

# **ATTACHMENT B**

COMPARISON OF REVISED AND DRA RECOMMENDED  
RATE OF RETURN

LARKFIELD

		Cal-Am Revised			DRA Recommended			ADOPTED		
		Capital Structure	Cost Factor	Weighted Cost	Capital Structure	Cost Factor	Weighted Cost	Capital Structure	Cost Factor	Weighted Cost
<u>Test Year</u>	<u>2008</u>									
	Long-Term Debt	58.16%	6.20%	3.60%	58.16%	6.20%	3.60%	58.16%	6.20%	3.60%
	Common Equity	41.84%	11.50%	4.81%	41.84%	9.96%	4.17%	41.84%	10.15%	4.25%
	Total	100.00%		8.41%	100.00%		7.77%	100.00%		7.85%
<u>Escalation Year</u>	<u>2009</u>									
	Long-Term Debt	58.32%	6.25%	3.64%	58.32%	6.25%	3.64%	58.32%	6.25%	3.64%
	Common Equity	41.68%	11.50%	4.79%	41.68%	9.96%	4.15%	41.68%	10.15%	4.23%
	Total	100.00%		8.43%	100.00%		7.79%	100.00%		7.87%
<u>Attrition Year</u>	<u>2010</u>									
	Long-Term Debt	58.83%	6.29%	3.70%	58.83%	6.29%	3.70%	58.83%	6.29%	3.70%
	Common Equity	41.17%	11.50%	4.73%	41.17%	9.96%	4.10%	41.17%	10.15%	4.18%
	Total	100.00%		8.43%	100.00%		7.80%	100.00%		7.86%

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

SUMMARY OF EARNINGS

TEST YEAR 2008

(AT PRESENT RATES)

ITEM	STAFF	UTILITY	ADOPTED
	SETTLEMENT	SETTLEMENT	
	(1000's of \$)	(1000's of \$)	
OPERATING REVENUES	2,054.4	2,054.4	<b>2,054.4</b>
OPERATING EXPENSES			
OPERATION & MAINTENANCE	515.1	515.1	<b>515.1</b>
ADMINISTRATIVE & GENERAL	290.1	324.5	<b>324.5</b>
PAYROLL	304.1	304.1	<b>304.1</b>
ACQUISITION PREM & RWE SAVINGS	69.7	69.7	<b>69.7</b>
G. O. PRORATED EXP.	167.3	167.3	<b>167.3</b>
DEPRECIATION & AMORTIZATION	490.6	490.6	<b>490.6</b>
TAXES OTHER THAN INCOME	145.2	145.2	<b>138.8</b>
STATE CORP. FRANCHISE TAX	(15.5)	(18.1)	<b>(16.2)</b>
FEDERAL INCOME TAX	(67.7)	(79.7)	<b>(71.1)</b>
TOTAL OPERATING EXPENSES	1,898.9	1,918.7	<b>1,922.8</b>
NET OPERATING REVENUE	155.5	135.7	<b>131.6</b>
RATE BASE	7,677.2	7,677.2	<b>7,173.0</b>
RATE OF RETURN	2.03%	1.77%	<b>1.83%</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

SUMMARY OF EARNINGS

TEST YEAR 2008  
(Proposed Rates)

ITEM	STAFF	STAFF	UTILITY		ADOPTED
	ORIGINAL	AT DRA REC. ROR	AT PRO. REC. ROR	ORIGINAL	
	(1000's of \$)		(1000's of \$)		
OPERATING REVENUES	2,334.7	2,824.4	2,944.7	3,150.8	<b>2,807.6</b>
OPERATING EXPENSES					
OPERATION & MAINTENANCE	514.9	517.1	517.5	519.7	<b>517.1</b>
ADMINISTRATIVE & GENERAL	289.6	290.1	324.5	331.5	<b>324.5</b>
PAYROLL	304.1	304.1	304.1	304.1	<b>304.1</b>
ACQUISITION PREM & RWE SAVINGS	69.7	69.7	69.7	69.7	<b>69.7</b>
G. O. PRORATED EXP.	167.3	167.3	167.3	167.3	<b>167.3</b>
DEPRECIATION & AMORTIZATION	38.7	490.6	490.6	517.0	<b>490.6</b>
TAXES OTHER THAN INCOME	121.7	145.2	145.2	172.9	<b>138.8</b>
STATE CORP. FRAN. TAX	42.0	42.6	49.0	56.4	<b>40.6</b>
FEDERAL INCOME TAX	199.2	201.1	231.0	265.0	<b>191.8</b>
TOTAL OPERATING EXPENSES	<u>1,747.2</u>	<u>2,227.8</u>	<u>2,298.9</u>	<u>2,403.5</u>	<b>2,244.5</b>
NET OPERATING REVENUE	587.6	596.6	645.8	747.3	<b>563.1</b>
RATE BASE	7,559.4	7,677.2	7,677.2	8,884.2	<b>7,173.0</b>
RATE OF RETURN	7.77%	7.77%	8.41%	8.41%	<b>7.85%</b>
PERCENTAGE INCREASE		<u>37.48%</u>	<u>43.34%</u>		<b>36.66%</b>

CALIFORNIA-AMERICAN WATER CO.  
LARKFIELD DISTRICT

WATER SALES PER AVERAGE CUSTOMER  
TEST YEAR 2008  
CCF

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
Residential	176.8	176.8	176.8	176.8	<b>176.8</b>
Commercial	456.7	456.7	456.7	456.7	<b>456.7</b>
Public Authority	2,403.7	2,403.7	2,403.7	2,403.7	<b>2,403.7</b>
Industrial	2,279.3	2,279.3	2,279.3	2,279.3	<b>2,279.3</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
Unmetered	0.0	0.0	0.0	0.0	<b>0.0</b>
Private Fire Service	0.0	0.0	0.0	0.0	<b>0.0</b>

CALIFORNIA-AMERICAN WATER CO.  
LARKFIELD DISTRICT

WATER SALES PER AVERAGE CUSTOMER  
TEST YEAR 2009  
CCF

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
Residential	176.8	176.8	176.8	176.8	<b>176.8</b>
Commercial	456.7	456.7	456.7	456.7	<b>456.7</b>
Public Authority	2,403.7	2,403.7	2,403.7	2,403.7	<b>2,403.7</b>
Industrial	2,279.3	2,279.3	2,279.3	2,279.3	<b>2,279.3</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
Unmetered	0.0	0.0	0.0	0.0	<b>0.0</b>
Private Fire Service	0.0	0.0	0.0	0.0	<b>0.0</b>

CALIFORNIA-AMERICAN WATER CO.  
LARKFIELD DISTRICT  
AVERAGE NUMBER OF CUSTOMERS

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
<u>Metered Connections</u>					
Residential	2,071	2,071	2,071	2,071	<b>2,071</b>
Commercial	293	293	293	293	<b>293</b>
Public Authority	5	5	5	5	<b>5</b>
Industrial	1	1	1	1	<b>1</b>
Irrigation	0	0	0	0	<b>0</b>
<b>Total metered connections</b>	<b>2,370</b>	<b>2,370</b>	<b>2,370</b>	<b>2,370</b>	<b>2,370</b>
Fire Protection connections					
Unmetered	0	0	0	0	<b>0</b>
Private Fire Service	47	47	47	47	<b>47</b>
<u>Total Active connections</u>					
Include Fire Protection	2,417	2,417	2,417	2,417	<b>2,417</b>
Exclude Fire Protection	2,370	2,370	2,370	2,370	<b>2,370</b>

CALIFORNIA-AMERICAN WATER CO.  
LARKFIELD DISTRICT

AVERAGE NUMBER OF CUSTOMERS

TEST YEAR 2009

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
<u>Metered Connections</u>					
Residential	2,138	2,138	2,138	2,138	<b>2,138</b>
Commercial	295	295	295	295	<b>295</b>
Public Authority	5	5	5	5	<b>5</b>
Industrial	1	1	1	1	<b>1</b>
Irrigation	0	0	0	0	<b>0</b>
<b>Total metered connections</b>	<b>2,439</b>	<b>2,439</b>	<b>2,439</b>	<b>2,439</b>	<b>2,439</b>
Fire Protection connections					
Unmetered	0	0	0	0	<b>0</b>
Private Fire Service	52	52	52	52	<b>52</b>
<u>Total Active connections</u>					
Include Fire Protection	2,491	2,491	2,491	2,491	<b>2,491</b>
Exclude Fire Protection	2,439	2,439	2,439	2,439	<b>2,439</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

TOTAL SALES AND SUPPLY

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
<u>METERED SALES KCCF</u>					
Residential	366.2	366.2	366.2	366.2	<b>366.2</b>
Commercial	133.8	133.8	133.8	133.8	<b>133.8</b>
Public Authority	12.0	12.0	12.0	12.0	<b>12.0</b>
Industrial	2.3	2.3	2.3	2.3	<b>2.3</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
TOTAL METERED SALES	514.3	514.3	514.3	514.3	<b>514.3</b>
UNMETERED SALES	0.0	0.0	0.0	0.0	<b>0.0</b>
PRIVATE FIRE SERVICE	0.0	0.0	0.0	0.0	<b>0.0</b>
Unaccounted For Water (7%)	38.7	38.7	38.7	38.7	<b>38.7</b>
TOTAL WATER PRODUCTION-KCCF	553.0	553.0	553.0	553.0	<b>553.0</b>
TOTAL WATER PRODUCTION-AF	1,269.4	1,269.4	1,269.4	1,269.4	<b>1,269.4</b>
PRODUCTION -AF					
Purchased water- Sonoma County Water Agency	548.0	548.0	548.0	548.0	<b>548.0</b>
Company Wells	721.4	721.4	721.4	721.4	<b>721.4</b>
Total Production-AF	1,269.4	1,269.4	1,269.4	1,269.4	<b>1,269.4</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

TOTAL SALES AND SUPPLY

TEST YEAR 2009

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
<u>METERED SALES KCCF</u>					
Residential	378.0	378.0	378.0	378.0	<b>378.0</b>
Commercial	134.7	134.7	134.7	134.7	<b>134.7</b>
Public Authority	12.0	12.0	12.0	12.0	<b>12.0</b>
Industrial	2.3	2.3	2.3	2.3	<b>2.3</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>TOTAL METERED SALES</b>	<b>527.0</b>	<b>527.0</b>	<b>527.0</b>	<b>527.0</b>	<b>527.0</b>
UNMETERED SALES	0.0	0.0	0.0	0.0	<b>0.0</b>
PRIVATE FIRE SERVICE	0.0	0.0	0.0	0.0	<b>0.0</b>
<u>Unaccounted For Water (7%)</u>	<u>39.7</u>	<u>39.7</u>	<u>39.7</u>	<u>39.7</u>	<u><b>39.7</b></u>
TOTAL WATER PRODUCTION-KCCF	566.7	566.7	566.7	566.7	<b>566.7</b>
TOTAL WATER PRODUCTION-AF	1,300.9	1,300.9	1,300.9	1,300.9	<b>1,300.9</b>
PRODUCTION -AF					
Purchased water- Sonoma County Water Agency	548.0	548.0	548.0	548.0	<b>548.0</b>
<u>Company Wells</u>	<u>752.9</u>	<u>752.9</u>	<u>752.9</u>	<u>752.9</u>	<u><b>752.9</b></u>
Total Production-AF	1,300.9	1,300.9	1,300.9	1,300.9	<b>1,300.9</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

OPERATING REVENUES

TEST YEAR 2008

(AT PRESENT RATES)

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
<b>METERED REVENUES</b>					
Residential	1,445.5	1,445.5	1,445.5	1,445.5	<b>1,445.5</b>
Commercial	538.7	538.7	538.7	538.7	<b>538.7</b>
Public Authority	48.2	48.2	48.2	48.2	<b>48.2</b>
Industrial	10.6	10.6	10.6	10.6	<b>10.6</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>TOTAL GENERAL METERED</b>	<b>2,043.0</b>	<b>2,043.0</b>	<b>2,043.0</b>	<b>2,043.0</b>	<b>2,043.0</b>
<b>UNMETERED</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>OTHER REVENUES</b>					
Private Fire Service	9.0	9.0	9.0	9.0	<b>9.0</b>
Misc. Service	0.1	0.1	0.1	0.1	<b>0.1</b>
Other	2.3	2.3	2.3	2.3	<b>2.3</b>
<b>TOTAL OTHER AND FLAT RATE</b>	<b>11.4</b>	<b>11.4</b>	<b>11.4</b>	<b>11.4</b>	<b>11.4</b>
<b>TOTAL REVENUES</b>	<b>2,054.4</b>	<b>2,054.4</b>	<b>2,054.4</b>	<b>2,054.4</b>	<b>2,054.4</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

OPERATING REVENUES

TEST YEAR 2008  
STANDARD RATE DESIGN  
(AT PROPOSED RATES)

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
<u>METERED REVENUES</u>					
Residential	1,643.0	1,987.9	2,072.3	2,217.5	<b>1,975.8</b>
Commercial	612.3	740.8	772.7	826.8	<b>736.7</b>
Public Authority	54.8	66.3	69.1	73.9	<b>65.8</b>
Industrial	12.0	14.6	15.3	16.4	<b>14.6</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>TOTAL GENERAL METERED</b>	<b>2,322.1</b>	<b>2,809.6</b>	<b>2,929.4</b>	<b>3,134.6</b>	<b>2,792.9</b>
<u>UNMETERED</u>	0.0	0.0	0.0	0.0	<b>0.0</b>
<u>OTHER REVENUES</u>					
Private Fire Service	10.2	12.4	12.9	13.8	<b>12.3</b>
Misc. Service	0.1	0.1	0.1	0.1	<b>0.1</b>
Other	2.3	2.3	2.3	2.3	<b>2.3</b>
<b>TOTAL OTHER AND UNMETERED</b>	<b>12.6</b>	<b>14.8</b>	<b>15.3</b>	<b>16.2</b>	<b>14.7</b>
<b>TOTAL REVENUES</b>	<b>2,334.7</b>	<b>2,824.4</b>	<b>2,944.7</b>	<b>3,150.8</b>	<b>2,807.6</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

OPERATION & MAINTENANCE EXPENSES

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
<b><u>AT PRESENT RATES</u></b>					
Operating Revenues	2,054.4	2,054.4	2,054.4	2,054.4	<b>2,054.4</b>
Uncollectible Rate	0.2600%	0.2600%	0.2600%	0.2600%	<b>0.2600%</b>
Uncollectibles	5.3	5.3	5.3	5.3	<b>5.3</b>
<b><u>Operation Expense</u></b>					
Source of Supply - Miscellaneous	10.2	10.2	10.2	10.3	<b>10.2</b>
Purchased Water	298.9	298.9	298.9	298.9	<b>298.9</b>
Pumping Expense-Miscellaneous	1.0	1.0	1.0	1.0	<b>1.0</b>
Purchased Power	79.9	79.9	79.9	79.9	<b>79.9</b>
Water Treatment - Miscellaneous	43.7	43.7	43.7	44.6	<b>43.7</b>
Chemicals	20.9	20.9	20.9	20.9	<b>20.9</b>
Storage Facilities Expense	0.6	0.6	0.6	0.6	<b>0.6</b>
Trans. & Dist. - Customer Installation	0.4	0.4	0.4	0.4	<b>0.4</b>
Trans. & Dist. - Misc	20.8	20.8	20.8	21.2	<b>20.8</b>
Customer Accts. - Meter Reading	0.1	0.1	0.1	0.1	<b>0.1</b>
Customer Accts. - Misc.	9.7	9.7	9.7	9.9	<b>9.7</b>
Uncollectibles	5.3	5.3	5.3	5.3	<b>5.3</b>
<b>Total Operation Expenses</b>	<b>491.5</b>	<b>491.5</b>	<b>491.5</b>	<b>493.1</b>	<b>491.5</b>
<b><u>Maintenance Expenses</u></b>					
Source of Supply - Wells	0.5	0.9	0.9	1.3	<b>0.9</b>
Source of Supply - Other	0.2	0.2	0.2	0.2	<b>0.2</b>
Pumping - Power Production	3.5	3.5	3.5	3.6	<b>3.5</b>
Water Treatment - Equipment	3.1	3.1	3.1	3.1	<b>3.1</b>
T & D Reservoirs & Tanks	5.4	5.4	5.4	5.4	<b>5.4</b>
T & D Mains	6.2	6.2	6.2	6.2	<b>6.2</b>
T & D Meters	0.2	0.2	0.2	0.2	<b>0.2</b>
T & D Hydrants	1.0	1.3	1.3	1.6	<b>1.3</b>
T & D Misc. Plant	2.8	2.8	2.8	2.8	<b>2.8</b>
<b>Total Maintenance Expense</b>	<b>22.9</b>	<b>23.6</b>	<b>23.6</b>	<b>24.4</b>	<b>23.6</b>
<b>Total O &amp; M Expenses (incl. Uncoll.)</b>	<b>514.4</b>	<b>515.1</b>	<b>515.1</b>	<b>517.5</b>	<b>515.1</b>
<b><u>AT PROPOSED RATES</u></b>					
Operating Revenues	2,334.7	2,824.4	2,944.7	3,150.8	<b>2,807.6</b>
Uncollectible Rate	0.2600%	0.2600%	0.2600%	0.2600%	<b>0.2600%</b>
Uncollectibles	6.1	7.3	7.7	7.5	<b>7.3</b>
<b>Total O &amp; M Expenses (incl. Uncoll.)</b>	<b>515.2</b>	<b>517.1</b>	<b>517.5</b>	<b>519.7</b>	<b>517.1</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

ADMINISTRATIVE & GENERAL EXPENSES

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
<u>AT PRESENT RATES</u>					
Operating Revenues less Uncoll.	2,049.1	2,049.1	2,049.1	2,049.1	<b>2,049.1</b>
Local Franchise Tax Rate	0.0000%	0.0000%	0.0000%	0.0000%	<b>0.0000%</b>
Franchise Tax	0.0	0.0	0.0	0.0	<b>0.0</b>
Office Supplies & Expenses	2.3	2.4	2.4	2.4	<b>2.4</b>
Property Insurance	41.3	41.3	41.3	41.3	<b>41.3</b>
Worker's Comp., Injuries & Damages	16.8	16.8	16.8	16.8	<b>16.8</b>
Employee Pension & Benefits	104.5	<b>104.5</b>	<b>110.5</b>	110.5	<b>110.5</b>
Regulatory Expense	13.6	<b>13.6</b>	<b>42.0</b>	42.0	<b>42.0</b>
Outside Services	5.8	5.9	5.9	8.0	<b>5.9</b>
Miscellaneous General Expenses	84.0	84.2	84.2	88.7	<b>84.2</b>
Miscellaneous General Plant	0.3	0.4	0.4	0.6	<b>0.4</b>
Rents	21.0	21.0	21.0	21.1	<b>21.0</b>
Total A & G Expenses (Incl. local Franchise Taxes)	289.6	290.1	324.5	331.5	<b>324.5</b>
PAYROLL	304.1	304.1	304.1	304.1	<b>304.1</b>
<u>Allocated GO Expenses</u>					
G.O. Allocation	167.3	167.3	167.3	167.3	<b>167.3</b>
Acquisition Premium	85.2	85.2	85.2	85.2	<b>85.2</b>
RWE Savings	(15.5)	(15.5)	(15.5)	(15.5)	<b>(15.5)</b>
Subtotal	237.0	237.0	237.0	237.0	<b>237.0</b>
Total A&G and Allocated GO exp.	830.7	831.2	865.6	872.5	<b>865.6</b>
<u>AT PROPOSED RATES</u>					
Operating Revenues less Uncoll.	2,328.6	2,817.1	2,937.0	3,143.3	<b>2,800.3</b>
Franchise & B.L. Rate	0.0000%	0.0000%	0.0000%	0.0000%	<b>0.0000%</b>
Franchise Tax	0.0	0.0	0.0	0.0	<b>0.0</b>
Total A & G Expenses (Incl. local Franchise Taxes)	289.6	290.1	324.5	331.5	<b>324.5</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

TAXES OTHER THAN INCOME

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Ad Valorem taxes	99.0	122.5	122.5	150.2	<b>116.1</b>
Loc Fran Taxes (pres rates)	0.0	0.0	0.0	0.0	<b>0.0</b>
Loc Fran Taxes (prop rates)	0.0	0.0	0.0	0.0	<b>0.0</b>
Net Payroll taxes	22.7	22.7	22.7	22.7	<b>22.7</b>
Business License (pres rates)	0.0	0.0	0.0	0.0	<b>0.0</b>
Business License (prop rates)	0.0	0.0	0.0	0.0	<b>0.0</b>
Taxes other than Income (present rates)	121.7	145.2	145.2	172.9	<b>138.8</b>
Taxes other than Income (proposed rates)	121.7	145.2	145.2	172.9	<b>138.8</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

TAXES BASED ON INCOME

TEST YEAR 2008

( PRESENT RATES)

	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Operating Revenues	2,054.4	2,054.4	2,054.4	2,054.4	<b>2,054.4</b>
Deductions:					
O & M expenses	514.4	515.1	515.1	517.5	<b>515.1</b>
A & G Expenses	289.6	290.1	324.5	331.5	<b>324.5</b>
G.O. Prorated Expenses	167.3	167.3	167.3	167.3	<b>167.3</b>
Payroll	304.1	304.1	304.1	304.1	<b>304.1</b>
Acquisition Premium	85.2	85.2	85.2	85.2	<b>85.2</b>
RWE Expense Savings	(15.5)	(15.5)	(15.5)	(15.5)	<b>(15.5)</b>
Taxes not on Inc.	121.7	145.2	145.2	172.9	<b>138.8</b>
Interest	272.9	277.1	277.1	322.5	<b>258.9</b>
Book Depreciation	38.7	490.6	490.6	517.0	<b>490.6</b>
Income before taxes	276.1	(204.8)	(239.2)	(349.3)	<b>(214.6)</b>
<u>California Corp. Franchise Tax</u>					
State Tax Deductions	0.0	0.0	0.0	0.0	<b>0.0</b>
Taxable Income for CCFT	276.1	(204.8)	(239.2)	(349.3)	<b>(214.6)</b>
CCFT Rate	7.56%	7.56%	7.56%	7.56%	<b>7.56%</b>
CCFT	20.9	(15.5)	(18.1)	(26.4)	<b>(16.2)</b>
Less Deferred Taxes	0.0	0.0	0.0	0.0	<b>0.0</b>
Total State Income Taxes	20.9	(15.5)	(18.1)	(26.4)	<b>(16.2)</b>
<u>Federal Income Tax</u>					
Federal Tax Deductions	(13.5)	(11.4)	(11.4)	(11.4)	<b>(11.4)</b>
Taxable income for FIT	289.6	(193.4)	(227.8)	(337.9)	<b>(203.2)</b>
FIT Rate	35.00%	35.00%	35.00%	35.00%	<b>35.00%</b>
FIT	101.3	(67.7)	(79.7)	(118.3)	<b>(71.1)</b>
Less Deferred Taxes	0.0	0.0	0.0	0.0	<b>0.0</b>
Total Federal Income Tax	101.3	(67.7)	(79.7)	(118.3)	<b>(71.1)</b>
Total FIT and CCFT	122.2	(83.2)	(97.8)	(144.7)	<b>(87.3)</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

TAXES BASED ON INCOME

TEST YEAR 2008

(PROPOSED RATES)

	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Operating Revenues	2,334.7	2,824.4	2,944.7	3,150.8	2,807.60
Deductions:					
O & M expenses	515.2	517.1	517.5	519.7	517.1
A & G Expenses	289.6	290.1	324.5	331.5	324.5
G. O. Prorated Expenses	167.3	167.3	167.3	167.3	167.3
Payroll	304.1	304.1	304.1	304.1	304.1
Acquisition Premium	85.2	85.2	85.2	85.2	85.2
RWE Expense Savings	(15.5)	(15.5)	(15.5)	(15.5)	-15.5
Taxes not on Inc.	121.7	145.2	145.2	172.9	138.8196654
Interest	272.9	277.1	277.1	322.5	258.942264
Book Depreciation	38.7	490.6	490.6	517.0	490.5850227
Income before taxes	555.7	563.1	648.7	746.1	536.6
<u>California Corp. Franchise Tax</u>					
State Tax Deductions	0.0	0.0	0.0	0.0	0
Taxable Income for CCFT	555.7	563.1	648.7	746.1	536.6
CCFT Rate	7.56%	7.56%	7.56%	7.56%	7.56%
CCFT	42	42.6	49	56.4	40.6
Less Deferred Taxes	0.0	0.0	0.0	0.0	0.0
Total State Income Taxes	42.0	42.6	49.0	56.4	40.6
<u>Federal Income Tax</u>					
Federal Tax Deductions	(13.5)	(11.4)	(11.4)	(11.4)	-11.4
Taxable income for FIT	569.2	574.5	660.1	757.5	548.0
FIT Rate	35.00%	35.00%	35.00%	35.00%	35.00%
FIT	199.2	201.1	231.0	265.0	191.8
Less Deferred Taxes	0.0	0.0	0.0	0.0	0.0
Total Federal Income Tax	199.2	201.1	231.0	265.0	191.8
Total FIT and CCFT	241.2	243.7	280.0	321.4	232.4

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

PLANT IN SERVICE

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Plant in Service - BOY	13,583.4	13,840.5	13,840.5	13,868.5	<b>13,840.5</b>
<u>Additions</u>					
Gross Additions	359.3	374.3	374.3	2,569.3	<b>374.3</b>
Retirements of Plant	(53.8)	(53.8)	(53.8)	(53.8)	<b>(53.8)</b>
Net Additions	305.5	320.5	320.5	2,515.5	<b>320.5</b>
CWIP - BOY	0.0	0.0	0.0	500.0	<b>0.0</b>
CWIP - EOY	0.0	0.0	0.0	0.0	<b>0.0</b>
Net Change - CWIP	0.0	0.0	0.0	(500.0)	<b>0.0</b>
Plant in Service - EOY	13,888.9	14,161.0	14,161.0	16,384.0	<b>14,161.0</b>
WEIGHTING FACTOR	41.34%	41.34%	41.34%	41.34%	<b>41.34%</b>
WTD. AVG. PLANT IN SERVICE	13,709.7	13,973.0	13,973.0	15,201.7	<b>13,973.0</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

PLANT IN SERVICE

TEST YEAR 2009

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Plant in Service - BOY	13,888.9	14,161.0	14,161.0	16,384.0	<b>14,161.0</b>
<u>Additions</u>					
Gross Additions	463.9	403.9	403.9	408.9	<b>403.9</b>
Retirements of Plant	<u>(53.8)</u>	<u>(53.8)</u>	<u>(53.8)</u>	<u>(53.8)</u>	<b><u>(53.8)</u></b>
Net Additions	410.1	350.1	350.1	355.1	<b>350.1</b>
CWIP - BOY	0.0	0.0	0.0	0.0	<b>0.0</b>
CWIP - EOY	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<b><u>0.0</u></b>
Net Change in CWIP	0.0	0.0	0.0	0.0	<b>0.0</b>
Plant in Service - EOY	<u>14,299.0</u>	<u>14,511.1</u>	<u>14,511.1</u>	<u>16,739.1</u>	<b><u>14,511.1</u></b>
WEIGHTING FACTOR	41.34%	41.34%	41.34%	41.34%	<b>41.34%</b>
WTD. AVG. PLANT IN SERVICE	14,058.4	14,305.7	14,305.7	16,530.8	<b>14,305.7</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

DEPRECIATION RESERVE & EXPENSE

TEST YEAR 2008

	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
DEPRECIATION RESERVE - B.O.Y.	3,448.1	3,590.7	3,590.7	3,589.1	<b>4,094.9</b>
ACCRUALS					
Salvage and Cost of Removal	(4.8)	(4.8)	(4.8)	(4.8)	<b>(4.8)</b>
Contributions Depreciation	5.0	3.8	3.8	3.8	<b>3.8</b>
Annual Accrual	38.7	490.6	490.6	517.0	<b>490.6</b>
Adjustments	2.0	22.0	22.0	23.4	<b>22.0</b>
TOTAL ACCRUALS	40.9	511.6	511.6	539.4	<b>511.6</b>
RETIREMENTS	(53.5)	(53.8)	(53.8)	(53.8)	<b>(53.8)</b>
DEPRECIATION RESERVE - E.O.Y.	3,435.5	4,048.5	4,048.5	4,074.7	<b>4,552.8</b>
WEIGHTING FACTOR	51.77%	51.77%	51.77%	51.77%	<b>51.77%</b>
WTD. AVG. DEPRECIATION RESERVE	3,441.6	3,827.7	3,827.7	3,840.5	<b>4,331.9</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

DEPRECIATION RESERVE & EXPENSE

TEST YEAR 2009

	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
DEPRECIATION RESERVE - B.O.Y.	3,435.5	4,048.5	4,048.5	4,074.8	<b>4,552.8</b>
ACCRUALS					
Salvage and Cost of Removal	(4.8)	(4.8)	(4.8)	(4.8)	<b>(4.8)</b>
Contributions Depreciation	68.6	4.1	4.1	4.1	<b>4.1</b>
Annual Accrual	583.9	499.9	499.9	552.3	<b>499.9</b>
Adjustments	30.0	22.7	22.7	25.6	<b>22.7</b>
TOTAL ACCRUALS	<u>677.7</u>	<u>521.9</u>	<u>521.9</u>	<u>577.2</u>	<b><u>521.9</u></b>
RETIREMENTS	<u>(53.5)</u>	<u>(53.8)</u>	<u>(53.8)</u>	<u>(53.8)</u>	<b><u>(53.8)</u></b>
DEPRECIATION RESERVE - E.O.Y.	4,059.7	4,516.6	4,516.6	4,598.2	<b>5,020.9</b>
WEIGHTING FACTOR	51.77%	51.77%	51.77%	51.77%	<b>51.77%</b>
WTD. AVG. DEPRECIATION RESERVE	3,758.6	4,290.9	4,290.9	4,345.8	<b>4,795.1</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

WEIGHTED AVERAGE DEPRECIATED RATE BASE

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
WTD AVG PLANT IN SERVICE	13,709.7	13,973.0	13,973.0	15,201.7	<b>13,973.0</b>
MATERIALS & SUPPLIES	4.7	4.7	4.7	4.7	<b>4.7</b>
WORKING CASH, OPERATIONAL	36.2	36.2	36.2	36.2	<b>36.2</b>
WORKING CASH, LEAD-LAG	229.9	229.9	229.9	229.9	<b>229.9</b>
WTD AVG DEPR RESERVE	(3,441.6)	(3,827.7)	(3,827.7)	(3,840.5)	<b>(3,827.7)</b>
ADVANCES FOR CONSTR	(157.3)	(157.3)	(157.3)	(157.3)	<b>(157.3)</b>
UNAMORTIZED ADVANCES-20YR	(1,953.8)	(1,953.8)	(1,953.8)	(1,953.8)	<b>(1,953.8)</b>
CONTRIBUTIONS IN AID OF CONST	(479.5)	(229.5)	(229.5)	(229.5)	<b>(229.5)</b>
UNAMORTIZED CONTRIB- 20 YR	(204.5)	(204.5)	(204.5)	(204.5)	<b>(204.5)</b>
ACCUM. DEF. FED INC TAX	(228.2)	(235.6)	(235.6)	(242.6)	<b>(235.6)</b>
ACCUM. DEF. STATE INC TAX	(63.2)	(65.3)	(65.3)	(67.2)	<b>(65.3)</b>
GENERAL OFFICE ALLOC.	107.0	107.0	107.0	107.0	<b>107.0</b>
AVERAGE RATE BASE	7,559.4	7,677.2	7,677.2	8,884.2	<b>7,677.2</b>
<hr/>					
INTEREST CALCULATION:					
AVG RATE BASE	7,559.4	7,677.2	7,677.2	8,884.2	<b>7,677.2</b>
X WEIGHTED COST OF DEBT	3.61%	3.61%	3.61%	3.63%	<b>3.61%</b>
INTEREST EXPENSE	272.9	277.1	277.1	322.5	<b>277.1</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

WEIGHTED AVERAGE DEPRECIATED RATE BASE

TEST YEAR 2009

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
WTD AVG PLANT IN SERVICE	14,058.4	14,305.7	14,305.7	16,530.8	<b>14,305.7</b>
MATERIALS & SUPPLIES	4.8	4.8	4.8	4.8	<b>4.8</b>
WORKING CASH, OPERATIONAL	31.4	31.4	31.4	31.4	<b>31.4</b>
WORKING CASH, LEAD-LAG	239.3	239.3	239.3	239.3	<b>239.3</b>
WTD AVG DEPR RESERVE	(3,758.6)	(4,290.9)	(4,290.9)	(4,345.8)	<b>(4,795.1)</b>
ADVANCES FOR CONSTR	(187.8)	(177.8)	(177.8)	(177.8)	<b>(177.8)</b>
UNAMORTIZED ADVANCES-20YR	(1,809.1)	(1,809.1)	(1,809.1)	(1,809.1)	<b>(1,809.1)</b>
CONTRIBUTIONS IN AID OF CONST	(3,836.2)	(248.0)	(248.0)	(248.0)	<b>(248.0)</b>
UNAMORTIZED CONTRIB- 20 YR	(189.4)	(189.4)	(189.4)	(189.4)	<b>(189.4)</b>
ACCUM. DEF. FED INC TAX	(271.0)	(289.4)	(289.4)	(315.8)	<b>(289.4)</b>
ACCUM. DEF. STATE INC TAX	(75.1)	(80.2)	(80.2)	(87.5)	<b>(80.2)</b>
GENERAL OFFICE ALLOC.	123.1	123.1	123.1	123.1	<b>123.1</b>
AVERAGE RATE BASE	4,329.8	7,619.5	7,619.5	9,756.1	<b>7,115.3</b>
<hr/>					
INTEREST CALCULATION:					
AVG RATE BASE	4,329.8	7,619.5	7,619.5	9,756.1	<b>7,115.3</b>
X WEIGHTED COST OF DEBT	3.65%	3.61%	3.61%	3.63%	<b>3.61%</b>
INTEREST EXPENSE	158.0	275.1	275.1	354.1	<b>256.9</b>

COMPARISON OF REVISED AND DRA RECOMMENDED  
RATE OF RETURN

SACRAMENTO

		Cal-Am Revised			DRA Recommended			ADOPTED		
		Capital Structure	Cost Factor	Weighted Cost	Capital Structure	Cost Factor	Weighted Cost	Capital Structure	Cost Factor	Weighted Cost
<u>Test Year</u>	<u>2008</u>									
	Long-Term Debt	58.16%	6.20%	3.60%	58.16%	6.20%	3.60%	58.16%	6.20%	3.60%
	Common Equity	41.84%	11.50%	4.81%	41.84%	9.96%	4.17%	41.84%	10.15%	4.25%
	Total	100.00%		<u>8.41%</u>	100.00%		<u>7.77%</u>	100.00%		<u>7.85%</u>
<u>Escalation Year</u>	<u>2009</u>									
	Long-Term Debt	58.32%	6.25%	3.64%	58.32%	6.25%	3.64%	58.32%	6.25%	3.64%
	Common Equity	41.68%	11.50%	4.79%	41.68%	9.96%	4.15%	41.68%	10.15%	4.23%
	Total	100.00%		<u>8.43%</u>	100.00%		<u>7.79%</u>	100.00%		<u>7.87%</u>
<u>Attrition Year</u>	<u>2010</u>									
	Long-Term Debt	58.83%	6.29%	3.70%	58.83%	6.29%	3.70%	58.83%	6.29%	3.70%
	Common Equity	41.17%	11.50%	4.73%	41.17%	9.96%	4.10%	41.17%	10.15%	4.18%
	Total	100.00%		<u>8.43%</u>	100.00%		<u>7.80%</u>	100.00%		<u>7.88%</u>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

SUMMARY OF EARNINGS

TEST YEAR 2008

(AT PRESENT RATES)

ITEM	STAFF	UTILITY	ADOPTED
	SETTLEMENT	SETTLEMENT	
	(1000's of \$)	(1000's of \$)	
OPERATING REVENUES	26,461.6	26,461.6	<b>26,461.6</b>
OPERATING EXPENSES			
OPERATION & MAINTENANCE	5,446.1	5,446.1	<b>5,446.1</b>
ADMINISTRATIVE & GENERAL	2,782.3	2,986.4	<b>2,986.4</b>
PAYROLL	2,607.5	2,607.5	<b>2,607.5</b>
ACQUISITION PREM & RWE SAVINGS	1,709.3	1,709.3	<b>1,709.3</b>
G. O. PRORATED EXP.	3,991.4	3,991.4	<b>3,991.4</b>
DEPRECIATION & AMORTIZATION	6,231.5	6,231.5	<b>6,231.5</b>
TAXES OTHER THAN INCOME	1,284.7	1,284.7	<b>1,246.9</b>
STATE CORP. FRANCHISE TAX	(56.6)	(72.0)	<b>(55.4)</b>
FEDERAL INCOME TAX	(284.2)	(355.6)	<b>(278.6)</b>
TOTAL OPERATING EXPENSES	23,712.0	23,829.3	<b>23,885.1</b>
NET OPERATING REVENUE	2,749.6	2,632.3	<b>2,576.5</b>
RATE BASE	87,461.6	87,461.6	<b>82,407.9</b>
RATE OF RETURN	3.14%	3.01%	<b>3.13%</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

SUMMARY OF EARNINGS

TEST YEAR 2008  
(Proposed Rates)

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	AT DRA REC. ROR	AT PRO. REC. ROR	ORIGINAL	
	(1000's of \$)		(1000's of \$)		
OPERATING REVENUES	28,600.1	33,534.3	34,717.9	35,428.5	<b>33,265.9</b>
OPERATING EXPENSES					
OPERATION & MAINTENANCE	5,401.3	5,464.4	5,467.4	5,504.2	<b>5,463.7</b>
ADMINISTRATIVE & GENERAL	2,775.3	2,782.3	2,986.4	3,027.6	<b>2,986.4</b>
PAYROLL	2,607.5	2,607.5	2,607.5	2,607.5	<b>2,607.5</b>
ACQUISITION PREM & RWE SAVINGS	1,709.3	1,709.3	1,709.3	1,709.3	<b>1,709.3</b>
G. O. PRORATED EXP.	3,991.4	3,991.4	3,991.4	3,991.4	<b>3,991.4</b>
DEPRECIATION & AMORTIZATION	2,404.1	6,231.5	6,231.5	5,782.1	<b>6,231.5</b>
TAXES OTHER THAN INCOME	1,163.9	1,295.1	1,296.8	1,220.7	<b>1,256.9</b>
STATE CORP. FRAN. TAX	431.5	475.9	549.6	655.3	<b>456.9</b>
FEDERAL INCOME TAX	1,975.5	2,181.2	2,522.4	3,011.4	<b>2,093.3</b>
TOTAL OPERATING EXPENSES	<u>22,459.8</u>	<u>26,738.5</u>	<u>27,362.3</u>	<u>27,509.5</u>	<b><u>26,796.9</u></b>
NET OPERATING REVENUE	6,140.3	6,795.8	7,355.6	7,919.0	<b>6,469.0</b>
RATE BASE	79,026.5	87,461.6	87,461.6	94,161.0	<b>82,407.9</b>
RATE OF RETURN	7.77%	7.77%	8.41%	8.41%	<b>7.85%</b>
PERCENTAGE INCREASE		<b>26.73%</b>	<b>31.20%</b>		<b>25.71%</b>

CALIFORNIA-AMERICAN WATER CO.  
SACRAMENTO DISTRICT

WATER SALES PER AVERAGE CUSTOMER  
TEST YEAR 2008  
CCF

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
Residential	230.5	230.5	230.5	230.5	<b>230.5</b>
Commercial	953.1	953.1	953.1	953.1	<b>953.1</b>
Public Authority	2,852.8	2,852.8	2,852.8	2,852.8	<b>2,852.8</b>
Industrial	0.0	0.0	0.0	0.0	<b>0.0</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
Unmetered	266.4	266.4	266.4	266.4	<b>266.4</b>
Private Fire Service	0.0	0.0	0.0	0.0	<b>0.0</b>

CALIFORNIA-AMERICAN WATER CO.  
SACRAMENTO DISTRICT

WATER SALES PER AVERAGE CUSTOMER  
TEST YEAR 2009  
CCF

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
Residential	230.5	230.5	230.5	230.5	<b>230.5</b>
Commercial	953.1	953.1	953.1	953.1	<b>953.1</b>
Public Authority	2,852.8	2,852.8	2,852.8	2,852.8	<b>2,852.8</b>
Industrial	0.0	0.0	0.0	0.0	<b>0.0</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
Unmetered	266.4	266.4	266.4	266.4	<b>266.4</b>
Private Fire Service	0.0	0.0	B-25 0.0	0.0	<b>0.0</b>

CALIFORNIA-AMERICAN WATER CO.  
SACRAMENTO DISTRICT  
AVERAGE NUMBER OF CUSTOMERS

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
<u>Metered Connections</u>					
Residential	13,617	13,617	13,617	13,617	<b>13,617</b>
Commercial	4,735	4,735	4,735	4,735	<b>4,735</b>
Public Authority	294	294	294	294	<b>294</b>
Industrial	0	0	0	0	<b>0</b>
Irrigation	0	0	0	0	<b>0</b>
<b>Total metered connections</b>	<b>18,646</b>	<b>18,646</b>	<b>18,646</b>	<b>18,646</b>	<b>18,646</b>
Fire Protection connections					
Unmetered	39,369	39,369	39,369	39,369	<b>39,369</b>
Private Fire Service	848	848	848	848	<b>848</b>
<u>Total Active connections</u>					
Include Fire Protection	58,863	58,863	58,863	58,863	<b>58,863</b>
Exclude Fire Protection	58,015	58,015	58,015	58,015	<b>58,015</b>

CALIFORNIA-AMERICAN WATER CO.  
SACRAMENTO DISTRICT

AVERAGE NUMBER OF CUSTOMERS

TEST YEAR 2009

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
<u>Metered Connections</u>					
Residential	16,337	16,337	16,337	16,337	<b>16,337</b>
Commercial	4,735	4,735	4,735	4,735	<b>4,735</b>
Public Authority	294	294	294	294	<b>294</b>
Industrial	0	0	0	0	<b>0</b>
Irrigation	0	0	0	0	<b>0</b>
<b>Total metered connections</b>	<b>21,366</b>	<b>21,366</b>	<b>21,366</b>	<b>21,366</b>	<b>21,366</b>
<u>Fire Protection connections</u>					
Unmetered	36,869	36,869	36,869	36,869	<b>36,869</b>
Private Fire Service	848	848	848	848	<b>848</b>
<u>Total Active connections</u>					
Include Fire Protection	59,083	59,083	59,083	59,083	<b>59,083</b>
Exclude Fire Protection	58,235	58,235	58,235	58,235	<b>58,235</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

TOTAL SALES AND SUPPLY

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
<u>METERED SALES KCCF</u>					
Residential	3,138.9	3,138.9	3,138.9	3,138.9	<b>3,138.9</b>
Commercial	4,513.0	4,513.0	4,513.0	4,513.0	<b>4,513.0</b>
Public Authority	838.7	838.7	838.7	838.7	<b>838.7</b>
Industrial	0.0	0.0	0.0	0.0	<b>0.0</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>TOTAL METERED SALES</b>	<b>8,490.6</b>	<b>8,490.6</b>	<b>8,490.6</b>	<b>8,490.6</b>	<b>8,490.6</b>
UNMETERED SALES	10,488.2	10,488.2	10,488.2	10,488.2	<b>10,488.2</b>
PRIVATE FIRE SERVICE	0.0	0.0	0.0	0.0	<b>0.0</b>
<u>Unaccounted For Water (9.5%)</u>	<u>1,992.2</u>	<u>1,992.2</u>	<u>1,992.2</u>	<u>1,992.2</u>	<u><b>1,992.2</b></u>
TOTAL WATER PRODUCTION-KCCF	20,971.0	20,971.0	20,971.0	20,971.0	<b>20,971.0</b>
TOTAL WATER PRODUCTION-AF	48,142.9	48,142.9	48,142.9	48,142.9	<b>48,142.9</b>
 <u>PRODUCTION -KCCF</u>					
Purchased water-	2,721.0	2,721.0	2,721.0	2,721.0	<b>2,721.0</b>
City of Sacramento, Citrus Heights, Placer County, Sac Suburban Company Wells	18,250.0	18,250.0	18,250.0	18,250.0	<b>18,250.0</b>
Total Production-KCCF	20,971.0	20,971.0	20,971.0	20,971.0	<b>20,971.0</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

## TOTAL SALES AND SUPPLY

TEST YEAR 2009

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
<u>METERED SALES KCCF</u>					
Residential	3,765.9	3,765.9	3,765.9	3,765.9	<b>3,765.9</b>
Commercial	4,513.0	4,513.0	4,513.0	4,513.0	<b>4,513.0</b>
Public Authority	838.7	838.7	838.7	838.7	<b>838.7</b>
Industrial	0.0	0.0	0.0	0.0	<b>0.0</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>TOTAL METERED SALES</b>	<b>9,117.6</b>	<b>9,117.6</b>	<b>9,117.6</b>	<b>9,117.6</b>	<b>9,117.6</b>
UNMETERED SALES	9,822.2	9,822.2	9,822.2	9,822.2	<b>9,822.2</b>
PRIVATE FIRE SERVICE	0.0	0.0	0.0	0.0	<b>0.0</b>
Unaccounted For Water (9.5%)	1,988.2	1,988.2	1,988.2	1,988.2	<b>1,988.2</b>
<b>TOTAL WATER PRODUCTION-KCCF</b>	<b>20,928.0</b>	<b>20,928.0</b>	<b>20,928.0</b>	<b>20,928.0</b>	<b>20,928.0</b>
<b>TOTAL WATER PRODUCTION-AF</b>	<b>48,044.0</b>	<b>48,044.0</b>	<b>48,044.0</b>	<b>48,044.0</b>	<b>48,044.0</b>
<u>PRODUCTION -KCCF</u>					
Purchased water-	3,931.7	3,931.7	3,931.7	3,931.7	<b>3,931.7</b>
City of Sacramento, Citrus Heights, Placer County, Sac Suburban					
Company Wells	16,996.2	16,996.2	16,996.2	16,996.2	<b>16,996.2</b>
<b>Total Production-KCCF</b>	<b>20,927.9</b>	<b>20,927.9</b>	<b>20,927.9</b>	<b>20,927.9</b>	<b>20,927.9</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

OPERATING REVENUES

TEST YEAR 2008

(AT PRESENT RATES)

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
<u>METERED REVENUES</u>					
Residential	5,006.7	5,006.7	5,006.7	5,006.7	<b>5,006.7</b>
Commercial	7,507.0	7,507.0	7,507.0	7,507.0	<b>7,507.0</b>
Public Authority	1,236.0	1,236.0	1,236.0	1,236.0	<b>1,236.0</b>
Industrial	0.0	0.0	0.0	0.0	<b>0.0</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>TOTAL GENERAL METERED</b>	<b>13,749.7</b>	<b>13,749.7</b>	<b>13,749.7</b>	<b>13,749.7</b>	<b>13,749.7</b>
<u>UNMETERED</u>	12,002.6	12,002.6	12,002.6	12,002.6	<b>12,002.6</b>
<u>OTHER REVENUES</u>					
Private Fire Service	630.2	630.2	630.2	630.2	<b>630.2</b>
Misc. Service	25.3	25.3	25.3	25.3	<b>25.3</b>
Other	53.8	53.8	53.8	53.8	<b>53.8</b>
<b>TOTAL OTHER AND FLAT RATE</b>	<b>12,711.9</b>	<b>12,711.9</b>	<b>12,711.9</b>	<b>12,711.9</b>	<b>12,711.9</b>
<b>TOTAL REVENUES</b>	<b>26,461.6</b>	<b>26,461.6</b>	<b>26,461.6</b>	<b>26,461.6</b>	<b>26,461.6</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

OPERATING REVENUES

TEST YEAR 2008  
STANDARD RATE DESIGN  
(AT PROPOSED RATES)

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
<u>METERED REVENUES</u>					
Residential	5,412.5	6,348.9	6,236.0	6,363.9	<b>5,974.6</b>
Commercial	8,115.5	9,519.5	9,329.6	9,521.0	<b>8,938.5</b>
Public Authority	1,336.2	1,567.4	1,545.3	1,577.0	<b>1,480.5</b>
Industrial	0.0	0.0	0.0	0.0	<b>0.0</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>TOTAL GENERAL METERED</b>	<b>14,864.2</b>	<b>17,435.8</b>	<b>17,110.9</b>	<b>17,461.9</b>	<b>16,393.6</b>
<u>UNMETERED</u>	12,975.5	15,220.3	16,701.1	17,043.7	<b>16,001.0</b>
<u>OTHER REVENUES</u>					
Private Fire Service	681.3	799.1	826.8	843.8	<b>792.2</b>
Misc. Service	25.3	25.3	25.3	25.3	<b>25.3</b>
Other	53.8	53.8	53.8	53.8	<b>53.8</b>
<b>TOTAL OTHER AND UNMETERED</b>	<b>13,735.9</b>	<b>16,098.5</b>	<b>17,607.0</b>	<b>17,966.6</b>	<b>16,872.3</b>
<b>TOTAL REVENUES</b>	<b>28,600.1</b>	<b>33,534.3</b>	<b>34,717.9</b>	<b>35,428.5</b>	<b>33,265.9</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

OPERATION & MAINTENANCE EXPENSES

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
<b>AT PRESENT RATES</b>					
Operating Revenues	26,461.6	26,461.6	26,461.6	26,461.6	<b>26,461.6</b>
Uncollectible Rate	0.2581%	0.2581%	0.2581%	0.2581%	<b>0.2581%</b>
Uncollectibles	68.3	68.3	68.3	68.3	<b>68.3</b>
<b>Operation Expense</b>					
Source of Supply - Miscellaneous	143.5	148.4	148.4	153.3	<b>148.4</b>
Purchased Water	1,607.2	1,607.2	1,607.2	1,607.2	<b>1,607.2</b>
Pumping Expense-Miscellaneous	49.5	74.0	74.0	77.7	<b>74.0</b>
Purchased Power	2,222.1	2,222.1	2,222.1	2,222.1	<b>2,222.1</b>
Water Treatment - Miscellaneous	169.5	173.1	173.1	177.1	<b>173.1</b>
Chemicals	362.2	362.2	362.2	362.2	<b>362.2</b>
Trans. & Dist. - Lines	3.2	6.8	6.8	9.0	<b>6.8</b>
Trans. & Dist. - Meters	6.0	8.3	8.3	10.5	<b>8.3</b>
Customer Accts. - Meter Reading	0.3	0.3	0.3	0.3	<b>0.3</b>
Customer Accts. - Misc.	182.0	182.0	182.0	184.0	<b>182.0</b>
Uncollectibles	68.3	68.3	68.3	68.3	<b>68.3</b>
Total Operation Expenses	4,813.8	4,852.7	4,852.7	4,871.7	<b>4,852.7</b>
<b>Maintenance Expenses</b>					
Source of Supply - Wells	1.8	1.8	1.8	5.1	<b>1.8</b>
Source of Supply - Other	13.4	13.4	13.4	13.4	<b>13.4</b>
Pumping - Power Production	82.8	82.8	82.8	84.1	<b>82.8</b>
Water Treatment - Structures	0.2	0.2	0.2	0.2	<b>0.2</b>
Water Treatment - Equipment	137.2	142.0	142.0	146.7	<b>142.0</b>
T & D Reservoirs & Tanks	105.4	105.4	105.4	105.4	<b>105.4</b>
T & D Mains	161.5	166.6	166.6	171.7	<b>166.6</b>
T & D Services	60.2	60.8	60.8	61.4	<b>60.8</b>
T & D Meters	5.6	6.2	6.2	6.8	<b>6.2</b>
T & D Hydrants	2.1	2.4	2.4	2.7	<b>2.4</b>
T & D Misc. Plant	11.8	11.8	11.8	11.9	<b>11.8</b>
Total Maintenance Expense	582.0	593.4	593.4	609.4	<b>593.4</b>
Total O & M Expenses (incl. Uncoll.)	5,395.8	5,446.1	5,446.1	5,481.1	<b>5,446.1</b>
<b>AT PROPOSED RATES</b>					
Operating Revenues	28,600.2	33,534.3	34,717.9	35,428.5	<b>33,265.9</b>
Uncollectible Rate	0.2581%	0.2581%	0.2581%	0.2581%	<b>0.2581%</b>
Uncollectibles	73.8	86.6	89.6	91.4	<b>85.9</b>
Total O & M Expenses (incl. Uncoll.)	5,401.3	5,464.4	5,467.4	5,504.2	<b>5,463.7</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

ADMINISTRATIVE & GENERAL EXPENSES

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
<u>AT PRESENT RATES</u>					
Operating Revenues less Uncoll.	26,393.3	26,393.3	26,393.3	26,393.3	<b>26,393.3</b>
Local Franchise Tax Rate	0.1470%	0.1470%	0.1470%	0.1470%	<b>0.1470%</b>
Franchise Tax	38.8	38.8	38.8	38.8	<b>38.8</b>
Office Supplies & Expenses	32.2	32.2	32.2	32.2	<b>32.2</b>
Property Insurance	425.6	425.6	425.6	425.6	<b>425.6</b>
Worker's Comp., Injuries & Damages	149.6	149.6	149.6	149.6	<b>149.6</b>
Employee Pension & Benefits	1,085.4	1,085.4	1,256.1	1,256.1	<b>1,256.1</b>
Regulatory Expense	125.8	125.8	159.2	159.2	<b>159.2</b>
Outside Services	41.2	41.2	41.2	41.5	<b>41.2</b>
Miscellaneous General Expenses	870.9	881.0	881.0	921.1	<b>881.0</b>
Miscellaneous General Plant	34.8	34.8	34.8	35.4	<b>34.8</b>
Rents	6.7	6.7	6.7	6.8	<b>6.7</b>
Total A & G Expenses	2,772.2	2,782.3	2,986.4	3,027.6	<b>2,986.4</b>
(Incl. local Franchise Taxes)	2,811.0	2,821.1	3,025.2	3,066.4	<b>3,025.2</b>
PAYROLL	2,607.5	2,607.5	2,607.5	2,607.5	<b>2,607.5</b>
<u>Allocated GO Expenses</u>					
G.O. Allocation	3,991.4	3,991.4	3,991.4	3,991.4	<b>3,991.4</b>
Acquisition Premium	2,079.4	2,079.4	2,079.4	2,079.4	<b>2,079.4</b>
RWE Savings	(370.1)	(370.1)	(370.1)	(370.1)	<b>(370.1)</b>
Subtotal	5,700.7	5,700.7	5,700.7	5,700.7	<b>5,700.7</b>
Total A&G and Allocated GO exp.	11,080.4	11,090.5	11,294.6	11,335.8	<b>11,294.6</b>
<u>AT PROPOSED RATES</u>					
Operating Revenues less Uncoll.	28,526.4	33,447.7	34,628.3	35,337.1	<b>33,180.0</b>
Franchise & B.L. Rate	0.1470%	0.1470%	0.1470%	0.1470%	<b>0.1470%</b>
Franchise Tax	41.9	49.2	50.9	51.9	<b>48.8</b>
Total A & G Expenses	2,772.2	2,782.3	2,986.4	3,027.6	<b>2,986.4</b>
(Incl. local Franchise Taxes)	2,814.1	2,831.5	3,037.3	3,079.5	<b>3,035.2</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

TAXES OTHER THAN INCOME

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Ad Valorem taxes	936.1	1,070.0	1,070.0	992.9	<b>1,032.2</b>
Loc Fran Taxes (pres rates)	38.8	38.8	38.8	38.8	<b>38.8</b>
Loc Fran Taxes (prop rates)	41.9	49.2	50.9	51.9	<b>48.8</b>
Net Payroll taxes	175.9	175.9	175.9	175.9	<b>175.9</b>
Business License (pres rates)	0.0	0.0	0.0	0.0	<b>0.0</b>
Business License (prop rates)	0.0	0.0	0.0	0.0	<b>0.0</b>
Taxes other than Income (present rates)	1,150.8	1,284.7	1,284.7	1,207.6	<b>1,246.9</b>
Taxes other than Income (proposed rates)	1,153.9	1,295.1	1,296.8	1,220.7	<b>1,256.9</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

TAXES BASED ON INCOME

TEST YEAR 2008

( PRESENT RATES)

	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Operating Revenues	26,461.6	26,461.6	26,461.6	26,461.6	<b>26,461.6</b>
Deductions:					
O & M expenses	5,395.8	5,446.1	5,446.1	5,481.1	<b>5,446.1</b>
A & G Expenses	2,772.2	2,782.3	2,986.4	3,027.6	<b>2,986.4</b>
G.O. Prorated Expenses	3,991.4	3,991.4	3,991.4	3,991.4	<b>3,991.4</b>
Payroll	2,607.5	2,607.5	2,607.5	2,607.5	<b>2,607.5</b>
Acquisition Premium	2,079.4	2,079.4	2,079.4	2,079.4	<b>2,079.4</b>
RWE Expense Savings	(370.1)	(370.1)	(370.1)	(370.1)	<b>(370.1)</b>
Taxes not on Inc.	1,150.8	1,284.7	1,284.7	1,207.6	<b>1,246.9</b>
Interest	2,852.9	3,157.4	3,157.4	3,418.0	<b>2,974.9</b>
Book Depreciation	2,404.1	6,231.5	6,231.5	5,782.1	<b>6,231.5</b>
Income before taxes	3,577.7	(748.5)	(952.6)	(764.2)	<b>(732.5)</b>
<u>California Corp. Franchise Tax</u>					
State Tax Deductions	0.0	0.0	0.0	0.0	<b>0.0</b>
Taxable Income for CCFT	3,577.7	(748.5)	(952.6)	(764.2)	<b>(732.5)</b>
CCFT Rate	7.56%	7.56%	7.56%	7.56%	<b>7.56%</b>
CCFT	270.5	(56.6)	(72.0)	(57.8)	<b>(55.4)</b>
Less Deferred Taxes	0.0	0.0	0.0	0.0	<b>0.0</b>
Total State Income Taxes	270.5	(56.6)	(72.0)	(57.8)	<b>(55.4)</b>
<u>Federal Income Tax</u>					
Federal Tax Deductions	63.4	63.4	63.4	63.4	<b>63.4</b>
Taxable income for FIT	3,514.3	(811.9)	(1,016.0)	(827.6)	<b>(795.9)</b>
FIT Rate	35.00%	35.00%	35.00%	35.00%	<b>35.00%</b>
FIT	1,229.9	(284.2)	(355.6)	(289.7)	<b>(278.6)</b>
Less Deferred Taxes	0.0	0.0	0.0	0.0	<b>0.0</b>
Total Federal Income Tax	1,229.9	(284.2)	(355.6)	(289.7)	<b>(278.6)</b>
Total FIT and CCFT	1,500.4	(340.8)	(427.6)	(347.5)	<b>(334.0)</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

TAXES BASED ON INCOME

TEST YEAR 2008

(PROPOSED RATES)

	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Operating Revenues	28,600.1	33,534.3	34,717.9	35,428.5	<b>33,265.9</b>
Deductions:					
O & M expenses	5,401.3	5,464.4	5,467.4	5,504.2	<b>5,463.7</b>
A & G Expenses	2,772.2	2,782.3	2,986.4	3,027.6	<b>2,986.4</b>
G. O. Prorated Expenses	3,991.4	3,991.4	3,991.4	3,991.4	<b>3,991.4</b>
Payroll	2,607.5	2,607.5	2,607.5	2,607.5	<b>2,607.5</b>
Acquisition Premium	2,079.4	2,079.4	2,079.4	2,079.4	<b>2,079.4</b>
RWE Expense Savings	(370.1)	(370.1)	(370.1)	(370.1)	<b>(370.1)</b>
Taxes not on Inc.	1,153.9	1,295.1	1,296.8	1,220.7	<b>1,256.9</b>
Interest	2,852.9	3,157.4	3,157.4	2,918.2	<b>2,974.9</b>
Book Depreciation	2,404.1	6,231.5	6,231.5	5,782.1	<b>6,231.5</b>
Income before taxes	5,707.6	6,295.5	7,270.3	8,667.5	<b>6,044.2</b>
<u>California Corp. Franchise Tax</u>					
State Tax Deductions	0.0	0.0	0.0	0.0	<b>0.0</b>
Taxable Income for CCFT	5,707.6	6,295.5	7,270.3	8,667.5	<b>6,044.3</b>
CCFT Rate	7.56%	7.56%	7.56%	7.56%	<b>7.56%</b>
CCFT	431.5	475.9	549.6	655.3	<b>456.9</b>
Less Deferred Taxes	0.0	0.0	0.0	0.0	<b>0.0</b>
Total State Income Taxes	431.5	475.9	549.6	655.3	<b>456.9</b>
<u>Federal Income Tax</u>					
Federal Tax Deductions	63.4	63.4	63.4	63.4	<b>63.4</b>
Taxable income for FIT	5,644.2	6,232.1	7,206.9	8,604.1	<b>5,980.9</b>
FIT Rate	35.00%	35.00%	35.00%	35.00%	<b>35.00%</b>
FIT	1,975.5	2,181.2	2,522.4	3,011.3	<b>2,093.3</b>
Less Deferred Taxes	0.0	0.0	0.0	0.0	<b>0.0</b>
Total Federal Income Tax	1,975.5	2,181.2	2,522.4	3,011.3	<b>2,093.3</b>
Total FIT and CCFT	2,407.0	2,657.1	3,072.0	3,666.6	<b>2,550.2</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

PLANT IN SERVICE

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Plant in Service - BOY	181,173.6	186,360.8	186,360.8	186,575.9	<b>186,360.8</b>
<u>Additions</u>					
Gross Additions	4,096.6	7,729.1	7,729.1	8,625.4	<b>7,729.1</b>
Retirements of Plant	<u>(80.0)</u>	<u>(46.3)</u>	<u>(46.3)</u>	<u>(46.3)</u>	<b>(46.3)</b>
Net Additions	4,016.6	7,682.9	7,682.9	8,579.1	<b>7,682.9</b>
CWIP - BOY	380.9	380.9	380.9	7,715.6	<b>380.9</b>
CWIP - EOY	<u>755.0</u>	<u>2,405.0</u>	<u>2,405.0</u>	<u>20,819.6</u>	<b>2,405.0</b>
Net Change - CWIP	374.1	2,024.1	2,024.1	13,104.0	<b>2,024.1</b>
Plant in Service - EOY	185,190.2	194,043.7	194,043.7	195,155.0	<b>194,043.7</b>
WEIGHTING FACTOR	46.41%	46.41%	46.41%	46.41%	<b>46.41%</b>
WTD. AVG. PLANT IN SERVICE	183,592.2	191,246.8	191,246.8	204,354.6	<b>191,246.8</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

PLANT IN SERVICE

TEST YEAR 2009

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Plant in Service - BOY	185,190.2	192,738.7	192,738.7	193,738.2	<b>194,043.7</b>
<u>Additions</u>					
Gross Additions	5,103.6	7,221.1	7,221.1	15,672.2	<b>7,221.1</b>
Retirements of Plant	(80.0)	(46.3)	(46.3)	(46.3)	<b>(46.3)</b>
Net Additions	5,023.6	7,174.8	7,174.8	15,625.9	<b>7,174.8</b>
CWIP - BOY	755.0	2,405.0	2,405.0	20,819.6	<b>2,405.0</b>
CWIP - EOY	2,092.7	6,842.7	6,842.7	30,174.6	<b>6,842.7</b>
Net Change in CWIP	1,337.7	4,437.7	4,437.7	9,355.0	<b>4,437.7</b>
Plant in Service - EOY	190,213.8	199,913.5	199,913.5	209,364.1	<b>201,218.5</b>
WEIGHTING FACTOR	46.41%	46.41%	46.41%	46.41%	<b>46.41%</b>
WTD. AVG. PLANT IN SERVICE	188,897.5	200,533.1	200,533.1	226,151.4	<b>201,838.1</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

DEPRECIATION RESERVE & EXPENSE

TEST YEAR 2008

	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
DEPRECIATION RESERVE - B.O.Y.	56,361.4	57,420.5	57,420.5	57,095.1	<b>62,474.3</b>
ACCRUALS					
Salvage and Cost of Removal	(2.8)	(2.8)	(2.8)	(2.8)	<b>(2.8)</b>
Contributions Depreciation	378.3	226.9	226.9	378.3	<b>226.9</b>
Annual Accrual	2,404.1	6,231.5	6,231.5	5,782.1	<b>6,231.5</b>
Adjustments	273.3	287.0	287.0	273.3	<b>287.0</b>
TOTAL ACCRUALS	3,052.9	6,742.6	6,742.6	6,430.9	<b>6,742.6</b>
RETIREMENTS	(46.2)	(46.3)	(46.3)	(46.2)	<b>(46.3)</b>
DEPRECIATION RESERVE - E.O.Y.	59,368.1	64,116.8	64,116.8	63,479.8	<b>69,170.5</b>
WEIGHTING FACTOR	71.72%	71.72%	71.72%	71.72%	<b>71.72%</b>
WTD. AVG. DEPRECIATION RESERVE	58,517.8	62,223.1	62,223.1	61,674.2	<b>67,276.8</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

DEPRECIATION RESERVE & EXPENSE

TEST YEAR 2009

	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
DEPRECIATION RESERVE - B.O.Y.	59,368.1	64,116.9	64,116.9	63,479.8	<b>69,170.6</b>
ACCRUALS					
Salvage and Cost of Removal	(2.8)	(2.8)	(2.8)	(2.8)	<b>(2.8)</b>
Contributions Depreciation	461.6	241.1	241.1	461.6	<b>241.1</b>
Annual Accrual	1,482.5	6,404.7	6,404.7	6,110.3	<b>6,485.3</b>
Adjustments	290.7	293.8	293.8	290.7	<b>299.5</b>
TOTAL ACCRUALS	<u>2,232.0</u>	<u>6,936.7</u>	<u>6,936.7</u>	<u>6,859.8</u>	<b><u>7,023.0</u></b>
RETIREMENTS	<u>(46.2)</u>	<u>(46.3)</u>	<u>(46.3)</u>	<u>(46.2)</u>	<b><u>(46.3)</u></b>
DEPRECIATION RESERVE - E.O.Y.	61,553.9	71,007.4	71,007.4	70,293.4	<b>76,147.3</b>
WEIGHTING FACTOR	71.72%	71.72%	71.72%	71.72%	<b>71.72%</b>
WTD. AVG. DEPRECIATION RESERVE	60,935.8	69,058.8	69,058.8	68,366.5	<b>74,174.3</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

WEIGHTED AVERAGE DEPRECIATED RATE BASE

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
WTD AVG PLANT IN SERVICE	183,592.2	191,246.8	191,246.8	204,354.6	<b>191,246.8</b>
MATERIALS & SUPPLIES	23.5	23.5	23.5	23.5	<b>23.5</b>
WORKING CASH, OPERATIONAL	1,483.5	1,483.5	1,483.5	1,483.5	<b>1,483.5</b>
WORKING CASH, LEAD-LAG	270.8	270.8	270.8	270.8	<b>270.8</b>
WTD AVG DEPR RESERVE	(58,517.8)	(62,223.1)	(62,223.1)	(61,674.2)	<b>(67,276.8)</b>
ADVANCES FOR CONSTR	(10,092.3)	(10,092.3)	(10,092.3)	(10,092.3)	<b>(10,092.3)</b>
UNAMORTIZED ADVANCES-20YR	(15,073.7)	(15,073.7)	(15,073.7)	(15,073.7)	<b>(15,073.7)</b>
CONTRIBUTIONS IN AID OF CONST	(17,220.7)	(12,582.8)	(12,582.8)	(19,525.8)	<b>(12,582.8)</b>
UNAMORTIZED CONTRIB- 20 YR	(5,527.5)	(5,527.5)	(5,527.5)	(5,527.5)	<b>(5,527.5)</b>
ACCUM. DEF. FED INC TAX	(1,929.7)	(2,048.9)	(2,048.9)	(2,060.0)	<b>(2,048.9)</b>
ACCUM. DEF. STATE INC TAX	(534.7)	(567.7)	(567.7)	(570.8)	<b>(567.7)</b>
GENERAL OFFICE ALLOC.	2,552.9	2,552.9	2,552.9	2,552.9	<b>2,552.9</b>
AVERAGE RATE BASE	79,026.5	87,461.6	87,461.6	94,161.0	<b>82,407.9</b>
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INTEREST CALCULATION:					
AVG RATE BASE	79,026.5	87,461.6	87,461.6	94,161.0	<b>82,407.9</b>
X WEIGHTED COST OF DEBT	3.61%	3.61%	3.61%	3.63%	<b>3.61%</b>
INTEREST EXPENSE	2,852.9	3,157.4	3,157.4	3,418.0	<b>2,974.9</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

WEIGHTED AVERAGE DEPRECIATED RATE BASE

TEST YEAR 2009

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
WTD AVG PLANT IN SERVICE	188,897.5	200,533.1	200,533.1	226,151.4	<b>201,838.1</b>
MATERIALS & SUPPLIES	23.9	23.9	23.9	23.9	<b>23.9</b>
WORKING CASH, OPERATIONAL	1,408.6	1,408.6	1,408.6	1,408.6	<b>1,408.6</b>
WORKING CASH, LEAD-LAG	280.2	280.2	280.2	280.2	<b>280.2</b>
WTD AVG DEPR RESERVE	(60,935.8)	(69,058.8)	(69,058.8)	(68,366.5)	<b>(74,174.3)</b>
ADVANCES FOR CONSTR	(10,256.0)	(10,256.0)	(10,256.0)	(10,256.0)	<b>(10,256.0)</b>
UNAMORTIZED ADVANCES-20YR	(13,957.1)	(13,957.1)	(13,957.1)	(13,957.1)	<b>(13,957.1)</b>
CONTRIBUTIONS IN AID OF CONST	(21,654.7)	(12,914.2)	(12,914.2)	(23,876.3)	<b>(12,914.2)</b>
UNAMORTIZED CONTRIB- 20 YR	(5,118.1)	(5,118.1)	(5,118.1)	(5,118.1)	<b>(5,118.1)</b>
ACCUM. DEF. FED INC TAX	(2,642.9)	(2,938.6)	(2,938.6)	(3,006.8)	<b>(2,938.6)</b>
ACCUM. DEF. STATE INC TAX	(732.3)	(814.2)	(814.2)	(833.1)	<b>(814.2)</b>
GENERAL OFFICE ALLOC.	2,935.9	2,935.9	2,935.9	2,935.9	<b>2,935.9</b>
AVERAGE RATE BASE	78,249.2	90,124.8	90,124.7	105,386.1	<b>86,314.2</b>
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INTEREST CALCULATION:					
AVG RATE BASE	78,249.2	90,124.8	90,124.8	105,386.1	<b>86,314.3</b>
X WEIGHTED COST OF DEBT	3.65%	3.61%	3.61%	3.63%	<b>3.61%</b>
INTEREST EXPENSE	2,856.1	3,253.5	3,253.5	3,825.5	<b>3,115.9</b>

**(END OF ATTACHMENT B)**