

COMPARISON OF REVISED AND DRA RECOMMENDED  
RATE OF RETURN

A.07-01-036 et al. COM/JB2/hl2

LARKFIELD

DRAFT

	Cal-Am Revised			DRA Recommended			ADOPTED		
	Capital Structure	Cost Factor	Weighted Cost	Capital Structure	Cost Factor	Weighted Cost	Capital Structure	Cost Factor	Weighted Cost
<u>Test Year</u> <u>2008</u>									
Long-Term Debt	58.16%	6.20%	3.60%	58.16%	6.20%	3.60%	58.16%	6.20%	3.60%
Common Equity	41.84%	11.50%	4.81%	41.84%	9.96%	4.17%	41.84%	10.15%	4.25%
Total	100.00%		<u>8.41%</u>	100.00%		<u>7.77%</u>	100.00%		<u>7.85%</u>
 <u>Escalation Year</u> <u>2009</u>									
Long-Term Debt	58.32%	6.25%	3.64%	58.32%	6.25%	3.64%	58.32%	6.25%	3.64%
Common Equity	41.68%	11.50%	4.79%	41.68%	9.96%	4.15%	41.68%	10.15%	4.23%
Total	100.00%		<u>8.43%</u>	100.00%		<u>7.79%</u>	100.00%		<u>7.87%</u>
 <u>Attrition Year</u> <u>2010</u>									
Long-Term Debt	58.83%	6.29%	3.70%	58.83%	6.29%	3.70%	58.83%	6.29%	3.70%
Common Equity	41.17%	11.50%	4.73%	41.17%	9.96%	4.10%	41.17%	10.15%	4.18%
Total	100.00%		<u>8.43%</u>	100.00%		<u>7.80%</u>	100.00%		<u>7.88%</u>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

SUMMARY OF EARNINGS

TEST YEAR 2008

(AT PRESENT RATES)

ITEM	STAFF	UTILITY	ADOPTED
	SETTLEMENT	SETTLEMENT	
	(1000's of \$)	(1000's of \$)	
OPERATING REVENUES	2,054.4	2,054.4	<b>2,054.4</b>
OPERATING EXPENSES			
OPERATION & MAINTENANCE	515.1	515.1	<b>515.1</b>
ADMINISTRATIVE & GENERAL	290.1	324.5	<b>324.5</b>
PAYROLL	304.1	304.1	<b>304.1</b>
ACQUISITION PREM & RWE SAVINGS	69.7	69.7	<b>69.7</b>
G. O. PRORATED EXP.	167.3	167.3	<b>167.3</b>
DEPRECIATION & AMORTIZATION	490.6	490.6	<b>490.6</b>
TAXES OTHER THAN INCOME	145.2	145.2	<b>138.8</b>
STATE CORP. FRANCHISE TAX	(15.5)	(18.1)	<b>(16.2)</b>
FEDERAL INCOME TAX	(67.7)	(79.7)	<b>(71.1)</b>
TOTAL OPERATING EXPENSES	1,898.9	1,918.7	<b>1,922.8</b>
NET OPERATING REVENUE	155.5	135.7	<b>131.6</b>
RATE BASE	7,677.2	7,677.2	<b>7,173.0</b>
RATE OF RETURN	2.03%	1.77%	<b>1.83%</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

SUMMARY OF EARNINGS

TEST YEAR 2008  
(Proposed Rates)

ITEM	STAFF	STAFF	UTILITY		ADOPTED
	ORIGINAL	AT DRA REC. ROR	AT PRO. REC. ROR	ORIGINAL	
	(1000's of \$)		(1000's of \$)		
OPERATING REVENUES	2,334.7	2,824.4	2,944.7	3,150.8	<b>2,807.6</b>
OPERATING EXPENSES					
OPERATION & MAINTENANCE	514.9	517.1	517.5	519.7	<b>517.1</b>
ADMINISTRATIVE & GENERAL	289.6	290.1	324.5	331.5	<b>324.5</b>
PAYROLL	304.1	304.1	304.1	304.1	<b>304.1</b>
ACQUISITION PREM & RWE SAVINGS	69.7	69.7	69.7	69.7	<b>69.7</b>
G. O. PRORATED EXP.	167.3	167.3	167.3	167.3	<b>167.3</b>
DEPRECIATION & AMORTIZATION	38.7	490.6	490.6	517.0	<b>490.6</b>
TAXES OTHER THAN INCOME	121.7	145.2	145.2	172.9	<b>138.8</b>
STATE CORP. FRAN. TAX	42.0	42.6	49.0	56.4	<b>40.6</b>
FEDERAL INCOME TAX	199.2	201.1	231.0	265.0	<b>191.8</b>
TOTAL OPERATING EXPENSES	1,747.2	2,227.8	2,298.9	2,403.5	<b>2,244.5</b>
NET OPERATING REVENUE	587.6	596.6	645.8	747.3	<b>563.1</b>
RATE BASE	7,559.4	7,677.2	7,677.2	8,884.2	<b>7,173.0</b>
RATE OF RETURN	7.77%	7.77%	8.41%	8.41%	<b>7.85%</b>
PERCENTAGE INCREASE		37.48%	43.34%		<b>36.66%</b>

CALIFORNIA-AMERICAN WATER CO.  
LARKFIELD DISTRICT

WATER SALES PER AVERAGE CUSTOMER  
TEST YEAR 2008  
CCF

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
Residential	176.8	176.8	176.8	176.8	<b>176.8</b>
Commercial	456.7	456.7	456.7	456.7	<b>456.7</b>
Public Authority	2,403.7	2,403.7	2,403.7	2,403.7	<b>2,403.7</b>
Industrial	2,279.3	2,279.3	2,279.3	2,279.3	<b>2,279.3</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
Unmetered	0.0	0.0	0.0	0.0	<b>0.0</b>
Private Fire Service	0.0	0.0	0.0	0.0	<b>0.0</b>

CALIFORNIA-AMERICAN WATER CO.  
LARKFIELD DISTRICT

WATER SALES PER AVERAGE CUSTOMER  
TEST YEAR 2009  
CCF

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
Residential	176.8	176.8	176.8	176.8	<b>176.8</b>
Commercial	456.7	456.7	456.7	456.7	<b>456.7</b>
Public Authority	2,403.7	2,403.7	2,403.7	2,403.7	<b>2,403.7</b>
Industrial	2,279.3	2,279.3	2,279.3	2,279.3	<b>2,279.3</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
Unmetered	0.0	0.0	0.0	0.0	<b>0.0</b>
Private Fire Service	0.0	0.0	0.0	0.0	<b>0.0</b>

CALIFORNIA-AMERICAN WATER CO.  
LARKFIELD DISTRICT  
AVERAGE NUMBER OF CUSTOMERS

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
<u>Metered Connections</u>					
Residential	2,071	2,071	2,071	2,071	<b>2,071</b>
Commercial	293	293	293	293	<b>293</b>
Public Authority	5	5	5	5	<b>5</b>
Industrial	1	1	1	1	<b>1</b>
Irrigation	0	0	0	0	<b>0</b>
<b>Total metered connections</b>	<b>2,370</b>	<b>2,370</b>	<b>2,370</b>	<b>2,370</b>	<b>2,370</b>
<u>Fire Protection connections</u>					
Unmetered	0	0	0	0	<b>0</b>
Private Fire Service	47	47	47	47	<b>47</b>
<u>Total Active connections</u>					
Include Fire Protection	2,417	2,417	2,417	2,417	<b>2,417</b>
Exclude Fire Protection	2,370	2,370	2,370	2,370	<b>2,370</b>

CALIFORNIA-AMERICAN WATER CO.  
LARKFIELD DISTRICT

AVERAGE NUMBER OF CUSTOMERS

TEST YEAR 2009

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
<u>Metered Connections</u>					
Residential	2,138	2,138	2,138	2,138	<b>2,138</b>
Commercial	295	295	295	295	<b>295</b>
Public Authority	5	5	5	5	<b>5</b>
Industrial	1	1	1	1	<b>1</b>
Irrigation	0	0	0	0	<b>0</b>
<b>Total metered connections</b>	<b>2,439</b>	<b>2,439</b>	<b>2,439</b>	<b>2,439</b>	<b>2,439</b>
Fire Protection connections					
Unmetered	0	0	0	0	<b>0</b>
Private Fire Service	52	52	52	52	<b>52</b>
<u>Total Active connections</u>					
Include Fire Protection	2,491	2,491	2,491	2,491	<b>2,491</b>
Exclude Fire Protection	2,439	2,439	2,439	2,439	<b>2,439</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

TOTAL SALES AND SUPPLY

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
<u>METERED SALES KCCF</u>					
Residential	366.2	366.2	366.2	366.2	<b>366.2</b>
Commercial	133.8	133.8	133.8	133.8	<b>133.8</b>
Public Authority	12.0	12.0	12.0	12.0	<b>12.0</b>
Industrial	2.3	2.3	2.3	2.3	<b>2.3</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>TOTAL METERED SALES</b>	<b>514.3</b>	<b>514.3</b>	<b>514.3</b>	<b>514.3</b>	<b>514.3</b>
UNMETERED SALES	0.0	0.0	0.0	0.0	<b>0.0</b>
PRIVATE FIRE SERVICE	0.0	0.0	0.0	0.0	<b>0.0</b>
<u>Unaccounted For Water (7%)</u>	<u>38.7</u>	<u>38.7</u>	<u>38.7</u>	<u>38.7</u>	<b>38.7</b>
TOTAL WATER PRODUCTION-KCCF	553.0	553.0	553.0	553.0	<b>553.0</b>
TOTAL WATER PRODUCTION-AF	1,269.4	1,269.4	1,269.4	1,269.4	<b>1,269.4</b>
PRODUCTION -AF					
Purchased water- Sonoma County Water Agency	548.0	548.0	548.0	548.0	<b>548.0</b>
<u>Company Wells</u>	<u>721.4</u>	<u>721.4</u>	<u>721.4</u>	<u>721.4</u>	<b>721.4</b>
Total Production-AF	1,269.4	1,269.4	1,269.4	1,269.4	<b>1,269.4</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

TOTAL SALES AND SUPPLY

TEST YEAR 2009

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
<u>METERED SALES KCCF</u>					
Residential	378.0	378.0	378.0	378.0	<b>378.0</b>
Commercial	134.7	134.7	134.7	134.7	<b>134.7</b>
Public Authority	12.0	12.0	12.0	12.0	<b>12.0</b>
Industrial	2.3	2.3	2.3	2.3	<b>2.3</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>TOTAL METERED SALES</b>	<b>527.0</b>	<b>527.0</b>	<b>527.0</b>	<b>527.0</b>	<b>527.0</b>
UNMETERED SALES	0.0	0.0	0.0	0.0	<b>0.0</b>
PRIVATE FIRE SERVICE	0.0	0.0	0.0	0.0	<b>0.0</b>
<u>Unaccounted For Water (7%)</u>	<u>39.7</u>	<u>39.7</u>	<u>39.7</u>	<u>39.7</u>	<b>39.7</b>
TOTAL WATER PRODUCTION-KCCF	566.7	566.7	566.7	566.7	<b>566.7</b>
TOTAL WATER PRODUCTION-AF	1,300.9	1,300.9	1,300.9	1,300.9	<b>1,300.9</b>
PRODUCTION -AF					
Purchased water- Sonoma County Water Agency	548.0	548.0	548.0	548.0	<b>548.0</b>
<u>Company Wells</u>	<u>752.9</u>	<u>752.9</u>	<u>752.9</u>	<u>752.9</u>	<b>752.9</b>
Total Production-AF	1,300.9	1,300.9	1,300.9	1,300.9	<b>1,300.9</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

OPERATING REVENUES

TEST YEAR 2008

(AT PRESENT RATES)

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
<b>METERED REVENUES</b>					
Residential	1,445.5	1,445.5	1,445.5	1,445.5	<b>1,445.5</b>
Commercial	538.7	538.7	538.7	538.7	<b>538.7</b>
Public Authority	48.2	48.2	48.2	48.2	<b>48.2</b>
Industrial	10.6	10.6	10.6	10.6	<b>10.6</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>TOTAL GENERAL METERED</b>	<b>2,043.0</b>	<b>2,043.0</b>	<b>2,043.0</b>	<b>2,043.0</b>	<b>2,043.0</b>
<b>UNMETERED</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>OTHER REVENUES</b>					
Private Fire Service	9.0	9.0	9.0	9.0	<b>9.0</b>
Misc. Service	0.1	0.1	0.1	0.1	<b>0.1</b>
Other	2.3	2.3	2.3	2.3	<b>2.3</b>
<b>TOTAL OTHER AND FLAT RATE</b>	<b>11.4</b>	<b>11.4</b>	<b>11.4</b>	<b>11.4</b>	<b>11.4</b>
<b>TOTAL REVENUES</b>	<b>2,054.4</b>	<b>2,054.4</b>	<b>2,054.4</b>	<b>2,054.4</b>	<b>2,054.4</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

OPERATING REVENUES

TEST YEAR 2008  
STANDARD RATE DESIGN  
(AT PROPOSED RATES)

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
<u>METERED REVENUES</u>					
Residential	1,643.0	1,987.9	2,072.3	2,217.5	<b>1,975.8</b>
Commercial	612.3	740.8	772.7	826.8	<b>736.7</b>
Public Authority	54.8	66.3	69.1	73.9	<b>65.8</b>
Industrial	12.0	14.6	15.3	16.4	<b>14.6</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>TOTAL GENERAL METERED</b>	<b>2,322.1</b>	<b>2,809.6</b>	<b>2,929.4</b>	<b>3,134.6</b>	<b>2,792.9</b>
<u>UNMETERED</u>	0.0	0.0	0.0	0.0	<b>0.0</b>
<u>OTHER REVENUES</u>					
Private Fire Service	10.2	12.4	12.9	13.8	<b>12.3</b>
Misc. Service	0.1	0.1	0.1	0.1	<b>0.1</b>
Other	2.3	2.3	2.3	2.3	<b>2.3</b>
<b>TOTAL OTHER AND UNMETERED</b>	<b>12.6</b>	<b>14.8</b>	<b>15.3</b>	<b>16.2</b>	<b>14.7</b>
<b>TOTAL REVENUES</b>	<b>2,334.7</b>	<b>2,824.4</b>	<b>2,944.7</b>	<b>3,150.8</b>	<b>2,807.6</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

OPERATION & MAINTENANCE EXPENSES

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
<u>AT PRESENT RATES</u>					
Operating Revenues	2,054.4	2,054.4	2,054.4	2,054.4	<b>2,054.4</b>
Uncollectible Rate	0.2600%	0.2600%	0.2600%	0.2600%	<b>0.2600%</b>
Uncollectibles	5.3	5.3	5.3	5.3	<b>5.3</b>
<u>Operation Expense</u>					
Source of Supply - Miscellaneous	10.2	10.2	10.2	10.3	<b>10.2</b>
Purchased Water	298.9	298.9	298.9	298.9	<b>298.9</b>
Pumping Expense-Miscellaneous	1.0	1.0	1.0	1.0	<b>1.0</b>
Purchased Power	79.9	79.9	79.9	79.9	<b>79.9</b>
Water Treatment - Miscellaneous	43.7	43.7	43.7	44.6	<b>43.7</b>
Chemicals	20.9	20.9	20.9	20.9	<b>20.9</b>
Storage Facilities Expense	0.6	0.6	0.6	0.6	<b>0.6</b>
Trans. & Dist. - Customer Installation	0.4	0.4	0.4	0.4	<b>0.4</b>
Trans. & Dist. - Misc	20.8	20.8	20.8	21.2	<b>20.8</b>
Customer Accts. - Meter Reading	0.1	0.1	0.1	0.1	<b>0.1</b>
Customer Accts. - Misc.	9.7	9.7	9.7	9.9	<b>9.7</b>
Uncollectibles	5.3	5.3	5.3	5.3	<b>5.3</b>
Total Operation Expenses	491.5	491.5	491.5	493.1	<b>491.5</b>
<u>Maintenance Expenses</u>					
Source of Supply - Wells	0.5	0.9	0.9	1.3	<b>0.9</b>
Source of Supply - Other	0.2	0.2	0.2	0.2	<b>0.2</b>
Pumping - Power Production	3.5	3.5	3.5	3.6	<b>3.5</b>
Water Treatment - Equipment	3.1	3.1	3.1	3.1	<b>3.1</b>
T & D Reservoirs & Tanks	5.4	5.4	5.4	5.4	<b>5.4</b>
T & D Mains	6.2	6.2	6.2	6.2	<b>6.2</b>
T & D Meters	0.2	0.2	0.2	0.2	<b>0.2</b>
T & D Hydrants	1.0	1.3	1.3	1.6	<b>1.3</b>
T & D Misc. Plant	2.8	2.8	2.8	2.8	<b>2.8</b>
Total Maintenance Expense	22.9	23.6	23.6	24.4	<b>23.6</b>
Total O & M Expenses (incl. Uncoll.)	514.4	515.1	515.1	517.5	<b>515.1</b>
<u>AT PROPOSED RATES</u>					
Operating Revenues	2,334.7	2,824.4	2,944.7	3,150.8	<b>2,807.6</b>
Uncollectible Rate	0.2600%	0.2600%	0.2600%	0.2600%	<b>0.2600%</b>
Uncollectibles	6.1	7.3	7.7	7.5	<b>7.3</b>
Total O & M Expenses (incl. Uncoll.)	515.2	517.1	517.5	519.7	<b>517.1</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

ADMINISTRATIVE & GENERAL EXPENSES

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
<u>AT PRESENT RATES</u>					
Operating Revenues less Uncoll.	2,049.1	2,049.1	2,049.1	2,049.1	<b>2,049.1</b>
Local Franchise Tax Rate	0.0000%	0.0000%	0.0000%	0.0000%	<b>0.0000%</b>
Franchise Tax	0.0	0.0	0.0	0.0	<b>0.0</b>
Office Supplies & Expenses	2.3	2.4	2.4	2.4	<b>2.4</b>
Property Insurance	41.3	41.3	41.3	41.3	<b>41.3</b>
Worker's Comp., Injuries & Damages	16.8	16.8	16.8	16.8	<b>16.8</b>
Employee Pension & Benefits	104.5	<b>104.5</b>	<b>110.5</b>	110.5	<b>110.5</b>
Regulatory Expense	13.6	<b>13.6</b>	<b>42.0</b>	42.0	<b>42.0</b>
Outside Services	5.8	5.9	5.9	8.0	<b>5.9</b>
Miscellaneous General Expenses	84.0	84.2	84.2	88.7	<b>84.2</b>
Miscellaneous General Plant	0.3	0.4	0.4	0.6	<b>0.4</b>
Rents	21.0	21.0	21.0	21.1	<b>21.0</b>
Total A & G Expenses (Incl. local Franchise Taxes)	289.6	290.1	324.5	331.5	<b>324.5</b>
PAYROLL	304.1	304.1	304.1	304.1	<b>304.1</b>
<u>Allocated GO Expenses</u>					
G.O. Allocation	167.3	167.3	167.3	167.3	<b>167.3</b>
Acquisition Premium	85.2	85.2	85.2	85.2	<b>85.2</b>
RWE Savings	(15.5)	(15.5)	(15.5)	(15.5)	<b>(15.5)</b>
Subtotal	237.0	237.0	237.0	237.0	<b>237.0</b>
Total A&G and Allocated GO exp.	830.7	831.2	865.6	872.5	<b>865.6</b>
<u>AT PROPOSED RATES</u>					
Operating Revenues less Uncoll.	2,328.6	2,817.1	2,937.0	3,143.3	<b>2,800.3</b>
Franchise & B.L. Rate	0.0000%	0.0000%	0.0000%	0.0000%	<b>0.0000%</b>
Franchise Tax	0.0	0.0	0.0	0.0	<b>0.0</b>
Total A & G Expenses (Incl. local Franchise Taxes)	289.6	290.1	324.5	331.5	<b>324.5</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

TAXES OTHER THAN INCOME

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Ad Valorem taxes	99.0	122.5	122.5	150.2	<b>116.1</b>
Loc Fran Taxes (pres rates)	0.0	0.0	0.0	0.0	<b>0.0</b>
Loc Fran Taxes (prop rates)	0.0	0.0	0.0	0.0	<b>0.0</b>
Net Payroll taxes	22.7	22.7	22.7	22.7	<b>22.7</b>
Business License (pres rates)	0.0	0.0	0.0	0.0	<b>0.0</b>
Business License (prop rates)	0.0	0.0	0.0	0.0	<b>0.0</b>
Taxes other than Income (present rates)	121.7	145.2	145.2	172.9	<b>138.8</b>
Taxes other than Income (proposed rates)	121.7	145.2	145.2	172.9	<b>138.8</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

TAXES BASED ON INCOME

TEST YEAR 2008

( PRESENT RATES)

	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Operating Revenues	2,054.4	2,054.4	2,054.4	2,054.4	<b>2,054.4</b>
Deductions:					
O & M expenses	514.4	515.1	515.1	517.5	<b>515.1</b>
A & G Expenses	289.6	290.1	324.5	331.5	<b>324.5</b>
G.O. Prorated Expenses	167.3	167.3	167.3	167.3	<b>167.3</b>
Payroll	304.1	304.1	304.1	304.1	<b>304.1</b>
Acquisition Premium	85.2	85.2	85.2	85.2	<b>85.2</b>
RWE Expense Savings	(15.5)	(15.5)	(15.5)	(15.5)	<b>(15.5)</b>
Taxes not on Inc.	121.7	145.2	145.2	172.9	<b>138.8</b>
Interest	272.9	277.1	277.1	322.5	<b>258.9</b>
Book Depreciation	38.7	490.6	490.6	517.0	<b>490.6</b>
Income before taxes	276.1	(204.8)	(239.2)	(349.3)	<b>(214.6)</b>
<u>California Corp. Franchise Tax</u>					
State Tax Deductions	0.0	0.0	0.0	0.0	<b>0.0</b>
Taxable Income for CCFT	276.1	(204.8)	(239.2)	(349.3)	<b>(214.6)</b>
CCFT Rate	7.56%	7.56%	7.56%	7.56%	<b>7.56%</b>
CCFT	20.9	(15.5)	(18.1)	(26.4)	<b>(16.2)</b>
Less Deferred Taxes	0.0	0.0	0.0	0.0	<b>0.0</b>
Total State Income Taxes	20.9	(15.5)	(18.1)	(26.4)	<b>(16.2)</b>
<u>Federal Income Tax</u>					
Federal Tax Deductions	(13.5)	(11.4)	(11.4)	(11.4)	<b>(11.4)</b>
Taxable income for FIT	289.6	(193.4)	(227.8)	(337.9)	<b>(203.2)</b>
FIT Rate	35.00%	35.00%	35.00%	35.00%	<b>35.00%</b>
FIT	101.3	(67.7)	(79.7)	(118.3)	<b>(71.1)</b>
Less Deferred Taxes	0.0	0.0	0.0	0.0	<b>0.0</b>
Total Federal Income Tax	101.3	(67.7)	(79.7)	(118.3)	<b>(71.1)</b>
Total FIT and CCFT	122.2	(83.2)	(97.8)	(144.7)	<b>(87.3)</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

TAXES BASED ON INCOME

TEST YEAR 2008

(PROPOSED RATES)

	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Operating Revenues	2,334.7	2,824.4	2,944.7	3,150.8	<b>2,807.60</b>
Deductions:					
O & M expenses	515.2	517.1	517.5	519.7	<b>517.1</b>
A & G Expenses	289.6	290.1	324.5	331.5	<b>324.5</b>
G. O. Prorated Expenses	167.3	167.3	167.3	167.3	<b>167.3</b>
Payroll	304.1	304.1	304.1	304.1	<b>304.1</b>
Acquisition Premium	85.2	85.2	85.2	85.2	<b>85.2</b>
RWE Expense Savings	(15.5)	(15.5)	(15.5)	(15.5)	<b>-15.5</b>
Taxes not on Inc.	121.7	145.2	145.2	172.9	<b>138.8196654</b>
Interest	272.9	277.1	277.1	322.5	<b>258.942264</b>
Book Depreciation	38.7	490.6	490.6	517.0	<b>490.5850227</b>
Income before taxes	555.7	563.1	648.7	746.1	<b>536.6</b>
<u>California Corp. Franchise Tax</u>					
State Tax Deductions	0.0	0.0	0.0	0.0	<b>0</b>
Taxable Income for CCFT	555.7	563.1	648.7	746.1	<b>536.6</b>
CCFT Rate	7.56%	7.56%	7.56%	7.56%	<b>7.56%</b>
CCFT	42	42.6	49	56.4	<b>40.6</b>
Less Deferred Taxes	0.0	0.0	0.0	0.0	<b>0.0</b>
Total State Income Taxes	42.0	42.6	49.0	56.4	<b>40.6</b>
<u>Federal Income Tax</u>					
Federal Tax Deductions	(13.5)	(11.4)	(11.4)	(11.4)	<b>-11.4</b>
Taxable income for FIT	569.2	574.5	660.1	757.5	<b>548.0</b>
FIT Rate	35.00%	35.00%	35.00%	35.00%	<b>35.00%</b>
FIT	199.2	201.1	231.0	265.0	<b>191.8</b>
Less Deferred Taxes	0.0	0.0	0.0	0.0	<b>0.0</b>
Total Federal Income Tax	199.2	201.1	231.0	265.0	<b>191.8</b>
Total FIT and CCFT	241.2	243.7	280.0	321.4	<b>232.4</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

PLANT IN SERVICE

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Plant in Service - BOY	13,583.4	13,840.5	13,840.5	13,868.5	<b>13,840.5</b>
<u>Additions</u>					
Gross Additions	359.3	374.3	374.3	2,569.3	<b>374.3</b>
Retirements of Plant	<u>(53.8)</u>	<u>(53.8)</u>	<u>(53.8)</u>	<u>(53.8)</u>	<b><u>(53.8)</u></b>
Net Additions	305.5	320.5	320.5	2,515.5	<b>320.5</b>
CWIP - BOY	0.0	0.0	0.0	500.0	<b>0.0</b>
CWIP - EOY	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<b><u>0.0</u></b>
Net Change - CWIP	0.0	0.0	0.0	(500.0)	<b>0.0</b>
Plant in Service - EOY	13,888.9	14,161.0	14,161.0	16,384.0	<b>14,161.0</b>
WEIGHTING FACTOR	41.34%	41.34%	41.34%	41.34%	<b>41.34%</b>
WTD. AVG. PLANT IN SERVICE	13,709.7	13,973.0	13,973.0	15,201.7	<b>13,973.0</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

PLANT IN SERVICE

TEST YEAR 2009

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Plant in Service - BOY	13,888.9	14,161.0	14,161.0	16,384.0	<b>14,161.0</b>
<u>Additions</u>					
Gross Additions	463.9	403.9	403.9	408.9	<b>403.9</b>
Retirements of Plant	<u>(53.8)</u>	<u>(53.8)</u>	<u>(53.8)</u>	<u>(53.8)</u>	<b>(53.8)</b>
Net Additions	410.1	350.1	350.1	355.1	<b>350.1</b>
CWIP - BOY	0.0	0.0	0.0	0.0	<b>0.0</b>
CWIP - EOY	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<b>0.0</b>
Net Change in CWIP	0.0	0.0	0.0	0.0	<b>0.0</b>
Plant in Service - EOY	<u>14,299.0</u>	<u>14,511.1</u>	<u>14,511.1</u>	<u>16,739.1</u>	<b>14,511.1</b>
WEIGHTING FACTOR	41.34%	41.34%	41.34%	41.34%	<b>41.34%</b>
WTD. AVG. PLANT IN SERVICE	14,058.4	14,305.7	14,305.7	16,530.8	<b>14,305.7</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

DEPRECIATION RESERVE & EXPENSE

TEST YEAR 2008

	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
DEPRECIATION RESERVE - B.O.Y.	3,448.1	3,590.7	3,590.7	3,589.1	<b>4,094.9</b>
ACCRUALS					
Salvage and Cost of Removal	(4.8)	(4.8)	(4.8)	(4.8)	<b>(4.8)</b>
Contributions Depreciation	5.0	3.8	3.8	3.8	<b>3.8</b>
Annual Accrual	38.7	490.6	490.6	517.0	<b>490.6</b>
Adjustments	2.0	22.0	22.0	23.4	<b>22.0</b>
TOTAL ACCRUALS	40.9	511.6	511.6	539.4	<b>511.6</b>
RETIREMENTS	(53.5)	(53.8)	(53.8)	(53.8)	<b>(53.8)</b>
DEPRECIATION RESERVE - E.O.Y.	3,435.5	4,048.5	4,048.5	4,074.7	<b>4,552.8</b>
WEIGHTING FACTOR	51.77%	51.77%	51.77%	51.77%	<b>51.77%</b>
WTD. AVG. DEPRECIATION RESERVE	3,441.6	3,827.7	3,827.7	3,840.5	<b>4,331.9</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

DEPRECIATION RESERVE & EXPENSE

TEST YEAR 2009

	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
DEPRECIATION RESERVE - B.O.Y.	3,435.5	4,048.5	4,048.5	4,074.8	<b>4,552.8</b>
ACCRUALS					
Salvage and Cost of Removal	(4.8)	(4.8)	(4.8)	(4.8)	<b>(4.8)</b>
Contributions Depreciation	68.6	4.1	4.1	4.1	<b>4.1</b>
Annual Accrual	583.9	499.9	499.9	552.3	<b>499.9</b>
Adjustments	30.0	22.7	22.7	25.6	<b>22.7</b>
TOTAL ACCRUALS	<u>677.7</u>	<u>521.9</u>	<u>521.9</u>	<u>577.2</u>	<b><u>521.9</u></b>
RETIREMENTS	<u>(53.5)</u>	<u>(53.8)</u>	<u>(53.8)</u>	<u>(53.8)</u>	<b><u>(53.8)</u></b>
DEPRECIATION RESERVE - E.O.Y.	4,059.7	4,516.6	4,516.6	4,598.2	<b>5,020.9</b>
WEIGHTING FACTOR	51.77%	51.77%	51.77%	51.77%	<b>51.77%</b>
WTD. AVG. DEPRECIATION RESERVE	3,758.6	4,290.9	4,290.9	4,345.8	<b>4,795.1</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

WEIGHTED AVERAGE DEPRECIATED RATE BASE

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
WTD AVG PLANT IN SERVICE	13,709.7	13,973.0	13,973.0	15,201.7	<b>13,973.0</b>
MATERIALS & SUPPLIES	4.7	4.7	4.7	4.7	<b>4.7</b>
WORKING CASH, OPERATIONAL	36.2	36.2	36.2	36.2	<b>36.2</b>
WORKING CASH, LEAD-LAG	229.9	229.9	229.9	229.9	<b>229.9</b>
WTD AVG DEPR RESERVE	(3,441.6)	(3,827.7)	(3,827.7)	(3,840.5)	<b>(3,827.7)</b>
ADVANCES FOR CONSTR	(157.3)	(157.3)	(157.3)	(157.3)	<b>(157.3)</b>
UNAMORTIZED ADVANCES-20YR	(1,953.8)	(1,953.8)	(1,953.8)	(1,953.8)	<b>(1,953.8)</b>
CONTRIBUTIONS IN AID OF CONST	(479.5)	(229.5)	(229.5)	(229.5)	<b>(229.5)</b>
UNAMORTIZED CONTRIB- 20 YR	(204.5)	(204.5)	(204.5)	(204.5)	<b>(204.5)</b>
ACCUM. DEF. FED INC TAX	(228.2)	(235.6)	(235.6)	(242.6)	<b>(235.6)</b>
ACCUM. DEF. STATE INC TAX	(63.2)	(65.3)	(65.3)	(67.2)	<b>(65.3)</b>
GENERAL OFFICE ALLOC.	107.0	107.0	107.0	107.0	<b>107.0</b>
AVERAGE RATE BASE	7,559.4	7,677.2	7,677.2	8,884.2	<b>7,677.2</b>
<hr/>					
INTEREST CALCULATION:					
AVG RATE BASE	7,559.4	7,677.2	7,677.2	8,884.2	<b>7,677.2</b>
X WEIGHTED COST OF DEBT	3.61%	3.61%	3.61%	3.63%	<b>3.61%</b>
INTEREST EXPENSE	272.9	277.1	277.1	322.5	<b>277.1</b>

CALIFORNIA-AMERICAN WATER COMPANY  
LARKFIELD DISTRICT

WEIGHTED AVERAGE DEPRECIATED RATE BASE

TEST YEAR 2009

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
WTD AVG PLANT IN SERVICE	14,058.4	14,305.7	14,305.7	16,530.8	<b>14,305.7</b>
MATERIALS & SUPPLIES	4.8	4.8	4.8	4.8	<b>4.8</b>
WORKING CASH, OPERATIONAL	31.4	31.4	31.4	31.4	<b>31.4</b>
WORKING CASH, LEAD-LAG	239.3	239.3	239.3	239.3	<b>239.3</b>
WTD AVG DEPR RESERVE	(3,758.6)	(4,290.9)	(4,290.9)	(4,345.8)	<b>(4,795.1)</b>
ADVANCES FOR CONSTR	(187.8)	(177.8)	(177.8)	(177.8)	<b>(177.8)</b>
UNAMORTIZED ADVANCES-20YR	(1,809.1)	(1,809.1)	(1,809.1)	(1,809.1)	<b>(1,809.1)</b>
CONTRIBUTIONS IN AID OF CONST	(3,836.2)	(248.0)	(248.0)	(248.0)	<b>(248.0)</b>
UNAMORTIZED CONTRIB- 20 YR	(189.4)	(189.4)	(189.4)	(189.4)	<b>(189.4)</b>
ACCUM. DEF. FED INC TAX	(271.0)	(289.4)	(289.4)	(315.8)	<b>(289.4)</b>
ACCUM. DEF. STATE INC TAX	(75.1)	(80.2)	(80.2)	(87.5)	<b>(80.2)</b>
GENERAL OFFICE ALLOC.	123.1	123.1	123.1	123.1	<b>123.1</b>
AVERAGE RATE BASE	4,329.8	7,619.5	7,619.5	9,756.1	<b>7,115.3</b>
<hr/>					
INTEREST CALCULATION:					
AVG RATE BASE	4,329.8	7,619.5	7,619.5	9,756.1	<b>7,115.3</b>
X WEIGHTED COST OF DEBT	3.65%	3.61%	3.61%	3.63%	<b>3.61%</b>
INTEREST EXPENSE	158.0	275.1	275.1	354.1	<b>256.9</b>

COMPARISON OF REVISED AND DRA RECOMMENDED  
RATE OF RETURN

SACRAMENTO

	Cal-Am Revised			DRA Recommended			ADOPTED		
	Capital Structure	Cost Factor	Weighted Cost	Capital Structure	Cost Factor	Weighted Cost	Capital Structure	Cost Factor	Weighted Cost
<u>Test Year</u> <u>2008</u>									
Long-Term Debt	58.16%	6.20%	3.60%	58.16%	6.20%	3.60%	58.16%	6.20%	3.60%
Common Equity	41.84%	11.50%	4.81%	41.84%	9.96%	4.17%	41.84%	10.15%	4.25%
Total	100.00%		<u>8.41%</u>	100.00%		<u>7.77%</u>	100.00%		<u>7.85%</u>
<u>Escalation Year</u> <u>2009</u>									
Long-Term Debt	58.32%	6.25%	3.64%	58.32%	6.25%	3.64%	58.32%	6.25%	3.64%
Common Equity	41.68%	11.50%	4.79%	41.68%	9.96%	4.15%	41.68%	10.15%	4.23%
Total	100.00%		<u>8.43%</u>	100.00%		<u>7.79%</u>	100.00%		<u>7.87%</u>
<u>Attrition Year</u> <u>2010</u>									
Long-Term Debt	58.83%	6.29%	3.70%	58.83%	6.29%	3.70%	58.83%	6.29%	3.70%
Common Equity	41.17%	11.50%	4.73%	41.17%	9.96%	4.10%	41.17%	10.15%	4.18%
Total	100.00%		<u>8.43%</u>	100.00%		<u>7.80%</u>	100.00%		<u>7.88%</u>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

SUMMARY OF EARNINGS

TEST YEAR 2008

(AT PRESENT RATES)

ITEM	STAFF	UTILITY	ADOPTED
	SETTLEMENT	SETTLEMENT	
	(1000's of \$)	(1000's of \$)	
OPERATING REVENUES	26,461.6	26,461.6	<b>26,461.6</b>
OPERATING EXPENSES			
OPERATION & MAINTENANCE	5,446.1	5,446.1	<b>5,446.1</b>
ADMINISTRATIVE & GENERAL	2,782.3	2,986.4	<b>2,986.4</b>
PAYROLL	2,607.5	2,607.5	<b>2,607.5</b>
ACQUISITION PREM & RWE SAVINGS	1,709.3	1,709.3	<b>1,709.3</b>
G. O. PRORATED EXP.	3,991.4	3,991.4	<b>3,991.4</b>
DEPRECIATION & AMORTIZATION	6,231.5	6,231.5	<b>6,231.5</b>
TAXES OTHER THAN INCOME	1,284.7	1,284.7	<b>1,246.9</b>
STATE CORP. FRANCHISE TAX	(56.6)	(72.0)	<b>(55.4)</b>
FEDERAL INCOME TAX	(284.2)	(355.6)	<b>(278.6)</b>
TOTAL OPERATING EXPENSES	23,712.0	23,829.3	<b>23,885.1</b>
NET OPERATING REVENUE	2,749.6	2,632.3	<b>2,576.5</b>
RATE BASE	87,461.6	87,461.6	<b>82,407.9</b>
RATE OF RETURN	3.14%	3.01%	<b>3.13%</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

SUMMARY OF EARNINGS

TEST YEAR 2008  
(Proposed Rates)

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	AT DRA REC. ROR	AT PRO. REC. ROR	ORIGINAL	
	(1000's of \$)		(1000's of \$)		
OPERATING REVENUES	28,600.1	33,534.3	34,717.9	35,428.5	<b>33,265.9</b>
OPERATING EXPENSES					
OPERATION & MAINTENANCE	5,401.3	5,464.4	5,467.4	5,504.2	<b>5,463.7</b>
ADMINISTRATIVE & GENERAL	2,775.3	2,782.3	2,986.4	3,027.6	<b>2,986.4</b>
PAYROLL	2,607.5	2,607.5	2,607.5	2,607.5	<b>2,607.5</b>
ACQUISITION PREM & RWE SAVINGS	1,709.3	1,709.3	1,709.3	1,709.3	<b>1,709.3</b>
G. O. PRORATED EXP.	3,991.4	3,991.4	3,991.4	3,991.4	<b>3,991.4</b>
DEPRECIATION & AMORTIZATION	2,404.1	6,231.5	6,231.5	5,782.1	<b>6,231.5</b>
TAXES OTHER THAN INCOME	1,163.9	1,295.1	1,296.8	1,220.7	<b>1,256.9</b>
STATE CORP. FRAN. TAX	431.5	475.9	549.6	655.3	<b>456.9</b>
FEDERAL INCOME TAX	1,975.5	2,181.2	2,522.4	3,011.4	<b>2,093.3</b>
TOTAL OPERATING EXPENSES	<u>22,459.8</u>	<u>26,738.5</u>	<u>27,362.3</u>	<u>27,509.5</u>	<b><u>26,796.9</u></b>
NET OPERATING REVENUE	6,140.3	6,795.8	7,355.6	7,919.0	<b>6,469.0</b>
RATE BASE	79,026.5	87,461.6	87,461.6	94,161.0	<b>82,407.9</b>
RATE OF RETURN	7.77%	7.77%	8.41%	8.41%	<b>7.85%</b>
PERCENTAGE INCREASE		26.73%	31.20%		25.71%

CALIFORNIA-AMERICAN WATER CO.  
SACRAMENTO DISTRICT

WATER SALES PER AVERAGE CUSTOMER  
TEST YEAR 2008  
CCF

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
Residential	230.5	230.5	230.5	230.5	<b>230.5</b>
Commercial	953.1	953.1	953.1	953.1	<b>953.1</b>
Public Authority	2,852.8	2,852.8	2,852.8	2,852.8	<b>2,852.8</b>
Industrial	0.0	0.0	0.0	0.0	<b>0.0</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
Unmetered	266.4	266.4	266.4	266.4	<b>266.4</b>
Private Fire Service	0.0	0.0	0.0	0.0	<b>0.0</b>

CALIFORNIA-AMERICAN WATER CO.  
SACRAMENTO DISTRICT

WATER SALES PER AVERAGE CUSTOMER  
TEST YEAR 2009  
CCF

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
Residential	230.5	230.5	230.5	230.5	<b>230.5</b>
Commercial	953.1	953.1	953.1	953.1	<b>953.1</b>
Public Authority	2,852.8	2,852.8	2,852.8	2,852.8	<b>2,852.8</b>
Industrial	0.0	0.0	0.0	0.0	<b>0.0</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
Unmetered	266.4	266.4	266.4	266.4	<b>266.4</b>
Private Fire Service	0.0	0.0	B-25	0.0	<b>0.0</b>

CALIFORNIA-AMERICAN WATER CO.  
 SACRAMENTO DISTRICT  
 AVERAGE NUMBER OF CUSTOMERS

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
<u>Metered Connections</u>					
Residential	13,617	13,617	13,617	13,617	<b>13,617</b>
Commercial	4,735	4,735	4,735	4,735	<b>4,735</b>
Public Authority	294	294	294	294	<b>294</b>
Industrial	0	0	0	0	<b>0</b>
Irrigation	0	0	0	0	<b>0</b>
<b>Total metered connections</b>	<b>18,646</b>	<b>18,646</b>	<b>18,646</b>	<b>18,646</b>	<b>18,646</b>
Fire Protection connections					
Unmetered	39,369	39,369	39,369	39,369	<b>39,369</b>
Private Fire Service	848	848	848	848	<b>848</b>
<u>Total Active connections</u>					
Include Fire Protection	58,863	58,863	58,863	58,863	<b>58,863</b>
Exclude Fire Protection	58,015	58,015	58,015	58,015	<b>58,015</b>

CALIFORNIA-AMERICAN WATER CO.  
SACRAMENTO DISTRICT

AVERAGE NUMBER OF CUSTOMERS

TEST YEAR 2009

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
<u>Metered Connections</u>					
Residential	16,337	16,337	16,337	16,337	<b>16,337</b>
Commercial	4,735	4,735	4,735	4,735	<b>4,735</b>
Public Authority	294	294	294	294	<b>294</b>
Industrial	0	0	0	0	<b>0</b>
Irrigation	0	0	0	0	<b>0</b>
<b>Total metered connections</b>	<b>21,366</b>	<b>21,366</b>	<b>21,366</b>	<b>21,366</b>	<b>21,366</b>
<u>Fire Protection connections</u>					
Unmetered	36,869	36,869	36,869	36,869	<b>36,869</b>
Private Fire Service	848	848	848	848	<b>848</b>
<u>Total Active connections</u>					
Include Fire Protection	59,083	59,083	59,083	59,083	<b>59,083</b>
Exclude Fire Protection	58,235	58,235	58,235	58,235	<b>58,235</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

TOTAL SALES AND SUPPLY

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
<u>METERED SALES KCCF</u>					
Residential	3,138.9	3,138.9	3,138.9	3,138.9	<b>3,138.9</b>
Commercial	4,513.0	4,513.0	4,513.0	4,513.0	<b>4,513.0</b>
Public Authority	838.7	838.7	838.7	838.7	<b>838.7</b>
Industrial	0.0	0.0	0.0	0.0	<b>0.0</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>TOTAL METERED SALES</b>	<b>8,490.6</b>	<b>8,490.6</b>	<b>8,490.6</b>	<b>8,490.6</b>	<b>8,490.6</b>
<b>UNMETERED SALES</b>	<b>10,488.2</b>	<b>10,488.2</b>	<b>10,488.2</b>	<b>10,488.2</b>	<b>10,488.2</b>
<b>PRIVATE FIRE SERVICE</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Unaccounted For Water (9.5%)</b>	<b>1,992.2</b>	<b>1,992.2</b>	<b>1,992.2</b>	<b>1,992.2</b>	<b>1,992.2</b>
<b>TOTAL WATER PRODUCTION-KCCF</b>	<b>20,971.0</b>	<b>20,971.0</b>	<b>20,971.0</b>	<b>20,971.0</b>	<b>20,971.0</b>
<b>TOTAL WATER PRODUCTION-AF</b>	<b>48,142.9</b>	<b>48,142.9</b>	<b>48,142.9</b>	<b>48,142.9</b>	<b>48,142.9</b>
<b>PRODUCTION -KCCF</b>					
Purchased water-	2,721.0	2,721.0	2,721.0	2,721.0	<b>2,721.0</b>
City of Sacramento, Citrus Heights, Placer County, Sac Suburban					
Company Wells	18,250.0	18,250.0	18,250.0	18,250.0	<b>18,250.0</b>
<b>Total Production-KCCF</b>	<b>20,971.0</b>	<b>20,971.0</b>	<b>20,971.0</b>	<b>20,971.0</b>	<b>20,971.0</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

TOTAL SALES AND SUPPLY

TEST YEAR 2009

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
<u>METERED SALES KCCF</u>					
Residential	3,765.9	3,765.9	3,765.9	3,765.9	<b>3,765.9</b>
Commercial	4,513.0	4,513.0	4,513.0	4,513.0	<b>4,513.0</b>
Public Authority	838.7	838.7	838.7	838.7	<b>838.7</b>
Industrial	0.0	0.0	0.0	0.0	<b>0.0</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>TOTAL METERED SALES</b>	<b>9,117.6</b>	<b>9,117.6</b>	<b>9,117.6</b>	<b>9,117.6</b>	<b>9,117.6</b>
<b>UNMETERED SALES</b>	<b>9,822.2</b>	<b>9,822.2</b>	<b>9,822.2</b>	<b>9,822.2</b>	<b>9,822.2</b>
<b>PRIVATE FIRE SERVICE</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Unaccounted For Water (9.5%)</b>	<b>1,988.2</b>	<b>1,988.2</b>	<b>1,988.2</b>	<b>1,988.2</b>	<b>1,988.2</b>
<b>TOTAL WATER PRODUCTION-KCCF</b>	<b>20,928.0</b>	<b>20,928.0</b>	<b>20,928.0</b>	<b>20,928.0</b>	<b>20,928.0</b>
<b>TOTAL WATER PRODUCTION-AF</b>	<b>48,044.0</b>	<b>48,044.0</b>	<b>48,044.0</b>	<b>48,044.0</b>	<b>48,044.0</b>
 <b>PRODUCTION -KCCF</b>					
Purchased water- City of Sacramento, Citrus Heights, Placer County, Sac Suburban Company Wells	3,931.7	3,931.7	3,931.7	3,931.7	<b>3,931.7</b>
<b>Company Wells</b>	<b>16,996.2</b>	<b>16,996.2</b>	<b>16,996.2</b>	<b>16,996.2</b>	<b>16,996.2</b>
<b>Total Production-KCCF</b>	<b>20,927.9</b>	<b>20,927.9</b>	<b>20,927.9</b>	<b>20,927.9</b>	<b>20,927.9</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

OPERATING REVENUES

TEST YEAR 2008

(AT PRESENT RATES)

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
<b>METERED REVENUES</b>					
Residential	5,006.7	5,006.7	5,006.7	5,006.7	<b>5,006.7</b>
Commercial	7,507.0	7,507.0	7,507.0	7,507.0	<b>7,507.0</b>
Public Authority	1,236.0	1,236.0	1,236.0	1,236.0	<b>1,236.0</b>
Industrial	0.0	0.0	0.0	0.0	<b>0.0</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>TOTAL GENERAL METERED</b>	<b>13,749.7</b>	<b>13,749.7</b>	<b>13,749.7</b>	<b>13,749.7</b>	<b>13,749.7</b>
<b>UNMETERED</b>	<b>12,002.6</b>	<b>12,002.6</b>	<b>12,002.6</b>	<b>12,002.6</b>	<b>12,002.6</b>
<b>OTHER REVENUES</b>					
Private Fire Service	630.2	630.2	630.2	630.2	<b>630.2</b>
Misc. Service	25.3	25.3	25.3	25.3	<b>25.3</b>
Other	53.8	53.8	53.8	53.8	<b>53.8</b>
<b>TOTAL OTHER AND FLAT RATE</b>	<b>12,711.9</b>	<b>12,711.9</b>	<b>12,711.9</b>	<b>12,711.9</b>	<b>12,711.9</b>
<b>TOTAL REVENUES</b>	<b>26,461.6</b>	<b>26,461.6</b>	<b>26,461.6</b>	<b>26,461.6</b>	<b>26,461.6</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

OPERATING REVENUES

TEST YEAR 2008  
STANDARD RATE DESIGN  
(AT PROPOSED RATES)

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
<u>METERED REVENUES</u>					
Residential	5,412.5	6,348.9	6,236.0	6,363.9	<b>5,974.6</b>
Commercial	8,115.5	9,519.5	9,329.6	9,521.0	<b>8,938.5</b>
Public Authority	1,336.2	1,567.4	1,545.3	1,577.0	<b>1,480.5</b>
Industrial	0.0	0.0	0.0	0.0	<b>0.0</b>
Irrigation	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>TOTAL GENERAL METERED</b>	<b>14,864.2</b>	<b>17,435.8</b>	<b>17,110.9</b>	<b>17,461.9</b>	<b>16,393.6</b>
<u>UNMETERED</u>	12,975.5	15,220.3	16,701.1	17,043.7	<b>16,001.0</b>
<u>OTHER REVENUES</u>					
Private Fire Service	681.3	799.1	826.8	843.8	<b>792.2</b>
Misc. Service	25.3	25.3	25.3	25.3	<b>25.3</b>
Other	53.8	53.8	53.8	53.8	<b>53.8</b>
<b>TOTAL OTHER AND UNMETERED</b>	<b>13,735.9</b>	<b>16,098.5</b>	<b>17,607.0</b>	<b>17,966.6</b>	<b>16,872.3</b>
<b>TOTAL REVENUES</b>	<b>28,600.1</b>	<b>33,534.3</b>	<b>34,717.9</b>	<b>35,428.5</b>	<b>33,265.9</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

OPERATION & MAINTENANCE EXPENSES

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
<u>AT PRESENT RATES</u>					
Operating Revenues	26,461.6	26,461.6	26,461.6	26,461.6	<b>26,461.6</b>
Uncollectible Rate	0.2581%	0.2581%	0.2581%	0.2581%	<b>0.2581%</b>
Uncollectibles	68.3	68.3	68.3	68.3	<b>68.3</b>
<u>Operation Expense</u>					
Source of Supply - Miscellaneous	143.5	148.4	148.4	153.3	<b>148.4</b>
Purchased Water	1,607.2	1,607.2	1,607.2	1,607.2	<b>1,607.2</b>
Pumping Expense-Miscellaneous	49.5	74.0	74.0	77.7	<b>74.0</b>
Purchased Power	2,222.1	2,222.1	2,222.1	2,222.1	<b>2,222.1</b>
Water Treatment - Miscellaneous	169.5	173.1	173.1	177.1	<b>173.1</b>
Chemicals	362.2	362.2	362.2	362.2	<b>362.2</b>
Trans. & Dist. - Lines	3.2	6.8	6.8	9.0	<b>6.8</b>
Trans. & Dist. - Meters	6.0	8.3	8.3	10.5	<b>8.3</b>
Customer Accts. - Meter Reading	0.3	0.3	0.3	0.3	<b>0.3</b>
Customer Accts. - Misc.	182.0	182.0	182.0	184.0	<b>182.0</b>
Uncollectibles	68.3	68.3	68.3	68.3	<b>68.3</b>
Total Operation Expenses	4,813.8	4,852.7	4,852.7	4,871.7	<b>4,852.7</b>
<u>Maintenance Expenses</u>					
Source of Supply - Wells	1.8	1.8	1.8	5.1	<b>1.8</b>
Source of Supply - Other	13.4	13.4	13.4	13.4	<b>13.4</b>
Pumping - Power Production	82.8	82.8	82.8	84.1	<b>82.8</b>
Water Treatment - Structures	0.2	0.2	0.2	0.2	<b>0.2</b>
Water Treatment - Equipment	137.2	142.0	142.0	146.7	<b>142.0</b>
T & D Reservoirs & Tanks	105.4	105.4	105.4	105.4	<b>105.4</b>
T & D Mains	161.5	166.6	166.6	171.7	<b>166.6</b>
T & D Services	60.2	60.8	60.8	61.4	<b>60.8</b>
T & D Meters	5.6	6.2	6.2	6.8	<b>6.2</b>
T & D Hydrants	2.1	2.4	2.4	2.7	<b>2.4</b>
T & D Misc. Plant	11.8	11.8	11.8	11.9	<b>11.8</b>
Total Maintenance Expense	582.0	593.4	593.4	609.4	<b>593.4</b>
Total O & M Expenses (incl. Uncoll.)	5,395.8	5,446.1	5,446.1	5,481.1	<b>5,446.1</b>
<u>AT PROPOSED RATES</u>					
Operating Revenues	28,600.2	33,534.3	34,717.9	35,428.5	<b>33,265.9</b>
Uncollectible Rate	0.2581%	0.2581%	0.2581%	0.2581%	<b>0.2581%</b>
Uncollectibles	73.8	86.6	89.6	91.4	<b>85.9</b>
Total O & M Expenses (incl. Uncoll.)	5,401.3	5,464.4	5,467.4	5,504.2	<b>5,463.7</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

ADMINISTRATIVE & GENERAL EXPENSES

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
<u>AT PRESENT RATES</u>					
Operating Revenues less Uncoll.	26,393.3	26,393.3	26,393.3	26,393.3	<b>26,393.3</b>
Local Franchise Tax Rate	0.1470%	0.1470%	0.1470%	0.1470%	<b>0.1470%</b>
Franchise Tax	38.8	38.8	38.8	38.8	<b>38.8</b>
Office Supplies & Expenses	32.2	32.2	32.2	32.2	<b>32.2</b>
Property Insurance	425.6	425.6	425.6	425.6	<b>425.6</b>
Worker's Comp., Injuries & Damages	149.6	149.6	149.6	149.6	<b>149.6</b>
Employee Pension & Benefits	1,085.4	1,085.4	1,256.1	1,256.1	<b>1,256.1</b>
Regulatory Expense	125.8	125.8	159.2	159.2	<b>159.2</b>
Outside Services	41.2	41.2	41.2	41.5	<b>41.2</b>
Miscellaneous General Expenses	870.9	881.0	881.0	921.1	<b>881.0</b>
Miscellaneous General Plant	34.8	34.8	34.8	35.4	<b>34.8</b>
Rents	6.7	6.7	6.7	6.8	<b>6.7</b>
Total A & G Expenses	2,772.2	2,782.3	2,986.4	3,027.6	<b>2,986.4</b>
(Incl. local Franchise Taxes)	2,811.0	2,821.1	3,025.2	3,066.4	<b>3,025.2</b>
PAYROLL	2,607.5	2,607.5	2,607.5	2,607.5	<b>2,607.5</b>
<u>Allocated GO Expenses</u>					
G.O. Allocation	3,991.4	3,991.4	3,991.4	3,991.4	<b>3,991.4</b>
Acquisition Premium	2,079.4	2,079.4	2,079.4	2,079.4	<b>2,079.4</b>
RWE Savings	(370.1)	(370.1)	(370.1)	(370.1)	<b>(370.1)</b>
Subtotal	5,700.7	5,700.7	5,700.7	5,700.7	<b>5,700.7</b>
Total A&G and Allocated GO exp.	11,080.4	11,090.5	11,294.6	11,335.8	<b>11,294.6</b>
<u>AT PROPOSED RATES</u>					
Operating Revenues less Uncoll.	28,526.4	33,447.7	34,628.3	35,337.1	<b>33,180.0</b>
Franchise & B.L. Rate	0.1470%	0.1470%	0.1470%	0.1470%	<b>0.1470%</b>
Franchise Tax	41.9	49.2	50.9	51.9	<b>48.8</b>
Total A & G Expenses	2,772.2	2,782.3	2,986.4	3,027.6	<b>2,986.4</b>
(Incl. local Franchise Taxes)	2,814.1	2,831.5	3,037.3	3,079.5	<b>3,035.2</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

TAXES OTHER THAN INCOME

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Ad Valorem taxes	936.1	1,070.0	1,070.0	992.9	<b>1,032.2</b>
Loc Fran Taxes (pres rates)	38.8	38.8	38.8	38.8	<b>38.8</b>
Loc Fran Taxes (prop rates)	41.9	49.2	50.9	51.9	<b>48.8</b>
Net Payroll taxes	175.9	175.9	175.9	175.9	<b>175.9</b>
Business License (pres rates)	0.0	0.0	0.0	0.0	<b>0.0</b>
Business License (prop rates)	0.0	0.0	0.0	0.0	<b>0.0</b>
Taxes other than Income (present rates)	1,150.8	1,284.7	1,284.7	1,207.6	<b>1,246.9</b>
Taxes other than Income (proposed rates)	1,153.9	1,295.1	1,296.8	1,220.7	<b>1,256.9</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

TAXES BASED ON INCOME

TEST YEAR 2008

( PRESENT RATES)

	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Operating Revenues	26,461.6	26,461.6	26,461.6	26,461.6	<b>26,461.6</b>
Deductions:					
O & M expenses	5,395.8	5,446.1	5,446.1	5,481.1	<b>5,446.1</b>
A & G Expenses	2,772.2	2,782.3	2,986.4	3,027.6	<b>2,986.4</b>
G.O. Prorated Expenses	3,991.4	3,991.4	3,991.4	3,991.4	<b>3,991.4</b>
Payroll	2,607.5	2,607.5	2,607.5	2,607.5	<b>2,607.5</b>
Acquisition Premium	2,079.4	2,079.4	2,079.4	2,079.4	<b>2,079.4</b>
RWE Expense Savings	(370.1)	(370.1)	(370.1)	(370.1)	<b>(370.1)</b>
Taxes not on Inc.	1,150.8	1,284.7	1,284.7	1,207.6	<b>1,246.9</b>
Interest	2,852.9	3,157.4	3,157.4	3,418.0	<b>2,974.9</b>
Book Depreciation	2,404.1	6,231.5	6,231.5	5,782.1	<b>6,231.5</b>
Income before taxes	3,577.7	(748.5)	(952.6)	(764.2)	<b>(732.5)</b>
<u>California Corp. Franchise Tax</u>					
State Tax Deductions	0.0	0.0	0.0	0.0	<b>0.0</b>
Taxable Income for CCFT	3,577.7	(748.5)	(952.6)	(764.2)	<b>(732.5)</b>
CCFT Rate	7.56%	7.56%	7.56%	7.56%	<b>7.56%</b>
CCFT	270.5	(56.6)	(72.0)	(57.8)	<b>(55.4)</b>
Less Deferred Taxes	0.0	0.0	0.0	0.0	<b>0.0</b>
Total State Income Taxes	270.5	(56.6)	(72.0)	(57.8)	<b>(55.4)</b>
<u>Federal Income Tax</u>					
Federal Tax Deductions	63.4	63.4	63.4	63.4	<b>63.4</b>
Taxable income for FIT	3,514.3	(811.9)	(1,016.0)	(827.6)	<b>(795.9)</b>
FIT Rate	35.00%	35.00%	35.00%	35.00%	<b>35.00%</b>
FIT	1,229.9	(284.2)	(355.6)	(289.7)	<b>(278.6)</b>
Less Deferred Taxes	0.0	0.0	0.0	0.0	<b>0.0</b>
Total Federal Income Tax	1,229.9	(284.2)	(355.6)	(289.7)	<b>(278.6)</b>
Total FIT and CCFT	1,500.4	(340.8)	(427.6)	(347.5)	<b>(334.0)</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

TAXES BASED ON INCOME

TEST YEAR 2008

(PROPOSED RATES)

	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Operating Revenues	28,600.1	33,534.3	34,717.9	35,428.5	<b>33,265.9</b>
Deductions:					
O & M expenses	5,401.3	5,464.4	5,467.4	5,504.2	<b>5,463.7</b>
A & G Expenses	2,772.2	2,782.3	2,986.4	3,027.6	<b>2,986.4</b>
G. O. Prorated Expenses	3,991.4	3,991.4	3,991.4	3,991.4	<b>3,991.4</b>
Payroll	2,607.5	2,607.5	2,607.5	2,607.5	<b>2,607.5</b>
Acquisition Premium	2,079.4	2,079.4	2,079.4	2,079.4	<b>2,079.4</b>
RWE Expense Savings	(370.1)	(370.1)	(370.1)	(370.1)	<b>(370.1)</b>
Taxes not on Inc.	1,153.9	1,295.1	1,296.8	1,220.7	<b>1,256.9</b>
Interest	2,852.9	3,157.4	3,157.4	2,918.2	<b>2,974.9</b>
Book Depreciation	2,404.1	6,231.5	6,231.5	5,782.1	<b>6,231.5</b>
Income before taxes	5,707.6	6,295.5	7,270.3	8,667.5	<b>6,044.2</b>
<u>California Corp. Franchise Tax</u>					
State Tax Deductions	0.0	0.0	0.0	0.0	<b>0.0</b>
Taxable Income for CCFT	5,707.6	6,295.5	7,270.3	8,667.5	<b>6,044.3</b>
CCFT Rate	7.56%	7.56%	7.56%	7.56%	<b>7.56%</b>
CCFT	431.5	475.9	549.6	655.3	<b>456.9</b>
Less Deferred Taxes	0.0	0.0	0.0	0.0	<b>0.0</b>
Total State Income Taxes	431.5	475.9	549.6	655.3	<b>456.9</b>
<u>Federal Income Tax</u>					
Federal Tax Deductions	63.4	63.4	63.4	63.4	<b>63.4</b>
Taxable income for FIT	5,644.2	6,232.1	7,206.9	8,604.1	<b>5,980.9</b>
FIT Rate	35.00%	35.00%	35.00%	35.00%	<b>35.00%</b>
FIT	1,975.5	2,181.2	2,522.4	3,011.3	<b>2,093.3</b>
Less Deferred Taxes	0.0	0.0	0.0	0.0	<b>0.0</b>
Total Federal Income Tax	1,975.5	2,181.2	2,522.4	3,011.3	<b>2,093.3</b>
Total FIT and CCFT	2,407.0	2,657.1	3,072.0	3,666.6	<b>2,550.2</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

PLANT IN SERVICE

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Plant in Service - BOY	181,173.6	186,360.8	186,360.8	186,575.9	<b>186,360.8</b>
<u>Additions</u>					
Gross Additions	4,096.6	7,729.1	7,729.1	8,625.4	<b>7,729.1</b>
Retirements of Plant	<u>(80.0)</u>	<u>(46.3)</u>	<u>(46.3)</u>	<u>(46.3)</u>	<b><u>(46.3)</u></b>
Net Additions	4,016.6	7,682.9	7,682.9	8,579.1	<b>7,682.9</b>
CWIP - BOY	380.9	380.9	380.9	7,715.6	<b>380.9</b>
CWIP - EOY	<u>755.0</u>	<u>2,405.0</u>	<u>2,405.0</u>	<u>20,819.6</u>	<b><u>2,405.0</u></b>
Net Change - CWIP	374.1	2,024.1	2,024.1	13,104.0	<b>2,024.1</b>
Plant in Service - EOY	185,190.2	194,043.7	194,043.7	195,155.0	<b>194,043.7</b>
WEIGHTING FACTOR	46.41%	46.41%	46.41%	46.41%	<b>46.41%</b>
WTD. AVG. PLANT IN SERVICE	183,592.2	191,246.8	191,246.8	204,354.6	<b>191,246.8</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

PLANT IN SERVICE

TEST YEAR 2009

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
Plant in Service - BOY	185,190.2	192,738.7	192,738.7	193,738.2	<b>194,043.7</b>
<u>Additions</u>					
Gross Additions	5,103.6	7,221.1	7,221.1	15,672.2	<b>7,221.1</b>
Retirements of Plant	<u>(80.0)</u>	<u>(46.3)</u>	<u>(46.3)</u>	<u>(46.3)</u>	<b>(46.3)</b>
Net Additions	5,023.6	7,174.8	7,174.8	15,625.9	<b>7,174.8</b>
CWIP - BOY	755.0	2,405.0	2,405.0	20,819.6	<b>2,405.0</b>
CWIP - EOY	<u>2,092.7</u>	<u>6,842.7</u>	<u>6,842.7</u>	<u>30,174.6</u>	<b>6,842.7</b>
Net Change in CWIP	1,337.7	4,437.7	4,437.7	9,355.0	<b>4,437.7</b>
Plant in Service - EOY	<u>190,213.8</u>	<u>199,913.5</u>	<u>199,913.5</u>	<u>209,364.1</u>	<b>201,218.5</b>
WEIGHTING FACTOR	46.41%	46.41%	46.41%	46.41%	<b>46.41%</b>
WTD. AVG. PLANT IN SERVICE	188,897.5	200,533.1	200,533.1	226,151.4	<b>201,838.1</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

DEPRECIATION RESERVE & EXPENSE

TEST YEAR 2008

	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
DEPRECIATION RESERVE - B.O.Y.	56,361.4	57,420.5	57,420.5	57,095.1	<b>62,474.3</b>
ACCRUALS					
Salvage and Cost of Removal	(2.8)	(2.8)	(2.8)	(2.8)	<b>(2.8)</b>
Contributions Depreciation	378.3	226.9	226.9	378.3	<b>226.9</b>
Annual Accrual	2,404.1	6,231.5	6,231.5	5,782.1	<b>6,231.5</b>
Adjustments	273.3	287.0	287.0	273.3	<b>287.0</b>
TOTAL ACCRUALS	3,052.9	6,742.6	6,742.6	6,430.9	<b>6,742.6</b>
RETIREMENTS	(46.2)	(46.3)	(46.3)	(46.2)	<b>(46.3)</b>
DEPRECIATION RESERVE - E.O.Y.	59,368.1	64,116.8	64,116.8	63,479.8	<b>69,170.5</b>
WEIGHTING FACTOR	71.72%	71.72%	71.72%	71.72%	<b>71.72%</b>
WTD. AVG. DEPRECIATION RESERVE	58,517.8	62,223.1	62,223.1	61,674.2	<b>67,276.8</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

DEPRECIATION RESERVE & EXPENSE

TEST YEAR 2009

	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
DEPRECIATION RESERVE - B.O.Y.	59,368.1	64,116.9	64,116.9	63,479.8	<b>69,170.6</b>
ACCRUALS					
Salvage and Cost of Removal	(2.8)	(2.8)	(2.8)	(2.8)	<b>(2.8)</b>
Contributions Depreciation	461.6	241.1	241.1	461.6	<b>241.1</b>
Annual Accrual	1,482.5	6,404.7	6,404.7	6,110.3	<b>6,485.3</b>
Adjustments	290.7	293.8	293.8	290.7	<b>299.5</b>
TOTAL ACCRUALS	<u>2,232.0</u>	<u>6,936.7</u>	<u>6,936.7</u>	<u>6,859.8</u>	<b>7,023.0</b>
RETIREMENTS	<u>(46.2)</u>	<u>(46.3)</u>	<u>(46.3)</u>	<u>(46.2)</u>	<b>(46.3)</b>
DEPRECIATION RESERVE - E.O.Y.	61,553.9	71,007.4	71,007.4	70,293.4	<b>76,147.3</b>
WEIGHTING FACTOR	71.72%	71.72%	71.72%	71.72%	<b>71.72%</b>
WTD. AVG. DEPRECIATION RESERVE	60,935.8	69,058.8	69,058.8	68,366.5	<b>74,174.3</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

WEIGHTED AVERAGE DEPRECIATED RATE BASE

TEST YEAR 2008

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
WTD AVG PLANT IN SERVICE	183,592.2	191,246.8	191,246.8	204,354.6	<b>191,246.8</b>
MATERIALS & SUPPLIES	23.5	23.5	23.5	23.5	<b>23.5</b>
WORKING CASH, OPERATIONAL	1,483.5	1,483.5	1,483.5	1,483.5	<b>1,483.5</b>
WORKING CASH, LEAD-LAG	270.8	270.8	270.8	270.8	<b>270.8</b>
WTD AVG DEPR RESERVE	(58,517.8)	(62,223.1)	(62,223.1)	(61,674.2)	<b>(67,276.8)</b>
ADVANCES FOR CONSTR	(10,092.3)	(10,092.3)	(10,092.3)	(10,092.3)	<b>(10,092.3)</b>
UNAMORTIZED ADVANCES-20YR	(15,073.7)	(15,073.7)	(15,073.7)	(15,073.7)	<b>(15,073.7)</b>
CONTRIBUTIONS IN AID OF CONST	(17,220.7)	(12,582.8)	(12,582.8)	(19,525.8)	<b>(12,582.8)</b>
UNAMORTIZED CONTRIB- 20 YR	(5,527.5)	(5,527.5)	(5,527.5)	(5,527.5)	<b>(5,527.5)</b>
ACCUM. DEF. FED INC TAX	(1,929.7)	(2,048.9)	(2,048.9)	(2,060.0)	<b>(2,048.9)</b>
ACCUM. DEF. STATE INC TAX	(534.7)	(567.7)	(567.7)	(570.8)	<b>(567.7)</b>
GENERAL OFFICE ALLOC.	2,552.9	2,552.9	2,552.9	2,552.9	<b>2,552.9</b>
<b>AVERAGE RATE BASE</b>	<b>79,026.5</b>	<b>87,461.6</b>	<b>87,461.6</b>	<b>94,161.0</b>	<b>82,407.9</b>
<hr/>					
INTEREST CALCULATION:					
AVG RATE BASE	79,026.5	87,461.6	87,461.6	94,161.0	<b>82,407.9</b>
X WEIGHTED COST OF DEBT	3.61%	3.61%	3.61%	3.63%	<b>3.61%</b>
<b>INTEREST EXPENSE</b>	<b>2,852.9</b>	<b>3,157.4</b>	<b>3,157.4</b>	<b>3,418.0</b>	<b>2,974.9</b>

CALIFORNIA-AMERICAN WATER COMPANY  
SACRAMENTO DISTRICT

WEIGHTED AVERAGE DEPRECIATED RATE BASE

TEST YEAR 2009

ITEM	STAFF		UTILITY		ADOPTED
	ORIGINAL	REVISED	REVISED	ORIGINAL	
	(Thousands of \$)		(Thousands of \$)		
WTD AVG PLANT IN SERVICE	188,897.5	200,533.1	200,533.1	226,151.4	<b>201,838.1</b>
MATERIALS & SUPPLIES	23.9	23.9	23.9	23.9	<b>23.9</b>
WORKING CASH, OPERATIONAL	1,408.6	1,408.6	1,408.6	1,408.6	<b>1,408.6</b>
WORKING CASH, LEAD-LAG	280.2	280.2	280.2	280.2	<b>280.2</b>
WTD AVG DEPR RESERVE	(60,935.8)	(69,058.8)	(69,058.8)	(68,366.5)	<b>(74,174.3)</b>
ADVANCES FOR CONSTR	(10,256.0)	(10,256.0)	(10,256.0)	(10,256.0)	<b>(10,256.0)</b>
UNAMORTIZED ADVANCES-20YR	(13,957.1)	(13,957.1)	(13,957.1)	(13,957.1)	<b>(13,957.1)</b>
CONTRIBUTIONS IN AID OF CONST	(21,654.7)	(12,914.2)	(12,914.2)	(23,876.3)	<b>(12,914.2)</b>
UNAMORTIZED CONTRIB- 20 YR	(5,118.1)	(5,118.1)	(5,118.1)	(5,118.1)	<b>(5,118.1)</b>
ACCUM. DEF. FED INC TAX	(2,642.9)	(2,938.6)	(2,938.6)	(3,006.8)	<b>(2,938.6)</b>
ACCUM. DEF. STATE INC TAX	(732.3)	(814.2)	(814.2)	(833.1)	<b>(814.2)</b>
GENERAL OFFICE ALLOC.	2,935.9	2,935.9	2,935.9	2,935.9	<b>2,935.9</b>
AVERAGE RATE BASE	78,249.2	90,124.8	90,124.7	105,386.1	<b>86,314.2</b>
<hr/>					
INTEREST CALCULATION:					
AVG RATE BASE	78,249.2	90,124.8	90,124.8	105,386.1	<b>86,314.3</b>
X WEIGHTED COST OF DEBT	3.65%	3.61%	3.61%	3.63%	<b>3.61%</b>
INTEREST EXPENSE	2,856.1	3,253.5	3,253.5	3,825.5	<b>3,115.9</b>

**(END OF ATTACHMENT B)**