APPENDIX A

SOUTHERN CALIFORNIA WATER COMPANY
Annual Amortization and Surcharge

ARDEN CORDOVA LITIGATION MEMO ACCOUNT	
SCWC vs. State of California Legal Costs	$5,548,507
Settlement with the State	($2,475,000)
Amortization authorized by the PUC	($502,793)
SCWC vs. Aerojet Legal Costs	$16,942,157
Aerojet payment, dismissal of cross complaint	($15,000)
SCWC vs. Aerojet Reimbursement	($3,255,444)
Amortization authorized by the PUC	($519,568)
Purchased Water	$1,005,367
Aerojet reimbursement for SMUD water	($1,005,367)
Purchased Power	$31,230
Other Expenses	$459,415
Carrying Costs 1/	$4,074,375
Depreciation	$0
Interest 1/	$1,010,176
Aerojet Memo Account, 01/31/05	**$21,298,057**
Annual Amortization over 20 years	**$1,064,491**

Calculations

(a)	(b) Flat	(c) Metered	(d) Total
1 Adopted Revenue Ratio	60.00%	40.00%	100.00%
2 Annual Revenue	$638,695	$425,796	$1,064,491
3 Adopted customers	11,279	2,457	13,736
4 Adopted Sales	3,737,900	3,547,100	7,285,000

SURCHARGES 2/

Flat Rate, per cust, per mo.
($638,695 / 11,279 / 12) $4.72

Metered, per Ccf
($425,796 / 3,547,100) $0.120

1/ Carrying costs for plants and the interest on carrying costs are allowed upto 12/31/03. Effective 1/1/2004, the plants amounting to $ 8 million shall be removed from the memorandum account and put in a deferred account with interest at 5% and will not be a part of the rate base.

2/ The surcharge amounts will be recalculated once every rate case cycle, or more frequently if any year the receipt of Water Availability Fee (WAF) monies will permit a reduction in the Utility's Tariff Schedule AC-2 monthly bill of $0.50 or more.

Schedule No. AC-1

Arden-Cordova District

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all general metered water service.

TERRITORY

Arden Manor area located approximately six miles northeast of Sacramento and Rancho Cordova and vicinity, Sacramento County.

RATES

Quantity Rate:

For all water delivered, per 100 cu. ft..... $ 0.461

Service Charges:	Per Meter Per Month
For 5/8 x 3/4-inch meter.....	$ 7.70
For 3/4-inch meter.....	11.55
For 1-inch meter.....	19.20
For 1 1/2 inch meter.....	38.40
For 2-inch meter.....	61.50
For 3-inch meter.....	115.00
For 4-inch meter.....	192.00
For 6-inch meter.....	384.00
For 8-inch meter.....	615.00
For 10-inch meter.....	884.00

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

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

2. Service with 5/8 x 3/4-inch meters and 3/4-inch meters is available only to customers served with 5/8 x 3/4-inch and 3/4-inch meters as of May 31, 1995.

3. Due to the undercollection in the Water Quality Litigation Memorandum Account, a surcharge of $0.0419 per Ccf is to be added to the Quantity Rate for a 72-month period, ending on April 27, 2007.

4. As authorized by the California Public Utilities Commission in Decision 04-03-039, all bills are subject to a surcredit $0.0788 per Ccf for a 9-year amortization period, beginning May 6, 2004, the effective date of Advice Letter 1150-W. This surcredit will refund the ratepayer portion of the revenues collected from the City of Folsom for the period of July 1, 1994 through March 16, 2004.

5. Pursuant to Decision 04-08-052, a surcharge of $0.0058 per Ccf is to be added to the Quantity Rate for a 12-month period, beginning with the effective date of Advice Letter 1183-W, which is January 9, 2005, to recover the difference between the interim rates and actual rates for the period of January 1, 2004 through September 2, 2004.

6. Pursuant to Decision 05-07-xxx, to recover the balance as of January 31, 2005 in the Water Quality Litigation Memorandum Account, a surcharge of $1.20 is to be added to the quantity rate for 20 years. The surcharge amount will be recalculated once in every rate cycle, or more frequently if in any year the receipt of Water Availability Fee (WAF) monies will permit a reduction of $0.50 or more in the monthly bill under Tariff Schedule AC-2. (N)

APPENDIX B

Schedule No. AC-2

Arden-Cordova District

FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service. This schedule is closed to new installations.

TERRITORY

Arden Manor area located approximately six miles northeast of Sacramento and Rancho Cordova and vicinity, Sacramento County.

RATES

	Per Service Connection Per Month
For a single unit of occupancy, including premises not exceeding 12,000 sq. ft. in area.....	$31.70
For a duplex including premises not exceeding 12,000 sq. ft. in area.....	$ 63.20
a. For each additional detached unit of occupancy on the same premises and served from the same service connection.....	$ 31.70
b. For each swimming pool equipped with a recirculating filter system, on the same premises and served from the same service connection.....	$ 7.10

SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one inch in diameter.
2. For service covered by the above classification, if either the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. AC-1, General Metered Service.
3. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
4. Due to the undercollection in the Water Quality Litigation Memorandum Account, a surcharge of $1.16 is to be added to the monthly service connection charge for a 72-month period, ending on April 27, 2007.
5. As authorized by the California Public Utilities Commission in Decision 04-03-039, all bills are subject to a surcredit of $2.19 per month for a 9-year amortization period, beginning May 6, 2004, the effective date of Advice Letter 1150-W. This surcredit will refund the ratepayer portion of the revenues collected from the City of Folsom for the period of July 1, 1994 through March 16, 2004.
6. Pursuant to Decision 04-08-052, a surcharge of $0.2295 is to be added to the monthly service connection charge for a 12-month period, beginning with the effective date of Advice Letter No. 1183-W, which is January 9, 2005, to recover the difference between the interim rates and actual rates for the period of January 1, 2004 through September 2, 2004.
7. Pursuant to Decision 05-07-xxx, to recover the balance as of January 31, 2005 in the Water Quality Litigation Memorandum Account, a surcharge of $4.72 is to be added to the monthly service connection charge for 20 years. The surcharge amount will be recalculated once in every rate cycle, or more frequently if in any year the receipt of Water Availability Fee (WAF) monies will permit a reduction of $0.50 or more in the monthly bill under this tariff schedule. (N)

APPENDIX C

Impact of Aerojet Amortization (Surcharge) on Monthly Bills

Tariff Schedule	Average Usage	Current Rates effective 6-8-05	Monthly Bill at Current Rates	Surcharge Amount	Amount of Increase	Monthly Bill with Surcharge	%Increase
AC-1 (General Metered Service)	116Ccf 1" Meter	$0.461/ Ccf $19.2 / month	$53.48 $19.20 $72.68	$0.12 / Ccf	$13.92	$86.60	19.15%
AC-2 (Flat Rate Srevice)	Flat	$31.70	$31.70	$4.72 / month	$4.72	$36.42	14.89%