COMPARISON OF REVISED AND DRA RECOMMENDED
RATE OF RETURN

LARKFIELD

			Cal-Am Revised			DRA Recommended			**ADOPTED**		
			Capital Structure	Cost Factor	Weighted Cost	Capital Structure	Cost Factor	Weighted Cost	**Capital Structure**	**Cost Factor**	**Weighted Cost**
Test Year	2008										
		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%		8.41%	100.00%		7.77%	**100.00%**		**7.85%**
Escalation Year	2009										
		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%		8.43%	100.00%		7.79%	**100.00%**		**7.87%**
Attrition Year	2010										
		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%		8.43%	100.00%		7.80%	**100.00%**		**7.88%**

CALIFORNIA-AMERICAN WATER COMPANY
LARKFIELD DISTRICT

SUMMARY OF EARNINGS

TEST YEAR 2008

(AT PRESENT RATES)

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

CALIFORNIA-AMERICAN WATER COMPANY
LARKFIELD DISTRICT

SUMMARY OF EARNINGS

TEST YEAR 2008
(Proposed Rates)

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

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	**176.8**
Commercial	456.7	456.7	456.7	456.7	**456.7**
Public Authority	2,403.7	2,403.7	2,403.7	2,403.7	**2,403.7**
Industrial	2,279.3	2,279.3	2,279.3	2,279.3	**2,279.3**
Irrigation	0.0	0.0	0.0	0.0	**0.0**
Unmetered	0.0	0.0	0.0	0.0	**0.0**
Private Fire Service	0.0	0.0	0.0	0.0	**0.0**

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	**176.8**
Commercial	456.7	456.7	456.7	456.7	**456.7**
Public Authority	2,403.7	2,403.7	2,403.7	2,403.7	**2,403.7**
Industrial	2,279.3	2,279.3	2,279.3	2,279.3	**2,279.3**
Irrigation	0.0	0.0	0.0	0.0	**0.0**
Unmetered	0.0	0.0	0.0	0.0	**0.0**
Private Fire Service	0.0	0.0	0.0	0.0	**0.0**

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

TEST YEAR 2008

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

CALIFORNIA-AMERICAN WATER CO.
LARKFIELD DISTRICT

AVERAGE NUMBER OF CUSTOMERS

TEST YEAR 2009

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

CALIFORNIA-AMERICAN WATER COMPANY
LARKFIELD DISTRICT

TOTAL SALES AND SUPPLY

TEST YEAR 2008

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

CALIFORNIA-AMERICAN WATER COMPANY
LARKFIELD DISTRICT

TOTAL SALES AND SUPPLY

TEST YEAR 2009

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

CALIFORNIA-AMERICAN WATER COMPANY
LARKFIELD DISTRICT

OPERATING REVENUES

TEST YEAR 2008

(AT PRESENT RATES)

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

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

CALIFORNIA-AMERICAN WATER COMPANY
LARKFIELD DISTRICT

OPERATION & MAINTENANCE EXPENSES

TEST YEAR 2008

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

CALIFORNIA-AMERICAN WATER COMPANY
LARKFIELD DISTRICT

ADMINISTRATIVE & GENERAL EXPENSES

TEST YEAR 2008

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

CALIFORNIA-AMERICAN WATER COMPANY
LARKFIELD DISTRICT

TAXES OTHER THAN INCOME

TEST YEAR 2008

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

CALIFORNIA-AMERICAN WATER COMPANY
LARKFIELD DISTRICT

TAXES BASED ON INCOME

TEST YEAR 2008

(PRESENT RATES)

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

CALIFORNIA-AMERICAN WATER COMPANY
LARKFIELD DISTRICT

TAXES BASED ON INCOME

TEST YEAR 2008

(PROPOSED RATES)

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

CALIFORNIA-AMERICAN WATER COMPANY
LARKFIELD DISTRICT

PLANT IN SERVICE

TEST YEAR 2008

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

CALIFORNIA-AMERICAN WATER COMPANY
LARKFIELD DISTRICT

PLANT IN SERVICE

TEST YEAR 2009

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

CALIFORNIA-AMERICAN WATER COMPANY
LARKFIELD DISTRICT

DEPRECIATION RESERVE & EXPENSE

TEST YEAR 2008

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

CALIFORNIA-AMERICAN WATER COMPANY
LARKFIELD DISTRICT

DEPRECIATION RESERVE & EXPENSE

TEST YEAR 2009

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

CALIFORNIA-AMERICAN WATER COMPANY
LARKFIELD DISTRICT

WEIGHTED AVERAGE DEPRECIATED RATE BASE

TEST YEAR 2008

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

CALIFORNIA-AMERICAN WATER COMPANY
LARKFIELD DISTRICT

WEIGHTED AVERAGE DEPRECIATED RATE BASE

TEST YEAR 2009

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

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
Test Year	2008									
	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%		8.41%	100.00%		7.77%	100.00%		7.85%
Escalation Year	2009									
	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%		8.43%	100.00%		7.79%	100.00%		7.87%
Attrition Year	2010									
	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%		8.43%	100.00%		7.80%	100.00%		7.88%

CALIFORNIA-AMERICAN WATER COMPANY
SACRAMENTO DISTRICT

SUMMARY OF EARNINGS

TEST YEAR 2008

(AT PRESENT RATES)

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

CALIFORNIA-AMERICAN WATER COMPANY
SACRAMENTO DISTRICT

SUMMARY OF EARNINGS

TEST YEAR 2008
(Proposed Rates)

ITEM	STAFF ORIGINAL	STAFF AT DRA REC. ROR	UTILITY AT PRO. REC. ROR	UTILITY ORIGINAL	**ADOPTED**
	(1000's of $)		(1000's of $)		
OPERATING REVENUES	28,600.1	33,534.3	34,717.9	35,428.5	**33,265.9**
OPERATING EXPENSES					
OPERATION & MAINTENANCE	5,401.3	5,464.4	5,467.4	5,504.2	**5,463.7**
ADMINISTRATIVE & GENERAL	2,775.3	2,782.3	2,986.4	3,027.6	**2,986.4**
PAYROLL	2,607.5	2,607.5	2,607.5	2,607.5	**2,607.5**
ACQUISITION PREM & RWE SAVINGS	1,709.3	1,709.3	1,709.3	1,709.3	**1,709.3**
G. O. PRORATED EXP.	3,991.4	3,991.4	3,991.4	3,991.4	**3,991.4**
DEPRECIATION & AMORTIZATION	2,404.1	6,231.5	6,231.5	5,782.1	**6,231.5**
TAXES OTHER THAN INCOME	1,163.9	1,295.1	1,296.8	1,220.7	**1,256.9**
STATE CORP. FRAN. TAX	431.5	475.9	549.6	655.3	**456.9**
FEDERAL INCOME TAX	1,975.5	2,181.2	2,522.4	3,011.4	**2,093.3**
TOTAL OPERATING EXPENSES	22,459.8	26,738.5	27,362.3	27,509.5	**26,796.9**
NET OPERATING REVENUE	6,140.3	6,795.8	7,355.6	7,919.0	**6,469.0**
RATE BASE	79,026.5	87,461.6	87,461.6	94,161.0	**82,407.9**
RATE OF RETURN	7.77%	7.77%	8.41%	8.41%	**7.85%**
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	**230.5**
Commercial	953.1	953.1	953.1	953.1	**953.1**
Public Authority	2,852.8	2,852.8	2,852.8	2,852.8	**2,852.8**
Industrial	0.0	0.0	0.0	0.0	**0.0**
Irrigation	0.0	0.0	0.0	0.0	**0.0**
Unmetered	266.4	266.4	266.4	266.4	**266.4**
Private Fire Service	0.0	0.0	0.0	0.0	**0.0**

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	**230.5**
Commercial	953.1	953.1	953.1	953.1	**953.1**
Public Authority	2,852.8	2,852.8	2,852.8	2,852.8	**2,852.8**
Industrial	0.0	0.0	0.0	0.0	**0.0**
Irrigation	0.0	0.0	0.0	0.0	**0.0**
Unmetered	266.4	266.4	266.4	266.4	**266.4**
Private Fire Service	0.0	0.0	0.0	0.0	**0.0**

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

TEST YEAR 2008

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

CALIFORNIA-AMERICAN WATER CO.
SACRAMENTO DISTRICT

AVERAGE NUMBER OF CUSTOMERS

TEST YEAR 2009

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

CALIFORNIA-AMERICAN WATER COMPANY
SACRAMENTO DISTRICT

TOTAL SALES AND SUPPLY

TEST YEAR 2008

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

CALIFORNIA-AMERICAN WATER COMPANY
SACRAMENTO DISTRICT

TOTAL SALES AND SUPPLY

TEST YEAR 2009

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

CALIFORNIA-AMERICAN WATER COMPANY
SACRAMENTO DISTRICT

OPERATING REVENUES

TEST YEAR 2008

(AT PRESENT RATES)

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

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

CALIFORNIA-AMERICAN WATER COMPANY
SACRAMENTO DISTRICT

OPERATION & MAINTENANCE EXPENSES

TEST YEAR 2008

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

CALIFORNIA-AMERICAN WATER COMPANY
SACRAMENTO DISTRICT

ADMINISTRATIVE & GENERAL EXPENSES

TEST YEAR 2008

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

CALIFORNIA-AMERICAN WATER COMPANY
SACRAMENTO DISTRICT

TAXES OTHER THAN INCOME

TEST YEAR 2008

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

CALIFORNIA-AMERICAN WATER COMPANY
SACRAMENTO DISTRICT

TAXES BASED ON INCOME

TEST YEAR 2008

(PRESENT RATES)

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

CALIFORNIA-AMERICAN WATER COMPANY
SACRAMENTO DISTRICT

TAXES BASED ON INCOME

TEST YEAR 2008

(PROPOSED RATES)

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

CALIFORNIA-AMERICAN WATER COMPANY
SACRAMENTO DISTRICT

PLANT IN SERVICE

TEST YEAR 2008

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

CALIFORNIA-AMERICAN WATER COMPANY
SACRAMENTO DISTRICT

PLANT IN SERVICE

TEST YEAR 2009

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

CALIFORNIA-AMERICAN WATER COMPANY
SACRAMENTO DISTRICT

DEPRECIATION RESERVE & EXPENSE

TEST YEAR 2008

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

CALIFORNIA-AMERICAN WATER COMPANY
SACRAMENTO DISTRICT

DEPRECIATION RESERVE & EXPENSE

TEST YEAR 2009

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

CALIFORNIA-AMERICAN WATER COMPANY
SACRAMENTO DISTRICT

WEIGHTED AVERAGE DEPRECIATED RATE BASE

TEST YEAR 2008

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

CALIFORNIA-AMERICAN WATER COMPANY
SACRAMENTO DISTRICT

WEIGHTED AVERAGE DEPRECIATED RATE BASE

TEST YEAR 2009

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

INTEREST CALCULATION:					
AVG RATE BASE	78,249.2	90,124.8	90,124.8	105,386.1	**86,314.3**
X WEIGHTED COST OF DEBT	3.65%	3.61%	3.61%	3.63%	**3.61%**
INTEREST EXPENSE	2,856.1	3,253.5	3,253.5	3,825.5	**3,115.9**

(END OF ATTACHMENT B)