

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 18, 2019

To: ALL CLASS A WATER UTILITIES

Re: Request for Audited Financial Statements and 10-K Reports

California Public Utilities (PU) Code, Sections 313 and 314, grant the Commission broad authority to obtain information and documents from public utilities. Section 314.5 requires the Commission to inspect and audit the books of public utilities. Sections 581 through 591, and General Order (G.O.) No. 104-A of the California Public Utilities Commission (Commission) grant authority to the Commission to require all public utilities doing business in California to provide reports as specified by the Commission.

The Commission hereby requests your company to provide the following documents for the preceding year on or before June 1 each year. Please also submit an electronic version of the requested documents through email to Angie Williams at Angie.Williams@cpuc.ca.gov. The following documents must be provided by the due date:

- 1) Audited Financial Statements for your company and related Management Letter issued by an independent Certified Public Accountant (CPA).
- 2) 10-K reports for your company filed with the United States Securities and Exchange Commission (SEC), if applicable.
- 3) If a Class A water utility's CPA audited financial statements or the 10-K reports were presented on a consolidated basis with its parent company, the Class A water utility company shall request its independent CPA to submit directly to the Commission the consolidating schedules which contain audited financial statements for the Class A water utility as a stand-alone subsidiary.
- 4) In cases where a Class A water utility's CPA audited financial statements, Management Letter, or 10-K report were amended, the Class A water utility shall file the amended documents with the Director within 30 days of occurrence.

Please submit your reports to: California Public Utilities Commission
Utility Audits, Risk and Compliance Division
Attention: Angie Williams, Director
400 R Street, Suite #221
Sacramento, CA 95811

Special requirements for submitting the 2018 reports: All Class A water utilities except Great Oaks Water Company should provide their reports on or before September 30, 2019. Great Oaks Water

Company should immediately engage an independent CPA firm to audit its financial statements and file its reports with the Commission on or before December 31, 2019.

Any request for an extension to file your company's reports shall be made in writing to Angie Williams in the above address, or send email request to her at Angie.Williams@cpuc.ca.gov.

If any updates or corrections are made to the documents provided to the Commission, then a signed cover letter providing a written explanation of the update/change, to the reports affected, along with the revised reports shall be submitted to the above addresses within 30 days of the update/change occurring.

Commission staff caution against the indiscriminate use of PU Code Section 583 to classify as "confidential" information in the reports filed with the Commission. It has been the long-term practice of this Commission to release similar reports to the public upon request. In general, such reports are public records, and if they fail to meet the requirements of G.O. 66-D or the exemptions of the California Public Records Act (California Government Code Sections 6250-6276.48), they are required to be available for public inspection. Even those records which are exempted from public inspection can be made public upon the determination of the Commission that the public interest served by disclosure outweighs the public interest served by not disclosing (California Government Code Section 6255).

The policy of the California Public Records Act and the practices of this Commission favor making public records readily available to the public. Accordingly, if your company plans to claim confidential status for any information submitted in the company's reports, Commission staff advises that your company shall follow the procedures required in G.O. 66-D, and that any such claim be prominently noted and supported by a detailed explanation of the reasons and facts that substantiate the necessity for confidential treatment. The mere allegation of being placed in an unfair business disadvantage is insufficient to establish it as a fact. Furthermore, data publicly exposed in other contexts (e.g. corporation annual reports, SEC disclosure filings, etc.) should not be claimed to be confidential information when submitted in accordance with the enclosures.

If certain information in the submitted reports are confidential, your company can submit a request for confidential treatment of such information by following these procedures: The utility shall submit two signed copies of the full and complete version of the report and two signed copies of the report with the claimed confidential information removed and the term "REDACTED" inserted in the blank area. The electronic versions of both reports (i.e., confidential version and public version) should also be submitted to the Commission the same way as directed in the preceding paragraphs. Requests by the public to review documents for which confidential treatment has been requested shall be handled pursuant to G.O. 66-D.

If you have any questions concerning this request, please contact Angie Williams, Director of Utility Audits, Risk and Compliance Division, at Angie.Williams@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lucian Filler".

Lucian Filler
Deputy Executive Director
Water and Communications Division

cc: Alice Stebbins, Executive Director
Bernard Azevedo, Deputy Executive Director
Angie Williams, Director of Utility Audits, Risk and Compliance Division