

Edgar Filing: CALIFORNIA WATER SERVICE GROUP - Form 8-K

CALIFORNIA WATER SERVICE GROUP

Form 8-K

April 28, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported) April 27, 2005

CALIFORNIA WATER SERVICE GROUP
(Exact name of registrant as specified in its charter)

Delaware	1-13883	77-0448994
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
1720 North First Street, San Jose, CA.		95112
(Address of principal executive offices)		(Zip Code)
Registrant's telephone number, including area code		1-408-367-8200

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Edgar Filing: CALIFORNIA WATER SERVICE GROUP - Form 8-K

Item 2.02 Results of Operations and Financial Condition.

On April 27, 2005, the registrant issued the press release attached to this report as Exhibit 99, which announces the results of operations for the first quarter of 2005.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

The list of exhibits called for by this Item is incorporated by reference to the exhibit index to this report.

SIGNATURES

Pursuant to the requirement of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CALIFORNIA WATER SERVICE GROUP
(Registrant)

Date: April 28, 2005

By: /s/ Richard D. Nye

Richard D. Nye
Vice President,
Chief Financial Officer
and Treasurer

Exhibit Index

Exhibit No. -----	Description -----
99	Press release of the registrant dated April 27, 2005 which announces the results of operations for the first quarter of

Edgar Filing: CALIFORNIA WATER SERVICE GROUP - Form 8-K

2005.

CALIFORNIA
WATER
SERVICE
GROUP
LOGO

NEWS RELEASE CALIFORNIA WATER SERVICE GROUP

1720 North First Street
San Jose, CA 95112-4598

April 27, 2005
For Immediate Release

Contact: Richard Nye (408) 367-8216 (analysts)
Shannon Dean (310) 257-1435 (media)

CAL WATER ANNOUNCES FIRST QUARTER 2005 RESULTS; BOARD DECLARES 242nd CONSECUTIVE QUARTERLY DIVIDEND

SAN JOSE, CA - California Water Service Group (NYSE : CWT) today announced net income of \$0.7 million and earnings of \$0.03 per share for the first quarter of 2005, compared to net income of \$1.4 million or \$0.08 per share in the first quarter of 2004.

Revenue was basically flat for the quarter at \$60.3 million. Rate increases added \$2.0 million to revenue and sales to new customers added \$0.8 million, but higher than average precipitation resulted in a \$2.8 million decline in sales to existing customers.

According to President and Chief Executive Officer Peter C. Nelson, first quarter 2005 results were lower principally due to reduced usage from higher rainfall. In addition, significant credits were received from certain wholesale suppliers in the first quarter of 2004 which were not received in the first quarter of 2005.

"The first quarter is typically a low earnings period for us because of the weather, and we experienced heavy rainfall in the Southern California districts," Nelson said. "Our continued efforts to secure fair and timely rate relief, add customers, and operate efficiently will be critical to our performance for the year," he said.

Total operating expenses for the first quarter of 2005 increased 2%, or \$1.0 million. Water production costs decreased by \$1.3 million or 6%, because less water was produced as a result of higher rainfall. Included in the first quarter of 2004 was a credit received from certain wholesale water suppliers in Southern California for \$1.4 million and a charge for \$0.8 million to resolve a meter reading malfunction matter in the Stockton district. First quarter 2005 water production costs did not contain similar items.

Excluding water production costs, other operations expenses increased \$1.6 million or 8%. The increased expenses were primarily due to costs

Edgar Filing: CALIFORNIA WATER SERVICE GROUP - Form 8-K

associated with payroll, medical claims, pension, and outside services.

Maintenance expense increased \$0.5 million, or 15%, for the quarter due to higher repair costs for mains and pumping equipment. Depreciation expense increased \$0.5 million, or 7%, due to 2004 capital expenditures. Income taxes were lower by \$0.5 million, or 53%, due to lower taxable income. Property and other taxes increased \$0.3 million or 10%.

At their meeting today, Directors declared the 242nd consecutive quarterly dividend on common stock. The quarterly dividend of \$0.285 is payable on May 20, 2005, to stockholders of record on May 9, 2005. The regular dividend on Series C preferred stock was also declared.

California Water Service Group is the parent company of California Water Service Company, Washington Water Service Company, New Mexico Water Service Company, Hawaii Water Service Company, Inc., and CWS Utility Services. Together these companies provide regulated and non-regulated water service to more than 2 million people in 100 California, Washington, New Mexico, and Hawaii communities. Group's common stock trades on the New York Stock Exchange under the symbol "CWT".

This news release contains forward-looking statements within the meaning established by the Private Securities Litigation Reform Act of 1995 ("Act"). The forward-looking statements are intended to qualify under provisions of the federal securities laws for "safe harbor" treatment established by the Act. Forward-looking statements are based on currently available information, expectations, estimates, assumptions and projections, and management's judgment about the Company, the water utility industry and general economic conditions. Such words as expects, intends, plans, believes, estimates, assumes, anticipates, projects, predicts, forecasts or variations of such words or similar expressions are intended to identify forward-looking statements. The forward-looking statements are not guarantees of future performance. They are subject to uncertainty and changes in circumstances. Actual results may vary materially from what is contained in a forward-looking statement. Factors that may cause a result different than expected or anticipated include: governmental and regulatory commissions' decisions, including decisions on proper disposition of property; changes in regulatory commissions' policies and procedures; the timeliness of regulatory commissions' actions concerning rate relief; new

legislation; the ability to satisfy requirements related to the Sarbanes-Oxley Act and other regulations on internal controls; electric power interruptions; increases in suppliers' prices and the availability of supplies including water and power; fluctuations in interest rates; changes in environmental compliance and water quality requirements; acquisitions and our ability to successfully integrate acquired companies; the ability to successfully implement business plans; changes in customer water use patterns; the impact of weather on water sales and operating results; access to sufficient capital on satisfactory terms; civil disturbances or terrorist threats or acts, or apprehension about the possible future occurrences of acts of this type; the involvement of the United States in war or other hostilities; restrictive covenants in or changes to the credit ratings on our current or future debt that could increase our financing costs or affect our ability to borrow, make payments on debt or pay dividends; and, other risks and unforeseen events. When considering forward-looking statements, you should keep in mind the cautionary statements included in this paragraph. For additional information relating to the risks of the Company's business see "Risk Factors" in the Company's Annual Report on Form 10-K. The Company assumes no obligation to provide public updates of forward-looking statements.

Edgar Filing: CALIFORNIA WATER SERVICE GROUP - Form 8-K

Additional information is available at our Web site at www.calwatergroup.com.

Attachments (2).

###

CALIFORNIA WATER SERVICE GROUP
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited
(In thousands, except per share data)

ASSETS

Utility plant:

Utility plant
Less accumulated depreciation and amortization

Net utility plant

Current assets:

Cash and cash equivalents
Receivables:
 Customers
 Income taxes
 Other
Unbilled revenue
Materials and supplies at average cost
Prepaid pension expense
Taxes and other prepaid expenses

Total current assets

Regulatory assets

Other assets

CAPITALIZATION AND LIABILITIES

Capitalization:

Common stock, \$.01 par value
Additional paid-in capital
Retained earnings
Accumulated other comprehensive loss

Total common stockholders' equity
Preferred stock
Long-term debt, less current maturities

Total capitalization

Current liabilities:

Current maturities of long-term debt
Short-term borrowings
Accounts payable
Accrued expenses and other liabilities

Edgar Filing: CALIFORNIA WATER SERVICE GROUP - Form 8-K

Total current liabilities

Unamortized investment tax credits
Deferred income taxes
Regulatory and other liabilities
Advances for construction
Contributions in aid of construction
Commitments and contingencies

CALIFORNIA WATER SERVICE GROUP
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Unaudited
(In thousands, except per share data)

For the three months ended:

Operating revenue

Operating expenses:

Water production costs
Other operations
Maintenance
Depreciation and amortization
Income taxes
Property and other taxes

Total operating expenses

Net operating income

Other income and expenses:

Non-regulated income, net
Gain (loss) on sale of non-utility property

Total other income and expenses

Interest expense:

Interest expense
Less: capitalized interest

Total interest expense

Net income

Earnings per share

Basic

Diluted

Edgar Filing: CALIFORNIA WATER SERVICE GROUP - Form 8-K

Weighted average shares outstanding

Basic

Diluted

Dividends per share of common stock