

CALIFORNIA WATER SERVICE GROUP

Form 10-Q

November 04, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-13883

CALIFORNIA WATER SERVICE GROUP

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation or organization)

77-0448994

(I.R.S. Employer identification No.)

1720 North First Street, San Jose, CA.

(Address of principal executive offices)

95112

(Zip Code)

408-367-8200

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in rule 12b-2 of the Exchange Act) Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. Common shares outstanding as of October 21, 2011 41,817,032

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PART I FINANCIAL INFORMATION

Item 1.

FINANCIAL STATEMENTS

The condensed consolidated financial statements presented in this filing on Form 10-Q have been prepared by management and are unaudited.

CALIFORNIA WATER SERVICE GROUP**CONDENSED CONSOLIDATED BALANCE SHEETS**

Unaudited

(In thousands, except per share data)

	September 30, 2011	December 31, 2010
ASSETS		
Utility plant:		
Utility plant	\$ 1,927,447	\$ 1,843,766
Less accumulated depreciation and amortization	(580,009)	(549,469)
Net utility plant	1,347,438	1,294,297
Current assets:		
Cash and cash equivalents	46,712	42,277
Receivables:		
Customers	38,713	25,813
Regulatory balancing accounts	11,065	14,784
Other	19,408	5,386
Unbilled revenue	22,771	13,925
Materials and supplies at average cost	5,778	6,058
Taxes, prepaid expenses and other assets	10,769	17,967
Total current assets	155,216	126,210
Other assets:		
Regulatory assets	262,334	229,577
Goodwill	2,615	2,615
Other assets	33,549	39,367
Total other assets	298,498	271,559
	\$ 1,801,152	\$ 1,692,066
CAPITALIZATION AND LIABILITIES		
Capitalization:		

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Common stock, \$.01 par value 68,000 shares authorized, 41,817 and 41,667 outstanding in 2011 and 2010, respectively	\$	418	\$	417
Additional paid-in capital		219,237		217,308
Retained earnings		234,400		217,801
Total common stockholders' equity		454,055		435,526
Long-term debt, less current maturities		477,559		479,181
Total capitalization		931,614		914,707
Current liabilities:				
Current maturities of long-term debt		2,392		2,380
Short-term borrowings		39,860		23,750
Accounts payable		58,554		39,505
Regulatory balancing accounts		1,500		3,025
Accrued interest		10,996		4,651
Accrued expenses and other liabilities		47,423		34,037
Total current liabilities		160,725		107,348
Unamortized investment tax credits		2,328		2,244
Deferred income taxes, net		124,998		107,084
Pension and postretirement benefits other than pensions		162,307		155,224
Regulatory and other liabilities		76,692		82,204
Advances for construction		187,146		186,899
Contributions in aid of construction		155,342		136,356
	\$	1,801,152	\$	1,692,066

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

Table of Contents**CALIFORNIA WATER SERVICE GROUP****CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

Unaudited

(In thousands, except per share data)

For the three months ended	September 30,	September 30,
	2011	2010
Operating revenue	\$ 169,254	\$ 146,349
Operating expenses:		
Operations:		
Water production costs	61,593	54,634
Administrative and general	21,646	17,794
Other operations	17,506	14,889
Maintenance	4,651	4,853
Depreciation and amortization	12,729	10,934
Income taxes	15,881	12,825
Property and other taxes	5,170	4,555
Total operating expenses	139,176	120,484
Net operating income	30,078	25,865
Other income and expenses:		
Non-regulated revenue	3,425	3,850
Non-regulated expenses, net	(6,489)	