

APPENDIX A
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San Gabriel Valley Water Company
Fontana Water Company Division

Adopted Summary of Earnings
(Dollars in Thousands)

	2003	2004
	<u>Authorized</u> <u>Rates</u>	<u>Authorized</u> <u>Rates</u>
Operating Revenue	\$36,061.2	\$38,727.8
Operating Expenses		
Purchased Power	4,584.0	4,861.9
Purchased Water	488.2	488.2
Leased Water Rights	1,432.9	1,432.9
Replenishment Charges	7,293.0	7,659.4
Chemicals	994.6	1,000.9
Payroll	3,213.7	3,372.5
Uncollectibles @ 0.5633%	203.1	218.2
Other O&M	1,448.5	1,507.2
Pensions & Benefits	1,202.0	1,305.1
Franchise Fees @ 0.8492%	304.5	327.0
Other A&G	535.3	641.3
G.O. Allocation	2,421.3	2,599.7
Payroll Taxes	312.5	329.3
Ad Valorem Taxes	647.6	716.8
Depreciation	2,859.9	3,130.6
Subtotal	<u>\$27,941.1</u>	<u>\$29,591.0</u>
State Income Tax	261.2	303.4
Federal Income Tax	<u>1,945.6</u>	<u>2,332.0</u>
Total Operating Expense	\$30,147.9	\$32,226.4
Net Operating Revenues	<u>\$5,913.2</u>	<u>\$6,501.5</u>
Rate Base	\$62,850.4	\$69,135.5
Rate of Return	9.41%	9.40%

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San Gabriel Valley Water Company
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Utility Plant, Depreciation Reserve, and Rate Base
(Dollars in Thousands)

	<u>2003</u>	<u>2004</u>
Utility Plant		
Plant BOY	\$126,265.1	\$137,779.1
CWIP BOY	2,198.7	2,439.5
Utility Additions	10,083.3	9,803.2
Advances	1,102.3	2,500.0
Contributions	633.1	500.0
Total Additions	<u>\$11,818.8</u>	<u>\$12,803.2</u>
Retirements	(304.7)	(282.9)
Transfers & Adjustments	<u>0.0</u>	<u>0.0</u>
Plant EOY	\$137,779.1	\$150,299.5
CWIP EOY	2,439.5	2,439.5
Weighted Plant Additions	<u>5,877.4</u>	<u>6,260.2</u>
Weighted Average Plant	\$134,341.2	\$146,478.8
Depreciation Reserve		
Reserve BOY	\$29,890.4	\$32,898.1
Contributions	306.9	318.2
Depreciation Expense	2,859.0	3,130.6
Clearing Accounts	188.5	199.2
Total Accrual	<u>\$3,354.3</u>	<u>\$3,648.0</u>
Retirements	<u>(346.7)</u>	<u>(258.8)</u>
Reserve EOY	\$32,898.0	\$36,287.3
Weighted Accrued Additions	<u>1,503.8</u>	<u>1,694.6</u>
Wtd. Average Depreciation Reserve	\$31,394.2	\$34,592.7
RATE BASE		
Utility Plant	\$134,341.2	\$146,478.8
Materials & Supplies	832.2	924.1
Working Cash Allowance	477.1	645.7
Depreciation Reserve	(31,394.2)	(34,592.7)
Advances for Construction	(27,286.8)	(28,395.6)
Contributions	(9,106.1)	(9,358.0)
Deferred Taxes	(11,378.1)	(13,801.8)
Investment - Fontana Union Water	869.3	869.3
Taxes on Advances and CIAC	<u>1,937.8</u>	<u>2,526.8</u>
District Rate Base	\$59,292.3	\$65,296.6
Common Utility Allocation	<u>3,558.1</u>	<u>3,838.9</u>
Average RATE BASE	\$62,850.4	\$69,135.5

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Income Tax Calculation
(Dollars in Thousands)

	<u>2003</u>	<u>2004</u>
Operating Revenue	\$36,061.2	\$38,727.8
Purchased Power	4,584.0	4,861.9
Purchased Water	488.2	488.2
Leased Water Rights	1,432.9	1,432.9
Replenishment Charges	7,293.0	7,659.4
Chemicals	994.6	1,000.9
Payroll	3,213.7	3,372.5
Uncollectibles @ 0.5633%	203.1	218.2
Other O&M	1,448.5	1,507.2
Pensions & Benefits	1,202.0	1,305.1
Franchise Fees @ 0.8492%	304.5	327.0
Other A&G	535.3	641.3
G.O. Allocation	2,421.3	2,599.7
Payroll Taxes	312.5	329.3
Ad Valorem Taxes	647.6	716.8
Interest Deduction	2,410.4	2,690.2
Total Deductions	<u>\$27,491.6</u>	<u>\$29,150.5</u>
Subtotal	\$8,569.6	\$9,577.3
State Tax Depreciation	<u>5,614.4</u>	<u>6,145.7</u>
Net Taxable Income	\$2,955.2	\$3,431.6
State Corp. Franch. Tax @ 8.84%	\$261.2	\$303.4
Federal Tax Depreciation	2,859.9	3,130.6
State Franchise Tax	<u>150.9</u>	<u>-216.3</u>
Federal Taxable Income	\$5,558.8	\$6,663.0
Federal Income Tax @ 35%	\$1,945.6	\$2,332.0
Total Taxes	<u><u>\$2,206.8</u></u>	<u><u>\$2,635.4</u></u>

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San Gabriel Valley Water Company
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Adopted Quantities
(Dollars in Thousands)

1. Net-to-Gross Multiplier: 1.806051
2. Federal Income Tax Rate: 35.00%
3. State Income Tax Rate: 8.84%
4. Franchise Fee Rate: 0.8492%
5. Uncollectibles Rate: 0.5633%
6. Number of Services & Supply:

<u>Class</u>	<u>No. of Services</u>		<u>Usage -KCcf</u>		<u>Avg. Usage -KCcf/Yr.</u>	
	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>
Residential	37,752	39,050	12,118.4	12,535.1	321.00	321.00
Commercial	311	317	2,600.6	2,650.8	8,362	8,362
Industrial, Small	58	59	67.7	68.9	1,167	1,167
Industrial, Large	60	60	466.8	466.8	7,780	7,780
CSI & Cemex	2	2	1,031.5	1,031.5	N/A	N/A
Public Authority, Small	180	182	236.7	239.3	1,315	1,315
Public Authority, Large	189	190	1,396.9	1,404.3	7,391	7,391
Construction	82	82	430.8	430.8	5,254	5,254
Subtotal	38,634	39,942	18,349.4	18,827.4		
Private Fire Service	610	630				
Total	39,244	40,572				
Water Loss @ 6.8%			1,330.9	1,365.5		
Total Water Supply, KCcf			19,680.3	20,192.9		
Total Water Supply, AF			45,179.6	46,356.6		

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San Gabriel Valley Water Company
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Adopted Quantities
(Dollars in Thousands)

7. Water Supply Quantities & Cost:

Water Production Cost 2003

<u>Item</u>	<u>Quantity Basis (AF)</u>	<u>Unit Cost (\$/AF)</u>	<u>Total Cost or Assessment (\$000)</u>
<u>Chino Basin Wells</u>			
Replenishment Assessment	16,994.5	\$247.86	\$4,212.3
Administrative Assessment	25,699.5	\$18.00	\$462.6
OBMP Assessment	25,699.5	\$17.99	\$462.4
Appropriative Pool & 85/15 Assess.	24,864.5	\$25.38	\$631.1
Land Use Conversion Assessment	834.0	\$34.37	\$28.7
Appropriative Rights	1.0	\$0.00	\$0.0
Leases	7,870.0	\$182.07	\$1,432.9
Subtotal	25,699.5		\$7,229.9
<u>Non-Chino Basin Wells</u>			
FWC Share	12,120.0	\$0.00	\$0.0
CCWD Share Purchased	2,880.0	\$300.90	\$866.6
Subtotal	15,000.0		\$866.6
<u>Lytle Creek Surface Water</u>			
FWC Share	2,280.0	\$0.00	\$0.0
CCWD Share Purchased	720.0	\$300.90	\$216.6
Subtotal	3,000.0		\$216.6
<u>Other</u>			
SWP Purchases	480.1	\$152.46	\$73.2
CCWD Emergency Purchases	1,000.0	\$415.00	\$415.0
IEUA Assessment (active meters)	34,708.0	\$2.76	\$95.8
Water Stock Assessments (shares)	5,659.8	\$56.00	\$316.9
Subtotal	1,480.1		\$900.9
Total	45,179.6		\$9,214.0
Composite		\$203.94	per AF

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Adopted Quantities
(Dollars in Thousands)

7. Water Supply Quantities & Cost (continued):

Water Production Cost 2004

<u>Item</u>	<u>Quantity Basis (AF)</u>	<u>Unit Cost (\$/AF)</u>	<u>Total Cost or Assessment (\$000)</u>
<u>Chino Basin Wells</u>			
Replenishment Assessment	18,171.5	\$247.86	\$4,504.0
Administrative Assessment	26,876.5	\$18.00	\$483.8
OBMP Assessment	26,876.5	\$17.99	\$483.6
Appropriative Pool & 85/15 Assess.	26,041.5	\$25.38	\$660.9
Land Use Conversion Assessment	834.0	\$34.37	\$28.7
Appropriative Rights	1.0	\$0.00	\$0.0
Leases	7,870.0	\$182.07	\$1,432.9
Subtotal	26,876.5		\$7,593.8
<u>Non-Chino Basin Wells</u>			
FWC Share	12,120.0	\$0.00	\$0.0
CCWD Share Purchased	2,880.0	\$300.90	\$866.6
Subtotal	15,000.0		\$866.6
<u>Lytle Creek Surface Water</u>			
FWC Share	2,280.0	\$0.00	\$0.0
CCWD Share Purchased	720.0	\$300.90	\$216.6
Subtotal	3,000.0		\$216.6
<u>Other</u>			
SWP Purchases	480.1	\$152.46	\$73.2
CCWD Emergency Purchases	1,000.0	\$415.00	\$415.0
IEUA Assessment (active meters)	35,591.0	\$2.76	\$98.2
Water Stock Assessments (shares)	5,659.8	\$56.00	\$316.9
Subtotal	1,480.1		\$903.4
Total	46,356.6		\$9,580.4
Composite		\$206.67 per AF	

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San Gabriel Valley Water Company
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Adopted Quantities
(Dollars in Thousands)

8. Purchased Power Costs:

Schedule PA-1	\$0.131649	2,122,627	\$0.135119	2,240,557
		\$279.4		\$302.7
Schedule PA-2	\$0.103881	2,078,898	\$0.106998	2,078,898
		\$216.0		\$222.4
Schedule GS-1	\$0.130912	768,732	\$0.134806	887,532
		\$100.6		\$119.6
Schedule GS-2	\$0.105292	819,000	\$0.108451	819,000
		\$86.2		\$88.8
Schedule TOU-8	\$0.113525	12,842,374	\$0.115450	13,379,594
		\$1,457.9		\$1,544.7
Schedule TOU-PA-B	\$0.091331	22,024,187	\$0.093071	22,970,355
		\$2,011.5		\$2,137.9
Schedule TOU-PA-5	\$0.084638	5,107,895	\$0.087165	5,112,719
		\$432.3		\$445.6
Total \$		\$4,584.0		\$4,861.9
Total kWh		45,763,713		47,488,655

9. Number of Services by Meter Size:

	<u>2003</u>	<u>2004</u>
Residential		
5/8 x 3/4-in.	25,042	25,903
3/4-in.	21	22
1-in.	11,808	12,214
1.5-in.	463	479
2-in.	416	430
3-in.	2	2
Subtotal:	37,752	39,050
Commercial		
5/8 x 3/4-in.	2	2
1-in.	6	6
1.5-in.	41	42
2-in.	158	161
3-in.	3	3
6-in.	12	12
8-in.	18	19
10-in.	7	7
2-2-in.	44	45
3-2-in.	15	15
4-2-in.	4	4
2-4-in.	1	1
Subtotal:	311	317

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Adopted Quantities
(Dollars in Thousands)

9. Number of Services by meter size (continued):	<u>2003</u>	<u>2004</u>
<u>Industrial, Small</u>		
5/8 x 3/4-in.	18	18
1-in.	11	11
1.5-in.	14	14
2-in.	<u>15</u>	<u>16</u>
Subtotal:	58	59
<u>Industrial, Large</u>		
1-in.	2	2
1.5-in.	6	6
2-in.	34	34
6-in.	1	1
10-in.	3	3
2-2-in.	9	9
3-2-in.	4	4
2-3-in.	<u>1</u>	<u>1</u>
Subtotal:	60	60
<u>Public Authority, Small</u>		
5/8 x 3/4-in.	16	16
3/4-In.	1	1
1-in.	56	57
1.5-in.	36	37
2-in.	<u>71</u>	<u>71</u>
Subtotal:	180	182
<u>Public Authority, Large</u>		
1-in.	2	2
1.5-in.	6	6
2-in.	123	124
3-in.	3	3
4-in.	1	1
6-in.	1	1
10-in.	1	1
2-2-in.	34	34
3-2-in.	11	11
4-2-in.	<u>7</u>	<u>7</u>
Subtotal:	189	190
<u>Construction</u>	82	82
Total Metered:	<u>38,634</u>	<u>39,942</u>
<u>Private Fire Service</u>		
7.81" diameter (avg.)	610	630
Total Services	<u>39,244</u>	<u>40,572</u>

(end of Appendix B)

APPENDIX C
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San Gabriel Valley Water Company
Fontana Water Company Division

COMPARISON OF BILLS

Comparison of typical bills for residential metered customers of various usage levels and average level at present and authorized rates

General Metered Service
(5/8 x 3/4-inch meter)

Monthly Usage (Ccf)	Present Rates	<u>Test Year 2003</u>		<u>Test Year 2004</u>	
		Authorized Rates	Percent Increase	Authorized Rates	Percent Increase
5	\$16.18	\$18.71	15.6%	\$19.56	4.6%
10	\$21.99	\$25.68	16.8%	\$26.84	4.5%
20	\$33.62	\$39.63	17.9%	\$41.40	4.5%
23 (avg)	\$37.11	\$43.82	18.1%	\$45.76	4.4%
30	\$45.25	\$53.58	18.4%	\$55.95	4.4%
50	\$68.51	\$81.49	18.9%	\$85.07	4.4%
100	\$126.66	\$151.24	19.4%	\$157.86	4.4%

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San Gabriel Valley Water Company
Fontana Water Company Division

COMPARISON OF BILLS
(continued)

Comparison of typical bills for residential metered customers of various
usage levels and average level at present and authorized rates

General Metered Service
(5/8 x 3/4-inch meter)

Monthly Usage (Ccf)	Authorized TY 2004 Rates	Attrition Year 2005		Attrition Year 2006	
		Authorized Rates	Percent Increase	Authorized Rates	Percent Increase
5	\$19.56	\$20.40	4.3%	\$21.25	4.1%
10	\$26.84	\$28.00	4.3%	\$29.16	4.1%
20	\$41.40	\$43.18	4.3%	\$44.97	4.1%
23 (avg)	\$45.76	\$47.74	4.3%	\$49.72	4.1%
30	\$55.95	\$58.37	4.3%	\$60.79	4.1%
50	\$85.07	\$88.75	4.3%	\$92.43	4.1%
100	\$157.86	\$164.68	4.3%	\$171.51	4.1%

(end of Appendix C)

APPENDIX D
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San Gabriel Valley Water Company
Fontana Water Company Division
Adopted Rates

<u>Schedule FO-1</u>	<u>Test Year</u>	<u>Test Year</u>	<u>Attrition Increases</u>	
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>Quantity Rates</u>				
Per 100 cu ft (Ccf)	\$1.3951	\$1.4558	\$0.0629	\$0.0630
<u>Service Charges</u>				
Per service per month				
For 5/8 x 3/4-inch meter	\$11.73	\$12.28	\$0.53	\$0.53
For 3/4-inch meter	\$17.60	\$18.42	\$0.80	\$0.79
For 1-inch meter	\$29.33	\$30.70	\$1.33	\$1.32
For 1-1/2-inch meter	\$58.65	\$61.40	\$2.65	\$2.65
For 2-inch meter	\$93.80	\$98.20	\$4.30	\$4.20
For 3-inch meter	\$176.00	\$184.20	\$8.00	\$7.90
For 4-inch meter	\$293.30	\$307.00	\$13.30	\$13.20
For 6-inch meter	\$590.00	\$610.00	\$30.00	\$30.00
For 8-inch meter	\$940.00	\$980.00	\$40.00	\$50.00
For 10-inch meter	\$1,350.00	\$1,410.00	\$60.00	\$60.00
For 12-inch meter	\$1,940.00	\$2,030.00	\$80.00	\$90.00
For Two 2-inch meters	\$187.00	\$196.00	\$9.00	\$8.00
For Three 2-inch meters	\$281.00	\$294.00	\$13.00	\$13.00
For Four 2-inch meters	\$375.00	\$392.00	\$17.00	\$17.00
For Two 3-inch meters	\$352.00	\$368.00	\$16.00	\$16.00
For Two 4-inch meters	\$583.00	\$610.00	\$26.00	\$26.00
For One 8-inch and Two 2-inch meters	\$1,128.00	\$1,176.00	\$48.00	\$60.00
For Two 8-inch meters	\$1,838.00	\$1,916.00	\$79.00	\$97.00

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San Gabriel Valley Water Company
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Adopted Rates

	Test Year	Test Year	<u>Attrition Increases</u>	
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Schedule FO-4				
Per service per month for each inch of diameter of service connection	\$6.59	\$7.12	\$0.30	\$0.30
	Test Year	Test Year	<u>Attrition Increases</u>	
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Schedule FO-9C				
For sidewalk construction, per 100 square feet.	\$0.576	\$0.622	\$0.027	\$0.027
For street curb construction, per 100 lineal feet.	\$1.151	\$1.242	\$0.054	\$0.054
For trench settling, per lineal foot of section of trench 2 feet by 4 feet.	\$0.048	\$0.052	\$0.002	\$0.002
For sprinkling subgrade of street and roadway construction in application of oil or any form of patented oil paving or paving or surfacing, or for rolling and setting subgrade, per 3,000 square feet of roadway.	\$8.10	\$8.75	\$0.38	\$0.38
For compaction of fill, per cubic yard of fill material.	\$0.073	\$0.079	\$0.003	\$0.003
For water delivered to tank wagon or truck, per 100 gallons.	\$0.190	\$0.205	\$0.009	\$0.009
Minimum Charge				
Per month for any service rendered under this schedule.	\$29.01	\$31.32	\$1.35	\$1.35
	Test Year	Test Year	<u>Attrition Increases</u>	
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Schedule FO-9CL				
For each lot, for the construction period	\$9.91	\$10.70	\$0.46	\$0.46

(end of Appendix D)