



**Suburban  
Water Systems**

A SouthWest Water Company

**Robert L. Kelly  
1325 N. Grand Ave.  
Suite 100  
Covina, CA 91724-4044  
Phone 626.543.2500  
Fax 626.331.4848  
www.swwc.com**

**VIA USPS CERTIFIED MAIL**

July 30, 2021

Mr. Bruce DeBerry  
California Public Utilities Commission  
Division of Water and Audits  
505 Van Ness Avenue – Room 3200  
San Francisco, CA 94102-3298

Bruce,

Enclosed are two original copies of the 2020 Annual Report for Suburban Water Systems.

An electronic version will also be emailed to you.

Should you have any questions, please feel free to contact me at [bkelly@swwc.com](mailto:bkelly@swwc.com), or (626)523-0001.

Sincerely,

*Bob Kelly*

B10944569C39E5C93360C065D8F46F01

contractworks.

Bob Kelly

jm

Enclosures

Received \_\_\_\_\_

Examined \_\_\_\_\_

CLASS A  
WATER UTILITIES

U# \_\_\_\_\_

2020  
ANNUAL REPORT  
OF

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SUBURBAN WATER SYSTEMS

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

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1325 N. GRAND AVENUE, STE 100

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COVINA, CA 91724-4044

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
FOR THE  
YEAR ENDED DECEMBER 31, 2020

REPORT MUST BE FILED NO LATER THAN APRIL 30, 2021

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## GENERAL INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NO LATER THAN APRIL 30, 2021**, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION**  
**WATER DIVISION**  
**ATTN: BRUCE DEBERRY**  
**505 VAN NESS AVENUE, ROOM 3200**  
**SAN FRANCISCO, CALIFORNIA 94102-3298**  
[bmd@cpuc.ca.gov](mailto:bmd@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 Declaration on Page 70 must be signed by an authorized officer, partner, or owner.
4. The report must be prepared in accordance with the CPUC Excel annual report template. The Excel file and a PDF of the file is to be submitted to the Commission.
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. Complete the supplemental schedules **FIRST**. The balances in these schedules will then auto-fill the appropriate boxes in the balance sheet/income statement. Total and subtotal boxes are automatically summed in Excel. Auto-filled and summed boxes are Excel locked and identified by a light coloring of the box. Uncolored boxes can be manually filled. Complete the statements by filling in the uncolored boxes where appropriate.
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, 2020, through December 31, 2020. 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 13, Item 12, of this report.

# **I N S T R U C T I O N S**

## **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. The CPUC annual report Excel template incorporates links so that the selected data in the Balance Sheet, Income Statement and supporting schedules automatically flow to the financial data sheets.
2. For the financial data sheets that are to be adjusted to exclude non-regulated activity, manually adjust the data to exclude non-regulated activity.

# UTILITY PLANT AND CAPITALIZATION DATA

Calendar Year 2020

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

Person Responsible for this Report: ROBERT KELLY

	<u>1/1/2020</u>	<u>12/31/2020</u>	<u>Average</u>
<b>UTILITY PLANT DATA</b>			
1 Total Utility Plant	\$ 342,833,132	\$ 368,051,399	\$ 355,442,266
2 Total Utility Plant Reserves	(118,008,252)	(126,430,664)	(122,219,458)
3 Total Utility Plant Less Reserves	224,824,880	241,620,735	233,222,808
4 Advances for Construction	8,228,860	8,038,461	8,133,661
5 Contributions in Aid of Construction	20,775,834	20,676,563	20,726,199
6 Total Accumulated Deferred Taxes	20,261,486	21,936,217	21,098,852
7			
8			
9			
<b>CAPITALIZATION</b>			
11 Common Capital Stock	\$ 745,380	\$ 745,380	\$ 745,380
12 Preferred Capital Stock	3,982,267	3,982,267	3,982,267
13 Paid In Capital	5,008,394	27,416,171	16,212,283
14 Earned Surplus	104,013,502	110,839,849	107,426,676
15 Total Capital Stock	113,749,543	142,983,667	128,366,605
16 Total Proprietary Capital (Individual or Partnership)	-	-	-
17 Total Long-Term Debt	90,000,000	90,000,000	90,000,000



# INCOME, EXPENSES, AND OTHER DATA

Calendar Year 2020

Name of Utility:                     SUBURBAN WATER SYSTEMS                    

Telephone:                     (626) 543-2500                    

<b>INCOME/EXPENSES DATA</b>		Annual Amount
1	Operating Revenues	\$ 87,025,058
2	Operating Expenses	\$ 52,323,917
3	Depreciation	\$ 10,687,380
4	Taxes	\$ 6,750,974
5	Income from Nonutility Operations (net)	\$ 334,726
6	Interest on Long-Term Debt	\$ 4,391,696
7	Net Income	\$ 13,302,811
8		
<b>OPERATING EXPENSES DATA</b>		
10	Source of Supply Expense	\$ 20,425,884
11	Pumping Expenses	\$ 4,643,077
12	Water Treatment Expenses	\$ 933,910
13	Transmission and Distribution Expenses	\$ 2,055,061
14	Customer Account Expenses	\$ 2,083,833
15	Sales Expenses	\$ 305,336
16	Recycled Water Expenses	\$ -
17	Administrative and General Expenses	\$ 14,122,148
18	Miscellaneous	\$ 7,754,668
19	Total Operating Expenses	\$ 52,323,917
20		
<b>OTHER DATA</b>		
23	<u>Active Service Connections</u> (Exc. Fire Protect.)_____	Annual Average
24		
25	Metered Service Connections	75,275
26	Flat Rate Service Connections	1,247
27	Total Active Service Connections	76,522



# INCOME, EXPENSES, AND OTHER DATA Adjusted to Exclude Non-Regulated Activity

Calendar Year 2020

Name of Utility:                     SUBURBAN WATER SYSTEMS                    

Telephone:                     (626) 543-2500                    

<b>INCOME/EXPENSES DATA</b>		Annual Amount
1	Operating Revenues	\$ 87,025,058
2	Operating Expenses	\$ 52,323,917
3	Depreciation	\$ 10,687,380
4	Taxes	\$ 6,620,931
5	Income from Nonutility Operations (net)	\$ -
6	Interest on Long-Term Debt	\$ 4,391,696
7	Net Income	\$ 12,968,085
8		
<b>9 OPERATING EXPENSES DATA</b>		
10	Source of Supply Expense	\$ 20,425,884
11	Pumping Expenses	\$ 4,643,077
12	Water Treatment Expenses	\$ 933,910
13	Transmission and Distribution Expenses	\$ 2,055,061
14	Customer Account Expenses	\$ 2,083,833
15	Sales Expenses	\$ 305,336
16	Recycled Water Expenses	\$ -
17	Administrative and General Expenses	\$ 14,122,148
18	Miscellaneous	\$ 7,754,668
19	Total Operating Expenses	\$ 52,323,917
20		
<b>21 OTHER DATA</b>		
22		
23	<u>Active Service Connections</u> (Exc. Fire Protect.) _____	Annual Average
24		
25	Metered Service Connections	75,275
26	Flat Rate Service Connections	1,247
27	Total Active Service Connections	76,522

## Notes to Adjusted Selected Financial Data Due to Excluding of Non-Regulated Activities

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,	\$	41,086	(end of year balance), to exclude state tax on non-tariff activity (i.e., non-regulated)
2	Federal Corporate Income Tax, Account #50720,	\$	88,957	(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,	\$	464,769	(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 2020:

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 Houeline Program	Active	\$ 574,523	52600=90% 61410=10%	\$ 37,103	52600	Approved by D.00-01-026	\$ 113,338	2280		
2	Antenna-Lease	Passive	\$ 83,621	52600=70% 61415=30%	N/A		Approved by D.00-01-026	\$ 13,695	2280		
3	Recycle Water	Passive	\$ 18,446	52600=70% 61415=30%	N/A		Approved by D.00-01-026	\$ 3,011	2280		
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**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:  
CRAIG GOTT, PRESIDENT 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 COVINA, WEST COVINA, LA PUENTE, GLENDORA, HACIENDA HEIGHTS, WHITTIER, LA MIRADA, AND ADJACENT UNINCORPORATED AREAS IN LOS ANGELES COUNTY, AND BUENA PARK, LA HABRA, WALNUT, AND ADJACENT UNINCORPORATED AREAS IN ORANGE COUNTY
- 6. Service Manager (If located in or near Service Area.) (Refer to district reports if applicable.)  
Name: CRAIG GOTT, PRESIDENT Telephone: (626) 543-2500  
Address: 1325 N GRAND AVENUE, SUITE 100, COVINA, CALIFORNIA, 91724-4044

- 7. OWNERSHIP. Check and fill in appropriate line:  

<input type="checkbox"/>	Individual (name of owner)	_____
<input type="checkbox"/>	Partnership (name of partner)	_____
<input type="checkbox"/>	Partnership (name of partner)	_____
<input type="checkbox"/>	Partnership (name of partner)	_____
<input checked="" type="checkbox"/>	Corporation (corporate name)	<u>SUBURBAN WATER SYSTEMS</u>
	Organized under laws of (state)	<u>CALIFORNIA</u> Date: <u>APRIL 15, 1907</u>

Principal Officers:

Name: <u>CRAIG GOTT</u>	Title: <u>PRESIDENT</u>
Name: <u>KIRK B. MICHAEL</u>	Title: <u>CFO &amp; TREASURER</u>
Name: <u>WILLIAM K. DIX</u>	Title: <u>VP, GENERAL COUNSEL &amp; SECRETARY</u>
Name: _____	Title: _____

- 8. Names of associated companies: See attached
- 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: \_\_\_\_\_ 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: PricewaterhouseCoopers Telephone: (713) 356-4000  
Address: 1201 Louisiana St., Suite 2900, Houston, TX 77002
- 13. This annual report was prepared by:  
Name of firm or consultant: NONE  
Address of firm or consultant: \_\_\_\_\_  
Phone Number of firm or consultant: ( )

## **SUBURBAN AFFILIATES**

- 1) 1710 WOODCREEK FARMS, INC.
- 2) ALABAMA UTILITY SYSTEMS, INC.
- 3) CUC HOLDING COMPANY, INC.
- 4) FLORIDA UTILITY SYSTEMS, INC.
- 5) KIAWAH ISLAND UTILITY, INC.
- 6) METRO WATER SYSTEMS, INC.
- 7) MIDWAY WATER UTILITIES, INC.
- 8) MONARCH UTILITIES I L.P.
- 9) MONARCH UTILITIES, INC.
- 10) NEW MEXICO UTILITIES, INC.
- 11) NI AMERICA OPERATING, INC.
- 12) NI AMERICA TEXAS, LLC
- 13) NI SC ENVIRONMENTAL SERVICES, INC.
- 14) NI SOUTH CAROLINA, INC.
- 15) NI SOUTH CAROLINA UTILITIES, INC.
- 16) NORTHWEST UTILITY SYSTEMS, INC.
- 17) OREGON WATER UTILITIES CLINE BUTTE, INC.
- 18) OREGON WATER UTILITIES MOUNTAIN LAKES, INC.
- 19) OREGON WATER UTILITIES, INC.
- 20) PALMETTO UTILITIES, INC.
- 21) PALMETTO WASTEWATER RECLAMATION, INC.
- 22) SHELBY RIDGE UTILITY SYSTEMS LLC
- 23) SOUTH CAROLINA UTILITY SYSTEMS, INC.
- 24) SOUTH CAROLINA WATER UTILITIES - CUC, INC.
- 25) SOUTH CAROLINA WATER UTILITIES, INC.

<b>Cert No.</b>	<b>Grade</b>	<b>First Name</b>	<b>Last Name</b>
15203	T2	Alejandro	Rangel
42471	T1	Ashlee	Arriola
43080	T1	Arturo	Jauregui
40717	T2	Brian	Inman
24372	T4	Chris	Arrighi
29737	T2	Craig	Gott
18823	T2	Curtis	Hansen
3264	T2	Damon	Bingle
26742	T3	Daniel	Gonzalez
31842	T2	Darrin	Carbajal
36312	T2	David	Islas
26294	T3	David	Vaughn
33410	T1	Dominic	Luevano
32347	T2	Elias	Montoya
34511	T1	Eryk	Aguilar
26595	T2	Fernando	Hernandez
40482	T2	Francisco	Garcia
43319	T2	Frank	Reyes
35792	T2	Javier	Tripodi
20769	T2	Jayne	Schaefer
22952	T2	Jerry	Hoing
42899	T1	John	Dominguez
27179	T1	Johnny	Pestano
40866	T2	Jorge	Lopez
43621	T2	Jose	Macias
34503	T2	Kenneth	Reich
35913	T2	Laura	Sainz
22933	T1	Leonard	Gaskin
33174	T2	Luis	Preciado
43874	T1	Marco	Gomez
41746	T2	Martin	Cevallos
27770	T2	Matthew	Martinez
30295	T1	Michael	Chiraulo
32477	T2	Michael	Rodriguez
41184	T2	Miguel	Jimenez
9346	T2	Nicholas	Cafagno
21492	T1	Nora	Velarde
7359	T3	Norris	Fulfer
27538	T2	Omar	Ochoa
12917	T3	Pat	Pooler
38891	T2	Paul	Dimaggio
32303	T2	Phillip	Rodriguez
38871	T2	Ramiro	Garcia
18440	T2	Randy	Keefer
23818	T4	Rosalba	Magana
34872	T1	Steven	Alvarez
38045	T2	Steven	Beard
12233	T3	Thomas	Luczak
12722	T2	Tom	Medina
34197	T2	Victor	Franco
34029	T1	Victor	Mendoza
42600	T1	Zhaohui	Sun



<b>Cert No.</b>	<b>Grade</b>	<b>First Name</b>	<b>Last Name</b>
4851	D3	Alejandro	Rangel
52343	D1	Angela	Lopez
51667	D1	Ashlee	Arriola
48234	D2	Arturo	Jauregui
8928	D2	Brenda	Zuniga
37729	D2	Brian	Inman
50523	D1	Carlos	Farfan
14187	D5	Chris	Arrighi
34337	D3	Craig	Gott
8012	D4	Curtis	Hansen
8917	D3	Damon	Bingle
29009	D3	Daniel	Gonzalez
46263	D1	Daniel	Hernandez
34545	D3	Darrin	Carbajal
38544	D4	David	Islas
28240	D4	David	Vaughn
39543	D2	Dominic	Luevano
35756	D3	Elias	Montoya
53011	D1	Eric	Gutierrez
35802	D1	Eryk	Aguilar
52497	D2	Esmeralda	Aguirre
47746	D1	Felipe	Hernandez
27548	D3	Fernando	Hernandez
47090	D2	Francisco	Garcia
48660	D2	Frank	Reyes
27696	D1	Irene	Standi
48327	D1	Jacqueline	Olivares
42558	D3	Javier	Tripodi
7167	D3	Jayne	Schaefer
7762	D3	Jerry	Hoing
50492	D1	John	Dominguez
29195	D2	Johnny	Pestano
50940	D2	Jose	Macias
42291	D2	Kenneth	Reich
43083	D2	Laura	Sainz
38766	D1	Leonard	Gaskin
52390	D1	Lisa	Lozano
37614	D2	Luis	Preciado
52463	D2	Marco	Gomez
49781	D3	Martin	Cevallos
29191	D3	Matthew	Martinez
30741	D3	Michael	Chiraulo
36162	D2	Michael	Rodriguez
48319	D2	Miguel	Jimenez
44126	D1	Moises	Gonzalez
2849	D4	Nicholas	Cafagno
8199	D2	Nora	Velarde
1700	D4	Norris	Fulfer
30290	D3	Omar	Ochoa
8923	D2	Pam	Nolton
3698	D5	Pat	Pooler
47021	D5	Paul	Dimaggio
35764	D5	Phillip	Rodriguez
40962	D3	Ramiro	Garcia
6734	D4	Randy	Keefer
51928	D1	Raymond	Martinez
51646	D2	Richard	Gutierrez
37031	D1	Robert	Galvez
9395	D2	Rolshun	Monette
14586	D4	Rosalba	Magana
41182	D3	Steven	Alvarez
46240	D3	Steven	Beard
9616	D2	Tanger	Newman
3343	D4	Thomas	Luczak
4078	D5	Tom	Medina
37246	D3	Victor	Franco
33507	D4	Victor	Mendoza
45194	D2	Zhaohui	Sun

**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		<b>I. UTILITY PLANT</b>			
2	100	Utility Plant	A-1, A-1a	368,013,577	342,795,284
3	101	Recycled Water Utility Plant	A-1b	37,822	37,848
4	107	Utility Plant Adjustments	A-2	-	-
5		Total Utility Plant		\$ 368,051,399	\$ 342,833,132
6	250	Reserve for depreciation of utility plant	A-5	(125,404,497)	(117,053,746)
7	251	Reserve for amortization of limited term utility investments	A-5	(1,061,374)	(988,404)
8	252	Reserve for amortization of utility plant acquisition adjustments	A-5	34,568	33,068
9	259	Reserve for depreciation and amortization of recycled water utility plant	A-5	639	830
10		Total utility plant reserves		\$ (126,430,664)	\$ (118,008,252)
11		Total utility plant less reserves		\$ 241,620,735	\$ 224,824,880
12					
13		<b>II. INVESTMENT AND FUND ACCOUNTS</b>			
14	110	Other Physical Property	A-3	125,797	125,797
15	253	Reserve for depreciation and amortization of other property	A-5	(42,860)	(42,860)
16		Other physical property less reserve		\$ 82,937	\$ 82,937
17	111	Investments in Affiliated Companies	A-6	-	-
18	112	Other Investments	A-7	-	-
19	113	Sinking Funds	A-8	-	-
20	114	Miscellaneous Special Funds	A-9	-	-
21		Total investments and fund accounts		\$ 82,937	\$ 82,937
22					
23		<b>III. CURRENT AND ACCRUED ASSETS</b>			
24	120	Cash	A-10	256,081	500,870
25	121	Special Deposits	A-11	-	-
26	122	Working Funds	A-12	-	-
27	123	Temporary Cash Investments	A-13	-	-
28	124	Notes Receivable	A-14	-	-
29	125	Accounts Receivable	A-15	10,127,250	7,917,838
30	126	Receivables from Affiliated Companies	A-16	13,465,048	-
31	131	Materials and Supplies	A-17	487,349	574,038
32	132	Prepayments	A-18	5,873,060	9,059,612
33	133	Other Current and Accrued Assets	A-19	-	-
34		Total Current and Accrued Assets		\$ 30,208,788	\$ 18,052,358
35					
36		<b>IV. DEFERRED DEBITS</b>			
37	140	Unamortized Debt Discount and Expense	A-20	690,441	712,271
38	141	Extraordinary Property Losses	A-22	-	-
39	142	Preliminary Survey and Investigation Charges	A-23	-	-
40	143	Clearing Accounts	A-24	-	-
41	145	Other Work in Progress	A-25	64,037	29,725
42	146	Other Deferred Debits	A-26	17,392,976	18,035,415
43	147	Accumulated Deferred Income Tax Assets	A-27	8,276,929	5,577,269
44		Total Deferred Debits		\$ 26,424,383	\$ 24,354,680
45		Total Assets and Other Debits		\$ 298,336,843	\$ 267,314,855

**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)	
46		<b>I. CORPORATE CAPITAL AND SURPLUS</b>				
47	200	Common Capital Stock	A-30	745,380	745,380	
48	201	Preferred Capital Stock	A-30a	3,982,267	3,982,267	
49	202	Stock Liability for Conversion	A-31	-	-	
50	203	Premiums and Assessments on Capital Stock	A-32	126,550	126,550	
51	206	Subchapter S Corporation Accumulated Adjustments Account	A-33	-	-	
52	150	Discount on Capital Stock	A-28	-	-	
53	151	Capital Stock Expense	A-29	-	-	
54	270	Capital Surplus	A-34	27,289,621	4,881,844	
55	271	Earned Surplus	A-35	110,839,849	104,013,502	
56		Total Capital Stock		\$ 142,983,667	\$ 113,749,543	
57						
58		<b>II. PROPRIETARY CAPITAL</b>				
59	204	Proprietary Capital	A-36	-	-	
60	205	Undistributed Profits of Proprietorship or Partnership	A-37	-	-	
61		Total Proprietary Capital		\$ -	\$ -	
62						
63		<b>III. LONG-TERM DEBT</b>				
64	210	Bonds	A-38	90,000,000	90,000,000	
65	211	Receivers' Certificates	A-39	-	-	
66	212	Advances from Affiliated Companies	A-40	-	-	
67	213	Miscellaneous Long-Term Debt	A-41	-	-	
68		Total Long-Term Debt		\$ 90,000,000	\$ 90,000,000	
69						
70		<b>IV. CURRENT AND ACCRUED LIABILITIES</b>				
71	220	Notes Payable	A-43	-	-	
72	221	Notes Receivable Discounted	A-44	-	-	
73	222	Accounts Payable	A-45	2,766,605	1,140,396	
74	223	Payables to Affiliated Companies	A-46	-	3,961,711	
75	224	Dividends Declared	A-47	-	-	
76	225	Matured Long-Term Debt	A-48	-	-	
77	226	Matured Interest	A-49	-	-	
78	227	Customers' Deposits	A-50	561,434	876,773	
79	228	Taxes Accrued	A-53	(25,396)	(18,645)	
80	229	Interest Accrued	A-51	813,836	823,707	
81	230	Other Current and Accrued Liabilities	A-52	10,345,919	5,907,464	
82		Total Current and Accrued Liabilities		\$ 14,462,398	\$ 12,691,406	
83						
84		<b>V. DEFERRED CREDITS</b>				
85	240	Unamortized Premium on Debt	A-21	-	-	
86	241	Advances for Construction	A-54	8,038,461	8,228,860	
87	242	Other Deferred Credits	A-55	(1,331,634)	1,301,780	
88		Total Deferred Credits		\$ 6,706,827	\$ 9,530,640	
		<b>VI. ACCUMULATED DEFERRED TAXES</b>				
	266	Accumulated Deferred Income Taxes - Accelerated Tax Depreciation	A-58	-	-	
	267	Accumulated Deferred Income Taxes - Other	A-59	21,863,422	20,171,652	
	268	Accumulated Deferred Investment Tax Credits	A-60	72,795	89,834	
		Total Accumulated Deferred Taxes		\$ 21,936,217	\$ 20,261,486	
89						
90		<b>VII. RESERVES</b>				
91	254	Reserve for Uncollectible Accounts	A-56	1,571,171	305,946	
92	255	Insurance Reserve	A-56	-	-	
93	256	Injuries and Damages Reserve	A-56	-	-	
94	257	Employees' Provident Reserve	A-56	-	-	
95	258	Other Reserves	A-56	-	-	
96		Total Reserves		\$ 1,571,171	\$ 305,946	
97						
98		<b>VIII. CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
99	265	Contributions in Aid of Construction	A-57	20,676,563	20,775,834	
100		Total Liabilities and Other Credits		\$ 298,336,843	\$ 267,314,855	

**SCHEDULE B**  
**Income Statement for the Year**

Line No.	Acct.	Account (a)	Schedule Page No. (b)	Amount (c)
1		<b>I. UTILITY OPERATING INCOME</b>		
2	501	Operating Revenues	B-1	87,025,058
3				
4		Operating Revenue Deductions:		
5	502	Operating Expenses	B-2	52,323,917
6	503	Depreciation	A-5	10,687,380
7	504	Amortization of Limited-term Utility Investments	A-5	72,971
8	505	Amortization of Utility Plant Acquisition Adjustments	A-5	(1,500)
9	506	Property Losses Chargeable to Operations	B-3	-
10	507	Taxes	B-4	6,750,974
11		<b>Total Operating Revenue Deductions</b>		69,833,742
12		<b>Net Operating Revenues</b>		17,191,316
13	508	Income from Utility Plant Leased to Others	B-6	-
14	510	Rent for Lease of Utility Plant	B-7	-
15		<b>Total Utility Operating Income</b>		17,191,316
16				
17		<b>II. OTHER INCOME</b>		
18	521	Income from Nonutility Operations (Net)	B-8	-
19	522	Revenue from Lease of Other Physical Property	B-9	-
20	523	Dividend Revenues	B-10	-
21	524	Interest Revenues	B-11	103,341
22	525	Revenues from Sinking and Other Funds	B-12	-
23	526	Miscellaneous Nonoperating Revenues	B-13	464,769
24	527	Nonoperating Revenue Deductions	B-14	(2,544)
25		<b>Total Other Income</b>		565,566
26		<b>Net Income before Income Deductions</b>		17,756,882
27				
28		<b>III. INCOME DEDUCTIONS</b>		
29	530	Interest on Long-term Debt	B-15	4,391,696
30	531	Amortization of Debt Discount and Expense	B-16	81,346
31	532	Amortization of Premium on Debt - Cr.	B-17	-
32	533	Taxes Assumed on Interest	B-18	-
33	534	Interest on Debt to Affiliated Companies	B-19	(177,237)
34	535	Other Interest Charges	B-20	-
35	536	Interest Charged to Construction - Cr.	B-21	-
36	537	Miscellaneous Amortization	B-22	-
37	538	Miscellaneous Income Deductions	B-23	158,266
38		<b>Total Income Deductions</b>		4,454,071
39		<b>Net Income</b>		13,302,811
40				
41		<b>IV. DISPOSITION OF NET INCOME</b>		
42	540	Miscellaneous Reservations of Net Income	B-24	-
43				
44		<b>Balance transferred to Earned Surplus or</b>		\$ 13,302,811
45		Proprietary Accounts scheduled on pages 32-33		

**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)	329,993,701	23,181,781	(612,345)		\$ 352,563,137
2	100.2	Utility Plant Leased to Others	-				\$ -
3	100.3	Construction Work in Progress	10,984,040	26,357,471		(23,366,405)	\$ 13,975,106
4	100.4	Utility Plant Held for Future Use	1,881,583			(342,209)	\$ 1,539,374
5	100.5	Utility Plant Acquisition Adjustments	(64,040)				\$ (64,040)
6	100.6	Utility Plant in Process of Reclassification					\$ -
7		Total utility plant	\$ 342,795,284	\$ 49,539,252	\$ (612,345)	\$ (23,708,614)	\$ 368,013,577

**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		<b>I. INTANGIBLE PLANT</b>					
2	301	Organization	24,996				\$ 24,996
3	302	Franchises and Consents	8,040				\$ 8,040
4	303	Other Intangible Plant	3,268,426	1,677,500			\$ 4,945,926
5		Total Intangible Plant	\$ 3,301,462	\$ 1,677,500	\$ -	\$ -	\$ 4,978,962
6							
7		<b>II. LANDED CAPITAL</b>					
8	306	Land and Land Rights	\$ 1,073,663	\$ 66,890			\$ 1,140,553
9							
10		<b>III. SOURCE OF SUPPLY PLANT</b>					
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	10,813,578	26,950			\$ 10,840,528
16	316	Supply Mains	7,133,950				\$ 7,133,950
17	317	Other Source of Supply Plant	253,491		-		\$ 253,491
18		Total Source of Supply Plant	\$ 18,201,019	\$ 26,950	\$ -	\$ -	\$ 18,227,969
19							
20		<b>IV. PUMPING PLANT</b>					
21	321	Structures and Improvements	10,226,870	396,796			\$ 10,623,666
22	322	Boiler Plant Equipment	-				\$ -
23	323	Other Power Production Equipment	-				\$ -
24	324	Pumping Equipment	20,946,586	533,715	(33,563)		\$ 21,446,738
25	325	Other Pumping Plant	254,376				\$ 254,376
26		Total Pumping Plant	\$ 31,427,832	\$ 930,511	\$ (33,563)	\$ -	\$ 32,324,780
27							
28		<b>V. WATER TREATMENT PLANT</b>					
29	331	Structures and Improvements	1,187,462	481,207			\$ 1,668,669
30	332	Water Treatment Equipment	4,789,056	301,850	(500)		\$ 5,090,406
31		Total Water Treatment Plant	\$ 5,976,518	\$ 783,057	\$ (500)	\$ -	\$ 6,759,075

**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		<b>VI. TRANSMISSION AND DIST. PLANT</b>					
33	341	Structures and Improvements	425,298	45,170			\$ 470,468
34	342	Reservoirs and Tanks	41,791,411	3,272,789	(22,605)		\$ 45,041,595
35	343	Transmission and Distribution Mains	126,210,934	6,961,929	(63,865)		\$ 133,108,998
36	344	Fire Mains	-				\$ -
37	345	Services	42,016,731	4,064,691	(171,943)		\$ 45,909,479
38	346	Meters	10,218,835	1,863,649	(259,688)		\$ 11,822,796
39	347	Meter Installations	1,132,047	214,492			\$ 1,346,539
40	348	Hydrants	12,865,655	1,385,327	(32,965)		\$ 14,218,017
41	349	Other Transmission and Distribution Plant	-				\$ -
42		Total Transmission and Distribution Plant	\$ 234,660,911	\$ 17,808,047	\$ (551,066)	\$ -	\$ 251,917,892
43							
44		<b>VII. GENERAL PLANT</b>					
45	371	Structures and Improvements	21,275,997	761,400	(13,091)		\$ 22,024,306
46	372	Office Furniture and Equipment	2,162,908	95,243			\$ 2,258,151
47	373	Transportation Equipment	3,562,098	361,556	(7,413)		\$ 3,916,241
48	374	Stores Equipment	-				\$ -
49	375	Laboratory Equipment	-				\$ -
50	376	Communication Equipment	4,860,412	389,653	(6,712)		\$ 5,243,353
51	377	Power Operated Equipment	75,008				\$ 75,008
52	378	Tools, Shop and Garage Equipment	1,223,343	82,250			\$ 1,305,593
53	379	Other General Plant					\$ -
54	381	GIS Mapping Facilities	2,192,530	198,724			\$ 2,391,254
55		Total General Plant	\$ 35,352,296	\$ 1,888,826	\$ (27,216)	\$ -	\$ 37,213,906
56							
57		<b>VIII. UNDISTRIBUTED ITEMS</b>					
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	\$ 329,993,701	\$ 23,181,781	\$ (612,345)	\$ -	\$ 352,563,137

**SCHEDULE A-1b**  
**Account 101 - Recycled Water 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	3461	Recycle Meter	37,848	2,351	(2,377)		\$ 37,822
2							\$ -
3							\$ -
4			\$ 37,848	\$ 2,351	\$ (2,377)	\$ -	\$ 37,822

**SCHEDULE A-1c**  
**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)	Balance End of Year <sup>1</sup> (e)
1	City of Whittier	10/12/10	25	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	10/29/20	15	11/28/1980	1,690
5				Total	\$ 8,040

<sup>1</sup> The total should agree with the balance at the end of the year in Account 302 in Schedule A-1a Line 3.

<b>SCHEDULE A-1d</b>				
<b>Account 100.4 - Utility Plant Held for Future Use</b>				
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	Cadiz Valley Project	6/11	2023	125,000
2	Walnut Creek on Willow Ave	12/14	2021	887
3	Larimore & Cadwell - Services Replacement	2/15	2023	1,761
4	California & Vine - Services Replacement	2/15	2023	11,160
5	Beckner & Orange - Services Replacement	2/15	2023	4,698
6	Jacqueline and Kimberly Service Replacement	11/17	2023	4,647
7	Water Main Study	06/18	2021	229,932
8	Orange and Francisquito Ave Pipeline Replacement	4/18	2023	29,313
9	Ruthcrest and Frandale Ave Pipeline Replacement	9/18	2023	20,777
10	Plant 128 Reservoir and Pump Station Replacement	6/18	2022	47,957
11	SCADA System Masterplan	8/18	2021	47,777
12	Winton Slipline Project	9/19	2022	827
13	Plant 165 Generator	09/20	2022	12,344
14	Plant 506 Generator	09/20	2022	12,310
15	Covina Hills Reliability	09/20	2022	20,754
16	Senadale & Humbord Pipeline	09/20	2022	538
17	Mulvane & Vanderwell Pipeline	09/20	2021	33,676
18	Plant 121 Reservoir R2 Rehab	12/20	2021	979
19	Cheshire Street Pipeline Replacement	7/17	2023	9,263
20	Watkins Drive and Pescados Dr. Pipeline	7/17	2023	7,412
21	1st Avenue from Whittier Blvd to Lisco Street	10/17	2023	8,812
22	Plant 217 Slope Stability Project	7/18	2023	97,726
23	Orsa and Mart Drive Pipeline Replacement	11/18	2023	18,209
24	Dunton Drive and Laurel Ave Pipeline Replacement	11/18	2023	10,301
25	Cullman Ave between Lisco and Lashburn Pipeline Replacement	11/18	2023	10,259
26	1st Ave and Lashburn St. Pipeline Replacement	5/19	2023	54,330
27	Alleyway Pipeline Replacement Between Colima and Villaverde	5/19	2021	26,424
28	La Pluma and Pastranan Pipeline Replacement	5/19	2023	66,674
29	Plant 413 Electrical Upgrades	02/20	2021	32,707
30	Emergency Back Up Power Supply Generators	9/19	2022	107,000
31	La Mirada Wells Treatment	9/19	2023	406,104
32	Valley View Relocations	9/19	2023	4,438
33	Plant 239 Generator	09/20	2022	13,661
34	Foxley & Shoemaker Pipeline	09/20	2021	7,440
35	Ben Hur & Light Pipeline	09/20	2021	3,550
36	Lanning & Gunn Pipeline	10/20	2021	49,727
Total				\$ 1,539,374

<b>SCHEDULE A-2</b>			
<b>Account 107 - Utility Plant Adjustments</b>			
Line No.	Description of Utility Plant Adjustments (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	NONE		
2			
3			
4			
5	Total	\$ -	\$ -

<b>SCHEDULE A-3</b>			
<b>Account 110 - Other Physical Property</b>			
Line No.	Name and Description of Property (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	Land, Structures, Fences, Landscape, etc.	99,196	99,196
2	Other	26,601	26,601
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15	Total	\$ 125,797	\$ 125,797

**SCHEDULE A-4  
RATE BASE AND WORKING CASH**

Line No.	Acct.	Title of Account (a)	Balance 12/31/2020 (c)	Balance 1/1/2020 (d)
		<b>RATE BASE</b>		
1		<u>TOTAL COMPANY</u>		
2		Utility Plant	352,536,919	329,967,509
3		Construction Work in Progress	13,975,106	10,984,040
4		Materials and Supplies	487,349	574,038
5		Working Cash	(7,120,564)	(133,078)
6		<b>Total Gross Plant (=Line 2 + Line 3 + Line 4 + Line 5)</b>	<b>359,878,810</b>	<b>341,392,509</b>
7				
8		<u>LESS DEDUCTIONS FROM RATE BASE</u>		
9		Reserve for Depreciation	125,403,858	117,052,916
10		Unamortized Investment Tax Credits	72,795	89,834
11		Contributions in Aid of Construction	14,192,147	14,657,478
12		Contributions in Aid of Construction - Cal Trans	6,484,416	6,118,356
13		Advances for Construction	8,038,461	8,228,860
14		Accumulated Deferred Federal Income Taxes, Depreciation Timing Differences	12,293,342	12,415,995
15		Accumulated Deferred Taxes Associated with Taxable Advances for Construction	(36,173)	(69,270)
16		Accumulated Deferred Taxes Associated with Taxable CIAC	(2,635,770)	-
17		Pension Reserve	-	-
18		Accumulated Deferred Taxes, Taxable C.I.A.C Gross-Up	1,516,390	-
19		Unamortized Deferred Revenues, Taxable C.I.A.C.	25,926	483
20		Accumulated Deferred Income Taxes - Pension Reserve		
21		Accumulated Deferred Taxes Associated with Interest During Construction (IDC)	(1,996,012)	(1,782,689)
22		Accumulated Deferred Taxes Associated with Amortization of Interest During Construction	452,057	361,681
23		TCJA - Cumulative Unprotected IDC and Other (per AL 337-W)	43,596	
24		TCJA - Protected Excess Deferred Items (per AL 337-W)	(634,991)	
25		<b>SUBTOTAL DEDUCTIONS</b>	<b>163,220,042</b>	<b>157,073,644</b>
26				
27		<b>TOTAL RATE BASE</b>	<b>196,658,768</b>	<b>184,318,865</b>



<b>Working Cash</b>				
28		<b>Determination of Operational Cash Requirement</b>		
29		Operating Expenses, Excluding Taxes, Depreciation & Uncollectible	52,169,086	46,945,716
30		Purchased Power & Commodity for Resale*	3,365,984	2,335,369
31		Meter Revenues: Monthly Billing	84,524,674	78,279,888
32		Other Revenues: Flat Rate Monthly Billing	2,500,384	2,956,774
33		Total Revenues (=Line 31 + Line 32)	87,025,058	81,236,662
34		Ratio - Flat Rate to Total Revenues (=Line 32 / Line 33)	3%	3%
35		5/24 x Line 29 x (100% - Line 34)	10,542,503	9,486,947
36		1/24 x Line 29 x Line 34	65,211	58,682
37		1/12 x Line 30	280,499	194,614
38		Operational Cash Requirement (=Line 35 + Line 36 - Line 37)	10,327,215	9,351,015
		* Electric power, gas or other fuel purchased for pumping and/or purchased commodity for resale billed after receipt (metered).		
		Working cash per D. 14-12-038 workpapers	(7,120,564)	(133,078)



**SCHEDULE A-5**  
**Accounts 250, 251, 252, 253, 259 - 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)	Account 259 Recycled Water Utility Plant (f)
1	Balance in reserves at beginning of year	\$ 117,053,746	\$ 988,404	\$ (33,068)	\$ 42,860	\$ (830)
2	Add: Credits to reserves during year					
3	(a) Charged to Account 503 <sup>(1)</sup>	11,764,336				2,568
	(b) Charged to Account 504 <sup>(1)</sup>		72,970			
	(c) Charged to Account 505 <sup>(1)</sup>			(1,500)		
4	(d) Charged to Account 265					
5	(e) Charged to clearing accounts					
6	(f) Salvage recovered	26,235				
7	(g) All other credits <sup>(2)</sup>					
8	Total credits	\$ 11,790,571	\$ 72,970	\$ (1,500)	\$ -	\$ 2,568
9	Deduct: Debits to reserves during year					
10	(a) Book cost of property retired	(612,345)				(2,377)
11	(b) Cost of removal	(2,827,475)				
12	(c) All other debits <sup>(3)</sup>					
13	Total debits	\$ (3,439,820)	\$ -	\$ -	\$ -	\$ (2,377)
14	Balance in reserve at end of year	\$ 125,404,497	\$ 1,061,374	\$ (34,568)	\$ 42,860	\$ (639)
15						
16	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE:					3.449%
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	( )	DDB with change over to Straight-line (pre 1982 assets)			
41	(4) Others	( )	ACRS (1982 - 1986 assets)			
42	(c) Both straight line and liberalized	(X)	Macrs (1987 - Present)			

**SCHEDULE A-5a**

**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 (Dr.) During Year Excl. Cost Removal (d)	Salvage and Cost of Removal Net (Dr.) or Cr. (e)	Balance End of Year (f)
1		<b>I. SOURCE OF SUPPLY PLANT</b>					
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	4,684,691	406,989		(4,438)	\$ 5,087,242
7	316	Supply Mains	4,561,290	153,950			\$ 4,715,240
8	317	Other Source of Supply Plant	241,556	3,780			\$ 245,336
9		Total Source of Supply Plant	\$ 9,487,537	\$ 564,719	\$ -	\$ (4,438)	\$ 10,047,818
10							
11		<b>II. PUMPING PLANT</b>					
12	321	Structures and Improvements	3,581,959	335,158			\$ 3,917,117
13	322	Boiler Plant Equipment	-				\$ -
14	323	Other Power Production Equipment	-				\$ -
15	324	Pumping Equipment	11,009,028	1,014,431	(33,563)	(6,968)	\$ 11,982,928
16	325	Other Pumping Plant	127,715	11,574			\$ 139,289
17		Total Pumping Plant	\$ 14,718,702	\$ 1,361,163	\$ (33,563)	\$ (6,968)	\$ 16,039,334
18							
19		<b>III. WATER TREATMENT PLANT</b>					
20	331	Structures and Improvements	516,589	39,417			\$ 556,006
21	332	Water Treatment Equipment	3,128,843	194,926	(499)		\$ 3,323,270
22		Total Water Treatment Plant	\$ 3,645,432	\$ 234,343	\$ (499)	\$ -	\$ 3,879,276
23							
24		<b>IV. TRANS. AND DIST. PLANT</b>					
25	341	Structures and Improvements	301,196	17,974			\$ 319,170
26	342	Reservoirs and Tanks	7,708,628	1,042,328	(22,605)	(5,368)	\$ 8,722,983
27	343	Transmission and Distribution Mains	43,101,357	2,992,111	(63,865)	(1,193,163)	\$ 44,836,440
28	344	Fire Mains	-				\$ -
29	345	Services	18,109,897	3,059,757	(171,943)	(1,212,478)	\$ 19,785,233
30	346	Meters	3,287,988	745,113	(259,688)	(147,936)	\$ 3,625,477
31	347	Meter Installations	330,514	79,582			\$ 410,096
32	348	Hydrants	6,226,105	467,986	(32,965)	(234,558)	\$ 6,426,568
33	349	Other Transmission and Distribution Plant	-				\$ -
34		Total Transmission and Distribution Plant	\$ 79,065,685	\$ 8,404,851	\$ (551,066)	\$ (2,793,503)	\$ 84,125,967
35							
36		<b>V. GENERAL PLANT</b>					
37	371	Structures and Improvements	1,400,560	564,375	(13,091)	(3,745)	\$ 1,948,099
38	372	Office Furniture and Equipment	1,599,421	37,828			\$ 1,637,249
39	373	Transportation Equipment	1,344,480	281,385	(7,414)	7,414	\$ 1,625,865
40	374	Stores Equipment	-				\$ -
41	375	Laboratory Equipment	-				\$ -
42	376	Communication Equipment	3,546,353	177,485	(6,712)		\$ 3,717,126
43	377	Power Operated Equipment	60,420	10,537			\$ 70,957
44	378	Tools, Shop and Garage Equipment	1,022,742	118,106			\$ 1,140,848
45	379	Other General Plant	-				\$ -
46	390	Other Tangible Property	1,162,414	9,544			\$ 1,171,958
47	391	Water Plant Purchased	-				\$ -
48		Total General Plant	\$ 10,136,390	\$ 1,199,260	\$ (27,217)	\$ 3,669	\$ 11,312,102
49		Total	\$ 117,053,746	\$ 11,764,336	\$ (612,345)	\$ (2,801,240)	\$ 125,404,497

**SCHEDULE A-6**  
**Account 111 - Investments in Affiliated Companies**

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

**SCHEDULE A-7**  
**Account 112 - Other Investments**

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

**SCHEDULE A-8**  
**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	<b>NONE</b>					\$ -
2						\$ -
3						\$ -
4						\$ -
5						\$ -
6						\$ -
7						\$ -
8						\$ -
9		\$ -	\$ -	\$ -	\$ -	\$ -

**SCHEDULE A-9**  
**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	<b>NONE</b>					\$ -
2						\$ -
3						\$ -
4						\$ -
5						\$ -
6						\$ -
7						\$ -
8						\$ -
9	Total	\$ -	\$ -	\$ -	\$ -	\$ -

**SCHEDULE A-10**  
**Account 120 - Cash**

Line No.	Description of Items (a)	Balance Beg of Year (b)	Balance End of Year (c)
1	Cash	500,870	256,081
2			
3			
4			
5	Total	\$ 500,870	\$ 256,081

**SCHEDULE A-11**  
**Account 121 - Special Deposits**

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

**SCHEDULE A-12**  
**Account 122 - Working Funds**

Line No.	Description of Items (a)	Balance Beg of Year (b)	Balance End of Year (c)
1	<b>NONE</b>		
2			
3			
4			
5	Total	\$ -	\$ -

**SCHEDULE A-13**  
**Account 123 - Temporary Cash Investments**

Line No.	Description of Items (a)	Balance Beg of Year	Balance End of Year (c)
1	<b>NONE</b>		
2			
3			
4			
5	Total	\$ -	\$ -

**SCHEDULE A-14**  
**Account 124 - Notes Receivable**

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

**SCHEDULE A-15**  
**Account 125 - Accounts Receivable**

Line No.	Acct.	Description of Items (a)	Balance Beg of Year (b)	Balance End of Year (c)
1	125-1	Accounts Receivable - Customers	6,371,764	9,924,000
2	125-2	Other Accounts Receivable	1,546,074	203,250
3				
4				
5		Total	\$ 7,917,838	\$ 10,127,250

**SCHEDULE A-16**  
**Account 126 - Receivables from Affiliated Companies**

Line No.	Due from Whom (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Interest Rate (d)	Interest Accrued During Year (e)	Interest Received During Year (f)
1	SouthWest Water	-	13,465,048	3.73%	183,661	183,661
2						
3						
4						
5						
6						
7						
8						
9						
10	Total	\$ -	\$ 13,465,048		\$ 183,661	\$ 183,661

**SCHEDULE A-17**  
**Account 131 - Materials and Supplies**

Line No.	Description of Items (a)	Balance Beg of Year (b)	Balance End of Year (c)
1	131.1 Materials and Supplies - Utility	574,038	487,349
2			
3			
4			
5	Total	\$ 574,038	\$ 487,349

**SCHEDULE A-18**  
**Account 132 - Prepayments**

Line No.	Item (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	Security Deposit - La Mirada Office	12,808	12,808
2	Rent Advance - Covina Main Office	21,103	21,103
3	Main San Gabriel Basin Water Storage	1,254,479	1,252,039
4	California Domestic Water Company	1,226,263	-
5	Covina Irrigating 2018-2019	3,433,995	-
6	City Of Whittier Lease MSGB	3,050,438	4,489,179
7	Prepaid Contract & Misc.	60,526	97,931
8			
9		-	-
10		-	-
	Total	\$ 9,059,612	\$ 5,873,060

**SCHEDULE A-19**  
**Account 133 - Other Current and Accrued Assets**

Line No.	Item (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1			
2			
3	NONE		
4			
5			
6			
7			
8			
9			
10	Total	\$ -	\$ -

**SCHEDULE A-20**  
**Account 140 - Unamortized Debt Discount and Expense**

Line No.	Designation of long-term debt (a)	Principal amount of securities to which discount and expense, relates (b)	Total discount and expense (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	27,476		(12,804)	\$ 14,672
3									\$ -
4	Series D	15,000,000	764,013	10/24/2004	10/24/2024	183,575		(38,201)	\$ 145,374
5									\$ -
6	Series E	10,000,000	222,684	10/20/2006	10/20/2026	75,774		(11,134)	\$ 64,640
7									\$ -
8	Series F	25,000,000	233,094	9/30/2015	9/30/2035	183,804		(11,670)	\$ 172,134
9									\$ -
10	Series G	32,000,000	301,483	12/11/2019	12/15/2059	241,642	59,516	(7,537)	\$ 293,621
11									\$ -
12									\$ -
13									\$ -
14									\$ -
15									\$ -
16									\$ -
17									\$ -
18						\$ 712,271	\$ 59,516	\$ (81,346)	\$ 690,441

**SCHEDULE A-21**  
**Account 240 - Unamortized Premium on Debt**

Line No.	Designation of long-term debt (a)	Principal amount of securities to which premium minus expense, relates (b)	Total 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									\$ -
3	NONE								\$ -
4									\$ -
5									\$ -
6									\$ -
7									\$ -
8									\$ -
9									\$ -
10									\$ -
11									\$ -
12									\$ -
13									\$ -
14									\$ -
15									\$ -
16									\$ -
17									\$ -
18						\$ -	\$ -	\$ -	\$ -

**SCHEDULE A-22**  
**Account 141 - Extraordinary Property Losses**

Line No.	Description of Property Loss or Damage (a)	Total Amount of Loss (b)	Previously Written off (c)	Balance Beg of Year (d)	Written Off During Year		Balance End of year (g)
					Account Charged (e)	Amount (f)	
1	<b>NONE</b>						\$ -
2							\$ -
3							\$ -
4	Total	\$ -	\$ -	\$ -		\$ -	\$ -

**SCHEDULE A-23**  
**Account 142 - Preliminary Survey and Investigation Charges**

Line No.	Description of Charges (a)	Balance Beg of Year (b)	Balance End of Year (c)
1	<b>NONE</b>		
2			
3			
4			
5	Total	\$ -	\$ -

**SCHEDULE A-24**  
**Account 143 - Clearing Accounts**

Line No.	Description of Items (a)	Balance Beg of Year (b)	Balance End of Year (c)
1	<b>NONE</b>		
2			
3			
4			
5	Total	\$ -	\$ -

**SCHEDULE A-25**  
**Account 145 - Other Work in Progress**

Line No.	Description of Items (a)	Balance Beg of Year (b)	Balance End of Year (c)
1	Other Work in Progress - reimbursable cost to repair damage property	29,725	64,037
2			
3			
4			
5	Total	\$ 29,725	\$ 64,037



**SCHEDULE A-26**  
**Account 146 - Other Deferred Debits**

Line No.	Item (a)	Balance Beg of Year (b)	Balance End of year (c)
1	Miscellaneous-Other Deferred Debits	601,559	579,559
2	Investments - Co Bank	415,001	447,001
3	Regulatory Assets (FAS 109, Tax Rate)	8,708,317	9,526,662
4	Rate Case Expenses/Regulatory Related	7,360,697	5,757,705
5	Accrued Vacation	949,841	1,082,049
6			
7	Total	\$ 18,035,415	\$ 17,392,976

**SCHEDULE A-27**  
**Account 147 - Accumulated Deferred Income Tax Assets**

Line No.	Description of Items (a)	Balance Beg of Year (b)	Balance End of Year (c)
1	Interest During Construction Capitalized (Federal)	1,027,748	1,027,578
2	Reserves (Federal & State)	272,706	442,910
3	Advances & CIAC 1987 to 2020 (Federal)	1,141,127	2,583,142
4	Advances & CIAC 1992 to 2020 (State)	392,829	1,046,526
5	Gross-up tax rate change (Federal)	1,601,397	1,445,831
6	CIAC Deposits - Federal (project not completed)	782,838	1,187,116
7	CIAC Deposits - State (project not completed)	358,624	543,826
8	Total	\$ 5,577,269	\$ 8,276,929

**SCHEDULE A-28**  
**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 Beg of Year (b)	Balance End of year (c)
1	<b>NONE</b>		
2			
3	Total	\$ -	\$ -

**SCHEDULE A-29**  
**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 Beg of Year (b)	Balance End of year (c)
1	<b>NONE</b>		
2			
3	Total	\$ -	\$ -

SCHEDULE A-30								
Account 200 - Common 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 <sup>1</sup> (d)	Balance Beg of Year (e)	Balance End of Year (f)	Dividends Declared During Year	
							Rate (g)	Amount (h)
1	Common Stock	500,000	\$ 5.00	149,076	745,380	745,380	10.5780	6,307,672
2								
3								
4								
5								
6	Total				\$ 745,380	\$ 745,380		\$ 6,307,672

<sup>1</sup> After deduction for amount of reacquired stock held by or for the respondent.

SCHEDULE A-30a								
Account 201- Preferred 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 <sup>1</sup> (d)	Balance Beg of Year (e)	Balance End of Year (f)	Dividends Declared During Year	
							Rate (g)	Amount (h)
1	Series A - Preferred	100,000	\$ 50.00	43,843.83	2,192,192	2,192,192	0.6563	115,090
2	Series B - Preferred	80,000	\$ 50.00	35,801.50	1,790,075	1,790,075	0.3750	53,702
3								
4								
5								
6	Total				\$ 3,982,267	\$ 3,982,267		\$ 168,792

<sup>1</sup> After deduction for amount of reacquired stock held by or for the respondent.

SCHEDULE A-30b				
Record of Stockholders at End of Year				
Line No.	COMMON STOCK Name (a)	Number Shares (b)	PREFERRED STOCK Name (c)	Number Shares (d)
1	SouthWest Water Company	149,076	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	Total number of shares	79,645.33

SCHEDULE A-31			
Account 202 - Stock Liability for Conversion			
Line No.	Description of Items (a)	Balance Beg of Year (b)	Balance End of Year (c)
1	NONE		
2			
3			
4			
5	Total	\$ -	\$ -

**SCHEDULE A-32**  
**Account 203 - Premiums and Assessments on Capital Stock**

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

**SCHEDULE A-33**  
**Account 206 - Subchapter S Corporation Accumulated Adjustments Account**

Line No.	Description of Items (a)	Amount (b)
1	NONE	
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		\$ -

**SCHEDULE A-34**  
**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	27020 - Equity Contribution	22,407,777
4		
5	Total credits	\$ 22,407,777
6	DEBITS (Give nature of each debit and state account credited)	
7		
8		
9		
10	Total debits	\$ -
11	Balance end of year	\$ 27,289,621

**SCHEDULE A-35**  
**Account 271 - Earned Surplus (For use by Corporations only)**

Line No.	Acct	Account (a)	Amount (b)
1		Balance beginning of year	\$ 104,013,502
2		CREDITS	
3	400	Credit balance transferred from income account	13,302,811
4	401	Miscellaneous credits to surplus (specify)	
5			
6		Total credits	\$ 13,302,811
7		DEBITS	
8	410	Debit balance transferred from income account	-
9	411	Dividend appropriations-preferred stock	168,792
10	412	Dividend appropriations-Common stock	6,307,672
11	413	Miscellaneous reservations of surplus	
12	414	Miscellaneous debits to surplus (specify)	
13			
14		Total debits	\$ 6,476,464
15		Balance end of year	\$ 110,839,849

**SCHEDULE A-36**  
**Account 204 - Proprietary Capital**  
**(Sole Proprietor or Partnership)**

Line No.	Item (a)	Amount (b)
1	Balance Beginning of year	
2	CREDITS	<b>NONE</b>
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-37**  
**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	<b>NONE</b>
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-38**  
**Account 210 - Bonds**

Line No.	Class of Bond (a)	Date of Issue (b)	Date of Maturity (c)	Principal Amount Authorized (d)	Balance Beg of Year (e)	Balance End of Year (f)	Rate of Interest (g)	Sinking Fund Added in Current Year (h)	Cost of issuance (i)	Interest Accrued During Year (j)	Interest Paid During Year (k)
1	Series B	2/20/92	2/20/22	8,000,000	8,000,000	8,000,000	9.09%			727,200	727,200
2	Series D	10/19/04	10/1/24	15,000,000	15,000,000	15,000,000	5.64%			846,000	846,000
3	Series E	10/20/06	10/20/26	10,000,000	10,000,000	10,000,000	6.30%			629,496	629,500
4	Series F	9/30/15	9/30/35	25,000,000	25,000,000	25,000,000	4.42%			1,105,000	1,105,000
5	Series G	12/11/19	12/15/59	32,000,000	32,000,000	32,000,000	3.70%			1,184,000	1,193,867
6											
7											
8				Total	\$ 90,000,000	\$ 90,000,000		\$ -	\$ -	\$ 4,491,696	\$ 4,501,567

**SCHEDULE A-39**  
**Account 211 - Receivers' Certificates**

Line No.	Description of Items (a)	Balance Beg of Year (b)	Balance End of Year (c)
1	<b>NONE</b>		
2			
3			
4			
5	Total	\$ -	\$ -

**SCHEDULE A-40**  
**Account 212 - Advances from Affiliated Companies**

Line No.	Nature of Obligation (a)	Balance Beg of Year (b)	Balance End of Year (c)	Rate of Interest (d)	Interest Accrued During Year (e)	Interest Paid During Year (f)
1	<b>NONE</b>					
2						
3						
4						
5	Total	\$ -	\$ -		\$ -	\$ -

**SCHEDULE A-41**  
**Account 213 - Miscellaneous Long-Term Debt**

Line No.	Nature of Obligation (a)	Date of Issue (b)	Date of Maturity (c)	Balance Beg of Year (d)	Balance End of Year (e)	Rate of Interest (f)	Interest Accrued During Year (g)	Interest Paid During Year (h)
1	<b>NONE</b>							
2								
3								
4								
5								
6								
7								
8	Total			\$ -	\$ -		\$ -	\$ -

**SCHEDULE A-42**  
**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	<b>NONE</b>				
2					
3					
4					
5	Total		\$ -	\$ -	\$ -

**SCHEDULE A-43**  
**Account 220 - Notes Payable**

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

**SCHEDULE A-44**  
**Account 221 - Notes Receivable Discounted**

Line No.	Description of Items (a)	Balance Beg of Year (b)	Balance End of Year (c)
1			
2	<b>NONE</b>		
3			
4			
5		Total	\$ -

**SCHEDULE A-45**  
**Account 222 - Accounts Payable**

Line No.	Description of Items (a)	Balance Beg of Year (b)	Balance End of Year (c)
1	Accrued Accounts Payable	726,731	2,294,280
2	PUC Use Fees Accrual	268,487	331,051
3	Audit Accrual	97,736	88,977
4	City Utility User Tax Accrual	47,442	52,296
5		Total	\$ 1,140,396

**SCHEDULE A-46**  
**Account 223 - Payables to Affiliated Companies**

Line No.	Nature of Obligation (a)	Balance Beg of Year (b)	Balance End of Year (c)	Rate of Interest (d)	Interest Accrued During Year (e)	Interest Paid During Year (f)
1	Southwest Water	3,961,711	-			
2						
3						
4						
5						
6						
7		Total	\$ 3,961,711	\$ -	\$ -	\$ -



**SCHEDULE A-47**  
**Account 224 - Dividends Declared**

Line No.	Description of Items (a)	Balance Beg of Year (b)	Balance End of Year (c)
1	<b>NONE</b>		
2			
3			
4			
5	Total	\$ -	\$ -

**SCHEDULE A-48**  
**Account 225 - Matured Long-Term Debt**

Line No.	Description of Items (a)	Balance Beg of Year (b)	Balance End of Year (c)
1	<b>NONE</b>		
2			
3			
4			
5	Total	\$ -	\$ -

**SCHEDULE A-49**  
**Account 226 - Matured Interest**

Line No.	Description of Items (a)	Balance Beg of Year (b)	Balance End of Year (c)
1	<b>NONE</b>		
2			
3			
4			
5	Total	\$ -	\$ -

**SCHEDULE A-50**  
**Account 227 - Customers' Deposits**

Line No.	Description of Items (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	Customers' Deposit	876,773	561,434
2			
3			
4			
5	Total	\$ 876,773	\$ 561,434

**SCHEDULE A-51**  
**Account 229 - Interest Accrued**

Line No.	Description of Items (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	229-1 Interest Accrued on Long-Term Debt	823,707	813,836
2			
3			
4			
5	Total	\$ 823,707	\$ 813,836

**SCHEDULE A-52**  
**Account 230 - Other Current and Accrued Liabilities**

Line No.	Description (a)	Balance Beginning of Year (a)	Balance End of Year (b)
1	Volume Related	1,530,558	6,060,930
2	Accrued Salaries	1,487,829	1,277,238
3	WIP Retention	620,348	363,371
4	Legal Costs	42,810	771
5	Franchise Fees Payable	2,281,262	2,669,988
6	Unclaimed Refund Contract Payments	18,090	35,854
7	Deferred Rent - Current	19,573	30,807
8	CA-Dept of Public Health	(93,006)	(93,040)
9			
10			
11			
12			
13			
14			
15			
16	Total	\$ 5,907,464	\$ 10,345,919

**SCHEDULE A-53**  
**Account 228 - Taxes Accrued**

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 51, for a distribution of taxes charged, columns (c) - (f) 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	(18,645)	-	1,945,989	2,032,233	79,493	(25,396)	-
2	State corporation franchise tax			1,141,228	1,141,228			
3	State unemployment insurance tax			57,418	57,418			
4	Other state and local taxes							
5	Federal unemployment insurance tax			4,963	4,963			
6	Fed. ins. contr. act (old age retire.)			868,429	868,429			
7	Other federal taxes							
8	Federal income taxes			2,806,816	2,806,816			
9	Licenses							
10	Miscellaneous							
11								
12								
13								
14	Total	\$ (18,645)	\$ -	\$ 6,824,843	\$ 6,911,087	\$ 79,493	\$ (25,396)	\$ -

(1) Fed. & State income tax on CIAC & Advances

**SCHEDULE A-54**  
**Account 241 - Advances for Construction**

Line No.	Description (a)	Amount (b)
1	Balance beginning of year	8,228,860
2	Additions during year	86,490
2a	Gross-up Tax	19,582
3	Subtotal - Beginning balance plus additions during year	\$ 8,334,932
4	<b>Charges during year</b>	
5	Refunds:	
6	Percentage of revenue basis	
7	Proportionate cost basis	294,235
8	Present worth basis	2,236
9	Total refunds	\$ 296,471
10	<b>Transfers to Acct 265 - Contributions in Aid of Construction</b>	
11	Due to expiration of contracts	
12	Due to present worth discount	
13	Total transfers to Acct. 265	\$ -
14	<b>Securities Exchanged for Contracts (enter detail below)</b>	
15	Subtotal - Charges during year	\$ 296,471
16	Balance end of year	\$ 8,038,461

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			-
18	Preferred stock			-
19	Bonds			-
20	Other (describe)			-
21				
22				

**SCHEDULE A-55**  
**Account 242 - Other Deferred Credits**

Line No.	Item (a)		Balance Beginning of Year (b)	Balance End of Year (c)
1	Deferred Revenue (CIAC) 242-30		1,585	-
2	Developer Deposits 242-00		2,225,745	2,293,294
3	Lessee Deposits 242-40		20,000	20,000
4	Long-term Refund Contracts Unclaimed 242-89		19,361	21,597
5	Long-term Unclaimed Checks Payable 242-90		7,719	13,263
6	Deferred Rent Non Current 242-50		41,096	-
7a	FASB 109 Federal Reg Liability 242-98		7,455,148	7,421,213
7b	FASB 109 State Reg Liability 242-99		923,997	1,152,022
7c	Balancing Account 242-00		(48,196,967)	(55,853,229)
7d	Balancing Account Contra 242-00		36,856,363	42,850,559
7e	Low Income/Water Conservation 242-00		(1,143,789)	(1,143,789)
7f	Reg Liab-Other 242-95		1,474,660	1,267,985
7g	Reg Liab - Drought Surcharge 242-95		1,616,862	625,451
	Total		\$ 1,301,780	\$ (1,331,634)

**SCHEDULE A-56**  
**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	305,946		102,550		1,367,775	\$ 1,571,171
2							\$ -
3							\$ -
4							\$ -
5							\$ -
6							\$ -
7	Total	\$ 305,946		\$ 102,550		\$ 1,367,775	\$ 1,571,171

**SCHEDULE A-57**  
**Account 265 - Contributions in Aid of Construction**

Line No.	Item (a)	Total All Columns (b)	Contamination Proceeds 265-1 to 265-6		Other 265-7	
			Depreciable (e)	Non-Depreciable (f)	Depreciable (c)	Non-Depreciable (d)
1	Balance beginning of year	\$ 20,775,834			20,513,044	262,790
2	Add: Credits to account during year					
3	Contributions received during year	\$ 980,253			980,253	
4	Other credits	\$ -			-	
5	Total credits	\$ 980,253	\$ -	\$ -	\$ 980,253	\$ -
6	Deduct: Debits to account during year					
7	Depreciation charges for year	\$ 1,079,524			1,079,524	
8	Nondepreciable donated property retired	\$ -				
9	Other debits	\$ -				
10	Total debits	\$ 1,079,524	\$ -	\$ -	\$ 1,079,524	\$ -
11	Balance end of year	\$ 20,676,563	\$ -	\$ -	\$ 20,413,773	\$ 262,790

**SCHEDULE A-58****Account 266 - Accumulated Deferred Income Taxes - Accelerated Tax Depreciation**

Line No.	Description of Items (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	<b>NONE</b>		
2			
3			
4			
5	Total	\$ -	\$ -

**SCHEDULE A-59****Account 267 - Accumulated Deferred Income Taxes Liabilities**

Line No.	Description of Items (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	Accumulated Depreciation	9,107,019	9,493,492
2	Loss on Assets Retired	371,333	380,240
3	Flow-through Depreciation - Pre 1982	3,066,742	3,450,848
4	Balancing Account	2,381,526	2,730,560
5	Gains on Condemnations Federal	127,625	104,420
6	State Flow-through Depreciation & Other	5,112,372	5,676,624
7	Federal & State Other	5,035	27,238
8	Total	\$ 20,171,652	\$ 21,863,422

**SCHEDULE A-60****Account 268 - Accumulated Deferred Investment Tax Credits**

Line No.	Description of Items (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	Deferred ITC (Unamortized Investments Tax Credits-ITC)	89,834	72,795
2			
3			
4			
5	Total	\$ 89,834	\$ 72,795

**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		<b>I. WATER SERVICE REVENUES</b>			
2	601	Metered Sales to General Customers			
3		601-1.1 Residential Sales	62,509,705	57,383,549	\$ 5,126,156
4		601-1.2 Residential Low Income Discount (Debit)			\$ -
5		601-2 Commercial Sales	16,371,187	15,670,528	\$ 700,659
6		601-3 Industrial Sales	1,769,792	1,476,998	\$ 292,794
7		601-4 Sales to Public Authorities	3,873,990	3,748,813	\$ 125,177
8		Sub-total	\$ 84,524,674	\$ 78,279,888	\$ 6,244,786
9	602	Unmetered Sales to General Customers			
10		602-1.1 Residential Sales			\$ -
11		602-1.2 Residential Low Income Discount (Debit)			\$ -
12		602-2 Commercial Sales			\$ -
13		602-3 Industrial Sales			\$ -
14		602-4 Sales to Public Authorities			\$ -
15		Sub-total	\$ -	\$ -	\$ -
16	603	Sales to Irrigation Customers			
17		603.1 Metered sales			\$ -
18		603.2 Flat Rate Sales			\$ -
19		Sub-total	\$ -	\$ -	\$ -
20	604	Private Fire Protection Service	1,488,981	1,423,499	\$ 65,482
21	605	Public Fire Protection Service	-	-	\$ -
22	606	Sales to Other Water Utilities for Resale	39,913	38,490	\$ 1,423
23	607	Sales to Governmental Agencies by Contracts			\$ -
24	608	Interdepartmental Sales			\$ -
25	609	Other Sales or Service			\$ -
26		Sub-total	\$ 1,528,894	\$ 1,461,989	\$ 66,905
27		Total Water Service Revenues	\$ 86,053,568	\$ 79,741,877	\$ 6,311,691
28		<b>II. OTHER WATER REVENUES</b>			
29	610	Customer Surcharges			\$ -
30	611	Miscellaneous Service Revenues	208,985	355,007	\$ (146,022)
31	612	Rent from Water Property	4,800	7,800	\$ (3,000)
32	613	Interdepartmental Rents	-	-	\$ -
33	614	Other Water Revenues	(199,406)	318,125	\$ (517,531)
34	615	Recycled Water Revenues	957,111	813,853	\$ 143,258
35		Total Other Water Revenues	\$ 971,490	\$ 1,494,785	\$ (523,295)
36	501	Total operating revenues	\$ 87,025,058	\$ 81,236,662	\$ 5,788,396

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

Line No.	Location (a)	Operating Revenues (b)
31	Operations not within incorporated cities <sup>1</sup>	
32	Los Angeles County	22,246,110
33	Orange County	118,276
34		
35	Operations within incorporated territory	
36	City or town of West Covina	24,837,449
37	City or town of La Puente	4,116,934
38	City or town of Glendora	1,722,293
39	City or town of Industry	1,085,676
40	City or town of Walnut	3,474,861
41	City or town of Whittier	13,601,723
42	City or town of La Mirada	14,771,375
43	City or town of Covina	509,248
44	City or town of La Habra	494,996
45	City or town of Buena Park	46,117
46	Total	\$ 87,025,058

<sup>1</sup> 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		<b>I. SOURCE OF SUPPLY EXPENSE</b>						
2		<b>Operation</b>						
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			4,465,962	1,332,502	\$ 3,133,460
7	704	Purchased water	A	B	C	15,959,922	15,154,041	\$ 805,881
8		<b>Maintenance</b>						
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			-	-	\$ -
17	712	Maintenance of supply mains	A				\$ -	
18	713	Maintenance of other source of supply plant	A	B			\$ -	
19		<b>Total source of supply expense</b>				\$ 20,425,884	\$ 16,486,543	\$ 3,939,341
20		<b>II. PUMPING EXPENSES</b>						
21		<b>Operation</b>						
22	721	Operation supervision and engineering	A	B			\$ -	
23	721	Operation supervision labor and expense			C		\$ -	
24	722	Power production labor and expenses	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		569,210	313,358	\$ 255,852
28	725	Miscellaneous expenses	A				\$ -	
29	726	Fuel or power purchased for pumping	A	B	C	3,365,984	2,335,369	\$ 1,030,615
30		<b>Maintenance</b>						
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			\$ -	
34	731	Maintenance of power production equipment	A	B			\$ -	
35	732	Maintenance of power pumping equipment	A	B		707,883	685,386	\$ 22,497
36	733	Maintenance of other pumping plant	A	B			\$ -	
37		<b>Total pumping expenses</b>				\$ 4,643,077	\$ 3,334,113	\$ 1,308,964

## 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		<b>III. WATER TREATMENT EXPENSES</b>						
39		<b>Operation</b>						
40	741	Operation supervision and engineering	A	B			\$ -	
41	741	Operation supervision, labor and expenses			C		\$ -	
42	742	Operation labor and expenses	A			923,682	835,746	\$ 87,936
43	743	Miscellaneous expenses	A	B			\$ -	
44	744	Chemicals and filtering materials	A	B		(14,439)	106,514	\$ (120,953)
45		<b>Maintenance</b>						
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		24,667	11,909	\$ 12,758
50		<b>Total water treatment expenses</b>				\$ 933,910	\$ 954,169	\$ (20,259)
51		<b>IV. TRANS. AND DIST. EXPENSES</b>						
52		<b>Operation</b>						
53	751	Operation supervision and engineering	A	B			\$ -	
54	751	Operation supervision, labor and expenses			C		\$ -	
55	752	Storage facilities expenses	A			159,558	205,578	\$ (46,020)
56	752	Operation labor and expenses		B			\$ -	
57	753	Transmission and distribution lines expenses	A				\$ -	
58	754	Meter expenses	A				\$ -	
59	755	Customer installations expenses	A				\$ -	
60	756	Miscellaneous expenses	A				\$ -	
61		<b>Maintenance</b>						
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		19,934	23,980	\$ (4,046)
66	761	Maintenance of trans. and distribution mains	A			1,315,842	1,112,607	\$ 203,235
67	761	Maintenance of mains		B			\$ -	
68	762	Maintenance of fire mains	A				\$ -	
69	763	Maintenance of services	A			513,126	364,686	\$ 148,440
70	763	Maintenance of other trans. and distribution plant		B			\$ -	
71	764	Maintenance of meters	A			36,481	254,383	\$ (217,902)
72	765	Maintenance of hydrants	A			10,120	108,143	\$ (98,023)
73	766	Maintenance of miscellaneous plant	A				\$ -	
74		<b>Total transmission and distribution expenses</b>				\$ 2,055,061	\$ 2,069,377	\$ (14,316)

**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		<b>V. CUSTOMER ACCOUNT EXPENSES</b>						
76		<b>Operation</b>						
77	771	Supervision	A	B				\$ -
78	771	Superv., meter read., other customer acct expenses			C			\$ -
79	772	Meter reading expenses	A	B		405,857	377,300	\$ 28,557
80	773	Customer records and collection expenses	A			1,523,145	1,530,196	\$ (7,051)
81	773	Customer records and accounts expenses		B				\$ -
82	774	Miscellaneous customer accounts expenses	A					\$ -
83	775	Uncollectible accounts	A	B	C	154,831	136,513	\$ 18,318
84		<b>Total customer account expenses</b>				<b>\$ 2,083,833</b>	<b>\$ 2,044,009</b>	<b>\$ 39,824</b>
85		<b>VI. SALES EXPENSES</b>						
86		<b>Operation</b>						
87	781	Supervision	A	B				\$ -
88	781	Sales expenses			C			\$ -
89	782	Demonstrating selling expenses	A					\$ -
90	783	Advertising expenses	A			305,336	434,176	\$ (128,840)
91	784	Miscellaneous, jobbing and contract work	A					\$ -
92	785	Merchandising, jobbing and contract work	A					\$ -
93		<b>Total sales expenses</b>				<b>\$ 305,336</b>	<b>\$ 434,176</b>	<b>\$ (128,840)</b>
94		<b>VII. RECYCLED WATER EXPENSES</b>						
95		<b>Operation and Maintenance</b>						
96	786	Recycled water operation and maint. expenses						\$ -
97		<b>Total recycled water expenses</b>				<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
98		<b>VIII. ADMIN. AND GENERAL EXPENSES</b>						
99		<b>Operation</b>						
100	791	Administrative and general salaries	A	B	C	4,212,334	4,565,923	\$ (353,589)
101	792	Office supplies and other expenses	A	B	C	1,632,840	1,472,606	\$ 160,234
102	793	Property insurance	A			542,610	280,584	\$ 262,026
103	793	Property insurance, injuries and damages		B	C			\$ -
104	794	Injuries and damages	A			460,200	338,922	\$ 121,278
105	795	Employees' pensions and benefits	A	B	C	4,169,119	4,241,141	\$ (72,022)
106	796	Franchise requirements	A	B	C	1,020,630	944,795	\$ 75,835
107	797	Regulatory commission expenses	A	B	C	1,458,959	1,313,329	\$ 145,630
108	798	Outside services employed	A			237,875	624,444	\$ (386,569)
109	798	Miscellaneous other general expenses		B				\$ -
110	798	Miscellaneous other general operation expenses			C			\$ -
111	799	Miscellaneous general expenses	A			228,599	246,517	\$ (17,918)
112		<b>Maintenance</b>						
113	805	Maintenance of general plant	A	B	C	158,982	154,102	\$ 4,880
114		<b>Total administrative and general expenses</b>				<b>\$ 14,122,148</b>	<b>\$ 14,182,363</b>	<b>\$ (60,215)</b>
115		<b>XI. MISCELLANEOUS</b>						
116	810	Customer surcredits						\$ -
117	811	Rents	A	B	C	642,752	624,939	\$ 17,813
118	812	Administrative expenses transferred - Cr.	A	B	C	(1,734,312)	(1,596,050)	\$ (138,262)
119	813	Duplicate charges - Cr.	A	B	C			\$ -
119a	901	Charges by associated companies, clearing	A			8,283,188	7,942,868	\$ 340,320
119b	902	Stores expense, clearing	A					\$ -
119c	903	Transportation expense, clearing	A			543,911	588,683	\$ (44,772)
119d	906	Tools and work equipment, clearing	A			19,129	17,039	\$ 2,090
120		<b>Total miscellaneous</b>				<b>\$ 7,754,668</b>	<b>\$ 7,577,479</b>	<b>\$ 177,189</b>
121		<b>Total operating expenses</b>				<b>\$ 52,323,917</b>	<b>\$ 47,082,229</b>	<b>\$ 5,241,688</b>

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

Line No.	Description (a)	Amount
1	NONE	
2		
3		
4		
5		
6		
7		
8	<b>Total</b>	<b>\$ -</b>

**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 39.
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	Federal corporate income taxes	\$ 2,806,816	2,806,816			
2	California corporate franchise taxes	\$ 1,141,228	1,141,228			
3	Property taxes	\$ 1,945,989	1,943,445		2,544	
4	Other taxes	\$ -				
5	State unemployment insurance tax	\$ 57,418	57,418			
6	Federal unemployment insurance tax	\$ 4,963	4,963			
7	Federal insurance contributions act	\$ 868,429	868,429			
8	Payroll taxes capitalized	\$ -	(71,325)			71,325
9	Accrued payroll taxes	\$ -				
10		\$ -				
11		\$ -				
12		\$ -				
13		\$ -				
14	<b>Total</b>	<b>\$ 6,824,843</b>	<b>\$ 6,750,974</b>	<b>\$ -</b>	<b>\$ 2,544</b>	<b>\$ 71,325</b>

## 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.	Particulars (a)	Amount (b)
1	Net income for the year per Schedule B, page 19 .....	\$ 13,302,811
2	Reconciling amounts (list first additional income and unallowable deductions, followed by additional	
3	deductions for non-taxable income):	
4	Federal income taxes	2,806,816
5	State income taxes	1,141,228
6	Taxable income not recorded on books:	
7	Income from deferral of gains on sales of properties	110,498
8	Tax deductions not recorded on books:	
9	Amortization of Contributions	(61,180)
10	State tax (Priv. 2018) California	(964,314)
11	Reversal of Property Tax Benefit	-
12	Flow-through depreciation	(1,444,969)
13	Normalized depreciation - 1982 and forward	(1,840,347)
14	IDC - capitalized interest	(811)
15	Repayment of advances including gross up	(5,260)
16	CIAC Utility Plant (excludes amortization) and CIAC Gross Up	2,619,911
17	Tax Basis Gain (Loss) on Retirement of Assets	(42,412)
18	Book income not recorded on return:	
19	Amortization of deferred revenue associated with contributions	(19,542)
20	Book expenses not deducted on return	(1,550,037)
21		
22		
23		
24		
25		
26		
27		
28		
29		
30	Federal tax net income .....	\$ 14,052,392
31	Computation of tax:	
32	Federal tax Calculated Tax	2,951,002
33	Federal tax rate based on 21%*	-
34	Amortization of ITC on '82-89 Assets	(17,039)
35	Tax per return	\$ 2,933,963

**SCHEDULE B-6**  
**Account 508 - Income from Utility Plant Leased to Others**

Line No.	Acct.	Description of Items (a)	Amount (b)
1			
2			
3		<b>NONE</b>	
4			
5		Total	\$ -

**SCHEDULE B-7**  
**Account 510 - Rent for Lease of Utility Plant**

Line No.	Description of Items (a)	Amount (b)
1		
2		
3	<b>NONE</b>	
4		
5	Total	\$ -

**SCHEDULE B-8**  
**Account 521 - Income from Nonutility Operations**

Line No.	Description (a)	Revenue (b)	Expenses (c)	Net Income (d)
1				\$ -
2				\$ -
3	<b>NONE</b>			\$ -
4				\$ -
5	Totals	\$ -	\$ -	\$ -

<b>SCHEDULE B-9</b> <b>Account 522 - Revenues from Lease of Other Physical Property</b>		
Line No.	Description of Items (a)	Amount (b)
1		
2		
3	NONE	
4		
5	Total	\$ -

<b>SCHEDULE B-10</b> <b>Account 523 - Dividend Revenues</b>		
Line No.	Description of Items (a)	Amount (b)
1		
2		
3	NONE	
4		
5	Total	\$ -

<b>SCHEDULE B-11</b> <b>Account 524 - Interest Revenues</b>		
Line No.	Description of Items (a)	Amount (b)
1	Interest Income	103,341
2		
3		
4		
5	Total	\$ 103,341

<b>SCHEDULE B-12</b> <b>Account 525 - Revenues from Sinking and Other Funds</b>		
Line No.	Description of Items (a)	Amount (b)
1		
2		
3	NONE	
4		
5	Total	\$ -

**SCHEDULE B-13**  
**Account 526 - Miscellaneous Nonoperating Revenues**

Line No.	Description (a)	Amount (b)
1	Misc. Non-Operating Expense (Revenues)	(464,769)
2		
3		
4		
5		
6		
7		
8	Total	\$ (464,769)

**SCHEDULE B-14**  
**Account 527 - Nonoperating Revenue Deductions**

Line No.	Description (a)	Amount (b)
1	AD Valorem Tax Expense	2,544
2		
3		
4		
5	Total	\$ 2,544

**SCHEDULE B-15**  
**Account 530 - Interest on Long-Term Debt**

Line No.	Description of Items (a)	Amount (b)
1	Interest Expense - Long Term Debt	4,391,696
2		
3		
4		
5	Total	\$ 4,391,696

**SCHEDULE B-16**  
**Account 531 - Amortization of Debt Discount and Expense**

Line No.	Description of Items (a)	Amount (b)
1	Amortization of Debt Issue Cost	81,346
2		
3		
4		
5	Total	\$ 81,346



<b>SCHEDULE B-17</b> <b>Account 532 - Amortization of Premium on Debt - Cr.</b>		
Line No.	Description of Items (a)	Amount (b)
1		
2		
3	<b>NONE</b>	
4		
5	Total	\$ -

<b>SCHEDULE B-18</b> <b>Account 533 - Taxes Assumed on Interest</b>		
Line No.	Description of Items (a)	Amount (b)
1		
2		
3	<b>NONE</b>	
4		
5	Total	\$ -

<b>SCHEDULE B-19</b> <b>Account 534 - Interest on Debt to Affiliated Companies</b>		
Line No.	Description of Items (a)	Amount (b)
1	Intercompany Interest Expense (Income)	(177,237)
2		
3		
4		
5	Total	\$ (177,237)

<b>SCHEDULE B-20</b> <b>Account 535 - Other Interest Charges</b>		
Line No.	Description (a)	Amount (b)
1		
2		
3	<b>NONE</b>	
4		
5	Total	\$ -

**SCHEDULE B-21**  
**Account 536 - Interest Charged to Construction - Cr.**

Line No.	Description of Items (a)	Amount (b)
1		
2		
3	NONE	
4		
5	Total	\$ -

**SCHEDULE B-22**  
**Account 537 - Miscellaneous Amortization**

Line No.	Description of Items (a)	Amount (b)
1		
2		
3	NONE	
4		
5	Total	\$ -

**SCHEDULE B-23**  
**Account 538 - Miscellaneous Income Deductions**

Line No.	Description (a)	Amount (b)
1	Donations	44,488
2	Political Contributions- California Water Association, California Chamber of Commerce,	8,800
3	Other Expenses	104,978
4		
5		
	Total	158,266

**SCHEDULE B-24**  
**Account 540 - Miscellaneous Reservations of Net Income**

Line No.	Description of Items (a)	Amount (b)
1		
2		
3	NONE	
4		
5	Total	\$ -



## 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	<b>NONE</b>		
4			
5			
6		Total	\$ -

## 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		
2	Employees - Pumping	18	1,425,145
3	Employees - Water treatment	8	668,800
4	Employees - Transmission and distribution	22	1,734,751
5	Employees - Customer account	22	1,734,032
6	Employees - Sales		
7	Employees - Administrative		
8	General officers	6	1,622,373
9	General office	56	3,374,930
10	Additional Labor - Transferred		1,275,960
11	Capitalized Labor		(982,403)
12	Affiliated Transactions		(293,557)
13	Total	132	\$ 10,560,031

## SCHEDULE C-4

### Record of Accidents During Year

Line No.	Date of Accident (a)	TO PERSONS					TO PROPERTY			
		Employees on Duty		Public <sup>1</sup>		Total Number (f)	Company		Other	
		Killed (b)	Injured (c)	Killed (d)	Injured (e)		Number (g)	Amount (h)	Number (i)	Amount (j)
1			2			2	18	149,724		
2			-			-				
3						-				
4	Total	-	2	-	-	2	18	\$ 149,724	-	\$ -

<sup>1</sup> 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	California Water Association	7,800
2	CAL Chamber of Commerce	1,000
3		
4		
5		
6	Total	\$ 8,800

**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	Total	\$ -

**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		
2		
3	See Attached	1,637,292
4		
5		
6	Total	\$ 1,637,292

**SUBURBAN WATER SYSTEMS**  
**Annual PUC Report**  
**SCHEDULE C-7 (Support)**  
**Bonuses Paid to Executives & Officers**  
**2020**

	<b>TOTAL</b>
Anthony Stevens	53,750
William Dix	299,739
Craig Gott	158,274
Jocelyn Padilla	37,170
Kirk Michael	301,080
Jorge Lopez	37,045
Joseph Park	117,086
Robert MacLean	538,174
Robert Kelly	94,974
	<hr/> <hr/> <b>1,637,292</b> <hr/> <hr/>

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

STREAMS				FLOW IN .....(unit) <sup>2</sup>				Annual Quantities Diverted .....(Unit) <sup>2</sup>	Remarks
Line No.	Diverted into*	From Stream or Creek (Name)	Location of Diversion Point	Priority Right		Diversions			
				Claim	Capacity	Max.	Min.		
1									
2									
3			<b>NONE</b>						
4									
5									

WELLS							Annual Quantities Pumped .....(Unit) <sup>2</sup>	Remarks
Line No.	At Plant (Name or Number)	Location	Number	Dimensions	<sup>1</sup> Depth to Water	Pumping Capacity .....(Unit) <sup>2</sup>		
6								
7								
8				<b>SEE ATTACHED</b>				
9								
10								

TUNNELS AND SPRINGS				FLOW IN .....(Unit) <sup>2</sup>		Annual Quantities Used .....(Unit) <sup>2</sup>	Remarks
Line No.	Designation	Location	Number	Maximum	Minimum		
11							
12							
13			<b>NONE</b>				
14							
15							

Purchased Water for Resale	
16	Purchased from
17	Annual quantities purchased (Unit chosen) <sup>2</sup>
18	<b>SEE ATTACHED</b>
19	

\* State ditch, pipe line, reservoir, etc., with name, if any.  
<sup>1</sup> Average depth to water surface below ground surface.  
<sup>2</sup> 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		<b>SEE ATTACHED</b>	
6	Concrete			
7	Earth			
8	Wood			
9	C. Tanks			
10	Wood			
11	Metal			
12	Concrete			
13	Total	-	-	

## Suburban Water Systems Wells Schedule D-1 2020

<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>
<b>San Jose Hills District</b>				
121 W1 Stone	16"	195' SWL	1,850	1,306.42
126 W2 Rio Verde	18"	229' SWL	1,147	0.00
139 W2 La Puente CO.	26"	187' SWL	2,510	0.00
139 W4 La Puente CO.	20"	189' SWL	1,800	0.00
139 W5 La Puente CO.	18"	188' SWL	3,300	0.00
140 W3 La Grande	18"	153' SWL	1,107	0.00
140 W4 La Grande	18"	150' SWL	2,657	0.00
140 W5 La Grande	18"	182' PWL	2,800	714.35
142 W2 Vine	16"	219' PWL	2,800	4,495.00
147 W3 Jones	18"	142' SWL	1,220	0.00
151 W2	18"	247' PWL	3,090	<u>2,459.85</u>
<b><u>Total Acre Feet - San Jose Hills District</u></b>				<b>8,975.62</b>

<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>
<b>Whittier \ La Mirada District</b>				
201 W4 Bartolo	16"	48' SWL	1,920	0.00
201 W7 Bartolo	18"	119' PWL	3,320	2,860.98
201 W8 Bartolo	18"	170' PWL	3,677	2,269.64
201 W9 Bartolo	18"	96' PWL	3,700	4,427.39
201 W10 Bartolo	18"	53' SWL	4,000	968.88
409 W3 Canary	16"	245' PWL	730	468.17
410 W1 Firestone	14"	161' PWL	665	<u>1,094.03</u>
<b><u>Total Acre Feet - Whittier \ La Mirada District</u></b>				<b><u>12,089.09</u></b>
<b><u>Total Acre Feet Company</u></b>				<b><u>21,064.71</u></b>

### Purchased Water for Resale

<b>San Jose Hills District</b>	<b><u>Acre feet Purchased</u></b>
City of Covina	1.91
City of Glendora	9.42
Covina Irrigating Company	4,616.33
La Puente Valley County Water District	2,195.49
Rowland Water District	0.00
Upper San Gabriel Valley Municipal Water District	1,079.75
Valencia Heights Water Company	0.00
Valley Counties Municipal Water District	5,680.63
Walnut Valley Water District	<u>2,379.40</u>
<b><u>Total Acre Feet San Jose District</u></b>	<b>15,962.93</b>
<b>Whittier \ La Mirada District</b>	<b><u>Acre feet Purchased</u></b>
California Domestic Water Company	8,107.61
Central Basin Municipal Water District	291.34
City of Fullerton	0.00
City of La Habra	0.00
City of Whittier	2.74
La Habra Heights County Water District	0.17
Orchard Dale Water District	(42.40)
San Gabriel Valley Water Company	<u>2.27</u>
<b><u>Total Acre Feet Whittier \ La Mirada District</u></b>	<b>8,361.73</b>
<b><u>Total Acre Feet Company</u></b>	<b><u>24,324.66</u></b>



**Suburban Water Systems**  
**Schedule D-2 2020**  
**Reservoirs**

<b><u>San Jose Hills District</u></b>	<b><u>Number</u></b>	<b><u>Gallons</u></b>
Concrete	2	1,844,755
Metal Tanks	<u>18</u>	<u>41,972,639</u>
Total	20	43,817,394
<b><u>Whittier / La Mirada District</u></b>		
Concrete	2	7,250,000
Metal Tanks	<u>12</u>	<u>24,812,169</u>
Total	14	32,062,169
<b><u>Company Totals</u></b>		
Concrete	4	9,094,755
Metal Tanks	<u>30</u>	<u>66,784,808</u>
Total	34	75,879,563

## 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								
4					NONE				
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	-	-	-	-	-	-	-	-	-

Water Main (LF)	Diameter of Main (inch)																						Grand Total (LF)	
	0.75	1	1.5	2	2.5	3	4	5	6	8	10	12	14	16	18	20	24	26	27	28	30	36		42
Asbestos Cement	0	0	0	505	0	913	495,231	337	1,126,859	1,276,023	52,538	423,840	2,276	82,667	11,544	12,307	987	0	0	0	0	4,447	0	3,490,474
Cast Iron	0	0	0	0	0	0	8,845	0	15,423	2,196	0	0	0	0	0	0	0	0	0	0	0	0	0	26,464
Concrete	0	0	0	0	0	0	0	0	0	4	0	844	41	5,315	938	3,948	1,985	448	1,726	1,699	10	1,412	0	18,370
Ductile Iron	0	0	0	122	0	6	251	0	894	3,441	75	3,097	64	59,769	2,940	12,034	26,129	0	0	0	29,782	0	164	138,768
Galvanized Iron	229	210	58	2,516	0	28	18	0	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,071
HDPE	0	0	0	340	0	0	0	0	0	1,545	391	3,112	0	0	0	0	0	0	0	0	4,321	0	0	9,709
GREY PLASTIC	0	0	55	5,191	0	0	10,165	0	1,015	549	0	0	0	0	0	0	0	0	0	0	0	0	0	16,975
PVC	0	0	361	833	0	0	25,052	0	75,968	255,270	1,425	167,089	0	8,596	0	5,864	131	0	0	0	0	0	0	540,589
STEEL	0	0	11	3,766	215	236	18,100	1,777	12,591	48,924	12,150	57,122	12,942	30,947	3,506	7,533	15,515	6,230	10,485	1,603	27,926	409	0	271,988
OTHER	0	59	8	1,922	0	59	8,674	0	13,038	16,100	0	321	4	0	0	0	0	0	0	0	0	0	0	40,185
<b>Grand Total (LF)</b>	<b>229</b>	<b>269</b>	<b>493</b>	<b>15,195</b>	<b>215</b>	<b>1,242</b>	<b>566,336</b>	<b>2,114</b>	<b>1,245,800</b>	<b>1,604,052</b>	<b>66,579</b>	<b>655,425</b>	<b>15,327</b>	<b>187,294</b>	<b>18,928</b>	<b>41,686</b>	<b>44,747</b>	<b>6,678</b>	<b>12,211</b>	<b>7,623</b>	<b>57,718</b>	<b>6,268</b>	<b>164</b>	<b>4,556,593</b>

<b>SCHEDULE D-4</b>				
<b>Number of Active Service Connections</b>				
<b>Classification</b>	<b>Metered - Dec 31</b>		<b>Flat Rate - Dec 31</b>	
	<b>Prior Year</b>	<b>Current Year</b>	<b>Prior Year</b>	<b>Current Year</b>
Residential	62,763	61,075		
Commercial	4,360	4,348		
Industrial	36	36		
Public authorities	288	287		
Low Income	7,716	9,472		
Irrigation	-	-		
Other (specify) Constr Wtr, Recycled	70	71		
Other Utility	14	14		
Subtotal	75,247	75,303	-	-
Private fire connections			759	767
Public fire hydrants			483	484
Total	75,247	75,303	1,242	1,251

<b>SCHEDULE D-5</b>			
<b>Number of Meters and Services on Pipe Systems at End of Year</b>			
<b>Size</b>	<b>WLM Meters</b>	<b>SJH Meters</b>	
5/8 x 3/4 in	5,429	2,105	
3/4 in	20,665	30,858	
1 in	5,659	7,239	
1 1/2 in	678	822	
2 in	632	831	
3 in	82	147	
4 in	67	63	
6 in	11	8	
8 in	1	5	
10 in	-	1	
Other	624	627	
Total	33,848	42,706	76,554

<b>SCHEDULE D-6</b>	
<b>Meter Testing Data</b>	
A. Number of Meters Tested During Year as Prescribed in Section VI of General Order No. 103:	
1. New, after being received . . .	0
2. Used, before repair . . . . .	11
3. Used, after repair . . . . .	1
4. Found fast, requiring billing adjustment . . . . .	0
B. Number of Meters in Service Since Last Test	
1. Ten years or less . . . . .	36,749
2. More than 10, but less than 15 years . . . . .	23,028
3. More than 15 years . . . . .	15,526





**SCHEDULE E-1**

**2020 Financial Accounting**

Line No.	Description (a)	Authorized by Decision, Resolution No. or Advice Letter (b)	Beginning of Year Balance (c)	Offset Revenues (d)	Offset Expenses (e)	Interest (f)	Surcharge (g)	Surcredit (h)	End of Year Balance (i)
1	Recycled Water Balancing Account	AL 339	136,003		-		(57,269)		78,734
2	Volume Related Balancing Accounts	AL 339	11,204,601		-		(5,936,928)		5,267,673
3	Volume Related Reserve Accounts - July 2019 to December 2020	D.03-06-072	-		7,597,972				7,597,972
4	Recycled Water Reserve Account - July 2019 to December 2020	D.14-12-038	-		58,290				58,290
5	Mandatory Conservation Memorandum Account (MCMA)	RES W-5000	37,021		\$2,050				39,072
6	Water Revenue Adjustment Mechanism (WRAM) Balancing Account	D.14-12-038	(2,459,249)	-	257,386		1,947,565		(254,299)
7	Low Income Ratepayer Assistance Amortization (May 12 to Dec 13)	D.14-12-038	15,762		-		(15,762)		0
8	Low Income Ratepayer Assistance Memorandum Account (Jan 14 -Sep 16)	D. 19-05-029	157,925		-		(192,341)		(34,416)
9	Low Income Ratepayer Assistance Memorandum Account (Oct 16 -Dec 20)	D. 08-02-037	(165,141)		-		(800,050)	741,798	(223,393)
10	Low Income Customer Data Sharing Memorandum Account	D.11-05-020	3,199		711				3,910
11	Affiliate Transfer Fee Memorandum Account	D.14-12-038	(49,500)		-				(49,500)
12	Military Family Relief Program Memorandum Account	D. 03-06-072	6,113		2,050				8,164
13	2017 Water Contamination Litigation Memorandum Account	W-4094	263,758	-	12,246				276,005
14	Employee Healthcare Balancing Account	D.19-05-029	(352,023)		(190,552)				(542,575)
15	2018 Cost of Capital Memorandum Account (CoCMA)	AL 331-W-A	83,719		-				83,719
16	2021 Cost of Capital	D.19-05-029	(110,988)		(55,494)				(166,482)
17	2020 Rate Case Expense	D.19-05-029	(266,147)		215,679				(50,468)
18	School Lead Testing Memorandum Account	AL 321-W-A	5,911		-				5,911
19	Drinking Water Fees Memorandum Account	AL 319-W-A	59,002		-				59,002
20	Asbestos Litigation Memorandum Account (ALMA)	D.18-01-014	20,013		-				20,013
21	Tax Cuts and Jobs Act (TCJA) Memorandum Account	AL 326-W	382,887		(715,002)			595,810	263,695
22	Conservation Expenses One-Way Balancing Account (CEOWBA)	D.19-05-029	-		-				-
23	Allocated Parent Company Information Technology (IT) Rate Base Memo Acct (APCTRBMA)	D.19-05-029	(514,428)		242,126				(272,302)
24	A.17-01-001 Interim Rates Memorandum Account (IRMA)	AL 336	7,315,234		-	103,341	(3,457,161)		3,961,414
25	Security Measures Memorandum Account	D. 03-05-078D. 03-05-078	-		-				-
26	American Jobs Creation Act Deduction Memorandum Account	D. 06-08-017D. 06-08-017	-		-				-
27	Cornerstone Project Memorandum Account	D.09-03-007	-		-				-
28	Reservoir 216 Land Exchange Memorandum Account (AL 298-W)	D.12-04-009	553,059		-				553,059
29	Catastrophe Event Memo Acct (CEMO)/ Emergency Customer Protections Memo Acct (ECPMA)	D.12-04-009	-		1,211,162				1,211,162
30	Per- and Polyfluoroalkyl Substances Memorandum Account (PFASMA)	AL 343-W-B	-		-				-
31	Transaction Costs for Sativa	Request Pending CPUC Approval	-		339,727				339,727

**SCHEDULE E-1  
BALANCING AND MEMORANDUM ACCOUNTS**

**2020 Regulatory Accounting**

Line No.	Description (a)	Authorized by Decision, Resolution No. or Advice Letter (b)	Beginning of Year Balance (c)	Offset Revenues (d)	Offset Expenses (e)	Interest (f)	Surcharge (g)	Surcredit (h)	End of Year Balance (i)
1	Volume Related Balancing Accounts	AL 339	10,112,564		-		(3,511,008)		6,601,556
2	Recycled Water Balancing Account	AL 339	140,730		-		(62,696)		78,034
3	Mandatory Conservation Memorandum Account (MCMA)	RES W-5000	4,901		-				4,901
4	Water Revenue Adjustment Mechanism (WRAM) Balancing Account	D.14-12-038	(2,459,249)		257,386		1,954,417		(247,447)
5	Low Income Ratepayer Assistance Amortization (May 12 to Dec 13)	D.14-12-038	47,417		(47,417)				(0)
6	Low Income Ratepayer Assistance Amortization (Jan 14 to Sep 16)	D.14-12-038	157,925		-		(192,341)		(34,416)
7	2012 Cost of Capital	D.14-12-038	1,987		(1,987)				(0)
8	Employee Healthcare Balancing Account	D.19-05-029	(41,410)		-				(41,410)
9	2018 Cost of Capital Memorandum Account (CoCMA)	AL 331-W-A	-		-				-
10	2021 Cost of Capital	D. 19-05-029	55,494		(55,494)				-
11	2020 Rate Case Expense	D. 19-05-029	160,192		(160,194)				(2)
12	School Lead Testing Memorandum Account	AL 321-W-A	-		-				-
13	Drinking Water Fees Memorandum Account	AL 319-W-A	-		-				-
14	Asbestos Litigation Memorandum Account (ALMA)	D.18-01-014	-		-				-
15	Tax Cuts and Jobs Act (TCJA) Memorandum Account	AL 326-W	237,979		(824,962)			595,810	8,827
16	Conservation Expenses One-Way Balancing Account (CEOWBA)	D.19-05-029	-		-				-
17	Allocated Parent Company Information Technology (IT) Rate Base Memo Acct (APCTRBMA)	D.19-05-029	-		-				-
18	A.17-01-001 Interim Rates Memorandum Account (IRMA)	AL 336	6,900,345		-	103,341	(3,457,161)		3,546,525
19	Security Measures Memorandum Account	D.03-05-078	-		-				-
20	American Jobs Creation Act Deduction Memorandum Account	D.06-08-017	-		-				-
21	Cornerstone Project Memorandum Account	D.09-03-007	-		-				-
22	Reservoir 216 Land Exchange Memorandum Account (AL 298-W)	D.12-04-009	-		-				-
23	Catastrophe Event Memo Acct (CEMO)/ Emergency Customer Protections Memo Acct (ECPMA)	D.12-04-009	-		-				-
24	Per- and Polyfluoroalkyl Substances Memorandum Account (PFASMA)	AL 343-W-B	-		-				-
25	Transaction Costs for Sativa	Request Pending CPUC Approval	-		-				-

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

**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 2018 (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 provided, 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) and length of time it was offered.
2. Discuss how each water conservation assistance program is funded, for example, through rates charged to all customers, rates charged to customer receiving water conservation assistance, shareholder contribution, community funding, government funding, or other funding method. Explain why this type of funding was used.
3. Cost of each program.
4. The degree of participation in each district by customer group.



## 2020 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 \$7.30 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, 2020 through May 31, 2021)

Total persons in household	Maximum total combined annual income
1-2	\$34,480
3	\$43,440
4	\$52,400
5	\$61,360
6	\$70,320
7	\$79,280
8	\$88,240

For each additional person, add \$8,960 to the total combined annual income.

In order to support the program, a surcharge of \$0.047 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.

Pursuant to Decision 11-05-020, 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 2020 (as a percent of total customers served).

Response:

At the end of 2020 the LIRA participation rate as a percentage of total residential customers 12.0%

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 Provided	Over/(Under) Collection	Surcharge Collected	Benefit Provided	Over/(Under) Collection
Beg. Bal.	\$2,016,196	\$2,635,683	(\$619,487)	\$1,313,156	\$948,871	\$364,286
Jan-20	\$25,320	\$38,841	(\$13,521)	\$18,658	\$17,289	\$1,369
Feb-20	\$29,074	\$38,478	(\$9,404)	\$23,543	\$17,286	\$6,256
Mar-20	\$29,664	\$38,288	(\$8,625)	\$23,210	\$17,243	\$5,967
Apr-20	\$26,614	\$37,953	(\$11,339)	\$21,233	\$17,119	\$4,115
May-20	\$35,686	\$41,435	(\$5,748)	\$28,221	\$18,564	\$9,658
Jun-20	\$38,355	\$41,778	(\$3,423)	\$31,084	\$18,695	\$12,389
Jul-20	\$47,580	\$41,873	\$5,708	\$37,554	\$18,863	\$18,691
Aug-20	\$50,191	\$44,158	\$6,033	\$40,249	\$19,987	\$20,261
Sep-20	\$48,003	\$46,107	\$1,896	\$38,820	\$20,995	\$17,825
Oct-20	\$43,174	\$47,129	(\$3,955)	\$34,639	\$21,258	\$13,381
Nov-20	\$37,507	\$47,662	(\$10,155)	\$30,289	\$21,535	\$8,754
Dec-20	\$33,948	\$47,793	(\$13,845)	\$27,434	\$21,469	\$5,964
<b>Total</b>	<b>\$2,461,312</b>	<b>\$3,147,177</b>	<b>(\$685,866)</b>	<b>\$1,668,090</b>	<b>\$1,179,174</b>	<b>\$488,916</b>

**2020 Low Income Rate Assistance Program Cost Details**

<u>No.</u>	<u>Date</u>	<u>Vendor Name</u>	<u>Total By Month</u>	<u>Cumulative Total</u>
		<i>Beginning Balance (as of 1/1/2020)</i>	\$68,920.84	\$68,920.84
1	1/31/2020	CMRS-PB (United States Postal Service)	\$12.00	\$68,932.84
2	2/28/2020	CMRS-PB (United States Postal Service)	\$43.00	\$68,975.84
3	3/31/2020	CMRS-PB (United States Postal Service)	\$599.00	\$69,574.84
4	4/30/2020	CMRS-PB (United States Postal Service)	\$43.50	\$69,618.34
5	5/31/2020	CMRS-PB (United States Postal Service)	\$27.00	\$69,645.34
6	6/30/2020	ACP (WISH Insert)	\$7,685.34	\$77,330.68
7	7/31/2020	CMRS-PB (United States Postal Service)	\$7.50	\$77,338.18
8	8/31/2020	CMRS-PB (United States Postal Service)	\$15.50	\$77,353.68
9	9/30/2020	CMRS-PB (United States Postal Service)	\$15.00	\$77,368.68
10	10/31/2020	CMRS-PB (United States Postal Service)	\$28.00	\$77,396.68
11	11/30/2020	CMRS-PB (United States Postal Service)	\$16.00	\$77,412.68
12	12/31/2020	CMRS-PB (United States Postal Service)	\$0.50	\$77,413.18
			<u>\$77,413.18</u>	

**ATTACHMENT 1  
ANNUAL REPORT, SCHEDULE E-3  
DESCRIPTION OF WATER CONSERVATION PROGRAMS**

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.

Response:

No.	Program Type	Service Area Offered	Description	Length of Time Offered
1	Residential Irrigation Surveys and Retrofits	San Jose Hills and Whittier/La Mirada	Suburban contracted with EcoTech Services to provide 202 irrigation surveys and retrofits for residential customers.	10 months
2	Online Educational Videos	San Jose Hills and Whittier/La Mirada	Suburban contracted to have 5 how to videos posted on our public website related to water use and irrigation, leak detection.	8 months
3	Landscape Workshops	San Jose Hills and Whittier/La Mirada	Two workshops were held to teach customers how to plan their landscaping with "firescaping" in mind, which plants to choose, and other things to consider such as spacing near/around structures.	2 days
4	Water Conservation Play	San Jose Hills and Whittier/La Mirada	Suburban contracted with the National Theatre for Children to provide a Water Conservation Play in an online format to 20 schools.	3 months

**ATTACHMENT 1**  
**ANNUAL REPORT, SCHEDULE E-3**  
**DESCRIPTION OF WATER CONSERVATION PROGRAMS (Continued)**

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)
Residential Irrigation Surveys and Retrofits	Residential Irrigation Surveys and Retrofits	\$250,000	202	\$1,331	\$268,891	NA	NA	NA	NA
Advertisements for Surveys and Retrofits	Postage/Print/Mailing of Advertisements	(above)	31,368	\$0.58	\$18,206	NA	NA	NA	NA
UHETs (Ultra High Efficiency Toilets)	Ultra High Efficiency Toilets		3 UHETs	\$200	\$600	.0425 acre feet	10 years	1.275 AFY	12.75 AF
Mulch - West Covina Landscape Project	West Covina Beautiful/Residential Project		1	\$1,200	\$1,200	NA	NA	NA	NA
Public Outreach/Community Events	Sponsored School Education/Theatre Program	\$100,000	20 Programs	\$1,250	\$25,000	NA	NA	NA	NA
Public Outreach/Community Events	Hosted 2 Gardening/Landscape Classes	(above)	2 classes	\$2,000	\$4,000	NA	NA	NA	NA
	Sponsored 5 how-to videos for Public Website	(above)	5 videos	\$900	\$4,500				
Public Outreach/Community Events	Supplies/Materials	(above)	various materials	NA	\$7,354	NA	NA	NA	NA
Total		\$350,000			\$329,751				
Upper San Gabriel Valley MWD Funding	Rebate funding for Residential Irrigation Surveys and Retrofits	(\$24,416)							

\*\*Estimated water savings per Metropolitan Water District

# **SUBURBAN WATER SYSTEMS**

## **Supplement to CPUC Annual Report**

### **2020 Information-Only Filing**

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

**ATTACHMENT 1  
2020 ANNUAL REPORT  
DESCRIPTION OF WATER CONSERVATION PROGRAMS**

See SCHEDULE E-3

**ATTACHMENT 2  
2020 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 Draft 2015 Urban Water Management based on method 3 (Demonstrate reduction to 95 percent of the applicable State Hydrologic Region Target) for SJH Service Area; and method 1 (Demonstrate reduction to 80 percent of the base daily per capita water use) for WLM Service Area.

San Jose Hills Service Area = 142

Whittier/La Mirada Service Area = 151

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:

	2020 Monthly Average	12.42	11.83	15.19	40.04	94.13	137.49
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Whittier/La Mirada Service Area:

	2020 Monthly Average	11.40	12.01	15.74	36.96	65.23	137.71
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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 2020 annual average consumption by service area:

2020 Residential - by Meter Size						
5/8"x3/4"	3/4"	1"	1.5"	2"	3"	

San Jose Hills Service Area:

	2020 Consumption (ccf)	378,570	5,086,150	1,394,307	221,041	132,154	16,499
	2020 Avg. Connections	2,541	35,825	7,651	460	117	10
	2020 Avg. Consumption (ccf)	148.98	141.97	182.24	480.52	1,129.52	1,649.90

Whittier/La Mirada Service Area:

	2020 Consumption (ccf)	823,904	3,386,658	1,165,174	83,829	15,654	3,305
	2020 Avg. Connections	6,022	23,502	6,169	189	20	2
	2020 Avg. Consumption (ccf)	136.82	144.10	188.88	443.54	782.70	1,652.50

**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

2020	Meter Size					
	5/8"x3/4"	3/4"	1"	1-1/2"	2"	3"
<b>Average Estimated Monthly Consumption by tier</b>						
<u>San Jose Hills Service Area:</u>						
Tariff Area 1 - Tier 1	12.00	11.04	11.14	35.31	103.42	-
Tariff Area 1 - Tier 2	10.83	10.55	15.65	47.58	11.08	-
Tariff Area 2 - Tier 1	10.47	10.44	14.56	36.86	75.88	156.71
Tariff Area 2 - Tier 2	10.19	11.72	19.60	82.53	212.46	-
Tariff Area 3 - Tier 1	-	9.80	15.40	33.52	167.46	101.27
Tariff Area 3 - Tier 2	-	10.67	14.84	43.37	118.98	-
<u>Whittier/La Mirada Service Area:</u>						
Tariff Area 1 - Tier 1	10.91	11.47	11.40	29.25	-	-
Tariff Area 1 - Tier 2	8.66	8.76	10.40	-	-	-
Tariff Area 2 - Tier 1	11.02	11.71	14.64	37.36	59.79	134.00
Tariff Area 2 - Tier 2	10.36	10.53	20.84	37.01	-	-
Tariff Area 3 - Tier 1	-	10.50	19.02	20.50	46.67	-
Tariff Area 3 - Tier 2	-	-	26.35	-	-	-
<b>Number of Customers in each sub-grouping</b>						
<u>San Jose Hills Service Area:</u>						
Tariff Area 1 - Tier 1	1,202	14,777	1,271	36	6	-
Tariff Area 1 - Tier 2	292	2,357	93	5	2	-
Tariff Area 2 - Tier 1	517	9,628	2,662	133	88	2
Tariff Area 2 - Tier 2	91	1,510	555	31	8	-
Tariff Area 3 - Tier 1	-	1,282	1,847	203	9	8
Tariff Area 3 - Tier 2	-	189	318	26	4	-
<u>Whittier/La Mirada Service Area:</u>						
Tariff Area 1 - Tier 1	1,130	760	255	3	-	-
Tariff Area 1 - Tier 2	130	110	16	-	-	-
Tariff Area 2 - Tier 1	3,752	17,706	4,518	156	19	2
Tariff Area 2 - Tier 2	480	2,630	880	25	-	-
Tariff Area 3 - Tier 1	-	2	80	2	1	-
Tariff Area 3 - Tier 2	-	-	30	-	-	-

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
5,226	331	331	3,655	248	248

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 separated costs by district nor by customer class, coverage goals, and measure.

The monthly estimated Best Management Practices compliance costs approximately \$27,479.25

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.

**2020 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"	2"
17.37	16.94	19.60	60.74	16.70	16.33	18.48	34.69	121.92

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"	1.5"	5/8"x3/4"	3/4"	1"	1.5"	2"	5/8"x3/4"	3/4"	1"	1.5"

**San Jose Hills Service Area**

Tier 1 Average Consumption/Month (ccf):

19.96 19.15 15.28 21.58 19.83 19.48 26.88 60.61 - - 16.89 19.32 64.92

Avg. # Customers:

225 3,142 259 1 99 1,415 277 8 - - 177 216 11

Tier 2 Average Consumption/Month (ccf):

10.09 8.79 11.08 - 9.99 10.01 15.60 40.75 - - 8.36 13.03 58.56

Avg. # Customers:

79 891 23 - 34 414 93 3 - - 43 38 3

**Whittier/La Mirada Service Area**

Tier 1 Average Consumption/Month (ccf):

19.78 19.01 11.96 - 17.94 18.35 20.32 49.88 121.92 - - 26.11 -

Avg. # Customers:

132 102 57 - 313 1,742 270 2 1 - - 6 -

Tier 2 Average Consumption/Month (ccf):

7.92 8.20 5.50 - 7.42 7.83 15.45 - - - - 19.88 -

Avg. # Customers:

26 23 2 - 61 427 50 - - - - 5 -

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							
San Jose Hills Service Area				Whittier/La Mirada Service Area			
LIRA Participant	Disconnect Notice	Disconnect for Non-Payment	Reconnect Notice	LIRA Participant	Disconnect Notice	Disconnect for Non-Payment	Reconnect Notice
5,830	582	29	29	2,625	222	13	13

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, due to not all Low Income participants responded to this inquiry.



### 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

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

Response:

Yes, with partial funding from Metropolitan Water District, and Upper District.

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

Response:

Participation was not limited to low-income customers of the offer.

- 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 were offered to low-income customers, and semi-annually data sharing with Southern California Edison and Southern California Gas Company. However, in 2020 Suburban did not send out LIRA re-certification due to COVID-19 pandemic, and there was an additional data sharing with energy utilities.

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

Response:

12.3 years for LIRA discount, which qualified customer receives \$7.30 credit on their monthly water bill

- 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 during conservation events. Each year, all customers receive a bill insert that provides information and 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.

**ATTACHMENT 3 (In Compliance With D.11-05-020)**  
**2020 INFORMATION-ONLY FILING**  
**LOW-INCOME DATA 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) 243,708
- b) 222,030
- c) 2,060

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) 1,118
- b) Suburban does not maintain customers' re-certification for assistance from data sharing.
- c) Unknown
- d) None
- 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 2020 cost of postage was \$835
- 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;	<b>See Attached</b>
(b) services provided by any affiliated company to regulated water utility;	<b>See Attached</b>
(c) assets (both tangible and intangible) transferred from regulated water utility to any affiliated company;	<b>N/A</b>
(d) assets (both tangible and intangible) transferred from any affiliated company to regulated water utility;	<b>N/A</b>
(e) employees transferred from regulated water utility to any affiliated company;	<b>See Attached</b>
(f) employees transferred from any affiliated company to regulated water utility; and	<b>N/A</b>
(g) financing arrangements and transactions between regulated water utility and any affiliated company.	<b>See Attached</b>

**E-4 (a)**

**SERVICES PROVIDED BY THE UTILITY TO THE AFFILIATED COMPANIES**

**Affiliates Transaction Rules (ATRs) - Rules VI F (Pricing of Goods and Services)**

Parent Company (1010)	27,669
Southeast Utilities (2000)	17,359
Texas Utilities (2000)	50,832
Kiawah (2060)	3,107
Oregon Water Utilities (7000)	<u>194,590</u>
2020 ATR Employee Costs	<u><u>293,557</u></u>

## E-4 (b)

### SERVICES PROVIDED BY THE AFFILIATED COMPANIES TO THE UTILITY:

1.	<b>Direct costs from non-parent company affiliates</b>		
	IT and related costs		
2.	<b>Direct costs from parent company</b>		
	Direct Payments Made by (for) SWC:		
	IT Charges		0
	Audit Fees		172,146
	Legal Fees		0
	Bank Charges-Amegy & Wells Fargo bank fees		51,385
	Insurance Charges: (General, Medical, Auto, Worker's Comp)		3,057,067
	<b>Total Direct</b>		<b>3,280,598</b>
3.	<b>Indirect costs from parent company</b>		
	Parent Company Allocation		8,283,188

**E-4 (e)**  
**EMPLOYEES TRANSFERRED FROM REGULATED WATER UTILITY**  
**TO ANY AFFILIATED COMPANY**

Transferred from Suburban to Monarch Utilities I LP:

Ryan Batista

**E-4 (g)**

**THE FINANCING ARRANGEMENTS AND TRANSACTIONS BETWEEN THE  
UTILITY AND THE AFFILIATED COMPANIES**

**INTERCOMPANY LOANS**

**NONE**

**INTERCOMPANY MANAGEMENT FEES**

**\$8,283,188**

**SCHEDULE E-5**  
**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 (SRF) loan surcharge collection for the calendar year. Please use one page per loan.

1. Current Fiscal Agent:

Name: NONE  
 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
5/8 X 3/4 inch		
3/4 inch		
1 inch		
1 1/2 inch		
2 inch		
3 inch		
4 inch		
6 inch		
Number of Flat Rate Customers		
<b>Total</b>	-	

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ _____
Add: Surcharge collections	_____
Interest earned	_____
Other deposits	_____
Less: Loan payments	_____
Bank charges	_____
Other withdrawals	_____
Balance at end of year	\$ <u>_____</u> -

4. Reason for other deposits/withdrawals

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

5. Total Accumulated Reserve: \$ \_\_\_\_\_



**SCHEDULE E-5**  
**FOR ALL WATER COMPANIES**  
**SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA (Continued)**  
**Account 100.1 - Utility Plant in Service (funded by SDWBA/SRF)**

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		<b>I. INTANGIBLE PLANT</b>		<b>NONE</b>			
2	301	Organization					\$ -
3	302	Franchises and Consents					\$ -
4	303	Other Intangible Plant					\$ -
5		Total Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -
6							
7		<b>II. LANDED CAPITAL</b>					
8	306	Land and Land Rights					\$ -
9							
10		<b>III. SOURCE OF SUPPLY PLANT</b>					
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					\$ -
16	316	Supply Mains					\$ -
17	317	Other Source of Supply Plant					\$ -
18		Total Source of Supply Plant	\$ -	\$ -	\$ -	\$ -	\$ -
19							
20		<b>IV. PUMPING PLANT</b>					
21	321	Structures and Improvements					\$ -
22	322	Boiler Plant Equipment					\$ -
23	323	Other Power Production Equipment					\$ -
24	324	Pumping Equipment					\$ -
25	325	Other Pumping Plant					\$ -
26		Total Pumping Plant	\$ -	\$ -	\$ -	\$ -	\$ -
27							
28		<b>V. WATER TREATMENT PLANT</b>					
29	331	Structures and Improvements					\$ -
30	332	Water Treatment Equipment					\$ -
31		Total Water Treatment Plant	\$ -	\$ -	\$ -	\$ -	\$ -
32							
33		<b>VI. TRANSMISSION AND DIST. PLANT</b>					
34	341	Structures and Improvements					\$ -
35	342	Reservoirs and Tanks					\$ -
36	343	Transmission and Distribution Mains					\$ -
37	344	Fire Mains					\$ -
38	345	Services					\$ -
39	346	Meters					\$ -
40	347	Meter Installations					\$ -
41	348	Hydrants					\$ -
42	349	Other Transmission and Distribution Plant					\$ -
43		Total Transmission and Distribution Plant	\$ -	\$ -	\$ -	\$ -	\$ -

**SCHEDULE E-5  
FOR ALL WATER COMPANIES  
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA (Continued)  
Account 100.1 - Utility Plant in Service (funded by SDWBA/SRF)**

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)
44		<b>VII. GENERAL PLANT</b>		<b>NONE</b>			
45	371	Structures and Improvements					\$ -
46	372	Office Furniture and Equipment					\$ -
47	373	Transportation Equipment					\$ -
48	374	Stores Equipment					\$ -
49	375	Laboratory Equipment					\$ -
50	376	Communication Equipment					\$ -
51	377	Power Operated Equipment					\$ -
52	378	Tools, Shop and Garage Equipment					\$ -
53	379	Other General Plant					\$ -
54		Total General Plant	\$ -	\$ -	\$ -	\$ -	\$ -
55							
56		<b>VIII. UNDISTRIBUTED ITEMS</b>					
57	390	Other Tangible Property					\$ -
58	391	Utility Plant Purchased					\$ -
59	392	Utility Plant Sold					\$ -
60		Total Undistributed Items	\$ -	\$ -	\$ -	\$ -	\$ -
61		Total Utility Plant in Service	\$ -	\$ -	\$ -	\$ -	\$ -

**Account 101 - Recycled Water Utility Plant (funded by SDWBA/SRF)**

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	393	Recycled Water Intangible Plant					\$ -
2	394	Recycled Water Land and Land Rights					\$ -
3	395	Recycled Water Depreciable Plant					\$ -
4		Total Recycled Water Utility Plant	\$ -	\$ -	\$ -	\$ -	\$ -

## SCHEDULE E-6 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: NONE  
 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, 2020, through December 31, 2020.

Vice President Regulatory Affairs, SWS  
Title (Please Print)

Bob Kelly  
Signature B10944569C39E5C93360C065D074051 contractworks.

(626) 523-0001  
Telephone Number

07/29/2021  
Date

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	2020	Goal	Total	Jan	Feb
<b>PHONE SYSTEM</b>					
Total Calls Received			70,281	8,028	5,538
# Calls Answered in 30 Seconds			64,595	7145	4929
% Calls Answered in 30 Seconds		> of = 80%	92%	89%	89%
# Calls Abandoned			2,815	206	195
Abandonment Rate		< or = 5%	4%	3%	4%
<b>BILLING</b>					
Total Bills Scheduled to be Rendered			924,165	76,754	76,557
Total Bills Rendered			919,150	76,329	76,145
Bills Not Rendered in 7 Days (10 for Finals)			4,988	58	40
% Bills Rendered in 7 Days		> or = 99.0%	99.5%	99.4%	99.5%
Inaccurate Bills Rendered			2,889	335	200
% of Inaccurate Bills Rendered		< or = 3.00%	0.31%	0.44%	0.26%
<b>PAYMENTS</b>					
Total Payments Posted			813,990	70,199	61,825
Payment Posting Errors			126	7	6
% of Payment Posting Errors		< or = 1.0%	0.02%	0.01%	0.01%
<b>METER READING</b>					
Total Number of Meter Reads Scheduled			920,705	76,563	76,649
Total Scheduled Reads Not Read			637	10	92
% Meters Not Read		< or = 3.0%	0.07%	0.01%	0.12%
<b>WORK ORDER COMPLETION</b>					
Total Appointments Scheduled			-	-	-
# Scheduled Appointments Missed			-	-	-
% of Scheduled Appointments Missed		< or = 5.0%	N/A	N/A	N/A
Total Customer Requested Work Orders			13,256	1,180	1054
# of Customer Requested Work Orders Missed			0	0	0
% Customer Requested Work Orders Missed		< or = 5.0%	0.00%	0.00%	0.00%
<b>CONSUMER AFFAIRS BRANCH (CAB) COMPLAINTS</b>					
Total # of Connections			928,303	77,319	77,344
Total # of Customers			912,465	76,094	76,094
# of Complaints to Utility from CAB			10	2	0
% of Complaints to Utility from CAB		< or = 0.100%	0.001%	0.003%	0.000%

Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
6,209	6,648	5,242	6,192	6,416	5,430	5,146	5,184	5,764	4,484
5526	5917	4665	5511	6095	5213	4889	4925	5476	4305
89%	89%	89%	89%	95%	96%	95%	95%	95%	96%
235	322	233	273	281	213	244	216	192	205
4%	5%	4%	4%	4%	4%	5%	4%	3%	5%

76,683	76,562	76,757	76,756	76,624	76,703	76,664	76,724	76,590	80,791
76,324	76,203	76,556	76,282	76,193	76,261	76,202	76,252	76,121	80,282
30	64	42	29	38	47	46	47	59	1,576
99.5%	99.5%	99.7%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
130	191	575	163	129	152	189	231	226	368
0.17%	0.25%	0.75%	0.21%	0.17%	0.20%	0.25%	0.30%	0.30%	0.46%

73,447	63,971	65,568	76,888	67,240	66,646	67,060	66,650	66,686	67,810
7	6	7	8	15	16	15	15	15	9
0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

76,863	76,789	76,702	76,695	76,550	76,815	76,766	76,823	76,745	76,745
47	36	40	17	56	107	48	114	35	35
0.06%	0.05%	0.05%	0.02%	0.07%	0.14%	0.06%	0.15%	0.05%	0.05%

-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1064	913	903	1157	1,286	1361	1241	1109	978	1010
0	0	0	0	0	0	0	0	0	0
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

77,346	77,348	77,352	77,361	77,368	77,370	77,370	77,373	77,374	77,378
76,086	76,086	76,070	76,111	76,146	76,135	76,139	76,153	75,184	76,167
1	0	1	2	0	2	0	2	0	0
0.001%	0.000%	0.001%	0.003%	0.000%	0.003%	0.000%	0.003%	0.000%	0.000%

# Supplement to 2020 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.

Robert MacLean , William K. Dix, and Kirk Michael are shared officers and 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 2020 annual report to the Commission.



## Supplement to 2020 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 Houeline Program  
Suburban offers a houseline maintenance plan called "LifeLine" which is designed to cover the repair or replacement of residential customers' outside water lines for a monthly fee of \$4.97 which is added to the customers' monthly bill. 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 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 Houeline 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 2020-ATR  
NTP&S ACTIVITIES**

**Attachment A  
GROSS REVENUE RECEIVED**

	2020												Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
<b>GROSS NTP&amp;S REVENUES</b>													
Residential Houeline Program	46,788	46,867	47,284	47,115	47,105	47,588	47,906	48,341	48,621	48,974	48,875	49,059	574,523
Antenna-Lease	6,850	6,850	6,850	6,914	6,914	6,914	7,055	7,055	7,055	7,055	7,055	7,055	83,621
Recycled Water Operating Charges	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	1,537	18,446
<b>Total Gross NTP&amp;S Revenues</b>	<b>55,174</b>	<b>55,254</b>	<b>55,671</b>	<b>55,567</b>	<b>55,557</b>	<b>56,039</b>	<b>56,498</b>	<b>56,933</b>	<b>57,213</b>	<b>57,566</b>	<b>57,467</b>	<b>57,651</b>	<b>676,590</b>

**SUBURBAN WATER SYSTEMS  
NTP&S ACTIVITIES**

**Attachment B  
REVENUE ALLOCATED TO RATEPAYERS AND TO SHAREHOLDERS**

	2020												Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
<b>REVENUE ALLOCATED TO RATEPAYERS</b>													
Residential Houeline Program	46,788	37,482	4,728	4,712	4,711	4,759	4,791	4,834	4,862	4,897	4,887	4,906	132,356
Antenna-Lease	6,850	6,850	2,055	2,074	2,074	2,074	2,117	2,117	2,117	2,117	2,117	2,117	34,676
Recycled Water Operating Charges	1,537	1,537	461	461	461	461	461	461	461	461	461	461	7,686
<b>Total Revenue Allocated to Ratepayers</b>	<b>55,174</b>	<b>45,869</b>	<b>7,244</b>	<b>7,247</b>	<b>7,246</b>	<b>7,294</b>	<b>7,368</b>	<b>7,412</b>	<b>7,440</b>	<b>7,475</b>	<b>7,465</b>	<b>7,484</b>	<b>174,718</b>

**REVENUE ALLOCATED TO SHAREHOLDERS**

Residential Houeline Program	0	9,385	42,556	42,404	42,395	42,829	43,115	43,507	43,759	44,077	43,987	44,153	442,167
Antenna-Lease	0	0	4,795	4,840	4,840	4,840	4,939	4,939	4,939	4,939	4,939	4,939	48,946
Recycled Water Operating Charges	0	0	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	10,760
<b>Total Revenue Allocated to Shareholders</b>	<b>0</b>	<b>9,385</b>	<b>48,427</b>	<b>48,320</b>	<b>48,311</b>	<b>48,745</b>	<b>49,130</b>	<b>49,521</b>	<b>49,774</b>	<b>50,091</b>	<b>50,002</b>	<b>50,167</b>	<b>501,872</b>

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

Pursuant to Rules Adopted in D.10-10-019,  
D.11-10-035 and as modified by D.12-01-042  
By the California Public Utilities Commission

June 1, 2021  
Amendment No. 7

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## INTRODUCTION

In compliance with Rule VIII.C of the California Public Utilities Commission's ("CPUC" or "Commission") 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, Amendment 6 ("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 Suburban employees and its 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 these 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 describing these Rules and the obligations under these Rules will be disseminated to employees of Suburban and its affiliates that are subject to these Rules;

- (2) Suburban employees providing permitted corporate support or shared services with 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 these 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 these Rules, especially those Rules limiting the use of utility information in an anti-competitive manner.

The undersigned verifies 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:

*Craig Gott*

FE161386726808B3BAA39C0FB6235BB0

contractworks

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Craig Gott, 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 1.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 subject to Rule 1.B, Attachment A, which reflects that Suburban currently has no affiliates subject to Rule 1.B.

#### **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 adoption of water utility industry affiliate transaction rules. The approved settlement required that these Rules 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 of Suburban that operate outside of California are exempt from Rules III.B and III.C:

1. 1710 WOODCREEK FARMS, INC.
2. ALABAMA UTILITY SYSTEMS, INC.
3. CUC HOLDING COMPANY, INC.
4. FLORIDA UTILITY SYSTEMS, INC.
5. KIAWAH ISLAND UTILITY, INC.
6. METRO WATER SYSTEMS, INC.  
f/k/a Metro-H2O, Ltd.
7. MIDWAY WATER UTILITIES, INC.
8. MONARCH UTILITIES I L.P.
9. MONARCH UTILITIES, INC.
10. NEW MEXICO UTILITIES, INC.
11. NI AMERICA OPERATING, INC.
12. NI AMERICA TEXAS, LLC
13. NI FLORIDA, INC.
14. NI SC ENVIRONMENTAL SERVICES, INC.
15. NI SOUTH CAROLINA, INC.
16. NI SOUTH CAROLINA UTILITIES, INC.
17. NORTHWEST UTILITY SYSTEMS, INC.
18. OREGON WATER UTILITIES, INC.
19. OREGON WATER UTILITIES CLINE BUTTE, INC.
20. OREGON WATER UTILITIES MOUNTAIN LAKES, INC.
21. PALMETTO UTILITIES, INC.
22. PALMETTO WASTEWATER RECLAMATION, INC.
23. SHELBY RIDGE UTILITY SYSTEMS LLC
24. SOUTH CAROLINA UTILITY SYSTEMS, INC.
25. SOUTH CAROLINA WATER UTILITIES, INC.  
f/k/a Low Country Utility Systems, Inc.
26. SOUTH CAROLINA WATER UTILITIES – CUC, INC.  
f/k/a CUC Utility Company, Inc.
27. SOUTHEAST UTILITY SYSTEMS, INC.
28. SW MERGER ACQUISITION CORP.

29. SWWC SERVICES, INC.
30. SWWC UTILITIES, INC.
31. TEXAS WATER SERVICES GROUP, LLC
32. 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 our understanding 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.

For the purpose of this Rule, “affiliate” shall not include a mutual water company, a joint powers authority, other governmental or quasi-governmental agency or authority, a public/private partnership, a watermaster board, a water basin association, or a groundwater management authority in which a utility participates or in which a utility is a member or shareholder.

#### **II.F. “Costs”**

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

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

#### **II.G. “Transaction”**

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

#### **II.H. “Property”**

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

**II.I. “Real Property”**

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

**II.J. “Customer”**

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

**II.K. “Customer information”**

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

**II.L. “Cross-subsidy”**

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

**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 (“GO”) 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 is that the intent of this Rule is 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 public information about 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 subject to this Rule, which 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 the 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 the 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 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 is a non-profit.

### **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 Public Advocates Office 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. 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 Public Advocates Office 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 Rule IV.E.3, Suburban interprets Rules IV.E.1 and IV.E.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 Public Advocates Office 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, pension management, engineering, water or sewage for resale, water storage capacity, and purchasing of water distribution systems.**

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: hedging, financial derivatives, arbitrage services, and marketing.**

Suburban affirms its policy is sufficient to ensure that the example services and similar services 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 Public Advocates Office has the opportunity to review that allocation of costs during every general rate case. Suburban affirms that it has adequate procedures and mechanisms to record 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 any Rule become applicable, Suburban will comply with such Rule.

**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 biennial 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 an information-only filing, as provided for in Rule 6.1 of General Order 96-B, 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. If the utility requests that the affiliate transactions rules not be applied to the new affiliate, in lieu of an information-only filing, the utility shall file a Tier 2 advice letter making such a request, including an explanation of why these Rules should not apply 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 this 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 Public Advocates Office 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 has 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 Public Advocates Office, 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 Suburban's current or most recent general rate case.

**Attachment A**

**Suburban Water Systems Affiliates**

<b>Subsidiary Name</b>	<b>Subsidiary's Line of Business</b>	<b>Primary Location of Subsidiary</b>	<b>Applicability of Rules</b>
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.

Suburban's unregulated affiliates are as follows:

1. 1710 WOODCREEK FARMS, INC.
2. ALABAMA UTILITY SYSTEMS, INC.
3. CUC HOLDING COMPANY, INC.
4. FLORIDA UTILITY SYSTEMS, INC.
5. METRO WATER SYSTEMS, INC.
6. MONARCH UTILITIES, INC.
7. NEW MEXICO UTILITIES, INC.
8. NI AMERICA OPERATING, INC.
9. NI AMERICA TEXAS, LLC
10. NI SC ENVIRONMENTAL SERVICES, INC.
11. NI SOUTH CAROLINA, INC.
12. NI SOUTH CAROLINA UTILITIES, INC.
13. NORTHWEST UTILITY SYSTEMS, INC.
14. OREGON WATER UTILITIES, INC.
15. SHELBY RIDGE UTILITY SYSTEMS LLC
16. SOUTH CAROLINA UTILITY SYSTEMS, INC.
17. SOUTHEAST UTILITY SYSTEMS, INC.
18. SOUTHWEST WATER COMPANY
19. SW MERGER ACQUISITION CORP.
20. SWWC SERVICES, INC.
21. TEXAS WATER SERVICES GROUP, LLC
22. TWC UTILITY COMPANY, LLC

### **Policy on Separation**

It is Suburban's policy to fairly allocate, pursuant to an established cost allocation manual, 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 Suburban's policy 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. Consistent with the Commission Rules established in Decision 00.07.018, as subsequently amended.

#### **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 Public Advocates Office 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 10.10.019, D.11.10.035 and as modified by D.12.01.042.

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 Public Advocates Office 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 Public Advocates Office in its general rate cases. No changes in those procedures are required to comply with the related Rules of this Decision 10.10.019, D.11.10.035 and as modified by D.12.01.042.

#### **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 Legal Department will advise Suburban's Manager of Regulatory Affairs within 14 days of establishing a new affiliate. Suburban's Manager of Regulatory Affairs will provide this information to Suburban's Vice President of Regulatory Affairs, and will file the necessary information only filing 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 Regulatory Affairs 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 30<sup>th</sup> of the year in which the audit is performed.

3. Suburban's Manager of Regulatory Affairs 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 Suburban 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.