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ATTACHMENT 2

California American Water
 Unrecovered Interest/Cost of Capital Calculations
 Attachment 2

	Rate of Return	Monthly Revenue Requirement	Total Rev Req
5 year Rate	2.10%	\$695,181	\$33,368,700
90 day CPR (Oct 2016)	0.58%	\$674,145	\$32,358,947
Unrecovered interest*			<u>\$1,009,753</u>
LTD Rate	5.37%	\$741,822	\$35,607,445
90 day CPR (Oct 2016)	0.58%	\$674,145	\$32,358,947
Unrecovered interest*			<u>\$3,248,498</u>
Per page 7 of 9/9/16 response	8.13%	\$782,650	\$37,567,181
90 day CPR (Oct 2016)	0.58%	\$674,145	\$32,358,947
Unrecovered cost of capital			<u>\$5,208,234</u>

* Assumes 100% debt financing.