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APPENDIX A
CALIFORNIA AMERICAN WATER
General Office Expense
(Dollars in thousands)

2006

Description	Decision
Total General Office Expenses	10,710.1
Alloc to Monterey	2,613.3
Alloc to Felton	85.7
Alloc to Los Angeles	1,713.6
Alloc to Coronado	1,274.5
Alloc to Village	1,295.9
Alloc to Sacramento	3,577.2
Alloc to Larkfield	149.9
TOTAL	10,710.1
Total RWE Savings	
Alloc to Monterey	(370.4)
Alloc to Felton	(17.8)
Alloc to Los Angeles	(167.8)
Alloc to Coronado	(74.7)
Alloc to Village	(92.1)
Alloc to Sacramento	(273.8)
Alloc to Larkfield	(26.6)
TOTAL	(1,023.2)
Premium	
Alloc to Monterey	968.6
Alloc to Felton	57.2
Alloc to Los Angeles	675.0
Alloc to Coronado	504.5
Alloc to Village	511.4
Alloc to Sacramento	2,497.3
Alloc to Larkfield	105.1
TOTAL	5,319.0
TOTAL GO and Allocated	
Alloc to Monterey	3,211.5
Alloc to Felton	125.1
Alloc to Los Angeles	2,220.8
Alloc to Coronado	1,704.3
Alloc to Village	1,715.3
Alloc to Sacramento	5,800.6
Alloc to Larkfield	228.4
TOTAL	15,005.9
Adjustments for Felton	
Total GO Salaries and Emp Exp.	6,043.0
Felton Allocation	0.8%
Total Felton Allcation of above	48.3
Reduction Per Proposed Draft Decision	5.0%
Reduction Required	2.4
Actual Felton Total GO Cost	122.7

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CALIFORNIA AMERICAN WATER
General Office Expense
(Dollars in thousands)

2006		2007 & 2008
Description	Settlement	INFLATION FACTOR
Salaries	4,387.8	Labor
Employees Expenses	397.4	Composite Non-Labor 60% Compensation 40%
Legal Services	138.1	Composite Non-Labor 60% Compensation 40%
Transportation Expense	67.2	Composite Non-Labor 60% Compensation 40%
Other Services & Auditing	51.2	CPI-U (Previous 12 months)
Office Rental	348.0	CPI-U (Previous 12 months)
Telephone	117.9	Composite Non-Labor 60% Compensation 40%
General Office Expenses	36.0	Composite Non-Labor 60% Compensation 40%
Rental & Maint. Of Equip.	120.7	CPI-U (Previous 12 months)
Insurance (see CA Specific Costs below)	73.6	CPI-U (Previous 12 months)
Dues & Memberships	42.6	Composite Non-Labor 60% Compensation 40%
Group Insurance & Pensions	514.3	Labor
Employees Welfare	360.0	Labor
Other Expenses	1,116.1	Composite Non-Labor 60% Compensation 40%
Depreciation	132.5	Based on Rate Base
Payroll Taxes - FICA	283.1	Labor
Taxes - FIT	16.6	
Interest Expense	(24.6)	CPI-U (Previous 12 months)
Pensions	100.4	Labor
TOTAL OPERATING EXPENSES	8,278.9	
CAPITAL EXPENSES		
Labor	(1,468.9)	Labor
Other	(1,810.3)	Composite Non-Labor 60% Compensation 40%
Total Capital	(3,279.2)	
CALIFORNIA SPECIFIC COSTS		
Corporate Costs	2,499.0	Composite Non-Labor 60% Compensation 40%
Pensions, OPEBS, Insurance	0.0	
Voorhees Management Fees	1,559.3	Composite Non-Labor 60% Compensation 40%
ITS	1,530.1	Composite Non-Labor 60% Compensation 40%
Sourcing	203.3	Composite Non-Labor 60% Compensation 40%
Belleville Laboratory Expense	259.7	Composite Non-Labor 60% Compensation 40%
Shared Services	583.5	Composite Non-Labor 60% Compensation 40%
Call Center	1,396.7	Composite Non-Labor 60% Compensation 40%
TOTAL CALIFORNIA COSTS	8,031.5	
NET OPERATING EXPENSES	13,031.2	

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General Office Expense
(Dollars in Thousands)

Description		2006 Allocations
TOTAL EXPENSES		
Service Company		8,278.9
Capitalized Expenses		(3,279.2)
Net Service Company Expenses		4,999.7
California Allocation	53.6%	2,678.6
California Specific Costs	53.6%	8,031.5
Total		10,710.1
Allocations to Monterey		
California Service Company	24.40%	653.6
California Specific Costs	24.40%	1,959.7
Other		0.0
Total		2,613.3
Allocations to Felton		
California Service Company	0.80%	21.4
California Specific Costs	0.80%	64.3
Other		0.0
Total		85.7
Allocations to Los Angeles		
California Service Company	16.00%	428.6
California Specific Costs	16.00%	1,285.0
Other		0.0
Total		1,713.6
Allocations to Coronado		
California Service Company	11.90%	318.8
California Specific Costs	11.90%	955.8
Other		0.0
Total		1,274.5
Allocations to Village		
California Service Company	12.10%	324.1
California Specific Costs	12.10%	971.8
Other		0.0
Total		1,295.9
Allocations to Saacramento		
California Service Company	33.40%	894.6
California Specific Costs	33.40%	2,682.5
Other		0.0
Total		3,577.2
Allocations to Larkfield		
California Service Company	1.40%	37.5
California Specific Costs	1.40%	112.4
Other		0.0
Total		149.9

APPENDIX A
CALIFORNIA AMERICAN WATER

CORPORATE OFFICE
(Dollars in Thousands)

Description		2006 Rate Base	2007 Rate Base	2008 Rate Base
Utility Plant B.O.Y.		8,121.9	9,658.9	11,195.9
Addition		1,537.0	1,633.8	1,730.6
Retirement		0.0	3,000.0	6,000.0
CWIP BOY		0.0	0.0	0.0
CWIP EOY		0.0	0.0	0.0
Plant E.O.Y.		9,658.9	8,292.7	6,926.5
Average Plant		8,890.4	8,975.8	9,061.2
Working Capital		0.0	0.0	0.0
Deferred Tax & ITC		0.0	0.0	0.0
Avtg. Deprc. Reserv.		3,540.7	3,979.2	4,417.7
Total Rate Base		5,349.7	4,996.6	4,643.5
Allocation to Monterey	24.4%	1305.3	1219.2	1133.0
Allocation to Felton 0.8%	0.8%	42.8	40.0	37.1
Allocation to Coronado	11.9%	636.6	594.6	552.6
Allocation to Village	12.1%	647.3	604.6	561.9
Allocation to Los Angeles	16.0%	855.9	799.5	743.0
Allocation to Sacramento	33.4%	1786.8	1668.9	1550.9
Allocation to Larkfield	1.4%	74.9	70.0	65.0
TOTAL	100.0%	5349.7	4996.6	4643.5

APPENDIX A

CALIFORNIA AMERICAN WATER
ALLOCATIONS
CORPORATE OFFICE
(Dollars in Thousands)

RWE Savings

Total Annual Benefits for Cal-Am By Operating District

	Percent	TOTAL
Coronado	7.30%	$74,694
Village	9.00%	$92,088
Monterey	36.20%	$370,400
Sacramento	26.76%	$273,810
Larkfield	2.60%	$26,603
Felton	1.74%	$17,804
Los Angeles	16.40%	$167,806
		$0
		$0
	100.00%	$1,023,204
		$1,023,204

Premium

Coronado	9.48%	$504,507
Village	9.62%	$511,422
Monterey	18.21%	$968,590
Sacramento	46.95%	$2,497,271
Larkfield	1.97%	$105,050
Felton	1.07%	$57,179
Los Angeles	12.69%	$674,981
TOTAL	100.00%	$5,319,000

California Cost Allocation

Coronado	11.90%
Monterey	24.40%
Los Angeles	16.00%
Village	12.10%
Sacramento	33.40%
Larkfield	1.40%
Felton	0.80%
TOTAL	100.00%