

Exhibit A



Cost of Capital

Cal Water's Balance Sheets and Income Statement

California Water Service Company

May 2021

CALIFORNIA WATER SERVICE CO.
Balance Sheet
December 31, 2020 AND 2019

ASSETS	<u>2020</u>	<u>2019</u>
Utility Plant:		
Land	\$ 38,716,717	\$ 38,169,549
Depreciable plant and equipment	3,393,838,374	3,043,194,650
Construction work in progress	156,557,029	231,071,461
Intangible assets	21,138,058	19,894,962
	<u>3,610,250,179</u>	<u>3,332,330,622</u>
Less: Depreciation of plant and equipment	(1,131,705,239)	(1,062,008,219)
Amortization of intangibles	(18,553,025)	(17,618,958)
	<u>(1,150,258,264)</u>	<u>(1,079,627,178)</u>
Net utility plant	2,459,991,915	2,252,703,444
Current assets:		
Cash	14,549,182	29,055,044
Working funds, deposits, temporary cash investments	52,975	42,975
Accounts receivable:		
Customers, less allowance for doubtful accounts	40,613,082	29,982,258
Taxes Receivable	5,402,143	702,143
Unbilled revenue	31,564,217	32,847,636
Other Accounts Receivable	110,451,787	51,467,305
Materials and supplies	7,439,200	6,774,430
Prepaid expenses	14,868,236	11,813,930
Intercompany Transfers	4,905,416	3,621,109
Clearing accounts	2,088,550	2,027,011
Total current assets	<u>231,934,789</u>	<u>168,333,841</u>
Other assets:		
Regulatory assets	320,347,227	428,638,811
Other Intangible assets	-	344,133
Long Term Intercompany Receivable	-	-
Investment In Non-Utility Property	5,803,035	508,981
Other	107,686,622	80,738,023
Total other assets	<u>433,836,883</u>	<u>510,229,948</u>
	<u>\$ 3,125,763,587</u>	<u>\$ 2,931,267,233</u>

CALIFORNIA WATER SERVICE CO.
Balance Sheet
December 31, 2020 AND 2019

CAPITALIZATION AND LIABILITIES	<u>2020</u>	<u>2019</u>
Capitalization		
Common stockholders' equity		
Common stock	\$ 368,712,053	\$ 293,040,470
Retained earnings	460,514,914	407,743,045
Accumulated other comprehensive loss	-	-
	<u>829,226,967</u>	<u>700,783,515</u>
	51.5%	47.1%
First mortgage bonds	775,454,545	779,999,999
Unamortized debt premium and expense	(4,295,928)	(4,498,206)
Senior Notes	-	-
Long Term Intercompany Debt	-	-
Other Long-Term Debt	9,631,009	10,808,049
Total Long Term Debt	<u>780,789,626</u>	<u>786,309,842</u>
	48.5%	52.9%
Total capitalization	<u>1,610,016,593</u>	<u>1,487,093,357</u>
	100.0%	100.0%
Current liabilities:		
Current maturities of LT Debt	5,072,405	21,731,920
Notes payable	270,000,000	120,000,000
Payable to Affiliates	401,755	6,114,573
Accounts payable	161,626,586	108,880,972
Accrued interest	6,079,147	5,522,938
Accrued general taxes	4,414,367	4,381,183
Income taxes	(0.0)	(0)
Short Term Intercompany Debt	-	-
Unearned revenue - charges billed in advance	450,196	553,158
Accrued and deferred compensation	15,032,400	18,109,069
Accrued pension and post retirement benefits	2,056,735	2,248,628
Accrued benefit and worker's compensation	5,979,156	6,022,232
Other	10,535,996	9,270,745
Total current liabilities	<u>481,648,743</u>	<u>302,835,417</u>
Unamortized investment tax credit	1,500,444	1,574,845
Deferred income taxes	266,232,283	217,846,877
Regulatory liabilities	180,803,836	209,058,127
Advances for construction	195,082,005	190,567,754
Contributions in aid of construction	215,457,023	209,582,342
Other long-term liabilities	<u>175,022,660</u>	<u>312,708,514</u>
	<u>\$ 3,125,763,587</u>	<u>\$ 2,931,267,233</u>

CALIFORNIA WATER SERVICE CO.
STATEMENT OF INCOME AND RETAINED EARNINGS
MONTH ENDING December 31, 2020

	<u>CURRENT MONTH</u>			<u>YEAR TO DATE</u>			<u>12 MONTHS TO DATE</u>		
	<u>This Year</u>	<u>Prior Year</u>	<u>Change</u>	<u>This Year</u>	<u>Prior Year</u>	<u>Change</u>	<u>This Year</u>	<u>Prior Year</u>	<u>Change</u>
Operating revenue	\$48,407,086	\$44,750,813	\$3,656,273	\$745,034,086	\$669,769,210	\$75,264,876	\$745,034,086	669,769,210	\$75,264,876
Operating expenses:									
Operations:									
Purchased water	14,943,166	15,787,642	(844,476)	228,685,853	211,997,962	16,687,891	228,685,853	211,997,962	16,687,891
Purchased power	1,176,195	1,108,311	67,884	25,785,778	22,338,154	3,447,624	25,785,778	22,338,154	3,447,624
Pump taxes	1,155,417	702,098	453,319	12,647,099	11,517,478	1,129,622	12,647,099	11,517,478	1,129,622
Administrative and General	11,473,143	10,341,081	1,132,062	121,001,781	113,432,151	7,569,630	121,001,781	113,432,151	7,569,630
GO Allocations	(1,948,707)	(1,381,696)	(567,011)	(16,235,300)	(14,756,889)	(1,478,412)	(16,235,300)	(14,756,889)	(1,478,412)
Other operations	8,546,533	7,473,438	1,073,095	87,302,084	83,148,760	4,153,324	87,302,084	83,148,760	4,153,324
Total operations	35,345,746	34,030,874	1,314,872	459,187,295	427,677,616	31,509,679	459,187,295	427,677,616	31,509,679
Maintenance	2,610,920	2,429,201	181,719	26,850,712	25,719,644	1,131,069	26,850,712	25,719,644	1,131,069
Depreciation and amortization	7,674,203	6,896,265	777,939	91,894,557	83,183,150	8,711,407	91,894,557	83,183,150	8,711,407
Federal income taxes	3,787,601	(268,264)	4,055,865	13,211,565	13,262,409	(50,844)	13,211,565	13,262,409	(50,844)
State income taxes	(4,726,857)	(379,186)	(4,347,671)	(3,061,852)	1,414,850	(4,476,702)	(3,061,852)	1,414,850	(4,476,702)
Taxes other than income taxes	2,220,807	1,291,272	929,535	26,190,891	25,600,700	590,191	26,190,891	25,600,700	590,191
Total operating expenses	46,912,421	44,000,162	2,912,259	614,273,169	576,858,369	37,414,799	614,273,169	576,858,369	37,414,799
Net operating income	1,494,665	750,651	744,014	130,760,918	92,910,841	37,850,077	130,760,918	92,910,841	37,850,077
Other Income and Expenses:									
Non regulated revenue	1,795,409	2,421,265	(625,856)	20,638,064	24,765,234	(4,127,170)	20,638,064	24,765,234	(4,127,170)
Non regulated expense	(424,037)	(1,161,138)	737,101	(14,658,334)	(15,475,227)	816,893	(14,658,334)	(15,475,227)	816,893
New Business	(135,829)	(418,696)	282,867	(427,085)	(920,090)	493,005	(427,085)	(920,090)	493,005
Gain on sale on non-utility property	-	(2,003)	2,003	-	57,845	(57,845)	-	57,845	(57,845)
Miscellaneous	(908,943)	(262,322)	(646,621)	(2,934,798)	(1,719,960)	(1,214,838)	(2,934,798)	(1,719,960)	(1,214,838)
Income taxes on other income and exp	(71,852)	(126,963)	55,111	(575,928)	(1,475,715)	899,787	(575,928)	(1,475,715)	899,787
	254,747	450,143	(195,396)	2,041,920	5,232,087	(3,190,167)	2,041,920	5,232,087	(3,190,167)
Interest:									
Interest on long-term debt	3,031,901	3,699,347	(667,446)	37,940,108	38,448,825	(508,717)	37,940,108	38,448,825	(508,717)
Other interest	1,291,641	181,564	1,110,077	5,248,734	3,911,260	1,337,475	5,248,734	3,911,260	1,337,475
Interest capitalized	(158,844)	(275,883)	117,039	(3,041,574)	(3,408,210)	366,636	(3,041,574)	(3,408,210)	366,636
Amortization of bond premium and expense, i	29,362	34,656	(5,294)	411,639	744,416	(332,777)	411,639	744,416	(332,777)
	4,194,060	3,639,684	554,376	40,558,907	39,696,290	862,617	40,558,907	39,696,290	862,617
NET INCOME	(2,444,648)	(2,438,890)	(5,757)	92,243,930	58,446,637	33,797,293	92,243,930	58,446,637	33,797,293
Dividends on preferred stock	-	-	-	-	-	-	-	-	-
Balance for common stock	(2,444,648)	(2,438,890)	(5,757)	92,243,930	58,446,637	33,797,293	92,243,930	58,446,637	33,797,293
Dividends on common stock	-	-	-	39,472,061	36,296,982	3,175,079	39,472,061	36,296,982	3,175,079
Retained earnings, beginning of period	\$462,959,562	\$410,181,935	\$52,777,627	\$407,743,045	\$385,593,390	\$22,149,655	\$407,743,045	\$385,593,390	\$22,149,655
Retained earnings, end of period	\$460,514,914	\$407,743,045	\$52,771,869	\$460,514,914	\$407,743,045	\$52,771,869	\$460,514,914	\$407,743,045	\$52,771,869
EARNINGS PER SHARE	\$ (0.16)	(0.16)	\$ (0.00)	\$ 6.21	3.93	\$ 2.27	\$ 6.21	3.93	\$ 2.27
Fully diluted average shares outstanding	14,865,574	14,865,574	-	14,865,574	14,865,574	-	14,865,574	14,865,574	-
Number of customers	492,628	489,574	3,054	492,628	489,574	3,054	492,628	489,574	3,054