Expense	\$6,159
25	678	Office Services and Rentals	\$18,497
26	681	Office Supplies and Expense	\$44,689
27	682	Professional Services	\$43,755
28	684	Insurance	\$73,873
29	688	Regulatory Commission Expense	\$0
30	689	General Expense	\$33,761
31		Total Operating Expenses	\$1,333,207
32	403	Depreciation Expense	\$62,456
33	407	SDWBA/SRF Loan Amortization Expense	\$0
34	408	Taxes Other Than Income Taxes	\$96,255
35	409	State Corporate Income Tax expense	\$7,682
36	410	Federal Corporate Income Tax Expense	\$15,183
37		Total Operating Revenue Deductions	\$181,576
38		Utility Operating Income	\$127,137
39	421	Non-utility Income	\$50,057
40	426	Miscellaneous Non-utility Expense	\$0
41	427	Interest Expense	\$113,161
42		Net Income	\$64,033

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	203,226	-	203,226
2	670	Office salaries*	1	95,239	-	95,239
3	671	Management salaries	2	82,120	-	82,120
4		Total		380,584	-	380,584

* 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		1,114
-in		
-in		
-in		
-in		
Total		1,114

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	-	1,114	1,114	-	3	3	-	1,117
Industrial								
Other (specify)								
Total	-	1,114	1,114	-	3	3	-	1,117

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, 2013, through December 31, 2013.

President
Title (Please Print)

Signature

(831) 424-04742
Telephone Number

31-Mar-14
Date

**California Utilities Service, Inc.
2013 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	13,901			603,970
	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	95,589				95,589
	340 000	Office	30,303				30,303
	341 000	Transportation Equipment	54,995				54,995
			5,063,795	13,901	-	-	5,077,696