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APPENDIX A

California-American Water Company

**(a wholly-owned subsidiary of
American Water Works Company, Inc.)
Financial Statements**

May 31, 2015

(Unaudited)

CALIFORNIA-AMERICAN WATER COMPANY
Statement of Operation (Unaudited)
Five Months ended May 31, 2015 and 2014
(Dollars in thousands)

	Five Months Ended	
	May 31	
	2015	2014
	Actual	Actual
Operating revenues	<u>\$ 73,736</u>	<u>\$ 75,479</u>
Operating expenses		
Operation and maintenance	41,845	49,883
Depreciation	7,032	7,585
Amortization	(1,780)	1,026
General taxes	2,757	2,808
Gain on disposition of property	(419)	23
Total operating expenses	<u>49,435</u>	<u>61,325</u>
Operating income	<u>24,301</u>	<u>14,154</u>
Other deductions(income)		
Interest on long-term debt	6,105	5,942
Interest on short-term debt to affiliate	89	62
Other interest, net	47	(301)
AFUDC	(1,323)	(291)
Amortization of debt expense	82	75
Other (income)/deductions, net	(1,280)	3,197
Total other net deductions	<u>3,721</u>	<u>8,682</u>
Income(loss) before income taxes	20,580	5,472
Income tax benefit (provision)	<u>8,520</u>	<u>2,221</u>
Net income(loss)	<u>\$ 12,060</u>	<u>\$ 3,251</u>

CALIFORNIA-AMERICAN WATER COMPANY
Balance Sheets (Unaudited)
As of May 31, 2015 and December 31, 2014
(Dollars in thousands)

	Actuals	Dec 2014
Assets		
Utility Plant in Service	841,330	818,108
Construction Work in Progress	65,017	60,292
Utility Plant Accumulated Depreciation/Amortization	(257,826)	(252,515)
Total Utility Plant Adjustments	<u>1,843</u>	<u>1,888</u>
Utility property net of accumulated depreciation	650,364	627,773
Nonutility property net of accumulated depreciation	<u>1,784</u>	<u>1,743</u>
Total Property Plant and Equipment	652,148	629,516
Cash and Cash Equivalents	(3,143)	(3,300)
Restricted funds-current	0	0
Accounts receivable net	12,838	12,966
Unbilled Revenues	8,641	8,338
Materials and supplies	806	734
Prepaid other	0	0
Assets of discontinued operations	0	0
Other Current Assets	<u>1,576</u>	<u>1,364</u>
Total Current Assets	20,718	20,102
Regulatory assets	210,394	205,683
Other investments	0	0
Restricted Funds - Long-term	13	12
Goodwill	260	260
Intangible assets	0	0
Other Long Term Assets	<u>6,859</u>	<u>7,791</u>
Total Regulatory & Other L/T Assets	217,526	213,747
Total Assets	<u><u>890,393</u></u>	<u><u>863,365</u></u>

CALIFORNIA-AMERICAN WATER COMPANY
Balance Sheets (Unaudited)
As of May 31, 2015 and December 31, 2014
(Dollars in thousands)

	Actuals	Dec 2014
<u>Capital & Liabilities</u>		
Common Stock	92,478	92,478
Paid in Capital	167,667	167,548
Retained Earnings	64,229	55,720
Accumulated other comprehensive income	0	0
Treasury stock	0	0
Total Stockholders' equity	324,374	315,746
Preferred Stock without mandatory redemption requirements	0	0
Noncontrolling Interest	0	0
Total Equity	324,374	315,746
Long term debt	269,018	269,014
Redeemable preferred stock at redemption value	0	0
Total Long-term debt	269,018	269,014
Total Capitalization	593,391	584,760
Short Term Debt	45,764	28,025
Current Portion of Long-term Debt	1	1
Current portion of redeemable stock at redemption value	0	0
Accounts Payable	12,492	18,942
Accrued purchased water	0	0
Taxes Accrued	2,704	1,743
Interest Accrued	5,847	1,713
Liabilities of Discontinued Operations	0	0
Other current liabilities	14,994	22,716
Total Current Liabilities	81,801	73,140
Customer Advances for Construction	15,322	15,164
Deferred Income Taxes	98,243	91,217
Deferred Investment tax credits	571	605
Regulatory liability	36,342	34,389
Accrued Pension	(6,028)	(6,308)
Accrued postretirement benefit expense	863	917
Other Deferred Credits	3,095	3,637
Regulatory & Other Long Term Liabilities	148,409	139,620
Contributions in aid of construction	66,792	65,844
Total Capital and Liabilities	890,393	863,365

**CALIFORNIA-AMERICAN WATER
MONTEREY COUNTY DISTRICT
SUMMARY OF EARNINGS - DOLLARS IN THOUSANDS**

Line No.		2015 '13 GRC D.15-04-007
	Operating Revenues	
1	Water Service	\$ 53,205.4
	Operating Expenses	
2	Payroll	\$ 5,541.0
3	Purchased Water	\$ 56.7
4	Purchased Power	\$ 2,302.8
5	Chemicals	\$ 515.7
6	Uncollectibles	\$ 3,500.6
7	Other Operating Expense	\$ 1,221.1
8	T&D Reservoirs & Tanks	\$ 468.5
9	Other Maintenance Expense	\$ 2,549.2
10	Insurance	\$ 15.4
11	Pensions & Benefits	\$ 240.3
12	Regulatory Expense	\$ 0.8
13	Outside Services	\$ 523.9
14	Rents	\$ 500.8
15	Misc General Expense	\$ 1,930.5
16	Other Admin & General	\$ 80.5
17	Allocated General Office Expense	\$ 8,705.4
18	Earnings Test Adjustment	
19	Acquisition Premium	\$ 788.4
20	Depreciation	\$ 6,548.2
21	Ad Valorem Taxes	\$ 1,483.4
22	Franchise Fees	\$ -
23	Payroll Taxes	\$ 382.6
24	State Income Taxes	\$ 1,026.3
25	Federal Income Taxes	\$ 3,308.2
26	Total Expenses	\$ 41,690.3
27	Net Operating Revenue	\$ 11,515.1
28	Adjusted Net Operating Revenue	
29	Rate Base	\$ 136,896.9
30	Rate of Return	8.41%