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BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

In the Matter of the Application of California-American Water Company (U 210 W) for an order authorizing it to increase its rates for water service in its Los Angeles District to increase revenues by $2,020,466 or 10.88% in the year 2007; $634,659 or 3.08% in the year 2008; and $666,422 or 3.14% in the year 2009	A.06-01-005

CALIFORNIA-AMERICAN WATER COMPANY NOTICE OF EX PARTE COMMUNICATION (LESTER WONG)

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California-American Water Company

Date: August 17, 2007

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OF THE STATE OF CALIFORNIA

In the Matter of the Application of California-American Water Company (U 210 W) for an order authorizing it to increase its rates for water service in its Los Angeles District to increase revenues by $2,020,466 or 10.88% in the year 2007; $634,659 or 3.08% in the year 2008; and $666,422 or 3.14% in the year 2009	A.06-01-005

CALIFORNIA-AMERICAN WATER COMPANY NOTICE OF EX PARTE COMMUNICATION

In accordance with Rule 8.3 of the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), California-American Water Company ("California American Water") hereby submits this notice of an ex parte communication with Lester Wong, advisor to Commissioner Peevey. On Tuesday, August 14, 2007 at 11:30 a.m. Kent Turner, President of California American Water, David Stephenson, Manager of Rate Regulation of California American Water, and Lori Anne Dolqueist of Steefel, Levitt & Weiss, counsel to California American Water, met with Mr. Wong at the Commission's offices. The meeting lasted approximately 30 minutes and consisted of the oral and written communications discussed below.

Messrs. Turner and Stephenson and Ms. Dolqueist discussed the *Comments of California-American Water Company on the Alternate Proposed Decision of Commissioner Peevey*, filed August 13, 2007 ("Comments") and provided a copy of this document to Mr. Wong. California American Water explained that it supported the Alternate Decision's recommendation of a conservation loss adjustment mechanism ("CLAM"), in particular because it would not necessitate an adjustment to California American Water's return on equity ("ROE"). California American Water suggested that some of the language in the Alternate Decision's ROE analysis be eliminated so as not to foreclose the possibility of a risk factor adjustment in the future. Finally, California American Water identified some ambiguous language in the Alternate

Decision concerning implementation of the distribution system improvement surcharge ("DSIC") and suggested that it be clarified before a final decision is issued.

Dated: August 17, 2007

Respectfully submitted,

STEEFEL, LEVITT & WEISS
A Professional Corporation

By: */s/ Lori Anne Dolqueist*
Lori Anne Dolqueist
Attorneys for Applicant
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PROOF OF SERVICE

I, Daniella Barragan, declare as follows:

I am employed in the City and County of San Francisco, California. I am over the age of eighteen years and not a party to this action. My business address is STEEFEL, LEVITT & WEISS, One Embarcadero Center, 30th Floor, San Francisco, California 94111-3719. On August 17, 2007, I served the within:

California-American Water Company Notice of Ex Parte Communication with Laura Krannawitter

California-American Water Company Notice of Ex Parte Communication with Timothy Sullivan

California-American Water Company Notice of Ex Parte Communication with Lester Wong

on the interested parties in this action addressed as follows:

See attached service list

☒ **(BY PUC E-MAIL SERVICE)** By transmitting such document(s) electronically from Steefel, Levitt & Weiss, San Francisco, California, to the electronic mail addresses listed above. I am readily familiar with the practices of Steefel, Levitt & Weiss for transmitting documents by electronic mail, said practice being that in the ordinary course of business, such electronic mail is transmitted immediately after such document has been tendered for filing. Said practice also complies with Rule 1.10 of the Public Utilities Commission of the State of California and all protocols described therein.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on August 17, 2007, at San Francisco, California.

Daniella Barragan

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