

CALIFORNIA WATER SERVICE GROUP
Form 10-Q
August 01, 2012
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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 June 30, 2012

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 July 30, 2012 41,915,454

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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)

	June 30, 2012	December 31, 2011
ASSETS		
Utility plant:		
Utility plant	\$ 2,026,567	\$ 1,960,381
Less accumulated depreciation and amortization	(607,313)	(579,262)
Net utility plant	1,419,254	1,381,119
Current assets:		
Cash and cash equivalents	20,816	27,203
Receivables:		
Customers	37,169	28,418
Regulatory balancing accounts	25,100	21,680
Other	7,888	6,422
Unbilled revenue	23,650	15,068
Materials and supplies at average cost	6,066	5,913
Taxes, prepaid expenses and other assets	14,213	9,184
Total current assets	134,902	113,888
Other assets:		
Regulatory assets	323,831	319,898
Goodwill	2,615	2,615
Other assets	37,560	37,067
Total other assets	364,006	359,580
	\$ 1,918,162	\$ 1,854,587
CAPITALIZATION AND LIABILITIES		
Capitalization:		

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Common stock, \$.01 par value 68,000 shares authorized, 41,915 and 41,817 outstanding in 2012 and 2011, respectively	\$	419	\$	418
Additional paid-in capital		220,294		219,572
Retained earnings		230,702		229,839
Total common stockholders' equity		451,415		449,829
Long-term debt, less current maturities		479,958		481,632
Total capitalization		931,373		931,461
Current liabilities:				
Current maturities of long-term debt		6,684		6,533
Short-term borrowings		87,775		47,140
Accounts payable		54,610		48,923
Regulatory balancing accounts		4,255		2,655
Accrued interest		4,765		4,756
Accrued expenses and other liabilities		52,658		41,868
Total current liabilities		210,747		151,875
Unamortized investment tax credits		2,254		2,254
Deferred income taxes, net		116,340		116,368
Pension and postretirement benefits other than pensions		234,948		232,110
Regulatory and other liabilities		79,196		79,050
Advances for construction		188,001		187,278
Contributions in aid of construction		155,303		154,191
	\$	1,918,162	\$	1,854,587

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	June 30, 2012	June 30, 2011
Operating revenue	\$ 143,552	\$ 131,397
Operating expenses:		
Operations:		
Water production costs	52,678	44,745
Administrative and general	22,167	20,554
Other operations	17,729	15,738
Maintenance	4,605	5,288
Depreciation and amortization	13,712	12,373
Income taxes	9,062	8,638
Property and other taxes	3,977	4,506
Total operating expenses	123,930	111,842
Net operating income	19,622	19,555
Other income and expenses:		
Non-regulated revenue	4,051	3,739
Non-regulated expenses, net	(3,695)	