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APPENDIX A

California American Water
Felton

SUMMARY OF EARNINGS

TEST YEAR 2006

(AT PRESENT RATES)

ITEM	STAFF ORIGINAL	STAFF REVISED	UTILITY REVISED	UTILITY ORIGINAL	ADOPTED
	(Thousands of $)		(Thousands of $)		
OPERATING REVENUES	758.9	1,084.4	1,084.4	757.0	**1,084.4**
ADD REVENUE FROM CONTRIBUTION	0.0	0.0	0.0	0.0	**0.0**
OPERATING EXPENSES					
PURCHASED WATER	0.0	0.0	0.0	0.0	**0.0**
PURCHASED POWER	58.4	59.0	59.0	60.0	**59.0**
CHEMICALS	4.4	4.4	4.4	4.4	**4.4**
UNCOLLECTIBLES (0.2300%)	1.7	2.5	2.5	1.7	**2.5**
FRANCHISE FEES	0.0	0.0	0.0	0.0	**0.0**
OTHER OPERATION & MAINTENANCE	106.9	106.9	106.9	106.9	**106.9**
ADMINISTRATIVE & GENERAL	91.2	87.3	87.3	306.7	**87.3**
PAYROLL	247.0	267.0	267.0	281.1	**267.0**
G. O. PRORATED EXP.	125.7	122.7	122.7	89.1	**122.7**
DEPRECIATION & AMORTIZATION	157.8	157.5	157.5	167.3	**157.5**
TAXES OTHER THAN INCOME	116.4	119.2	119.2	137.2	**119.2**
STATE CORP. FRANCHISE TAX	(25.3)	1.8	1.8	(40.7)	**1.8**
FEDERAL INCOME TAX	(96.8)	(2.5)	(2.5)	(177.3)	**(2.5)**
TOTAL OPERATING EXPENSES	787.4	925.8	925.8	927.8	**925.8**
NET OPERATING REVENUE	(28.5)	158.6	158.6	(170.8)	**158.6**
RATE BASE	3,467.0	3,340.4	3,340.4	3,712.4	**3,340.4**
RATE OF RETURN	-0.82%	4.75%	4.75%	-4.60%	**4.75%**

APPENDIX A

California American Water
Felton

SUMMARY OF EARNINGS

2006

ITEM	STAFF ORIGINAL	STAFF REVISED	UTILITY REVISED	UTILITY ORIGINAL	**ADOPTED**
	(Thousands of $)		(Thousands of $)		
OPERATING REVENUES	1,206.2	1,242.7	1,242.7	1,553.5	**1,242.7**
ADD REVENUE FROM CONTRIBUTION	0.0	0.0	0.0	0.0	**0.0**
OPERATING EXPENSES					
PURCHASED WATER	0.0	0.0	0.0	0.0	**0.0**
PURCHASED POWER	58.4	59.0	59.0	60.0	**59.0**
CHEMICALS	4.4	4.4	4.4	4.4	**4.4**
UNCOLLECTIBLES (0.2300%)	2.8	2.9	2.9	3.6	**2.9**
FRANCHISE FEES	0.0	0.0	0.0	0.0	**0.0**
OTHER OPERATION & MAINTENANCE	106.9	106.9	106.9	106.9	**106.9**
ADMINISTRATIVE & GENERAL	91.2	87.3	87.3	306.7	**87.3**
PAYROLL	247.0	267.0	267.0	281.1	**267.0**
G.O. PRORATED EXP.	125.7	122.7	122.7	80.6	**122.7**
DEPRECIATION & AMORTIZATION	157.8	157.5	157.5	167.3	**157.5**
TAXES OTHER THAN INCOME	116.4	119.2	119.2	137.2	**119.2**
STATE CORP. FRAN. TAX	8.5	12.4	12.4	20.4	**12.4**
FEDERAL INCOME TAX	59.4	46.5	46.5	105.5	**46.5**
TOTAL OPERATING EXPENSES	978.5	985.8	985.8	1,273.6	**985.8**
NET OPERATING REVENUE	227.7	256.9	256.9	279.9	**256.9**
RATE BASE	3,467.0	3,340.4	3,340.4	3,712.4	**3,340.4**
RATE OF RETURN	6.57%	7.69%	7.69%	7.54%	**7.69%**
Percentage Increase without Pension			14.60%		**14.60%**
Annual Pension Cost		64.1	64.1		**64.1**
Percentage Increase with Pension Cost			20.51%		**20.51%**

Appendix B

California-American Water Company
Schedule No. FE-1
Felton Tariff Area
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Felton and vicinity, Santa Cruz County.

RATES

	Per Meter Per Month
For all water delivered, per 100. cu. ft.	$ 4.3453(I)

	Per Meter Per Month Service charge	Per Meter Per Month SDWBA Surcharge 1/
For 5/8 x ¾-inch meter	$30.85 (I)	$11.50
For ¾-inch meter	$46.28 (I)	$17.26
For 1-inch meter	$77.13 (I)	$28.76
For 1½-inch meter	$154.26 (I)	$57.52
For 2-inch meter	$246.81 (I)	$92.03
For 4-inch meter	$771.29 (I)	$287.59

The service charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the charge for water used computed at the quantity rates.

Conservation Discount

The following conservation discounts will be applied to the service and quantity charges.

Monthly Consumption	Discount
0-5 CCFs	20.00%
6-10 CCFs	15.00%
11-15 CCFs	10.00%
Over 15 CCFs	0.00%

The percentage discount will be calculated based upon the customer's bi-monthly consumption.

Appendix B

California-American Water Company
Schedule No. FE-1 (continued)
Felton Tariff Area
GENERAL METERED SERVICE

Service Reestablishment Charge:

For each reestablishment of water service $ 4.10

SPECIAL CONDITIONS

1. The service reestablishment charge is in addition to the charges calculated in accordance with this schedule and will be made each time an account is reopened for a customer at the time water service is to be restored after discontinuance at that customer's request.

2. A surcharge is included in each bill to recover revenues deferred in D.04-05-023. The surcharge is $0.1824 per 100 cu ft. applied to the quantity rate for all units consumed and a monthly meter surcharge will be added to all meter sizes for all classes of customers for a six year period beginning September 27, 2005 based on the following table:

5/8 x 3/4	1.82
3/4	2.73
1	4.55
1 1/2	9.10
2	14.56
3	27.30
4	45.50

3. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

METERED SERVICE SURCHARGE 1/

NOTE:

This surcharge is in addition to the regular monthly metered water bill. The total monthly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan as authorized by Decision 96-12-061.

4. Per the decision from Application 05-02-012, a 3% monthly surcharge on customer bills will be collected for the minimum ERISA pension payment. Collections will be tracked in a balancing account. An annual advice letter filing will be made for a surcredit or surcharge, depending on the balance account. (N)

5. Qualifying low-income customers can receive a 50% discount on the monthly service charge. Customers must apply with the Company for acceptance into the low-income program. (N)

Appendix B

California-American Water Company
Schedule No. FE-4
Felton Tariff Area
PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all water service furnished to privately owned fire protection purposes.

TERRITORY

Felton and vicinity, Santa Cruz County

RATES

	Per Meter Per Month	
For each 4-inch connection, or smaller,	$ 42.86	(I)
For each 6-inch connection.....	$ 64.35	(I)
For each 8-inch connection.....	$ 85.73	(I)
For each 10-inch connection.....	$ 171.95	(I)

SPECIAL CONDITIONS

1. Per the decision from Application 05-02-012, a 3% monthly surcharge on customer bills will be collected for the minimum ERISA pension payment. Collections will be tracked in a balancing account. An annual advice letter filing will be made for a surcredit or surcharge, depending on the balance account. (N)

Appendix B

California-American Water Company
Schedule No. FE-1
Felton District Tariff Area
GENERAL METERED SERVICE
PROPOSED STEP RATE INCREASES

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increases to the rate which would otherwise be in effect on that date.

Quantity Rates:

Rates to be Effective
01/01/07 01/01/08

Residential Quantity Rates:
For the first 25 100 cu ft, per 100 cu ft..
For the next 15 100 cu ft, per 100 cu ft.
All water over 40 100 cu ft. per 100 cu ft.

Commercial & Public Authority Quantity Rates:
For the first 50 100 cu ft, per 100 cu ft..
For the next 75 100 cu ft, per 100 cu ft.
All water over 125 100 cu ft. per 100 cu ft.

Service Charge:

Per Meter Per Month
01/01/07 01/01/08

For 5/8 x 3/4-inch Meter
For 3/4-inch Meter
For 1-inch Meter
For 1-1/2-inch Meter
For 2-inch Meter
For 4-inch Meter

APPENDIX C

CALIFORNIA-AMERICAN WATER COMPANY

FELTON DISTRICT - 2005 RATE CASE - NORMALIZED CONSUMPTION
COMPARISON OF MONTHLY BILLS FOR GENERAL METERED SERVICE

2006

		Proposed	Present
Quantity Rate	All water per 100 cu. ft.	$ 4.3453	$ 3.8914

Conservation discount		
	0-5 ccfs	20%
	6-10 ccfs	15%
	11-15 ccfs	10%
	Over 15	0%

Pension Surcharge	1.030

Note: This bill analysis includes the 3% pension surcharge. The conservation discount is reflected.
Present rates reflect rates effective as of January 1, 2006.

5/8 - INCH METER

1.		Bill, Dollars		Increase	
2.	Usage	Proposed	Present		
3.	Ccf	Rates	Rates	Dollars	Percent
4.	0	25.42	23.50	1.93	7.57%
5.	1	29.00	26.61	2.40	8.26%
6.	2	32.58	29.72	2.86	8.78%
7.	5	43.33	39.06	4.26	9.84%
8.	8	57.44	51.43	6.02	10.47%
9.	10	65.05	58.04	7.01	10.78%
10.	14	85.00	75.47	9.53	11.21%
11.	20	121.29	107.20	14.09	11.62%
12.	25	143.66	126.66	17.00	11.84%
13.	30	166.05	146.11	19.94	12.01%
14.	50	255.56	223.94	31.62	12.37%
15.	75	367.45	321.23	46.22	12.58%
16.	100	479.34	418.51	60.83	12.69%
17.	150	703.13	613.08	90.05	12.81%
18.	200	926.92	807.65	119.27	12.87%
19.	500	2,269.63	1,975.07	294.56	12.98%

1 - INCH METER

1.		Bill, Dollars		Increase	
2.	Usage	Proposed	Present		
3.	Ccf	Rates	Rates	Dollars	Percent
4.	0	63.55	58.74	4.81	7.57%
5.	1	67.13	61.86	5.28	7.86%
6.	2	70.72	64.97	5.75	8.13%
7.	5	81.46	74.31	7.15	8.78%
8.	8	97.96	88.88	9.08	9.27%
9.	10	105.57	95.49	10.08	9.55%
10.	14	127.89	115.12	12.77	9.99%
11.	20	168.96	151.26	17.70	10.48%
12.	25	191.33	170.72	20.61	10.77%
13.	30	213.71	190.17	23.54	11.02%
14.	50	303.23	268.00	35.23	11.62%
15.	75	415.12	365.29	49.83	12.00%
16.	100	527.01	462.57	64.44	12.23%
17.	150	750.80	657.14	93.66	12.47%
18.	200	974.59	851.71	122.88	12.61%
19.	500	2,317.29	2,019.13	298.16	12.87%

1-1/2 - INCH METER

1.		Bill, Dollars		Increase	
2.	Usage	Proposed	Present		
3.	Ccf	Rates	Rates	Dollars	Percent
4.	0	127.11	117.49	9.62	7.57%
5.	1	130.69	126.52	4.17	3.19%
6.	2	134.27	129.63	4.64	3.45%
7.	5	145.01	138.97	6.04	4.16%
8.	8	165.49	157.58	7.91	4.78%
9.	10	173.10	164.19	8.90	5.14%
10.	14	199.39	187.87	11.52	5.78%
11.	20	248.39	232.09	16.30	6.56%
12.	25	270.78	251.54	19.24	7.10%
13.	30	293.16	271.00	22.16	7.56%
14.	50	382.67	348.83	33.84	8.84%
15.	75	494.56	446.11	48.45	9.80%
16.	100	606.45	543.40	63.05	10.40%
17.	150	830.24	737.97	92.27	11.11%
18.	200	1,054.02	932.54	121.48	11.53%
19.	500	2,396.73	2,099.96	296.77	12.38%

2 - INCH METER

1.		Bill, Dollars		Increase	
2.	Usage	Proposed	Present		
3.	Ccf	Rates	Rates	Dollars	Percent
4.	0	203.37	187.99	15.38	7.56%
5.	1	206.96	191.10	15.85	7.66%
6.	2	210.53	194.22	16.32	7.75%
7.	5	221.28	203.56	17.72	8.01%
8.	8	246.51	226.20	20.31	8.24%
9.	10	254.12	232.82	21.31	8.38%
10.	14	285.19	260.52	24.67	8.65%
11.	20	343.73	312.82	30.91	8.99%
12.	25	366.10	332.28	33.82	9.24%
13.	50	478.00	429.56	48.44	10.13%
14.	75	589.89	526.85	63.04	10.69%
15.	100	701.78	624.13	77.65	11.06%
16.	150	925.57	818.70	106.87	11.55%
17.	200	1,149.36	1,013.27	136.09	11.84%
18.	500	2,492.06	2,180.69	311.37	12.49%

APPENDIX D

CALIFORNIA-AMERICAN WATER
Felton

ADOPTED QUANTITIES

Net-to-Gross Multiplier	1.6100
Uncollectibles	0.2300%
Franchise Tax Rates	0.00%
State Income Tax Rates	7.56%
Federal Income Tax Rates	35.00%

1. Water Production (Kccf)

	2006
Residential	116.8
Commercial	51.1
Industrial	0.0
Public Authority	16.8
Other	0.0
Total Annual Consumption	184.7
Unacc For Water Total (11.00%)	22.8
Other (Used in operations)	0.0
Total Water Produced	207.5

2. Water Consumption (Ccf/Cust.)

	2006
Residential	101.4
Commercial	298.9
Industrial	0.0
Public Authority	2,803.0
Other	0.0

PURCHASED POWER	
Total Water Produced (kCcf)	207.5
Total KWH's	399,921
KWH/CcF	1.9273
Unit Cost ($/KWH)	$0.2843
PGE Power Costs	$59,000
CHEMICAL COSTS	
Total Water Produced (kCcf)	207.5
Unit Cost ($/kCcf)	$21.20
Total Chemical Cost (000's)	$4,400

APPENDIX D

CALIFORNIA-AMERICAN WATER
Felton

ADOPTED QUANTITIES
ADOPTED AVERAGE SERVICES

Average Services by Meter Size	2006
Metered Services	
5/8" x 3/4"	1,272
3/4"	2
1"	32
1 1/2"	10
2"	12
3"	0
4"	1
6"	0
8"	0
Total Metered Services	1,329
Private Fire Services	
4" or less	3
6"	6
8"	0
10"	0
Hydrants	0
Total Fire Services	9
Total Average Customers	1,338

APPENDIX D

California American Water
Felton

TAXES BASED ON INCOME

2006

(PRESENT RATES)

	STAFF		UTILITY EXCEEDS BRANCH DIFFERENCE	UTILITY		UTILITY EXCEEDS BRANCH PERCENT
	ORIGINAL	REVISED		REVISED	ORIGINAL	
	(Thousands of $)			(Thousands of $)		
Operating Revenues	758.9	1,084.4	0.0	1,084.4	757.0	0.0%
Revenues from Contributions	0.0	0.0	0.0	0.0	0.0	0.0%
Deductions:						
O & M expenses	171.4	172.8	0.0	172.8	173.0	0.0%
Error in Addition			0.0	0.0	-8.5	0.0%
Pension Expense		0.0	0.0	0.0		
A & G Expenses	91.2	87.3	0.0	87.3	306.7	0.0%
G. O. Prorated Expenses	125.7	122.7	0.0	122.7	89.1	0.0%
Payroll	247.0	267.0	0.0	267.0	281.1	0.0%
Taxes not on Inc.	116.4	119.2	0.0	119.2	137.2	0.0%
Interest	139.0	134.0	0.0	134.0	148.9	0.0%
Error in Interest	10.1					
Book Depreciation	157.8	157.5	0.0	157.5	167.3	0.0%
Income before taxes	-299.7	23.9	0.0	23.9	-537.7	0.0%
California Corp. Franchise Tax						
State Tax Depreciation	0.0	0.0	0.0	0.0	0.0	0.0%
Taxable Income for CCFT	-299.7	23.9	0.0	23.9	-537.7	0.0%
CCFT Rate	7.56%	7.56%		7.56%	7.56%	
CCFT	-22.7	1.8	0.0	1.8	-40.7	0.0%
Less Deferred Taxes	(2.6)	0.0	0.0	0.0	0.0	0.0%
Total State Income Taxes	-25.3	1.8	0.0	1.8	-40.7	0.0%
Federal Income Tax						
Federal Tax Deductions	(24.7)	(31.1)	0.0	(31.1)	(39.6)	0.0%
Unknown Reduction	47.9				70.8	
Taxable income for FIT	-276.5	-7.2	0.0	-7.2	-506.5	0.0%
FIT Rate	35.00%	35.00%		35.00%	35.00%	
FIT	-96.8	-2.5	0.0	-2.5	-177.3	0.0%
Less:						
Investment Tax Credit	0.0	0.0	0.0		0.0	0.0%
Amortization of Reg. Assets	0.0	0.0	0.0		0.0	0.0%
Deferred Taxes - U.P.A.A.	0.0	0.0	0.0		0.0	0.0%
Amort of Excess Deferred Taxes	0.0	0.0	0.0		0.0	0.0%
Total Federal Income Tax	-96.8	-2.5	0.0	-2.5	-177.3	0.0%
Total FIT and CCFT	-122.1	-0.7	0.0	-0.7	-218.0	0.0%

APPENDIX D

California American Water
Felton

TAXES BASED ON INCOME

2006

(PROPOSED RATES)

	STAFF		UTILITY EXCEEDS BRANCH DIFFERENCE	UTILITY		UTILITY EXCEEDS BRANCH PERCENT
	ORIGINAL	REVISED		REVISED	ORIGINAL	
	(Thousands of $)			(Thousands of $)		
Operating Revenues	1,206.2	1,242.7	0.0	1,242.7	1,553.5	0.0%
Revenues from Contributions		0.0	0.0			0.0%
Deductions:						
O & M expenses	172.5	173.2	0.0	173.2	174.9	0.0%
Pension Expense		0.0	0.0	0.0		
A & G Expenses	91.2	91.2	0.0	91.2	306.7	0.0%
G. O. Prorated Expenses	125.7	122.7	0.0	122.7	80.6	0.0%
Payroll	247.0	281.1	0.0	281.1	281.1	0.0%
Taxes not on Inc.	116.4	119.2	0.0	119.2	137.2	0.0%
Interest	139.0	134.0	0.0	134.0	135.5	0.0%
Error in Interest	10.1					
Book Depreciation	157.8	157.5	0.0	157.5	167.3	0.0%
Income before taxes	146.5	163.9	0.0	163.9	270.3	0.0%
California Corp. Franchise Tax						
State Tax Depreciation	0.0	0.0	0.0	0.0	0.0	0.0%
Taxable Income for CCFT	146.5	163.9	0.0	163.9	270.3	0.0%
CCFT Rate	7.56%	7.56%		7.56%	7.56%	
CCFT	11.1	12.4	0.0	12.4	20.4	0.0%
Less Deferred Taxes	(2.6)	0.0	0.0	0.0	0.0	0.0%
Total State Income Taxes	8.5	12.4	0.0	12.4	20.4	0.0%
Federal Income Tax						
Federal Tax Deductions	(24.7)	(31.1)	0.0	(31.1)	(39.6)	0.0%
Unknown Error	47.9				70.8	
Taxable income for FIT	169.7	132.8	-0.1	132.8	301.5	0.0%
FIT Rate	35.00%	35.00%		35.00%	35.00%	
FIT	59.4	46.5	0.0	46.5	105.5	0.0%
Less:						
Investment Tax Credit	0.0	0.0	0.0	0.0	0.0	0.0%
Amortization of Reg. Assets	0.0	0.0	0.0	0.0	0.0	0.0%
Deferred Taxes - U.P.A.A.	0.0	0.0	0.0	0.0	0.0	0.0%
Amort of Excess Deferred Taxes	0.0	0.0	0.0	0.0	0.0	0.0%
Total Federal Income Tax	59.4	46.5	0.0	46.5	105.5	0.0%
Total FIT and CCFT	67.9	58.9	0.0	58.9	125.9	0.0%

APPENDIX D

CALIFORNIA-AMERICAN WATER
Felton

WEIGHTED AVERAGE DEPRECIATED RATE BASE

2006

ITEM	STAFF ORIGINAL	STAFF REVISED	UTILITY EXCEEDS BRANCH DIFFERENCE	UTILITY REVISED	UTILITY ORIGINAL	UTILITY EXCEEDS BRANCH PERCENT
	(Thousands of $)			(Thousands of $)		
WTD AVG PLANT IN SERVICE	4,764.3	4,664.5	0.0	4,664.5	5,049.3	0.0%
MATERIALS & SUPPLIES	13.1	13.1	0.0	13.1	13.1	0.0%
WORKING CASH, OPERATIONAL	1.6	1.6	0.0	1.6	1.6	0.0%
WORKING CASH, LEAD-LAG	165.3	165.3	0.0	165.3	156.8	0.0%
WTD AVG DEPR RESERVE	(1,292.4)	(1,297.6)	0.0	(1,297.6)	(1,298.8)	0.0%
ADVANCES	(1.2)	(1.2)	0.0	(1.2)	(1.2)	-2.5%
CONTRIBUTIONS	(136.1)	(136.1)	0.0	(136.1)	(136.1)	0.0%
ACCUM. DEFERRED FIT	(76.5)	(91.0)	0.0	(91.0)	(96.0)	0.0%
ACCUM. DEFERRED SIT	(11.5)	(21.0)	0.0	(21.0)	(22.0)	0.0%
GENERAL OFFICE ALLOC.	40.4	42.8	0.0	42.8	45.7	0.0%
ACRS & MACRS DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0%
UNAMORTIZED ITC	0.0	0.0	0.0	0.0	0.0	0.0%
TAXES ON - ADVANCES	0.0	0.0	0.0	0.0	0.0	0.0%
TAXES ON - CIAC	0.0	0.0	0.0	0.0	0.0	0.0%
AVERAGE RATE BASE	3,467.0	3,340.4	0.0	3,340.4	3,712.4	0.0%
INTEREST CALCULATION:						
AVG RATE BASE	3,467.0	3,340.4	0.0	3,340.4	3,712.4	0.0%
LESS WORKING CASH			0.0			0.0%
X LTD COST	**4.01%**	**4.01%**		**4.01%**	**4.01%**	0.0%
INTEREST	139.0	134.0	0.0	134.0	148.9	0.0%

APPENDIX D

CALIFORNIA-AMERICAN WATER
Felton

WEIGHTED AVERAGE DEPRECIATED RATE BASE

2007

ITEM	STAFF ORIGINAL	STAFF REVISED	UTILITY EXCEEDS BRANCH DIFFERENCE	UTILITY REVISED	UTILITY ORIGINAL	UTILITY EXCEEDS BRANCH PERCENT
	(Thousands of $)			(Thousands of $)		
WTD AVG PLANT IN SERVICE	4,977.7	4,878.0	0.0	4,878.0	5,509.6	0.0%
MATERIALS & SUPPLIES	13.4	13.4	0.0	13.4	13.4	0.0%
WORKING CASH, OPERATIONAL	1.6	1.6	0.0	1.6	1.6	0.0%
WORKING CASH, LEAD-LAG	165.3	165.3	0.0	165.3	162.6	0.0%
WTD AVG DEPR RESERVE	(1,434.3)	(1,439.8)	0.0	(1,439.8)	(1,454.0)	0.0%
ADVANCES	(1.1)	(1.1)	0.0	(1.1)	(1.1)	-0.8%
CONTRIBUTIONS	(127.3)	(127.3)	(0.0)	(127.3)	(127.3)	0.0%
ACCUM. DEFERRED FIT	(64.9)	(111.0)	0.0	(111.0)	(120.0)	0.0%
ACCUM. DEFERRED SIT	(8.8)	(26.0)	0.0	(26.0)	(28.0)	0.0%
GENERAL OFFICE ALLOC.	37.4	40.0	0.0	40.0	45.2	0.0%
ACRS & MACRS DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0%
UNAMORTIZED ITC	0.0	0.0	0.0	0.0	0.0	0.0%
TAXES ON - ADVANCES	0.0	0.0	0.0	0.0	0.0	0.0%
TAXES ON - CIAC	0.0	0.0	0.0	0.0	0.0	0.0%
AVERAGE RATE BASE	3,559.0	3,393.1	(0.0)	3,393.1	4,002.0	0.0%
INTEREST CALCULATION:						
AVG RATE BASE	3,559.0	3,393.1	0.0	3,393.1	4,002.0	0.0%
LESS WORKING CASH			0.0			0.0%
X LTD COST	**4.01%**	**4.01%**		**4.01%**	**4.01%**	0.0%
INTEREST	142.7	136.1	0.0	136.1	160.5	0.0%

APPENDIX E

California American Water
Felton

ADMINISTRATIVE & GENERAL EXPENSES

2006

ITEM	STAFF ORIGINAL	STAFF REVISED	UTILITY REVISED	UTILITY ORIGINAL	**ADOPTED**
	(Thousands of $)		(Thousands of $)		
AT PRESENT RATES					
Operating Revenues less Uncoll.	757.2	1,081.9	1,081.9	755.3	**1,081.9**
Local Franchise Tax Rate	0.0000%	0.0000%	0.0000%	0.0000%	**0.0000%**
Local Franchise Tax	0.0	0.0	0.0	0.0	**0.0**
Property Insurance	3.4	3.4	3.4	19.5	**3.4**
Worker's Comp., Injuries & Damages	6.0	6.0	6.0	34.2	**6.0**
Employee Pension & Benefits	62.1	62.1	62.1	140.2	**62.1**
Regulatory Expense	1.5	1.5	1.5	8.8	**1.5**
Outside Services	8.2	8.2	8.2	46.9	**8.2**
Miscellaneous General Expenses	9.1	9.1	9.1	51.9	**9.1**
Office Supplies	0.5	0.5	0.5	3.0	**0.5**
Other Mtnc of General Plant	0.2	0.2	0.2	1.0	**0.2**
Rents	0.2	0.2	0.2	1.2	**0.2**
Total A & G Expenses	91.2	91.2	91.2	306.7	**91.2**
(Incl. local Franchise Taxes)	91.2	91.2	91.2	306.7	**91.2**
Employee Related Expenses		77.2	77.2		**77.2**
5% Reduction		3.9	3.9		**3.9**
Auhtorized A&G Expenses		87.3	87.3		**87.3**
PAYROLL	247.0	281.1	281.1	281.1	**281.1**
5% Reduction		14.1	14.1		**14.1**
Authorized Payroll		267.0	267.0		**267.0**
AT PROPOSED RATES					
Operating Revenues less Uncoll.	1,203.4	1,239.8	1,239.8	1,549.9	**1,239.8**
Local Franchise Tax Rate	0.0000%	0.0000%	0.0000%	0.0000%	**0.0000%**
Local Franchise Tax	0.0	0.0	0.0	0.0	**0.0**
Pension Cost in Surcharge		64.1	64.1		**64.1**
TOTAL A&G INCLUDING PENSION		155.3	155.3		**155.3**

APPENDIX E

California American Water
Felton

OPERATION & MAINTENANCE EXPENSES

2006

ITEM	STAFF ORIGINAL	STAFF REVISED	UTILITY REVISED	UTILITY ORIGINAL	ADOPTED
	(Thousands of $)		(Thousands of $)		
AT PRESENT RATES					
Operating Revenues	758.9	1,084.4	1,084.4	757.0	**1,084.4**
Uncollectible Rate	0.2300%	0.2300%	0.2300%	0.2300%	**0.2300%**
Uncollectibles	1.7	2.5	2.5	1.7	**2.5**
Operation Expense					
Source of Supply Expense	0.0	0.0	0.0	0.0	**0.0**
Source of Supply - Miscellaneous	2.8	2.8	2.8	2.8	**2.8**
Pumping Expense - Electric	2.1	2.1	2.1	2.1	**2.1**
Purchased Power	58.4	59.0	59.0	60.0	**59.0**
Water Treatment	0.0	0.0	0.0	0.0	**0.0**
Water Treatment - Miscellaneous	32.2	32.2	32.2	32.2	**32.2**
Chemicals	4.4	4.4	4.4	4.4	**4.4**
Storage Facilities Expense	0.0	0.0	0.0	0.0	**0.0**
Trans. & Dist. - Lines	0.0	0.0	0.0	0.0	**0.0**
Trans. & Dist. - Meters	0.0	0.0	0.0	0.0	**0.0**
Trans. & Dist. - Customer Installation	0.0	0.0	0.0	0.0	**0.0**
Trans. & Dist. - Misc.	13.3	13.3	13.3	13.3	**13.3**
Customer Accts. - Meter Reading	17.6	17.6	17.6	17.6	**17.6**
Customer Accts. - Records & Collect. & Misc.	0.0	0.0	0.0	0.0	**0.0**
Customer Accounts - Uncollectibles	1.7	2.5	2.5	1.7	**2.5**
Total Operation Expenses	132.5	133.9	133.9	134.1	**133.9**
Maintenance Expenses					
Source of Supply - Structures	6.9	6.9	6.9	6.9	**6.9**
Source of Supply - Collection	0.0	0.0	0.0	0.0	**0.0**
Source of Supply - Wells	0.0	0.0	0.0	0.0	**0.0**
Source of Supply - Misc	0.0	0.0	0.0	0.0	**0.0**
Pumping - Structures	0.6	0.6	0.6	0.6	**0.6**
Pumping - Pumping Equipment	1.2	1.2	1.2	1.2	**1.2**
Water Treatment - Structures	0.0	0.0	0.0	0.0	**0.0**
Water Treatment - Other	7.9	7.9	7.9	7.9	**7.9**
T & D Reservoirs & Tanks	0.0	0.0	0.0	0.0	**0.0**
T & D Mains	0.0	0.0	0.0	0.0	**0.0**
T & D Services	0.0	0.0	0.0	0.0	**0.0**
T & D Meters	0.0	0.0	0.0	0.0	**0.0**
T & D Hydrants	0.0	0.0	0.0	0.0	**0.0**
T & D Miscellaneous	22.3	22.3	22.3	22.3	**22.3**
Total Maintenance Expense	38.9	38.9	38.9	38.9	**38.9**
Total O & M Expenses (incl. Uncoll.)	171.4	172.8	172.8	173.0	**172.8**
Reduction of 5% for employee related costs		0.0	0.0		**0.0**
(There are no employee costs in the above)					
AT PROPOSED RATES					
Operating Revenues	1,206.2	1,242.7	1,242.7	1,553.5	**1,242.7**
Uncollectible Rate	0.2300%	0.2300%	0.2300%	0.2300%	**0.2300%**
Uncollectibles	2.8	2.9	2.9	3.6	**2.9**
Total O & M Expenses (incl. Uncoll.)	172.5	173.2	173.2	174.9	**173.2**