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APPENDIX D:

Settlement between California American Water and the Monterey Peninsula Water Management District



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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of California-American Water Company (U210W) for Authorization to Increase its Revenues for Water Service by \$25,999,900 or 10.60% in the year 2021, by \$9,752,500 or 3.59% in the year 2022, and by \$10,754,500 or 3.82% in the year 2023.

A.19-07-004
(Filed July 1, 2019)

**JOINT MOTION FOR ADOPTION OF A PARTIAL SETTLEMENT AGREEMENT
BETWEEN CALIFORNIA-AMERICAN WATER COMPANY AND MONTEREY
PENINSULA WATER MANAGEMENT DISTRICT ON MONTEREY ISSUES IN THE
GENERAL RATE CASE**

ATTACHED –PARTIAL SETTLEMENT AGREEMENT

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February 11, 2021

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I. INTRODUCTION

Pursuant to Rule 12.1 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure, California-American Water Company (“California American Water”) and the Monterey Peninsula Water Management District (“MPWMD”) (collectively, the “Parties”)¹ have agreed on resolution of the issues set forth in the *Partial Settlement Agreement Between California-American Water Company And Monterey Peninsula Water Management District On Monterey Issues In The General Rate Case* (hereinafter, the “Settlement Agreement”), attached as Exhibit A. To the extent a comparison exhibit is required by Rule 12.1, the Parties refer the Commission to Exhibit B. Accordingly, the Parties hereby submit the attached Settlement Agreement for Commission approval and adoption.

The Parties mutually and jointly support the Settlement Agreement as reasonable, consistent with the law, and in the public interest. Accordingly, the Commission should grant this Joint Motion and adopt the Settlement Agreement.

¹ California American Water files this Motion on behalf of MPWMD and provides electronic signatures in accordance with Rule 1.8 of the Commission’s Rules of Practice and Procedure.

II. PROCEDURAL BACKGROUND

On July 1, 2019, California American Water filed its 2019 general rate case (“GRC”), Application (“A.”) 19-07-004, requesting authority to increase rates charged for water and wastewater service in the Test Year 2021 and Escalation Years 2022 and 2023. Administrative Law Judge (“ALJ”) Gerald F. Kelly was assigned to this proceeding.

On August 5, 2019, Cal Advocates protested California American Water’s Application. Protests to California American Water’s Application were also received from Central Coast Coalition of Communities for Wastewater Equity, City of Duarte, and Monterey Peninsula Water Management District (“MPWMD”). Motions for Party Status were filed by the City of Thousand Oaks, Coalition of Peninsula Businesses, City of San Marino, Butterfield-Riviera East Community Association (“BRECA”), Pacific Institute for Studies in Development, Environment, and Security, Las Palmas Wastewater Committee (“Las Palmas”), Nina Beety and Environment Now. All Motions for Party Status were granted with the exception of Ms. Beety’s Motion on the grounds many of the issues raised were not within the scope of this proceeding.

On September 19, 2019, a Prehearing Conference was held.

On October 14, 2019, California American Water filed its 100-day update to the application and filed a motion to include in its 100-day update post-application modifications to reflect operating expense for acquired systems.

The *Assigned Commissioner’s Scoping Memo and Ruling* (“Scoping Memo”) issued on November 8, 2019, establishing the scope and category of the proceeding, setting the procedural schedule, providing direction for Alternative Dispute Resolution (“ADR”) process, and identified dates and locations of Public Participation Hearings, among other items.

Pursuant to the procedural schedule set forth in the Scoping Memo, Cal Advocates served its testimony on February 14, 2020. MPWMD served testimony on February 27, 2020. BRECA, City of Duarte, City of San Marino, and Las Palmas served testimony on February 28, 2020. California American Water served its Rebuttal testimony on March 30, 2020.

An *E-Mail Ruling Amending Procedural Schedule* issued on April 2, 2020 (“April 2, 2020 Email Ruling”), stating it was necessary to amend the procedural schedule due to the impacts of the COVID-19 public health crisis. The procedural schedule was again amended due to the impacts of the COVID-19 public health crisis by the May 22, 2020 *E-Mail Ruling Amending Schedule* and the July 16, 2020 *E-Mail Ruling Suspending Procedural Schedule and*

Providing Additional Directives to the Parties (“July 16, 2020 Email Ruling”).

On May 5, 2020, in accordance with the Scoping Memo and the April 2, 2020 Email Ruling, California American Water noticed an all-party settlement conference for May 13, 2020. The settlement conference took place as scheduled. Following the settlement conference, California American Water diligently engaged in settlement discussions with, among others, MPWMD.

On August 12, 2020, ALJ Katherine K. MacDonald and ALJ Eric Wildgrube were assigned to handle ADR issues as Neutral ALJs. On September 9, 2020, the Neutral ALJs hosted an initial kick-off mediation session for all parties. Thereafter, the Neutral ALJs scheduled separate individual meetings with each interested party.

On November 16, 2020, pursuant to the July 16, 2020 Email Ruling, California American Water filed a joint Status Conference Statement on behalf of active parties regarding the status of ADR, settlements and factual and material issues remaining in dispute. At the time the Status Conference Statement was filed only MPWMD believed evidentiary hearings were required.

A status conference was held December 3, 2020. On December 16, 2020, ALJ Kelly issued an *E-Mail Ruling Setting Evidentiary Hearings for January 27 and 28, 2021 via Webex and Instructions for Parties* (“December 16, 2020 Email Ruling”). The December 16, 2020 Email Ruling ordered, among other items, that any “Settlement Agreements shall be filed in this proceeding as soon as possible once they are finalized.” On the same day, MPWMD indicated that evidentiary hearings were no longer necessary and that any remaining issues between itself and California American Water could be briefed.

On December 17, 2020, the Commission adopted Decision (“D.”) 20-12-046, *Order Extending Statutory Deadline*, which extends the statutory deadline to complete this proceeding to September 30, 2021.

On December 21, 2020, evidentiary hearing dates were vacated and deadlines for opening and reply briefs were set in the *Email Ruling Vacating Evidentiary Hearings and Setting Due Dates for Opening and Reply Briefs*.² This motion is timely.

III. OVERVIEW OF THE SETTLEMENT AGREEMENT

The Settlement Agreement resolves the majority of disputed issues between California

² A joint motion to admit exhibits into the record will be separately filed.

American Water and MPWMD. The Parties' agreements support the goals of affordability, customer equity, conservation, rate clarity and simplification. For example, the Settlement Agreement reflects resolution on the following proposed Special Requests:

- No. 4. Leak Adjustment Policy and Recovery (Settlement Agreement at Section 3.1)
- No. 5. Water Revenue Adjustment Mechanism/Modified Cost Balancing Action ("WRAM/MCBA") Cap (Settlement Agreement at Section 3.2)
- No. 12. Annual Consumption Adjustment Mechanism (Settlement Agreement at Section 3.3)

The Parties agree CAW's leak adjustment policy is appropriate and should be continued given the water supply constraints on the Monterey Peninsula and associated steeply inclining tier block rate design. Likewise, the Parties' resolution on annual WRAM/MCBA recoveries balances the need for accelerated recovery while mitigating the rate impacts to Monterey customers. Making the ACAM permanent in Monterey as proposed in the Settlement Agreement will allow for rates to be set using more recent actual consumption and further minimize WRAM/MCBA balances. The Parties also agreed that the use of 2019 actual consumption to determine the sales per connection forecast (Settlement Agreement at Section 3.8) would help establish the most accurate sales forecast.

California American Water's Special Request No. 13, Consolidating Conservation Program Statewide, sought statewide consolidation of conservation programs. The Parties instead agree in Section 3.4 of the Settlement Agreement to a conservation budget for the Monterey District and flexibility to shift funds between rate case cycle years. Flexibility is important to design and implement multi-year programs, shift funds to temporarily offered partner programs, and coordinate one-time outreach campaigns.

The Settlement Agreement also addresses Monterey District rate design, resulting in the compromises identified in Section 3.7 of the Settlement Agreement. The Parties believe that the underlying elements of the settled rate design, including the elimination of the 5th tier for residential customers results in just and reasonable rates.

The Settlement Agreement at Section 3.9 also reflects agreement on certain Monterey County District capital projects. The agreed-upon capital projects represent just and reasonable capital additions and costs.

The Settlement Agreement represents a full and fair resolution of the majority of issues between MPWMD and California American Water, and the Commission should, therefore, adopt the Settlement Agreement.

IV. THE SETTLEMENT AGREEMENT IS FAIR AND REASONABLE AND ITS ADOPTION WILL SERVE THE PUBLIC INTEREST

Rule 12.1(d) requires that Commission approval of a settlement be based upon a finding that “the settlement is reasonable in light of the whole record, consistent with law, and in the public interest.”³ The Settlement Agreement meets these requirements.

A. The Settlement Agreement is Reasonable in Light of the Whole Record

The Settlement Agreement is reasonable in light of the whole record. The parties to this proceeding submitted extensive testimony and conducted extensive discovery. The Commission also held PPHs in which the public was heard. Settlement conferences and ADR took place with multiple parties participating and engaging in settlement discussions and negotiations. The Parties have a thorough understanding of the issues and all the underlying assumptions and data and were therefore able to make informed decisions in the settlement process. Each party has accepted adjustments to their initial positions to reach resolutions on the issues set forth in the Settlement Agreement, but those adjustments do not jeopardize California American Water’s ability to provide adequate service to its customers.

The terms and requirements proposed in the Settlement Agreement are just and reasonable and will benefit California American Water’s Monterey County District customers.

B. The Settlement Agreement is Consistent with the Law

The Settlement Agreement is also consistent with the law. The Parties are aware of no statutory provision or prior Commission decision that would be contravened or compromised by the proposed Settlement Agreement. Moreover, the issues resolved in the Settlement Agreement are within the scope of the proceeding.

³ D.09-03-007, *Decision Authorizing General Rate Increases for Suburban Water Systems and Approving a Related Settlement Agreement with the Division of Ratepayer Advocates*, 2009 Cal. PUC Lexis 148, *15.

C. The Settlement Agreement is in the Public Interest

The Settlement Agreement is in the public interest. The Commission has expressed a “strong public policy” in favor of settlements.⁴ This policy supports many worthwhile goals, including the reduction of litigation expenses, conservation of scarce Commission resources, and reducing risk relating to unknown and potentially unacceptable or unreasonable litigation outcomes.⁵ Commission approval of this Settlement Agreement will provide such benefits while reasonably resolving many of the issues contested between California American Water and MPWMD in this proceeding.

The agreement’s public benefits are consistent with the Commission’s policy objectives as articulated in the Water Action Plan.⁶ The Settlement Agreement’s public benefits are also consistent with the goals and objectives identified in Attachment A to Decision (“D.”) 16-12-026 because the Settlement Agreement reflects, among other items, a simplified rate design with strong conservation signals, improves sales forecasting methodology by making the ACAM permanent and addresses WRAM/MCBA surcharges. The Settlement Agreement should, therefore, be adopted.

V. CONCLUSION

For the reasons stated above, the Parties respectfully request that the Commission conclude that the Settlement Agreement is reasonable in light of the whole record, consistent with the law, and in the public interest. On that basis, the Parties jointly request that the Commission adopt the Settlement Agreement in its entirety as a complete resolution of the issues set forth therein.

⁴ D.05-03-022, *Decision Allocating Southern California Edison Company’s Revenue Requirement of \$9.2 Billion*, dated March 17, 2005, pp.8-9.

⁵ D.08-01-043, *Opinion Granting Rate Increases for Seven Districts in The Region I Service Area of Golden State Water Company*, dated January 31, 2008, p.10.

⁶ *Water Action Plan*, California Public Utilities Commission, Oct. 28, 2010, available at <http://docs.cpuc.ca.gov/PUBLISHED/Graphics/125501.PDF>.

Respectfully Submitted,

Dated: February 11, 2021

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EXHIBIT A

**BEFORE THE PUBLIC UTILITIES COMMISSION
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Application of California-American Water Company (U210W) for Authorization to Increase its Revenues for Water Service by \$25,999,900 or 10.60% in the year 2021, by \$9,752,500 or 3.59% in the year 2022, and by \$10,754,500 or 3.82% in the year 2023.

A.19-07-004
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**PARTIAL SETTLEMENT AGREEMENT BETWEEN CALIFORNIA-AMERICAN
WATER COMPANY AND MONTEREY PENINSULA WATER MANAGEMENT
DISTRICT ON MONTEREY ISSUES IN THE GENERAL RATE CASE**

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February 11, 2021

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**PARTIAL SETTLEMENT AGREEMENT BETWEEN CALIFORNIA-AMERICAN
WATER COMPANY AND MONTEREY PENINSULA WATER MANAGEMENT
DISTRICT ON MONTEREY ISSUES IN THE GENERAL RATE CASE**

1. GENERAL PROVISIONS

Pursuant to Article 12 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), California-American Water Company (“CAW” or “Company”) and Monterey Peninsula Water Management District (“MPWMD”) have agreed on the terms of this settlement agreement (the “Settlement Agreement”), which they now submit for approval. This Settlement Agreement embodies the entire understanding and agreement of the Parties with respect to the matters described herein.¹

The Parties, desiring to avoid the expense, inconvenience, and the uncertainty attendant to litigation of matters in dispute between them, have agreed on this Settlement Agreement, which they now submit for approval.

Because the Settlement Agreement represents a compromise by them, the Parties have entered into each stipulation contained in the Settlement Agreement on the basis that its approval by the Commission not be construed as an admission or concession by any Party regarding any fact or matter of law in dispute in this proceeding. Furthermore, the Parties intend that the approval of this Settlement Agreement by the Commission not be construed as a precedent or statement of policy of any kind for or against any Party in any current or future proceeding. (*See* Rule 12.5, Commission’s Rules of Practice and Procedure.)

The Parties agree that no signatory to the Settlement Agreement assumes any personal liability as a result of their agreement. All rights and remedies of the Parties are limited to those available before the Commission. Furthermore, the Settlement Agreement is being presented as an integrated package such that the Parties are agreeing to the Settlement Agreement as a whole, as

¹ Hereinafter, CAW and MPWMD are referred to as the “Parties.”

opposed to agreeing to specific elements of the Settlement Agreement. If the Commission adopts the Settlement Agreement with modification, all the Parties must consent to the modifications or the Settlement Agreement is void and all Parties reserve all rights set forth in Rule 12.4 of the Commission's Rules of Practice and Procedure. As between the Parties, this Settlement Agreement may be amended or changed only by a written agreement signed by the Parties.

This Settlement Agreement may be executed in counterparts, each of which shall be deemed an original, and the counterparts together shall constitute one and the same instrument. Each of the Parties hereto and their respective counsel and advocates have contributed to the preparation of this Settlement Agreement. Accordingly, the Parties agree that no provision of this Settlement Agreement shall be construed against any Party because that Party or its counsel drafted the provision.

The Parties agree to use their best efforts to obtain Commission approval of the Settlement Agreement. The Parties shall request that the Commission approve the Settlement Agreement without change and find the Settlement Agreement to be reasonable, consistent with the law, and in the public interest.

2. SUMMARY OF SETTLEMENT

The Settlement Agreement addresses many issues relating to CAW's service areas in the Monterey County Water and Monterey Wastewater districts for this rate case cycle. As part of the Settlement Agreement, the Parties have agreed to some of the significant elements of the General Rate Case ("GRC") revenue requirement and rate design, including special requests. Specifically, the Settlement Agreement addresses CAW's agreement with MPWMD on various issues related to conservation, utility plant additions in Monterey, and certain special requests, as well as CAW's agreement with Las Palmas Wastewater Committee ("LPWC") regarding certain Monterey wastewater issues.

A comprehensive record supports the Settlement Agreement. As part of this GRC, the Parties have submitted extensive testimony concerning the issues that are the subject of the Settlement Agreement, including, but not limited to, CAW's direct testimony submitted with the application, intervenor testimony, and CAW's rebuttal testimony.

CAW may file additional settlement agreements and briefing on issues not addressed in the Settlement Agreement.

3. MONTEREY PENINSULA WATER MANAGEMENT DISTRICT SETTLEMENT

MPWMD was created by California Legislature in 1977 for the purposes of "conserving and augmenting the supplies by integrated management of ground and surface water supplies, for control and conservation of storm and wastewater, and for the promotion of the reuse and

reclamation of water.” As such, MPWMD is an important partner with CAW in the water resources of the overlying areas served. As a partner, MPWMD has a significant vested interest in the operations of and costs related to the service CAW provides to its customers in the overlying areas served.

REFERENCES: Exh. MPWMD-3, *Direct Testimony of David J. Stoldt*, dated February 27, 2020 (“Stoldt Testimony”), pp. 2-4; Exh. MPWMD-2, Locke Testimony, pp. 3-9.

3.1. Special Request #4 Leak Adjustment Policy and Recovery and Leak Adjustments

CAW POSITION:

On July 27, 2017, CAW filed Advice Letter 1173 to update its forms and related policy and process for customer water loss adjustments, which include leak adjustments. The new form was designed to standardize the process and documentation for all customers. Approved by the Commission on September 7, 2017 and implemented for customers in all districts on January 1, 2018, the new form and process require customers to document the description, location, duration and other details, as well as corrective action taken. CAW’s leak adjustment policy is an important tool to protect its customers against the possibly dire economic consequences resulting from an unintended leak. At the same time, the new stricter policy places limits on the amount and number of adjustments.

In D.18-12-021 the Commission approved inclusion in base rates an annual budget for leak adjustments of \$2,370,879 for the Monterey District and establishment of a one-way balancing account, the Leak Adjustment Balancing Account (“LABA”). CAW requested to continue to implement its leak adjustment policy, but to move recovery of leak adjustments from base rates into the WRAM and to close the existing LABA.

CAW requests for TY 2021 recovery of leak adjustment costs based on the 2018 actual amount of \$2.7 million, assuming that CAW’s rate design and AMI proposals are adopted by the Commission. However, if these proposals are not adopted then the Company expects the requested leak adjustment costs to be 20% greater or \$3.25 million or the GRC period.

MPWMD RESPONSE:

MPWMD, as part of its regulatory powers, has been involved in development, administration and enforcement of conservation and rationing activities on the Monterey Peninsula since 1979. MPWMD has also contributed to the unique rate structures undertaken by CAW since the development of the steeply tiered Residential rate structure in 1999. MPWMD expressed concern about the recovery of leak adjustments through the WRAM and that this approach did not provide sufficient disclosure of the bill impacts to customers. MPWMD further requested that the Commission eliminate surcharges where appropriate and to move cost recoveries into base rates.

CAW REBUTTAL:

In its rebuttal testimony, CAW acknowledged that if the Commission wants to require recovery of leak adjustments to be reviewed in a general rate case, then they should be evaluated appropriately and forecasted as part of CAW's revenue requirement. Although CAW is amenable to including leak adjustments as a component of base rates, the recovery should be set at the requested \$2.7 million or \$3.25 million, if the rate design and AMI proposals are not adopted by the Commission. CAW also provided recorded leak adjustment expense for 2019 as further support.

Leak Adjustment	2015		2016		2017	
	Authorized	Recorded	Authorized	Recorded	Authorized	Recorded
Monterey County District	\$3,182,639	\$3,726,854	\$3,285,630	\$3,764,402	\$3,298,399	\$3,584,757
All Others	59,186	115,989	62,108	438,982	65,176	639,484
Total	\$3,241,825	\$3,842,844	\$3,347,738	\$4,203,384	\$3,363,575	\$4,224,241
Leak Adjustment	2018		2019		2021 Test Year Proposed *	
	Authorized	Recorded	Authorized	Recorded	CAW	
Monterey County District	\$2,370,879	\$2,389,527	\$2,370,879	\$2,922,605	\$2,389,527	
All Others	77,441	309,117	77,441	435,535	309,117	
Total	\$2,448,320	\$2,698,644	\$2,448,320	\$3,358,141	\$2,698,644	

* CAW proposal based on adoption of AMI

RESOLUTION:

Parties agree CAW's leak adjustment policy is appropriate and should be continued given the water supply constraints on the Monterey Peninsula and associated steeply inclining tier block rate design. As a result of the steeply tiered rate design, which is vital to encouraging conservation, a leak can result in an extremely high bill as most water billed as a leak is in the upper tier. The purpose of the rate design is to encourage conservation and encourage customers to reduce non-essential water use, not to penalize them for leaks out of their control. The leak adjustment program provides a beneficial protection against a very high bill for use that was unintended, thus preserving the goodwill of those customers in believing in and working towards achieving the conservation measures that CAW, MPWMD and the Commission have implemented.

Parties agree that leak adjustment costs for the Monterey District should be included in base rates at an amount of \$2.70 million for the test year,² if the rate design and AMI requests in this proceeding are adopted, or \$3.25 million for the test year³ if the rate design and AMI are rejected. Lastly, Parties agree that if the actual leak adjustment costs for the Monterey Main system, in any given year during this rate case period (2021-2023), are less than the amount

² Adjusted for escalation in the subsequent years.

³ Adjusted for escalation in the subsequent years.

authorized in base rates, this difference will be tracked and returned to customers through the Consolidated Expense Balancing Account (“CEBA”). CAW agrees to file a Tier 1 advice letter in the subsequent year, after the financial close, to adjust the CEBA balance to return these amounts to customers. Thus, parties agree that the LABA should be closed.

REFERENCES: Exh. CAW-2, *Direct Testimony of Christopher Cook*, dated July 1, 2019 (“Cook Direct”), pp. 10-14, Attachment 1; Exh. CAW-6, *Direct Testimony of Jeffrey T. Linam*, dated July 1, 2019 (“Linam Direct”), pp. 51-59, Attachment 4; Exh. CAW-09, Owens Public Direct, pp. 35-45, Attachments 7, 9; Exh. MPWMD -3, Stoldt Testimony, pp. 6-7; Exh. MPWMD-2, Locke Testimony, pp. 3-9; Exh. CAW-16, *Rebuttal Testimony of Christopher Cook*, dated March 30, 2020 (“Cook Rebuttal”), pp. 4-7 Exh. CAW-20, *Rebuttal Testimony of Jeffrey T. Linam, Errata Version*, dated July 13, 2020 (“Linam Errata Rebuttal”), pp. 70-72; Exh. CAW-22, Owens Rebuttal, pp. 67-68.

3.2. Special Request #5 Modification of Existing 15% Cap on WRAM

Amortization

CAW POSITION:

CAW requested that the current 15% cap on the annual amortization of the WRAM/MCBA, authorized by D.18-12-021, be increased to 25%, effective for balances amortized after January 1, 2021. CAW argues that it be given the opportunity to collect the existing WRAM/MCBA balances over this rate case cycle to limit future surcharges. CAW argues that the issues that prompted the Commission to find it reasonable to increase the annual cap in D.18-12-021 still exist and the benefit of the higher 15% cap will only be in effect for approximately 16 of the 36 months in the prior rate case period.

MPWMD RESPONSE:

MPWMD supports increasing the cap to 25% after January 1, 2021 in order to reduce the intertemporal inequities created when future ratepayers subsidize previous ratepayer’s water use. MPWMD provided support in CAW’s 2016 general rate case (A.16-07-002) when the Special Request was to remove the 10% cap on WRAM amortization. Similarly, in the Monterey Rate Design proceeding (A.15-07-019), MPWMD testified that current ratepayers should pay the current cost of service to avoid intergenerational inequity.

CAW REBUTTAL:

In its rebuttal testimony, CAW modified its request to instead maintain the existing 15% cap on the annual amortization of the WRAM/MCBA authorized by D.18-12-021 based upon updated data regarding WRAM/MCBA balances. CAW revised its recommendation to maintain the existing 15% cap on the annual amortization of the WRAM/MCBA, authorized by D.18-12-021, while increasing the cap to 20% for the Central Satellite, Ventura and Baldwin Hills Districts only.

RESOLUTION:

Parties agree CAW should maintain the existing 15% cap on annual WRAM/MCBA recoveries for balances to be amortized after January 1, 2021 for the Monterey District for residential and non-residential customers. Parties support the position that CAW should be afforded a reasonable opportunity to recover all outstanding under-collected WRAM/MCBA balances within this GRC cycle and believe maintaining the existing 15% cap for this rate case period is an important policy to help achieve it.

Parties agree CAW should keep the current 2016 WRAM surcharge in place until such time that the Pre-2015 meter surcharge is fully recovered, which is anticipated to occur on or before February 28, 2022, per the amortization scheduled approved in D.16-12-003. Once the Pre-2015 meter charge is collected, Parties agree that a new volumetric surcharge be established based on the 15% cap to recover all cumulative under-collected balances. The forecast provided in Attachment A demonstrates that the 15% cap is necessary to collect all cumulative under-collected balances by the end of the GRC term on December 31, 2023. It also demonstrates that establishment of the new volumetric surcharge will result in a rate decrease over the existing Pre-2015 WRAM/MCBA meter charge and 2016 volumetric charge based on forecast assumptions.⁴ Parties agree that this balances the needs for accelerated recovery while mitigating the rate impact to Monterey District customers.

REFERENCES: Exh. CAW-6, Linam Direct, pp. 59-67, Attachments 5, 6; Exh. CAW-20, Linam Errata Rebuttal, pp. 72-76; Exh. MPWMD-3, Stoldt Testimony, p. 16.

3.3. Special Request #12 Annual Consumption Adjustment Mechanism

CAW POSITION:

CAW makes two requests as part of SR #12 – to make permanent the Annual Consumption Adjustment Mechanism (“ACAM”) in the Monterey County District, and to request a similar pilot program for the Northern Division. The goal of this program is to adjust rates annually based on updated actual sales in order to stabilize revenues and moderate future WRAM under-collections.

CAW, Cal PA, MPWMD and the Coalition of Peninsula Businesses entered into a Settlement Agreement approved in D.18-05-027 to implement the ACAM for the Monterey District. As the parties to the settlement and the Commission acknowledged in D.18-05-027, the ACAM is an

⁴ For residential customers, Attachment A starts with the cumulative net under-collected WRAM/MCBA balance as of December 31, 2019 of \$26.8 million. Based on forecasted collections and additions, the net cumulative under-collected balance is estimated at \$11.2 million as of February 28, 2022. This is the expected cessation of the pre-2015 WRAM meter charge. The settlement recommends that a single, volumetric WRAM/MCBA surcharge be implemented based on a cap of 15% of the then authorized revenue requirement once the pre-2015 WRAM meter charge ends. Attachment A estimates that the volumetric surcharge would allow the net under-collected balance to be collected in 22 months or by December 31, 2023. Attachment A also shows that the new estimated volumetric surcharge would be less than the current WRAM/MCBA surcharges or approximately \$0.33 per month per CGL versus the current \$0.50 per CGL equivalent. Attachment A provides a similar analysis for non-residential customers as well.

important tool for customers in Monterey to ensure that the rate design collects the authorized revenue requirement and avoids large under-collected WRAM balances. The water supply issues in Monterey and the very steeply inclined block rate design necessitates that even small changes in consumption and within tiers should be reflected in rates annually as opposed to three-year or more cycles.

The results of CAW's implementation of the ACAM in the Monterey District demonstrate the effectiveness of the ACAM. The overall consumption adjustment in 2019 was modest, a recommended increase of 0.7% but consumption in the tier 5 declined. Increases in the WRAM have been driven in part by reductions in the upper tiers. Adjusting these on a more real-time basis, allows the rate design to collect the authorized revenue requirement timely. CAW believes it is critical that this program be made permanent.

MPWMD RESPONSE:

MPWMD supports Special Request #12 to make ACAM permanent in the Monterey District. MPWMD states that they were a party to the original settlement that created the mechanism (A.15-07-019). MPWMD recognizes the importance of the ACAM in minimizing revenue under-collections in the WRAM and the limitations of sales forecasting.

RESOLUTION:

Parties agree the ACAM pilot in Monterey should be made permanent. Parties also agree that the ACAM, which uses more recent actual consumption by tier for residential and by division for non-residential, has been an effective tool at helping minimize under-collected WRAM/MCBA balances in our Monterey District. Further, Parties agree that implementation of new GRC rates for the Monterey District should incorporate the actual consumption approved in the 2021 ACAM advice letter for rates effective January 1, 2021, which will reflect the actual consumption for the 12-months ended September 30, 2020. Consumption from the approved 2021 ACAM should be used to establish the final tariff rates as part of the GRC implementation advice letter.

REFERENCES: Exh. CAW-6, Linam Direct, pp. 84-90; Exh. MPWMD-3, Stoldt Testimony, p. 17; Exh. CAW-20, Linam Errata Rebuttal, pp. 80-88.

**3.4. Special Request #13 Consolidating Conservation Program Statewide, and
Conservation Budget**

CAW POSITION:

CAW proposed three-year conservation budget request of \$5,218,372. The proposed total three-year conservation budget for the Monterey District is \$1,845,397. The proposed 2021-2023 budget represent a 19% decrease over the currently authorized 2018-2020 budget, or a 23% decrease over funding approved for the 2015-2017 GRC cycle.

CAW also proposes to consolidate its conservation program into a statewide, rather than district, funded program where up to 50% of individually authorized conservation budget funds can be shifted between the various Company's service areas. The flexibility of shifting funds between service areas would be capped at 50% to assure a reasonable basic level conservation expenditure in each service area.

The Company also expects some cost savings potential from consolidation due to the ability to scale up projects more easily, consolidate customer outreach and certain landscape programs, and the ability to select fewer vendors with reduced start-up and set-up costs for programs.

MPWMD RESPONSE:

MPWMD opposes Special Request 13. The ability to redirect funds to other areas in the state defeats efforts to reduce water use in the Monterey District that is mandated to conserve water to comply with the CDO and the Seaside Groundwater Basin adjudication at a time where there is a high likelihood that restrictions will remain in place at least through Year Two (2022) of this GRC.

The substantial funding for Monterey Peninsula Rebate Program is necessary to support compliance with the CDO until new water supplies are online. Monterey's proposed Rebate budget is significant (\$1.1 million). The program has high levels of participation and is a critical component to meet the reductions required by the CDO.

MPWMD does, however, support allowing the conservation budget to be flexibly used throughout the GRC. MPWMD supports a return to allowing a conservation budget to be used throughout the three years of the GRC and not limiting it to a specified dollar amount per year. Many programs take time for planning and implementation and then take time to complete. For example, some programs may require spending more money in one year and less in subsequent years and vice versa. A strict annual budget restricts participation and increases the chance that a program will not be successfully implemented due to time constraints.

MPWMD further supports CAW's request to have flexibility in spending between BMPs. Flexibility allows CAW to respond to changing needs and to prioritize spending when needed.

CAW REBUTTAL:

CAW generally does not oppose including its conservation budgets as part of base rates, in recognition of the Governor's executive order "Making Water Conservation a California Way of Life." However, CAW rejects MPWMD's position that statewide consolidation of conservation budgets threatens Monterey's conservation program.

RESOLUTION:

Parties agree that:

- 1) The conservation budget be set at \$901,864⁵ for Monterey County District;
- 2) CAW withdraws SR #13, which sought to consolidate its conservation program into a statewide funded program and surcharge. Recovery of conservation costs should be through base rates and the Conservation Surcharge Balancing Account closed;
- 3) Authorize that the budgeted conservation costs be spent for Monterey District customers only;
- 4) Authorize flexibility to shift Monterey conservation funds between rate case cycle years (2021-2023);
- 5) Authorize flexibility to shift Monterey funds between Best Management Practices categories; and
- 6) Permit CAW to accrue and defer costs in each year within the GRC period to match the annualized spend authorized by a decision.

REFERENCES: Exh. CAW-10, *Direct Testimony of Patrick Pilz*, dated July 1, 2019 (“Pilz Direct”), pp. 7, 11-13, 23-25; Attachment 1, Exh. CAW-23, *Rebuttal Testimony of Patrick Pilz*, dated March 30, 2019 (“Pilz Rebuttal”), pp. 2-9; Exh. MPWMD-2, *Direct Testimony of Stephanie Locke*, dated February 27, 2020 (“Locke Testimony”), pp. 12-15; D.15-04-007, pp.14-15; D.12-06-016, pp.9-10.

3.5. Special Request #14 – Elimination of Duplicative or Unnecessary Reporting

CAW POSITION:

CAW requests authorization to eliminate duplicative or unnecessary reporting by the elimination of (1) the Monterey District rebate and audit reports required by D.09-05-029, and (2) the customer complaint reports required by D.06-11-050.

D.09-05-029, which approved a Settlement Agreement in A.07-12-010, requires the Company to include in its Annual Conservation report for the Monterey district a comprehensive list of data items for each customer who participated in a Monterey Main System conservation program during the respective year. Requiring CAW to provide this reporting is unnecessarily duplicative because CAW already provides this information to the Commission in its Annual PUC Report, Section E-3.

D.06-11-050, Ordering Paragraph 9, requires CAW to submit quarterly call center reports that break out types of calls and final dispositions of all complaints. CAW’s performance on Commission Complaints is on par or exceeding that of other Investor-Owned Water utilities in the state, which do not have this additional reporting requirement. In addition, the Company is

⁵ CAW’s original request for \$1,845,397 included labor.

already reporting Customer Service performance metrics under GO 103-A, which applies to all Investor Owned Utilities.

MPWMD RESPONSE:

MPWMD supports CAW's request as to the Monterey District rebate and audit report. The Monterey District Rebate program is significant. Last calendar year (2019) 1,148 Rebates were processed. CAW's Monterey office does not have the staff and resources to manually report consumption 12 months prior to the Rebates and 12 months after the Rebates without hardship. The reporting requirement was put into place in D. 09-05-029 during the early stages of the Rebate program and is no longer needed.

RESOLUTION:

MPWMD and CAW agree the rebate and audit reports required by D.09-05-029 should be eliminated. CAW's request to eliminate the customer complaint reports remains disputed between CAW and MPWMD.

REFERENCES: Exh. CAW-10, Pilz Direct, pp. 25-30; Exh. CAW-23, Pilz Rebuttal, pp. 13-14; Exh. MPWMD-2, Locke Direct, p. 16.

3.6. Special Request #17 – Monterey Wastewater High Cost Fund

CAW POSITION:

CAW proposed that a \$0.29 high cost fund surcharge per month per customer be placed on the bills of all non-active wastewater and non-low-income water customers to reduce the high bills of the active wastewater customers in the Monterey Wastewater system.

MPWMD RESPONSE:

MPWMD opposes this request. The proposed Monterey Wastewater High Cost Fund will require local water ratepayers to subsidize wastewater systems.

CAW REBUTTAL:

CAW's proposed high cost fund addresses present costs to active system customers and the near-term need for significant capital investment in this wastewater district. CAW, Las Palmas Wastewater Committee ("LPWC") and MPWMD previously proposed a revision to cost allocation factors between the water and wastewater service, and between active and passive wastewater customers in Monterey County as part of a proposed partial settlement in CAW's

prior GRC A.16-07-002. CAW argues that cost allocation factors for the active and passive wastewater systems adopted in 2009 may need to be updated at this time.

RESOLUTION:

MPWMD and CAW agree that CAW will withdraw its request for a high cost fund. MPWMD does not dispute the settlement agreement between CAW and LPWC, which makes revisions to cost allocation factors between water and wastewater and active and passive wastewater customers.

REFERENCES: Exh. CAW-6, Linam Direct, pp. 91-94; Exh. MPWMD-3, Stoldt Testimony, pp. 13-14; Exh. CAW-20, Linam Rebuttal, pp. 88-94, Attachment 6.

3.7. Monterey Rate Design

CAW POSITION:

CAW proposed eliminating the 5th tier for its residential single-family and residential multi-family customer tariff in the Monterey District. CAW also requested to maintain the existing single-family block widths for Tier 1 at 4.0 ccf or 29.9 CGLs and Tier 2 at the same 4.0 ccf or 29.9 CGLs and maintain the existing multi-family block widths for Tier 1 at 2.5 ccf or 18.7 CGLs and Tier 2 at the same 2.5 ccf or 18.7 CGLs. CAW proposed to set the Tier 4 tier break point for single and multi-family in such a way as to ensure that approximately 5% of the consumption for these respective rate classes occurs in Tier 4. CAW proposed to set tier rate ratios for tiers 1 through 4 at 1.0, 1.5, 4.0 and 6.0, respectively and to close the gap by 50% between the current ratio used to develop the meter rates and standard meter ratios; and finally set the meter charge to recover 30% of the revenue requirement.

MPWMD RESPONSE:

MPWMD supports the removal of the 5th tier. The steeply tiered rates in the Monterey District have been successful in reducing outdoor water use. Recent mandatory reporting to the California State Water Resources Control Board by CAW indicates that water usage in the upper tiers has dropped significantly (by nearly 70 percent) in the past ten years. The purpose of the steepest tier was to reduce consumption by the highest users, and the price signal was effective. MPWMD is aware of substantial modifications to landscapes and irrigation practices that have likely contributed to reductions in the upper tiers. The ratios of the proposed third and fourth tiers will continue to send this signal and inspire decreases to outdoor water use, as will state law that requires reductions in outdoor demand. The testimony of Stoldt indicates that the Monterey Main System may be ready for a 3-tier block rate structure, as well.

RESOLUTION:

Parties agree there will be no changes to the non-residential rate design in the Monterey District. For the residential rate design in the Monterey District, Parties agree as follows.

- i. Eliminate the fifth tier for its residential single-family and residential multi-family tariff;
- ii. Maintain the existing single-family block widths for Tier 1 at 4.0 ccf or 29.9 CGLs and Tier 2 at the same 4.0 ccf or 29.9 CGLs;
- iii. Maintain the existing multi-family block widths for Tier 1 at 2.5 ccf or 18.7 CGLs and Tier 2 at the same 2.5 ccf or 18.7 CGLs;
- iv. Set the Tier 4 tier break point for single and multi-family in such a way as to ensure that approximately 5% of the consumption for these respective rate classes occurs in Tier 4; Tier 3 break point aligns to support keeping 5% of the consumption in Tier 4;
- v. Set tier rate ratios for tiers 1 through 4 set at 1.0, 1.5, 4.0 and 6.0, respectively;
- vi. Close the gap by 50% between the current ratio used to develop the meter rates and standard meter ratios; and
- vii. Set the meter charge to recover 30% of the revenue requirement.

REFERENCES: *California-American Water Company's (U-210-W) Update to General Rate Case Application*, filed October 14, 2019 ("Application 100 Day Update"), Attachment 1 - RO Model Report, Chapter 10 tables; Exh. CAW-11, *Direct Testimony of Bahman Pourtaherian*, dated July 1, 2019 ("Pourtaherian Direct"), pp. 44-47, Attachment 5; Exh. CAW-24, *Rebuttal Testimony of Bahman Pourtaherian*, dated March 30, 2020 ("Pourtaherian Rebuttal"), pp. 27-29, 40-42, Attachment 2, Attachment 5; Exh. CAW-7, *Direct Testimony of David Mitchell*, dated July 1, 2019 ("Mitchell Direct"), pp. 4-5, Attachment 3; Exh. CAW-21, *Rebuttal Testimony of David Mitchell*, dated March 30, 2020 ("Mitchell Rebuttal"), pp. 1-14; Exh. MPWMD-2, *Locke Testimony*, pp. 3-9, 16-17; Exh. MPWMD-3, *Stoldt Testimony*, p. 16.

3.8. Monterey Sales Forecast

CAW POSITION:

CAW used the consumption forecast developed by its consultant M-Cubed which set the base average sales to weather-normalized 2018 average sales in the case of the residential, commercial, public authority, and irrigation classes, and to the most recent three-year average of sales per customer for the other classes. The base average sales were then adjusted for (1) continuing drought rebound, (2) changes in marginal water cost, and (3) changes in income.

MPWMD RESPONSE:

Accurate sales forecasts for the Monterey District are important. MPWMD has also taken this position in prior proceedings, including advocating for use of the most current consumption data for setting rates (A.16-07-002; A.15-07-019; A.13-07-002).

CAW REBUTTAL:

CAW agreed that one of the largest uncertainties in future water sales is the rate at which demand will recover from the recent drought. An examination of the 2019 actual sales concluded that the forecast model over forecasted demand on a weather adjusted basis by 2%, 4% and 8% for the Northern, Central and Southern Divisions, respectively. A comparative exhibit was included as Attachment 3 to the rebuttal testimony of Jeffrey Linam. As a result, CAW's rebuttal position recommended using the 2019 actual use per customer for the residential customer class for the Central, Northern, and Southern Divisions. Also, due to the current economic environment, CAW recommends a 6% reduction to the use per customer forecasts for all commercial and public authority customer classes. The 6% reduction was supported by CAW consultant, David Mitchell, who references a study by M.Cubed of the 2008-09 recession and impacts on non-residential sales.

RESOLUTION:

Parties agree that establishing the most accurate sales forecast is important for Test Year 2021. Parties agree that use of the 2019 actual consumption should be used to determine the sales per connection forecast as it is the most recent and conservative data in the record. Lastly, Parties agree that the 2019 residential consumption by tier and non-residential consumption by division should be used to establish tariff rates in the final decision. As noted in the Resolution of Section 3.3 above, the GRC implementation advice letter and tariff rates shall reflect consumption from the approved 2021 ACAM advice letter.

REFERENCES: Exh. CAW-6, Linam Direct, pp. 108-109, Attachment 3; Exh. MPWMD-2, Locke Testimony, pp. 16-17; Exh. MPWMD-3, Stoldt Testimony, pp. 16-17; Exh. CAW-7, Mitchell Direct, pp. 2-3, Attachment 2; Exh. CAW-11, Pourtaherian Direct, pp. 11-12; Exh. CAW-21, Mitchell Rebuttal, pp. 1-14, Attachment 1; Exh. CAW-20, Linam Errata Rebuttal, pp 39-41, Attachment 3; Exh. CAW-24, Pourtaherian Rebuttal, pp. 10-13.

3.9. Capital Projects

CAW POSITION:

CAW proposes several projects for the Monterey County District including the following:

- Project I15-400122 – Los Padres Dam NMFS MOA Requirements (PLANNED)
 - The estimated cost for this capital investment project is \$12,417,500. CAW owns and operates Los Padres Dam (“LPD”) along the Carmel River. The LPD was built in 1949. In 2017, CAW entered into two memoranda of agreements (MOA) with the National Marine Fisheries Service (NMFS). The MOAs require CAW to prepare a Feasibility Study to Investigate Removing Los Padres Dam. To date, the Company has co-funded a study with the Monterey Peninsula Water Management District (MPWMD) to evaluate the feasibility of removal of the LPD. The study includes the evaluation of options for permanent unimpeded upstream and downstream fish passage and the management of sediment if LPD is left in place.

The MOAs also stipulate that NFMS can determine if additional studies are needed in addition to the current studies. NMFS has recently informed CAW that additional studies will be necessary in order for NMFS to evaluate the LPD alternatives. Remaining reports are not duplicative of past studies; rather, they are a continuation of the current study due to additional requests by NMFS. This project includes funding for these additional studies.

- Project I15-400123 – Annual Program – Well Rehabilitation and Replacement (2018-2020) (CARRY-OVER)
 - CAW plans to spend approximately \$1,500,000 per year for this program in 2019 and 2020. The project is a continuation of the well rehabilitation program adopted by the Commission in the 2013 GRC and the 2016 GRC, with the additional scope of replacing or redrilling wells if the initial well evaluation indicates that rehabilitation is not viable and the addition of wells if added capacity is needed to meet system demands. This proposed investment project consists of planned well rehabilitation and replacement/redrill (at existing or new site) activities to help maintain and enhance the performance and reliability of the Monterey System source of supply wells.
- Project I15-400131 - Well Rehabilitation Program (2021-2026) (PROPOSED)
 - This proposed investment project of planned well rehabilitation, well replacement, and well additions is a continuation of the well rehabilitation program adopted by the Commission in the 2013 GRC and the 2016 GRC, with the additional scope of replacing wells if the initial well evaluation indicates that rehabilitation is not viable and adding wells if the production is not sufficient to serve the system demands. Proposed project budget is \$3,000,000 for 2021-2023.
- Project I15-400140 - Standby Generator Improvement Program (2021-2026) (PROPOSED)
 - With the increase in PSPS events and power outages, CAW proposes to install and upgrade generators to provide backup power to pump stations and treatment facilities. The backup power program is intended to increase system reliability, maintain system capacity, avoid catastrophic failures, protect public health, improve operability, increase customer satisfaction, and decrease future unanticipated costs.
- Project I15-400141 – New Carmel Valley Well (PROPOSED)
 - Several of the existing wells in Lower Carmel Valley are declining in production capacity and nearing the end of their useful life. CAW needs to replace this production capacity to fully implement the maximum Carmel River water rights and the ASR program. Replacing small wells would improve efficiency, reliability and yield while potentially lowering the cost of system operations. The first new larger well is proposed to be constructed in the Lower Carmel Valley on the Rancho Canada Golf Course. The well is expected to be 120 to 150 feet deep, with a production capacity of approximately 1,250 to 2,000 gallons per minute (gpm).

- Project I15-400143 – Forest Lake Pump Station (PROPOSED)
 - An existing pipeline, with diameters ranging from 24 to 30 inches, has historically conveyed water from Carmel Valley west to the Forest Lake Tanks. There are four high spots in Carmel where the pressure in this pipeline can drop below 20 psi, the normal lower operating limit for pipelines without customer service connections. CAW plans to construct a new pump station to raise the pressure in the transmission main from Forest Lake to Carmel Valley. The recommended location is at or near the site of the Forest Lake Tanks.

MPWMD RESPONSE:

- Project I15-400122 – Los Padres Dam NMFS MOA Requirements (PLANNED)
 - The Commission should approve continued funding requested by CAW under Project Code I15-400122, Los Padres Dam NMFS MOA Requirements, in support of concluding this very important study regarding long-term outcomes. The one-time study has not been completed and additional expenditures are required. This is due to the demands of the regulators for additional study, primarily the National Marine Fisheries Service (“NMFS”). Hence, this is not a duplicate cost for performing the Los Padres Dam study twice, rather a continuation of the same one-time study. Both MPWMD as project manager, and CAW as funding partner are working to contain the costs related to NMFS requests for additional modeling scenarios, but the costs underlying CAW’s GRC request are very real and not double counting.
- Project I15-400123 – Annual Program – Well Rehabilitation and Replacement (2018-2020) (CARRY-OVER)
 - MPWMD endorses and supports CAW’s Project Code I15-400123, Annual Program – Well Rehab Program carryover request. However, MPWMD is concerned the amount of this request is low and may not represent a serious commitment to maximizing ASR yields. MPWMD urges the Commission to seek more in-depth information from CAW on this request. We also urge the Commission to separate Sand City well additions from this rehabilitation request and address it separately.
- Project I15-400131 - Well Rehabilitation Program (2021-2026) (PROPOSED)
 - MPWMD supports well rehabilitation. One of the issues with well rehabilitation schedules linked to 3-year GRCs is that a well rehabilitation program needs to be able to adapt to changing field conditions and make budget adjustments more frequently than on a 3-year time step. The traditional Capital Improvement Plan for well maintenance is a more adaptive management approach to maintaining well field production because you can adapt to changing conditions on a yearly time step rather than a 3-year time step.
- Project I15-400140 - Standby Generator Improvement Program (2021-2026) (PROPOSED)
 - MPWMD did not directly address this project in its prepared testimony.

- Project I15-400141 – New Carmel Valley Well (PROPOSED)
 - In its request under Project Code I15-400141, New Carmel Valley Well, CAW requests authorization for construction of a single new well on the former Rancho Canada Golf Course. MPWMD completely supports this request by CAW. However, consistent with earlier testimony, MPWMD asserts that CAW should be compelled to construct and develop more than one, preferably 3 to 5 new wells in support of the ASR program. The ASR program was an important component of D.18-09-017 and should not be allowed to be less successful due to neglect.
- Project I15-400143 – Forest Lake Pump Station (PROPOSED)
 - In addition to the Carmel area fire flow benefits of CAW's requested Project Code I15-400143, Forest Lake Pump Station, will also provide immense benefits to the system's ability to take water from the new source supplies in the north to customers in the south, traditionally served by the Carmel River, upon which production must be reduced by regulatory order. MPWMD strongly encourages the Commission to approve this request. This is of utmost importance and should be authorized.

RESOLUTION:

- Project I15-400122 – Los Padres Dam NMFS MOA Requirements (PLANNED) – The Parties support this request.
 - Los Padres Dam Alternatives Study. The Parties agree additional information has been requested by the National Marine Fisheries Service (“NMFS”) in regard to the Carmel River Basin Hydrologic Model (“CRBHM”). This NMFS request has extended the completion time for the memo summarizing the effects on steelhead.
 - The Parties agree remaining reports are not duplicative of past studies; rather, they are a continuation of the current study due to additional requests by NMFS.
- Project I15-400123 – Annual Program – Well Rehabilitation and Replacement (2018-2020) (CARRY-OVER) – The Parties support this request with the exception of the Sand City new wells. That request remains disputed between CAW and MPWMD.
- Project I15-400131 - Well Rehabilitation Program (2021-2026) (PROPOSED) – This project remains disputed.
- Project I15-400140 - Standby Generator Improvement Program (2021-2026) (PROPOSED) – This project remains disputed.
- Project I15-400141 – New Carmel Valley Well (PROPOSED) – The Parties support this request.
- Project I15-400143 – Forest Lake Pump Station (PROPOSED) – The Parties support this request.

REFERENCES: Exh. CAW-3, *Direct Testimony of Ian C. Crooks*, dated July 1, 2019 (“Crooks Direct”), pp. 125-26, 145-46, 197-99, 209-12; Exh. CAW-17, *Rebuttal Testimony of Ian C. Crooks*, Errata Version, dated July 13, 2020 (“Crooks Rebuttal”), pp. 14-16, 18-19; Exh.

MPWMD-1, *Direct Testimony of Jonathan Lear*, dated February 27, 2020 (“Lear Testimony”), pp. 3-13.

3.10. Memorandum and Balancing Accounts

CAW POSITION:

CAW proposes to maintain the following accounts.

- Emergency Rationing Costs Memorandum Account. Tracks increased expenses that CAW would incur in its Monterey County District in the event that rationing is implemented under MPWMD’s Regulation XV. CAW requests that this account remain open in the event emergency rationing is implemented.
- NOAA/ESA Memorandum Account. Tracks compliance payments made by CAW to NOAA or its designated payee for ESA mitigation in CAW’s Monterey County District.
- ESA Memorandum Account. Tracks costs incurred complying with ESA requirements, but does not include ESA compliance costs associated with the San Clemente Dam that are tracked in the San Clemente Dam Balancing Account.
- CDO Memorandum Account. Per Resolution W-4824, CAW tracks the costs it incurs to address the State Water Resources Control Board Cease and Desist orders for unauthorized diversion of water from the Carmel River in the Monterey County District and any other such costs.
- CWP Memorandum Account. Tracks costs associated with the development of a new water supply in the Monterey County District.

CAW requests continued authorization to file an advice letter to re-establish the following account:

- Seaside Groundwater Basin Memorandum Account. Tracks payments made to the Seaside Basin Water Master for replenishment water.

MPWMD RESPONSE:

MPWMD did not address these memorandum and balancing accounts directly in its prepared testimony. MPWMD provided testimony on memorandum and balancing accounts in testimony submitted in prior CAW applications, including A.13-07-002 and A.05-02-012.

RESOLUTION:

The Parties agree CAW should maintain the following accounts: Emergency Rationing Costs Memorandum Account, NOAA/ESA Memorandum Account, ESA Memorandum Account, CDO Memorandum Account and CWP Memorandum Account.

The Parties also agree CAW should be allowed to reopen the Seaside Groundwater Basin Memorandum Account via an advice letter filing in the future.

REFERENCES: Exh. CAW-4, *Direct Testimony of Jeffrey M. Dana, Errata Version*, dated July 13, 2020 (“Dana Errata Direct”), pp.3-4, 8-9, 1, 15-16, 18-21; Exh. CAW-18, *Rebuttal Testimony of Jeffrey M. Dana, Errata Version*, dated July 13, 2020 (“Dana Errata Rebuttal”), pp.7-11, 15-17, 20.

3.11. Tariff Sheet Modifications

MPWMD POSITION:

1. The MPWMD User Fee is shown parenthetically on the bill as 8.33%, but it is accurately calculated as 8.325% of the “Service Related Charges” on the bill, which is the actual fee amount. The description should show 8.325% or 0.08325.
2. Special Conditions, Fees and Surcharges #2 for franchise fees and/or business license fees (Schedules No. MO-1-SF sheet 4, MO-1-MF sheet 4, MO-1O sheet 5, MO-1C sheet 7, CA-4 sheet 4, CA-4H sheet 10) should be identical in all locations of the tariff sheets.
3. There never has existed a “Carmel Area Wastewater District Water Entitlement” as written in Special Conditions, General Items, 5.c.i. This should be revised to read “The Pebble Beach Company, Hester Hyde Griffin Trust, and J. Lohr Properties Inc. Water Entitlements” and changed at all four locations in the Tariff Sheet.
4. Advice Letter 1230-A tariff sheets under Rule No. 15, sheet 11, established a special facility fee to offset capital costs associated with the Monterey Peninsula Water Supply Project in the amount of \$24,000 per acre-foot. This fee does not appear on the tariff sheets shown in Attachment 5 to Owens’ testimony and should be reinstated on CAW’s tariffs.

CAW RESPONSE:

1. CAW will implement that change on customer bills to show the MPWMD user fee as 8.325% rather than 8.33%.

2. Regarding the Carmel Area Wastewater District Entitlement, this is the language used in D.11-03-048. However, CAW does not object to changing the language subject to Commission approval.
3. The franchise fees and/or business license fees are consistent across all Monterey schedules except for CA-4H sheet 10. CAW determined that several of the fees were not correctly reflected on this one schedule, but customers on this schedule are billed consistently and correctly.⁶
4. The special facility fee to offset capital costs associated with the MPWSP was inadvertently not reflected. It should remain in place with any tariffs, or tariff revisions, approved in this proceeding.

RESOLUTION:


MPWMD and CAW agree as follows:

1. CAW will modify its bill presentation so that the MPWMD User Fee appears as the unrounded correct fee of 8.325% or 0.08325.
2. CAW will make any necessary corrections such that state franchise fees/business license fees stated consistently across all tariff sheets.
3. Regarding Special Conditions, General Items, 5.c.i., CAW does not object to changing “Carmel Area Wastewater District Entitlement” (the language used in D.11-03-048) to read “The Pebble Beach Company, Hester Hyde Griffin Trust, and J. Lohr Properties Inc. Water Entitlements” at all four locations in the Tariff Sheets.
4. CAW will not remove the MPWSP Special Facilities Fee at \$24,000 per acre foot reflected in Operating Rule 15.

REFERENCES: Exh. MPWMD-3, Stoldt Testimony, pp.17-20; Exh. CAW-22, *Rebuttal Testimony of Stephen (Wes) Owens, PUBLIC Version*, dated March 30, 2020 (“Owens Public Rebuttal”), pp. 87-90.

⁶ California filed Advice Letter 1293 on April 15, 2020 to update this rate schedule to be consistent with the others. Advice Letter 1293 was approved on September 22, 2020.

Dated: February 11, 2021

By: 

Richard Svindland, President
For: California-American Water Company

Dated: February __, 2021

By: _____
David J. Stoldt, General Manager
For: Monterey Peninsula Water Management
District

Dated: February __, 2021

By: _____

Richard Svindland, President

For: California-American Water Company

Dated: February 11, 2021

By: _____



David J. Stoldt, General Manager

For: Monterey Peninsula Water Management
District

ATTACHMENT A

2019 California American Water General Rate Case (A.19-07-004)
Joint Settlement Agreement between
California American Water and the Monterey Peninsula Water Management District (MPWMD)
Attachment A

Residential Customers

Balances (in \$M)

WRAM/MCBA Balance as of 12/31/19	(\$26.8)
Estimated Collections through 2/28/22	18.0
Estimated 2020 WRAM/MCBA Balance	(1.2)
Estimated 2021 WRAM/MCBA Balance	(1.2)
Total	(\$11.2)
2019 WRAM Residential Authorized Revenue	\$40.2
Undercollection as a Percent of Authorized Revenue	28%
15% of Authorized Revenue	\$6.0
Amortization Period in Months	22
Projected Collection	31-Dec-23
2022/23 Standard Volumetric Surcharge (\$/100 gal)	\$0.3262
2016 Volumetric Surcharge (\$/100 gal)	\$0.2219
Pre-2015 Meter Charge for average residential customer (\$/100 gal)	\$0.2741
Current Equivalent Surcharge (\$/ 100 gal)	\$0.4960

Non-Residential Customers

Balances (in \$M)

WRAM/MCBA Balance as of 12/31/19	(\$7.6)
Estimated Collections through 2/28/22	4.1
Estimated 2020 WRAM/MCBA Balance	(1.0)
Estimated 2021 WRAM/MCBA Balance	(1.0)
Total	(\$5.5)
2019 WRAM Non-Residential Authorized Revenue	\$22.2
Undercollection as a Percent of Authorized Revenue	25%
15% of Authorized Revenue	\$3.3
Amortization Period in Months	20
Projected Collection	31-Oct-23
2022/23 Standard Volumetric Surcharge Division 1 (\$/100 gal)	\$0.3023
2017 Division 1 Volumetric Surcharge (\$/100 gal)	\$0.1363
Pre-2015 Meter Charge for average non-residential customer (\$/100 gal)	\$0.0185
Current Equivalent Surcharge (\$/ 100 gal)	\$0.1548

EXHIBIT B

**CALIFORNIA AMERICAN WATER
CENTRAL DIVISION
GENERAL RATE CASE
COMPARATIVE SUMMARY OF EARNINGS FOR TEST YEAR AT PRESENT RATES**

2021 @ PRESENT RATES

	Cal-PA		CAW EXCEEDS BRANCH DIFFERENCE	CAW		CAW EXCEEDS ADOPTED AUTHORIZED	ADOPTED	
	ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		TEST YEAR 2021	ESCALATION YEAR 2022
Operating Revenues	70,479.4	70,479.4	(1,849.6)	68,629.8	68,629.8	693.9	69,323.7	72,506.9
Operation & Maintenance Exp		0.0			0.0			
Labor	8,092.0	8,092.0	1,358.8	9,450.8	9,423.8	(693.7)	8,730.1	8,979.2
Purchased Water	1,160.1	1,160.1	(12.5)	1,147.6	1,160.1	(12.5)	1,147.6	1,163.2
Purchased Power	2,498.8	2,498.8	25.9	2,524.8	2,524.8	(105.3)	2,419.4	2,472.7
Chemicals	381.0	381.0	(0.0)	381.0	381.0	(0.0)	381.0	389.4
Operation Expense	1,865.4	1,865.4	1.0	1,866.4	1,866.4	58.9	1,925.2	1,721.3
Maintenance (excluding Amort Tank Painting)	1,814.6	1,814.6	267.2	2,081.7	2,051.2	30.5	2,081.7	2,122.7
Amortization of Tank Painting	718.4	718.4	0.0	718.4	718.4	0.0	718.4	658.2
Customer Accounting	357.2	357.2	66.2	423.4	423.4	(28.6)	394.8	403.7
Uncollectible Expense	712.3	712.3	(355.0)	357.3	306.0	2,438.2	2,744.3	3,248.7
Insurance	546.2	546.2	345.7	891.9	891.9	(303.8)	588.1	601.1
Pensions and Benefits	1,947.9	1,947.9	205.6	2,153.5	2,211.4	(135.5)	2,075.9	2,173.3
Regulatory Expenses	215.0	215.0	(98.2)	116.7	125.5	202.7	328.1	328.1
Rents	737.9	737.9	97.9	835.8	835.8	(98.9)	736.8	754.5
Other Administrative & General	3,512.9	3,512.9	28.4	3,541.2	3,576.0	174.9	3,751.0	3,859.7
Service Company Costs	2,796.9	2,796.9	(23.7)	2,773.2	2,796.9	(7.2)	2,789.7	2,849.9
Citizens Acquisition Premium	896.0	896.0	0.0	896.0	896.0	0.0	896.0	900.4
General Office Return on Rate Base	652.7	652.7	55.0	707.7	752.3	(75.2)	677.1	702.9
Return on and of UPAA	652.9	652.9	210.4	863.2	863.2	(210.4)	652.9	637.8
Sam Clemente Dam	6,245.4	6,245.4	0.0	6,245.4	6,245.4	0.0	6,245.4	6,245.4
Total O&M expenses	35,803.5	35,803.5	2,172.7	37,976.1	38,049.5	1,234.1	39,283.6	40,212.0
Depreciation	9,753.6	9,753.6	(0.9)	9,752.7	9,782.5	(45.3)	9,737.2	10,441.7
General Taxes	2,830.4	2,830.4	104.3	2,934.8	2,946.8	(46.4)	2,900.3	3,032.3
Total Operating Expenses	48,387.5	48,387.5	2,276.1	50,663.6	50,778.7	1,142.4	51,921.1	53,686.0
Income Before Income Taxes	22,091.9	22,091.9	(4,125.7)	17,966.2	17,851.1	(448.5)	17,402.5	18,820.9
		0.0			0.0	0.0		
State Income Taxes	1,463.8	1,463.8	(381.7)	1,082.1	1,073.0	(40.0)	1,033.1	1,137.7
Federal income Taxes	2,314.5	2,314.5	(840.8)	1,473.7	1,453.6	(118.1)	1,335.5	1,733.1
Total Income Taxes	3,778.3	3,778.3	(1,222.5)	2,555.8	2,526.6	(158.0)	2,368.6	2,870.8
Utility Operating Income	18,313.6	18,313.6	(2,903.2)	15,410.4	15,324.5	(290.5)	15,034.0	15,950.1
		0.0			0.0	0.0		
Average Rate Base	221,581.4	221,581.4	7,689.5	229,270.9	228,772.8	111.8	228,884.6	238,270.2
Return on Rate Base	8.26%	8.26%	-1.54%	6.72%	6.70%	-0.13%	6.57%	6.69%

**CALIFORNIA AMERICAN WATER
CENTRAL DIVISION
GENERAL RATE CASE
COMPARATIVE SUMMARY OF EARNINGS FOR TEST YEAR AT PROPOSED RATES**

2021 @ PROPOSED RATES

	Cal-PA		CAW EXCEEDS BRANCH DIFFERENCE	CAW		CAW EXCEEDS ADOPTED AUTHORIZED	ADOPTED	
	ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		TEST YEAR 2021	ESCALATION YEAR 2022
Operating Revenues	68,085.7	68,085.7	3,462.8	71,548.5	71,617.4	1,121.9	72,739.3	75,633.2
Operation & Maintenance Exp		0.0			0.0			
Labor	8,092.0	8,092.0	1,358.8	9,450.8	9,423.8	(693.7)	8,730.1	8,979.2
Purchased Water	1,160.1	1,160.1	(12.5)	1,147.6	1,160.1	(12.5)	1,147.6	1,163.2
Purchased Power	2,498.8	2,498.8	25.9	2,524.8	2,524.8	(105.3)	2,419.4	2,472.7
Chemicals	381.0	381.0	(0.0)	381.0	381.0	(0.0)	381.0	389.4
Operation Expense	1,865.4	1,865.4	1.0	1,866.4	1,866.4	58.9	1,925.2	1,721.3
Maintenance (excluding Amort Tank Painting)	1,814.6	1,814.6	267.2	2,081.7	2,051.2	30.5	2,081.7	2,122.7
Amortization of Tank Painting	718.4	718.4	0.0	718.4	718.4	0.0	718.4	658.2
Customer Accounting	357.2	357.2	66.2	423.4	423.4	(28.6)	394.8	403.7
Uncollectible Expense	701.7	701.7	(329.1)	372.5	321.6	2,441.2	2,762.8	3,264.7
Insurance	546.2	546.2	345.7	891.9	891.9	(303.8)	588.1	601.1
Pensions and Benefits	1,947.9	1,947.9	205.6	2,153.5	2,211.4	(135.5)	2,075.9	2,173.3
Regulatory Expenses	215.0	215.0	(98.2)	116.7	125.5	202.7	328.1	328.1
Rents	737.9	737.9	97.9	835.8	835.8	(98.9)	736.8	754.5
Other Administrative & General	3,512.9	3,512.9	28.4	3,541.2	3,576.0	174.9	3,751.0	3,859.7
Service Company Costs	2,796.9	2,796.9	(23.7)	2,773.2	2,796.9	(7.2)	2,789.7	2,849.9
Citizens Acquisition Premium	896.0	896.0	0.0	896.0	896.0	0.0	896.0	900.4
General Office Return on Rate Base	652.7	652.7	55.0	707.7	752.3	(75.2)	677.1	702.9
Return on and of UPAA	652.9	652.9	210.4	863.2	863.2	(210.4)	652.9	637.8
Sam Clemente Dam	6,245.4	6,245.4	0.0	6,245.4	6,245.4	0.0	6,245.4	6,245.4
Total O&M expenses	35,792.8	35,792.8	2,198.5	37,991.3	38,065.0	1,237.1	39,302.1	40,228.0
Depreciation	9,753.6	9,753.6	(0.9)	9,752.7	9,782.5	(45.3)	9,737.2	10,441.7
General Taxes	2,830.4	2,830.4	104.3	2,934.8	2,946.8	(46.4)	2,900.3	3,032.3
Total Operating Expenses	48,376.9	48,376.9	2,301.9	50,678.8	50,794.3	1,145.4	51,939.7	53,701.9
Income Before Income Taxes	19,708.8	19,708.8	1,160.9	20,869.7	20,823.1	(23.5)	20,799.6	21,931.3
State Income Taxes	1,253.2	1,253.2	85.6	1,338.8	1,335.8	(2.4)	1,333.4	1,412.6
Federal income Taxes	1,814.0	1,814.0	269.4	2,083.4	2,077.7	(28.8)	2,048.9	2,386.3
Total Income Taxes	3,067.2	3,067.2	355.0	3,422.2	3,413.5	(31.2)	3,382.3	3,798.9
Utility Operating Income	16,641.6	16,641.6	805.9	17,447.5	17,409.6	7.7	17,417.3	18,132.4
Average Rate Base	221,581.4	221,581.4	7,689.5	229,270.9	228,772.8	111.8	228,884.6	238,270.2
Return on Rate Base	7.51%	7.51%	0.10%	7.61%	7.61%	0.00%	7.61%	7.61%

REVENUE

3 4 5 6

TABLE B-1
CALIFORNIA-AMERICAN WATER COMPANY
CENTRAL DIVISION

WATER SALES PER AVERAGE CUSTOMER

CCF

ITEM	Cal-PA		UTILITY EXCEEDS BRANCH DIFFERENCE	CAW		UTILITY EXCEEDS ADOPTED AUTHORIZED	ADOPTED	
	ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		TEST YEAR 2021	ESCALATION YEAR 2022
Metered Water Customers:								
Residential	62.5	62.5	1.7	64.2	64.2	0.5	64.7	64.7
Multiresidential	301.5	301.5	-	301.5	301.5	(6.3)	295.2	295.2
Multiresidential (Mstr Mtr)	-	-	-	-	-	-	-	-
Commercial	367.8	367.8	8.3	376.1	376.1	(61.4)	314.7	314.7
Industrial	2,876.0	2,876.0	-	2,876.0	2,876.0	(1,846.4)	1,029.6	1,029.6
Public Authority	388.0	388.0	42.4	430.3	430.3	(70.7)	359.6	359.6
Sales for Resale	585.0	585.0	-	585.0	585.0	(11.5)	573.5	573.5
Other	-	-	-	-	-	-	-	-
Golf Courses	-	-	-	-	-	-	-	-
Construction	182.7	182.7	-	182.7	182.7	(3.7)	179.1	179.1
Irrigation Gravity	-	-	-	-	-	-	-	-
Irrigation Pressure	-	-	-	-	-	-	-	-
Private Fire	-	-	-	-	-	-	-	-
Private Fire Mandated	-	-	-	-	-	-	-	-
Public Fire	-	-	-	-	-	-	-	-
Hotel	-	-	-	-	-	-	-	-
Residential Flat	-	-	-	-	-	-	-	-
Commercial (Flat)	-	-	-	-	-	-	-	-
Unmetered	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-
TOTAL	100.7	100.7	2.6	103.3	103.3	(6.1)	97.2	97.2

TABLE C-1
CALIFORNIA-AMERICAN WATER COMPANY
CENTRAL DIVISION
AVERAGE NUMBER OF CUSTOMERS

ITEM	Cal-PA		UTILITY EXCEEDS BRANCH DIFFERENCE	CAW		UTILITY EXCEEDS ADOPTED AUTHORIZED	ADOPTED	
	ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		TEST YEAR 2021	ESCALATION YEAR 2022
Metered Water Customers:								
Residential	33,988.0	33,988.0	-	33,988.0	33,988.0	-	33,988.0	33,988.0
Multiresidential	1,658.0	1,658.0	-	1,658.0	1,658.0	-	1,658.0	1,658.0
Multiresidential (Mstr Mtr)	-	-	-	-	-	-	-	-
Commercial	3,382.0	3,382.0	-	3,382.0	3,382.0	-	3,382.0	3,382.0
Industrial	5.0	5.0	-	5.0	5.0	-	5.0	5.0
Public Authority	507.0	507.0	-	507.0	507.0	-	507.0	507.0
Sales for Resale	2.0	2.0	-	2.0	2.0	-	2.0	2.0
Other	-	-	-	-	-	-	-	-
Golf Courses	-	-	-	-	-	-	-	-
Construction	29.0	29.0	-	29.0	29.0	-	29.0	29.0
Irrigation Gravity	-	-	-	-	-	-	-	-
Irrigation Pressure	-	-	-	-	-	-	-	-
Private Fire	-	-	-	-	-	-	-	-
Private Fire Mandated	-	-	-	-	-	-	-	-
Public Fire	1,008.0	1,008.0	-	1,008.0	1,008.0	3.0	1,011.0	1,012.0
Hotel	-	-	-	-	-	-	-	-
Residential Flat	-	-	-	-	-	-	-	-
Commercial (Flat)	-	-	-	-	-	-	-	-
Unmetered	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	-
TOTAL	40,579.0	40,579.0	-	40,579.0	40,579.0	3.0	40,582.0	40,583.0

TABLE D-1
CALIFORNIA-AMERICAN WATER COMPANY
CENTRAL DIVISION
TOTAL SALES AND SUPPLY

ITEM	Cal-PA		UTILITY EXCEEDS BRANCH DIFFERENCE	CAW		UTILITY EXCEEDS ADOPTED AUTHORIZED	ADOPTED	
	ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		TEST YEAR 2021	ESCALATION YEAR 2022
Metered Water Customers:								
Residential	2,123.4	2,123.4		2,181.3	2,181.3		2,198.5	2,198.5
Multiresidential	499.8	499.8	-	499.8	499.8	(1,691.9)	489.4	489.4
Multiresidential (Mstr Mtr)	0.0	0.0	-	0.0	0.0	(499.8)	0.0	0.0
Commercial	1,243.9	1,243.9	28.0	1,271.9	1,271.9	1,064.2	1,064.2	1,064.2
Industrial	14.4	14.4	-	14.4	14.4	(1,266.8)	5.1	5.1
Public Authority	196.7	196.7	21.5	218.2	218.2	167.9	182.3	182.3
Sales for Resale	1.2	1.2	-	1.2	1.2	(217.0)	1.1	1.1
Other	0.0	0.0	-	0.0	0.0	(1.2)	0.0	0.0
Golf Courses	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Construction	5.3	5.3	-	5.3	5.3	5.2	5.2	5.2
Irrigation Gravity	0.0	0.0	-	0.0	0.0	(5.3)	0.0	0.0
Irrigation Pressure	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Private Fire	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Private Fire Mandated	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Public Fire	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Hotel	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Residential Flat	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Commercial (Flat)	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Unmetered	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Reserved	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Reserved	0.0	0.0	-	0.0	0.0	-	0.0	0.0
	0.0	0.0	-	0.0	0.0	-	0.0	0.0
TOTAL	4,084.7	4,084.7	107.3	4,192.0	4,192.0	3,945.9	3,945.9	3,945.9

TABLE E-1
CALIFORNIA-AMERICAN WATER COMPANY
CENTRAL DIVISION
OPERATING REVENUES
(AT PRESENT RATES)

ITEM	Cal-PA		UTILITY EXCEEDS BRANCH DIFFERENCE	CAW		UTILITY EXCEEDS ADOPTED AUTHORIZED	ADOPTED	
	ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		TEST YEAR 2021	ESCALATION YEAR 2022
	(Thousands of \$)			(Thousands of \$)				
Metered Water Customers								
Residential	38,942.4	38,942.4	(928.1)	38,014.3	38,014.3	233.8	38,248.1	40,878.4
Multiresidential	6,145.1	6,145.1	(131.0)	6,014.1	6,014.1	67.5	6,081.6	6,444.5
Multiresidential (Mstr Mtr)	-	-	-	-	-	-	-	-
Commercial	19,943.2	19,943.2	(765.5)	19,177.6	19,177.6	409.0	19,586.6	19,343.2
Industrial	214.5	214.5	(13.2)	201.2	201.2	(104.5)	96.7	95.7
Public Authority	3,561.7	3,561.7	129.1	3,690.8	3,690.8	45.2	3,735.9	3,770.0
Sales for Resale	10.6	10.6	(0.2)	10.4	10.4	0.2	10.6	15.9
Other	-	-	-	-	-	-	-	-
Golf Courses	-	-	-	-	-	-	-	-
Construction	236.7	236.7	(3.8)	232.9	232.9	4.4	237.3	297.5
Irrigation Gravity	-	-	-	-	-	-	-	-
Irrigation Pressure	-	-	-	-	-	-	-	-
Private Fire	314.0	314.0	(25.3)	288.7	288.7	(36.4)	252.3	527.6
Private Fire Mandated	-	-	-	-	-	-	-	-
Public Fire	668.0	668.0	-	668.0	668.0	2.7	670.7	727.1
Hotel	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	-
Total Metered Revenues	70,036.1	70,036.1	(1,738.1)	68,297.9	68,297.9	621.8	68,919.7	72,099.9
Other Revenues								
Method 5 Revenues	0.0	0.0	-	17.5	17.5	-	17.5	20.5
Contract Revenues	-	-	-	-	-	-	-	-
Antenna Leases	73.9	73.9	-	70.3	70.3	-	43.0	43.0
Additional NTPS Rev	-	-	-	-	-	-	-	-
Misc Service Revenues	369.4	369.4	-	244.0	244.0	-	343.4	343.4
Late Payment Penalty	-	-	-	-	-	-	-	-
Rents	-	-	-	-	-	-	-	-
Leak Adjustments	-	-	-	-	-	-	-	-
DSIC	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Subtotal Other Revenues	443.3	443.3	-	331.9	331.9	-	403.9	407.0
Total Operating Revenues	70,479.4	70,479.4	-	68,629.8	68,629.8	-	69,323.7	72,506.9
Revenues per Avg Customer	1,736.8	1,736.8	-	1,691.3	1,691.3	-	1,708.2	1,786.6

TABLE E-2
CALIFORNIA-AMERICAN WATER COMPANY
CENTRAL DIVISION
OPERATING REVENUES

(AT Proposed RATES)

ITEM	Cal-PA		UTILITY EXCEEDS BRANCH DIFFERENCE	CAW		UTILITY EXCEEDS ADOPTED AUTHORIZED	ADOPTED	
	ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		TEST YEAR 2021	ESCALATION YEAR 2022
	(Thousands of \$)			(Thousands of \$)				
Metered Water Customers								
Residential	37,506.8	37,506.8	2,077.7	39,584.5	39,623.0	1,255.5	40,878.4	42,398.5
Multiresidential	5,994.4	5,994.4	199.3	6,193.8	6,200.0	244.5	6,444.5	6,685.6
Multiresidential (Mstr Mtr)	-	-	-	-	-	-	-	-
Commercial	19,322.9	19,322.9	683.7	20,006.6	20,026.6	(683.4)	19,343.2	20,065.4
Industrial	204.2	204.2	3.4	207.6	207.8	(112.2)	95.7	99.2
Public Authority	3,529.4	3,529.4	377.1	3,906.5	3,910.4	(140.4)	3,770.0	3,910.9
Sales for Resale	14.3	14.3	0.2	14.5	14.5	1.4	15.9	16.4
Other	-	-	-	-	-	-	-	-
Golf Courses	-	-	-	-	-	-	-	-
Construction	282.3	282.3	1.9	284.1	284.4	13.1	297.5	309.5
Irrigation Gravity	-	-	-	-	-	-	-	-
Irrigation Pressure	-	-	-	-	-	-	-	-
Private Fire	314.1	314.1	(25.3)	288.7	288.7	238.9	527.6	547.4
Private Fire Mandated	-	-	-	-	-	-	-	-
Public Fire	717.2	717.2	-	717.2	717.2	9.9	727.1	727.1
Hotel	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	-
Total Metered Revenues	67,885.6	67,885.6	3,317.9	71,203.5	71,272.6	827.3	72,099.9	74,760.1
Other Revenues								
Method 5 Revenues	0.0	0.0	-	17.5	17.5	-	17.5	20.5
Contract Revenues	-	-	-	-	-	-	-	-
Antenna Leases	73.9	73.9	-	70.3	70.3	-	43.0	43.0
Additional NTPS Rev	-	-	-	-	-	-	-	-
Misc Service Revenues	369.4	369.4	-	244.0	244.0	-	343.4	343.4
Late Payment Penalty	-	-	-	-	-	-	-	-
Rents	-	-	-	-	-	-	-	-
Leak Adjustments	-	-	-	-	-	-	-	-
DSIC	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Subtotal Other Revenues	443.3	443.3	-	331.9	331.9	-	403.9	407.0
Total Operating Revenues	68,328.9	68,328.9	-	71,535.4	71,604.5	-	72,503.9	75,167.1
Revenues per Avg Customer	1.7	1.7	-	1.8	1.8	-	1.8	1.9

EXPENSES

TABLE F-1									
CALIFORNIA-AMERICAN WATER COMPANY									
CENTRAL DIVISION									
PAYROLL EXPENSE									

ITEM	Cal-PA		UTILITY EXCEEDS BRANCH DIFFERENCE	CAW		UTILITY EXCEEDS ADOPTED AUTHORIZED	ADOPTED	
	ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		TEST YEAR 2021	ESCALATION YEAR 2022
	(Thousands of \$)			(Thousands of \$)				
Payroll Expense								
Salaries	9,120.7	9,120.7	927.7	10,048.4	10,023.8	(785.8)	9,238.0	9,504.5
Overtime	1,316.3	1,316.3	85.8	1,402.2	1,395.5	5.8	1,401.3	1,438.8
Total Salaries	10,437.0	10,437.0	1,013.5	11,450.5	11,419.3	(780.0)	10,639.2	10,943.3
Capitalized Payroll	(2,345.0)	(2,345.0)	345.3	(1,999.7)	(1,995.5)	86.3	(1,909.1)	(1,964.1)
Total Net Payroll	8,092.0	8,092.0	1,358.8	9,450.8	9,423.8	(693.7)	8,730.1	8,979.2

TABLE F-2

CALIFORNIA-AMERICAN WATER COMPANY
CENTRAL DIVISION
OPERATING EXPENSE

ITEM	PUC Account No.	Cal-PA		UTILITY EXCEEDS BRANCH DIFFERENCE	CAW		UTILITY EXCEEDS ADOPTED AUTHORIZED	ADOPTED	
		ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		TEST YEAR 2021	ESCALATION YEAR 2022
		(Thousands of \$)			(Thousands of \$)				
SS Operation Labor and Expenses	702	0.0	0.0	-	0.0	0.0	-	0.0	0.0
SS Miscellaneous Expenses	703	67.6	67.6	0.0	67.6	67.6	(0.0)	67.6	140.0
SS Purchased Water	704	1160.1	1160.1	(12.5)	1147.6	1160.1	(12.5)	1147.6	1163.2
PP Power production Labor and Exp	722	0.0	0.0	-	0.0	0.0	-	0.0	0.0
PP Pumping Labor and Expenses	724	0.0	0.0	-	0.0	0.0	-	0.0	0.0
PP Miscellaneous Expenses	725	337.7	337.7	0.0	337.7	337.7	0.0	337.7	345.1
PP Fuel or Power Purchased for Pumping	726	2498.8	2498.8	25.9	2524.8	2524.8	(105.3)	2419.4	2472.7
WT Operation Labor and Expenses	742	59.6	59.6	0.0	59.6	59.6	0.0	59.6	60.9
WT Miscellaneous Expenses	743	530.4	530.4	0.1	530.4	530.4	37.3	567.7	579.4
WT Chemicals and Filtering Materials	744	381.0	381.0	(0.0)	381.0	381.0	(0.0)	381.0	389.4
TD Storage Facilities Expenses	752	0.0	0.0	-	0.0	0.0	-	0.0	0.0
TD Transmission and Distribution	753	0.0	0.0	-	0.0	0.0	-	0.0	0.0
TD Meter Expenses	754	0.0	0.0	-	0.0	0.0	-	0.0	0.0
TD Customer Installations Expense	755	0.0	0.0	-	0.0	0.0	-	0.0	0.0
TD Miscellaneous Expenses	756	870.1	870.1	0.9	871.0	871.0	21.5	892.5	595.8
CA Meter Reading Expenses	772	0.0	0.0	-	0.0	0.0	-	0.0	0.0
CA Customer Records and Collection	773	120.2	120.2	7.7	127.8	127.8	0.8	128.6	131.6
CA Miscellaneous Customer Account	774	237.0	237.0	58.5	295.5	295.5	(29.4)	266.2	272.1
CA Uncollectible Accounts	775	701.7	701.7	(329.1)	372.5	321.6	2,441.2	2,762.8	3,264.7
Other Divisional & Capex Related O&M		0.0	0.0	-	0.0	0.0	-	0.0	0.0
TOTAL OPERATION EXPENSES		6974.8	6974.8	(248.5)	6700.4	6661.6	2,353.7	9012.3	9398.9
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Present Rates									
Uncollectible Rate		0.5117%	0.5117%	0.0090%	0.5207%	0.5207%	-0.0090%	0.5117%	0.5117%
Uncollectibles		360.6	360.6	(3.3)	357.3	306.0	48.7	354.7	371.0
Leak Adjustments		351.7	351.7	(351.7)	-	-	2,389.5	2,389.5	2,877.7
Total Uncollectibles		712.3	712.3	(355.0)	357.3	306.0	2,438.2	2,744.3	3,248.7
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Proposed Rates									
Uncollectible Rate		0.5117%	0.5117%	0.0090%	0.5207%	0.5207%	-0.0090%	0.5117%	0.5117%
Uncollectibles		350.0	350.0	351.7	372.5	321.6	-	373.3	387.0
Leak Adjustments		351.7	351.7	(351.7)	-	-	-	2,389.5	2,877.7
Total Uncollectibles		701.7	701.7		372.5	321.6		2,762.8	3,264.7
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Purchased Water		1,160.1	1,160.1	(12.5)	1,147.6	1,160.1	(12.5)	1,147.6	1,163.2
Purchased Power		2,498.8	2,498.8	25.9	2,524.8	2,524.8	(105.3)	2,419.4	2,472.7
Chemicals		381.0	381.0	(0.0)	381.0	381.0	(0.0)	381.0	389.4
Uncollectibles		701.7	701.7	(329.1)	372.5	295.5	2,467.3	2,762.8	3,264.7
Other Operating Expense		2,233.2	2,233.2	41.3	2,274.6	2,300.2	1.2	2,301.5	2,109.0
Total		6,974.8	6,974.8	(274.3)	6,700.4	6,661.6	2,350.7	9,012.3	9,398.9

TABLE F-3
CALIFORNIA-AMERICAN WATER COMPANY
CENTRAL DIVISION
MAINTENANCE EXPENSE

ITEM	PUC Account No.	Cal-PA		UTILITY EXCEEDS BRANCH DIFFERENCE	CAW		UTILITY EXCEEDS ADOPTED AUTHORIZED	ADOPTED	
		ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		TEST YEAR 2021	ESCALATION YEAR 2022
		(Thousands of \$)			(Thousands of \$)				
Maintenance Expenses									
SS Maintenance of Structures and Impr	707	-	-	-	-	-	-	-	-
SS Maint of Collecting and Imp Resrv	708	-	-	-	-	-	-	-	-
Source of Supply - Lakes, Rivers	709	-	-	-	-	-	-	-	-
Source of Supply - Springs	710	-	-	-	-	-	-	-	-
SS Maintenance of Wells	711	-	-	-	-	-	-	-	-
SS Maintenance of Supply Mains	712	-	-	-	-	-	-	-	-
SS Maintenance of Other Source of Supply	713	640.7	640.7	(8.3)	632.4	640.9	(8.6)	632.4	641.4
PP Maintenance of Structures and Impr	730	-	-	-	-	-	-	-	-
PP Maintenance of Power Production	731	-	-	-	-	-	-	-	-
PP Maintenance of Other Pumping	733	114.6	114.6	0.0	114.7	114.7	0.0	114.7	117.2
WT Maintenance of Structures and Impr	747	-	-	-	-	-	-	-	-
WT Maintenance of Wter Treatment	748	110.3	110.3	0.0	110.3	110.3	0.0	110.3	112.8
TD Maintenance of Structures and Impr	759	-	-	-	-	-	-	-	-
TD Maintenance of Reservoirs and Tanks	760	-	-	-	-	-	-	-	-
TD Maintenance of Transmission and Distr	761	48.2	48.2	-	48.2	48.2	-	48.2	49.3
TD Maintenance of Fire Mains	762	-	-	-	-	-	-	-	-
TD Maintenance of Services	763	50.1	50.1	0.0	50.1	50.1	0.0	50.1	51.2
TD Maintenance of Meters	764	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1
TD Maintenance of Hydrants	765	-	-	-	-	-	-	-	-
TD Maintenance of Miscellaneous Plant	766	1,568.9	1,568.9	-	1,844.4	1,805.3	39.1	1,844.4	1,809.0
TOTAL MAINTENANCE EXPENSES		2,533.0	2,533.0	267.2	2,800.1	2,769.6	30.5	2,800.1	2,780.9
Tank Painting		718.4	718.4	-	718.4	718.4	-	718.4	658.2
Other Maintenance		1,814.6	1,814.6	(267.2)	2,081.7	2,051.2	(30.5)	2,081.7	2,122.7
Total		2,533.0	2,533.0	(267.2)	2,800.1	2,769.6	(30.5)	2,800.1	2,780.9

TABLE G-1
CALIFORNIA-AMERICAN WATER COMPANY
CENTRAL DIVISION
A&G EXPENSE

ITEM	PUC Account No.	Cal-PA		UTILITY EXCEEDS BRANCH DIFFERENCE	CAW		UTILITY EXCEEDS ADOPTED AUTHORIZED	ADOPTED	
		ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		TEST YEAR 2021	ESCALATION YEAR 2022
		(Thousands of \$)			(Thousands of \$)				
AG Admin and General Salaries	791	0.0	0.0	-	0.0	0.0	-	0.0	0.0
AG Office Supplies and Other Exp	792	73.9	73.9	2.8	76.6	76.6	(3.1)	73.5	75.2
AG Property Insurance	793	152.7	152.7	315.98	468.7	468.7	(305.3)	163.4	167.0
AG Injuries and Damages	794	393.5	393.5	29.7	423.2	423.2	1.4	424.7	434.0
AG Employees' Pensions and Benefits	795	1947.9	1947.9	205.6	2153.5	2211.4	(135.5)	2075.9	2173.3
AG Regulatory Commission Expenses	797	215.0	215.0	(98.24)	116.7	125.5	202.7	328.1	328.1
AG Outside Services Employed	798	853.0	853.0	186.7	1039.8	1042.8	(27.1)	1015.7	1028.7
AG Miscellaneous General Expenses	799	2472.4	2472.4	(166.8)	2305.6	2337.4	204.5	2541.9	2633.2
AG Maintenance of General Plant	805	113.6	113.6	5.7	119.3	119.3	0.6	119.8	122.5
AG Rents	811	737.9	737.9	97.9	835.8	835.8	(98.9)	736.8	754.5
TOTAL A&G EXPENSES		<u>6,959.8</u>	<u>6,959.8</u>	<u>579.4</u>	<u>7,539.2</u>	<u>7,640.6</u>	<u>(160.7)</u>	<u>7,479.9</u>	<u>7,716.6</u>
Service Company Costs		2,796.9	2,796.9	(23.7)	2,773.2	2,796.9	(7.2)	2,789.7	2,849.9
General Office Return on Rate Base		652.7	652.7	55.0	707.7	752.3	(75.2)	677.1	702.9
Citizens Acquisition Premium		896.0	896.0	-	896.0	896.0	-	896.0	900.4
TOTAL GENERAL OFFICE EXPENSES		<u>4,345.5</u>	<u>4,345.5</u>	<u>31.3</u>	<u>4,376.9</u>	<u>4,445.2</u>	<u>(82.4)</u>	<u>4,362.8</u>	<u>4,453.1</u>

TAXES OTHER THAN INCOME

TABLE H-1									
CALIFORNIA-AMERICAN WATER COMPANY									
CENTRAL DIVISION									
TAXES OTHER THAN INCOME									
ITEM	PUC Account No.	Cal-PA		UTILITY EXCEEDS BRANCH DIFFERENCE	CAW		UTILITY EXCEEDS ADOPTED AUTHORIZED	ADOPTED	
		ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		TEST YEAR 2021	ESCALATION YEAR 2022
		(Thousands of \$)			(Thousands of \$)				
Ad Valorem	507	2,173.8	2,173.8	17.3	2,191.1	2,203.9	(23.5)	2,180.4	2,295.5
Franchise Taxes	507	1.3	1.3	(1.3)	-	1.3	(1.3)	-	-
Payroll Taxes	507	621.1	621.1	88.2	709.3	707.2	(21.6)	685.6	701.7
Other	507	34.3	34.3	0.0	34.3	34.3	0.0	34.3	35.1
Non-Utility	538	-	-	-	-	-	-	-	-
Total Other Taxes		2,830.4	2,830.4	104.3	2,934.8	2,946.8	(46.4)	2,900.3	3,032.3
Other Tax Expense per customer									
Present Rates									
Revenues		70,479.4	70,479.4	(1,849.6)	68,629.8	68,629.8	693.9	69,323.7	72,506.9
Franchise Tax Rate		-	-	-	-	-	-	-	-
Franchise Tax		-	-	-	-	-	-	-	-
Proposed Rates									
Revenues		68,085.7	68,085.7	3,462.8	71,548.5	71,617.4	1,121.9	72,739.3	75,633.2
Franchise Tax Rate		0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Franchise Tax		-	-	-	-	-	-	-	-
Ad Valorem Taxes Calculation:									
Beginning Taxable Plant		211,796.0	211,796.0	821.8	212,617.9	213,927.3	(1,560.6)	212,366.6	215,879.3
Ending Taxable Plant		215,228.0	215,228.0	2,512.9	217,740.9	219,015.8	(3,136.5)	215,879.3	234,985.6
Ad Valorem Rate		1.010%	1.010%	0.01006	1.006%	1.006%	0.0	1.010%	0.928%
Ad Valorem Taxes		2,173.8	2,173.8	16.78	2,191.1	2,203.9	(0.09)	2,180.4	2,180.4

TAXES ON INCOME

TABLE I-1
CALIFORNIA-AMERICAN WATER COMPANY
CENTRAL DIVISION
TAXES BASED ON INCOME

(PRESENT RATES)

	Cal-PA		UTILITY EXCEEDS BRANCH DIFFERENCE	CAW		UTILITY EXCEEDS ADOPTED AUTHORIZED	ADOPTED	
	ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		TEST YEAR 2021	ESCALATION YEAR 2022
	(Thousands of \$)			(Thousands of \$)				
Operating Revenues	70,479.4	70,479.4	(1,849.6)	68,629.8	68,629.8	693.9	69,323.7	72,506.9
Operating Revenue Deductions:								
Operating Exps less uncollectibles	35,091.2	35,091.2	2,527.7	37,618.8	37,743.4	(1,204.1)	36,539.3	36,963.2
Uncollectibles	712.3	712.3	(355.0)	357.3	306.0	2,438.2	2,744.3	3,248.7
Domestic Production Activity Deduct	-	-	-	-	-	-	-	-
Book Depreciation	9,753.6	9,753.6	(0.9)	9,752.7	9,782.5	(45.3)	9,737.2	10,441.7
Interest Expense	5,561.7	5,561.7	193.0	5,754.7	5,742.2	2.8	5,745.0	5,980.6
General Taxes	2,830.4	2,830.4	104.3	2,934.8	2,946.8	(46.4)	2,900.3	3,032.3
Non-deductible Meals	(28.9)	(28.9)	(0.7)	(29.6)	(29.6)	0.7	(28.8)	(29.5)
Reserved	-	-	-	-	-	-	-	-
Total Operating Revenue Deductions:								
Federal	53,920.3	53,920.3	2,468.4	56,388.7	56,491.3	1,146.0	57,637.3	59,637.1
State	53,920.3	53,920.3	2,468.4	56,388.7	56,491.3	1,146.0	57,637.3	59,637.1
Taxable Income - State	16,559.1	16,559.1	(4,318.0)	12,241.1	12,138.5	(452.1)	11,686.4	12,869.8
State Income Tax @ (see below)	1,463.8	1,463.8	(381.7)	1,082.1	1,073.0	(40.0)	1,033.1	1,137.7
Less: Amort Deferred Federal ITC	-	-	-	-	-	-	-	-
STATE INCOME TAXES	1,463.8	1,463.8	(381.7)	1,082.1	1,073.0	(40.0)	1,033.1	1,137.7
Taxable Income - Federal	14,297.8	14,297.8	(4,003.7)	10,294.1	10,198.4	(562.3)	9,636.2	11,536.5
Federal Income Tax @ (See below)	3,002.5	3,002.5	(840.8)	2,161.8	2,141.7	(118.1)	2,023.6	2,422.7
Less: Amort Deferred Federal ITC	(32.1)	(32.1)	-	(32.1)	(32.1)	-	(32.1)	(32.1)
Less: Amort Excess Deferred Taxes	(656.0)	(656.0)	-	(656.0)	(656.0)	-	(656.0)	(657.5)
FEDERAL INCOME TAX	2,314.5	2,314.5	-	1,473.7	1,453.6	-	1,335.5	1,733.1
TOTAL TAXES ON INCOME	3,778.3	3,778.3	-	2,555.8	2,526.6	-	2,368.6	2,870.8
State Income Tax Rate	8.84%	8.84%	-	8.84%	8.84%	-	8.84%	8.84%
Federal Income Tax Rate	21.00%	21.00%	-	21.00%	21.00%	-	21.00%	21.00%

TABLE I-2
CALIFORNIA-AMERICAN WATER COMPANY
CENTRAL DIVISION
TAXES BASED ON INCOME

(PROPOSED RATES)

	Cal-PA		UTILITY EXCEEDS BRANCH DIFFERENCE	CAW		UTILITY EXCEEDS ADOPTED AUTHORIZED	ADOPTED	
	ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		TEST YEAR 2021	ESCALATION YEAR 2022
	(Thousands of \$)			(Thousands of \$)				
Operating Revenues	68,085.7	68,085.7	3,462.8	71,548.5	71,617.4	1,121.9	72,739.3	75,633.2
Operating Revenue Deductions:								
Operating Exps less uncollectibles	35,091.2	35,091.2	2,527.7	37,618.8	37,743.4	(1,204.1)	36,539.3	36,963.2
Uncollectibles	701.7	701.7	(329.1)	372.5	321.6	2,441.2	2,762.8	3,264.7
Domestic Production Activity Deduct	-	-	-	-	-	-	-	-
Book Depreciation	9,753.6	9,753.6	(0.9)	9,752.7	9,782.5	(45.3)	9,737.2	10,441.7
Interest Expense	5,561.7	5,561.7	193.0	5,754.7	5,742.2	2.8	5,745.0	5,980.6
General Taxes	2,830.4	2,830.4	104.3	2,934.8	2,946.8	(46.4)	2,900.3	3,032.3
Non-deductible Meals	(28.9)	(28.9)	(0.7)	(29.6)	(29.6)	0.7	(28.8)	(29.5)
Reserved	-	-	-	-	-	-	-	-
Total Operating Revenue Deductions:			-			-		
Federal	53,909.6	53,909.6	2,494.3	56,403.9	56,506.9	1,148.9	57,655.8	59,653.0
State	53,909.6	53,909.6	2,494.3	56,403.9	56,506.9	1,148.9	57,655.8	59,653.0
Taxable Income - State	14,176.0	14,176.0	968.6	15,144.6	15,110.5	(27.1)	15,083.4	15,980.2
State Income Tax @ (see below)	1,253.2	1,253.2	85.6	1,338.8	1,335.8	(2.4)	1,333.4	1,412.6
Less: Amort Deferred State ITC	-	-	-	-	-	-	-	-
STATE INCOME TAXES	1,253.2	1,253.2	85.6	1,338.8	1,335.8	(2.4)	1,333.4	1,412.6
Taxable Income - Federal	11,914.8	11,914.8	1,282.9	13,197.6	13,170.5	(137.3)	13,033.2	14,646.8
Federal Income Tax @ (See below)	2,502.1	2,502.1	269.4	2,771.5	2,765.8	(28.8)	2,737.0	3,075.8
Less: Amort Deferred Federal ITC	(32.1)	(32.1)	-	(32.1)	(32.1)	-	(32.1)	(32.1)
Less: Amort Excess Deferred Taxes	(656.0)	(656.0)	-	(656.0)	(656.0)	-	(656.0)	(657.5)
FEDERAL INCOME TAX	1,814.0	1,814.0	-	2,083.4	2,077.7	-	2,048.9	2,386.3
TOTAL TAXES ON INCOME	3,067.2	3,067.2	-	3,422.2	3,413.5	-	3,382.3	3,798.9
State Income Tax Rate	8.84%	8.84%	-	8.84%	8.84%	-	8.84%	8.84%
Federal Income Tax Rate	21.00%	21.00%	-	21.00%	21.00%	-	21.00%	21.00%

PLANT IN SERVICE, DEPRECIATION, RATE BASE

TABLE J-1							
CALIFORNIA-AMERICAN WATER COMPANY							
CENTRAL DIVISION							
PLANT IN SERVICE TEST YEAR							

	Cal-PA		UTILITY EXCEEDS BRANCH DIFFERENCE	CAW		UTILITY EXCEEDS ADOPTED AUTHORIZED	ADOPTED TEST YEAR 2021
	ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		
	(Thousands of \$)			(Thousands of \$)			
Plant in Service Beg. of Year	377,360.5	377,360.5	(674.6)	376,685.8	377,952.2	(1,141.9)	376,810.3
Gross Additions During Year	12,428.4	12,428.4	1,606.6	14,035.0	14,036.4	(1,594.8)	12,441.6
Retirements	203.5	203.5	40.7	244.2	244.2	(44.6)	199.6
Sales and Adjustments	-	-	-	-	-	-	-
Net Additions	12,224.9	12,224.9	1,565.9	13,790.8	13,792.2	(1,550.2)	12,242.1
Construction Work in Progress Beg. Bal.	1,609.1	1,609.1	1,429.4	3,038.5	1,609.1	1,429.4	3,038.5
Construction Work in Progress End Bal.	3,962.9	3,962.9	1,371.3	5,334.2	3,905.1	1,443.3	5,348.4
Net Change During Year - CWIP	2,353.9	2,353.9	(58.1)	2,295.8	2,296.0	14.0	2,310.0
Total Beg. Utility Plant and CWIP	378,969.6	378,969.6	754.7	379,724.3	379,561.3	287.5	379,848.8
Net Additions - Total	14,578.7	14,578.7	1,507.8	16,086.6	16,088.2	(1,536.2)	14,552.0
6 Year Average Weighting Factor	36%	36%	2%	37%	36%	1.65%	37%
Weighted Average Utility Plant	384,155.2	384,155.2	1,556.5	385,711.7	385,283.9	(18.8)	385,265.1

TABLE J-2
CALIFORNIA-AMERICAN WATER COMPANY
CENTRAL DIVISION
PLANT IN SERVICE ESCALATION YEAR

	Cal-PA		UTILITY EXCEEDS BRANCH DIFFERENCE	CAW		UTILITY EXCEEDS ADOPTED AUTHORIZED	ADOPTED ESCALATION YEAR 2022
	ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		
	(Thousands of \$)			(Thousands of \$)			
Plant in Service Beg. of Year	389,585.4	389,585.4	891.3	390,476.6	391,744.5	(2,692.1)	389,052.4
Gross Additions During Year	28,221.5	28,221.5	1,702.1	29,923.6	29,806.3	(1,633.6)	28,172.6
Retirements	435.4	435.4	38.2	473.6	471.9	(41.6)	430.4
Sales and Adjustments	-	-	-	-	-	-	-
Net Additions	27,786.1	27,786.1	1,663.9	29,450.0	29,334.3	(1,592.1)	27,742.3
Construction Work in Progress Beg. Bal.	3,962.9	3,962.9	1,371.3	5,334.2	3,905.1	1,443.3	5,348.4
Construction Work in Progress End Bal.	3,434.9	3,434.9	1,820.5	5,255.4	3,816.6	1,030.0	4,846.6
Net Change During Year - CWIP	(528.0)	(528.0)	449.3	(78.8)	(88.5)	(413.3)	(501.8)
Total Beg. Utility Plant and CWIP	393,548.3	393,548.3	2,262.6	395,810.8	395,649.6	(1,248.7)	394,400.8
Net Additions - Total	27,258.0	27,258.0	2,113.2	29,371.2	29,245.8	(2,005.4)	27,240.4
6 Year Average Weighting Factor	36%	36%	2%	37%	36%	1.65%	37%
Weighted Average Utility Plant	403,244.0	403,244.0	3,498.8	406,742.8	406,052.3	(1,512.6)	404,539.7

TABLE K-1
CALIFORNIA-AMERICAN WATER COMPANY
CENTRAL DIVISION
DEPRECIATION RESERVE & EXPENSE TEST YEAR

	Cal-PA		UTILITY EXCEEDS BRANCH DIFFERENCE	CAW		UTILITY EXCEEDS ADOPTED AUTHORIZED	ADOPTED TEST YEAR 2021
	ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		
	(Thousands of \$)			(Thousands of \$)			
Depreciation Reserve Beg. of Year	121,565.6	121,565.6	(21.2)	121,544.4	121,581.3	(26.1)	121,555.2
Annual Accrual Including Contribution Depreciation ¹	9,844.2	9,844.2	5.1	9,849.2	9,879.2	(50.4)	9,828.7
Retirements/Debits to Depreciation	203.5	203.5	40.7	244.2	244.2	(44.6)	199.6
(Salvage) and Cost of Removal	(317.8)	(317.8)	-	(317.8)	(317.8)	-	(317.8)
Depreciation Reserve Adjustment for Plant Adjustment	-	-	-	-	-	-	-
Net Accrual	9,322.9	9,322.9	(35.6)	9,287.3	9,317.2	(5.8)	9,311.4
6 Year Average Weighting Factor	47%	47%	0%	47%	47%	-	47%
Weighted Average Depreciation	4,410.7	4,410.7	(16.9)	4,393.8	4,408.0	(2.8)	4,405.2
WEIGHTED DEPRECIATION RESERVE	125,976.3	125,976.3	(38.1)	125,938.2	125,989.2	(28.8)	125,960.4

TABLE K-2
 CALIFORNIA-AMERICAN WATER COMPANY
 CENTRAL DIVISION
 DEPRECIATION RESERVE & EXPENSE ESCALATION YEAR

	Cal-PA		UTILITY EXCEEDS BRANCH DIFFERENCE	CAW		UTILITY EXCEEDS ADOPTED AUTHORIZED	ADOPTED ESCALATION YEAR 2022
	ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		
	(Thousands of \$)			(Thousands of \$)			
Depreciation Reserve Beg. of Year	130,888.6	130,888.6	(56.9)	130,831.7	130,898.5	(31.9)	130,866.6
Annual Accrual Including Contribution Depreciation ¹	10,439.6	10,439.6	56.1	10,495.7	10,523.8	(99.4)	10,424.4
Retirements/Debits to Depreciation	435.4	435.4	38.2	473.6	471.9	(41.6)	430.4
(Salvage) and Cost of Removal	(367.8)	(367.8)	-	(367.8)	(367.8)	-	(367.8)
Depreciation Reserve Adjustment for Plant Adjustment	-	-	-	-	-	-	-
Net Accrual	9,636.4	9,636.4	17.9	9,654.3	9,684.1	(57.8)	9,626.2
6 Year Average Weighting Factor	47%	47%	0%	47%	47%	0.0	47%
Weighted Average Depreciation	4,559.0	4,559.0	8.5	4,567.4	4,581.5	(27.4)	4,554.2
WEIGHTED DEPRECIATION RESERVE	135,447.5	135,447.5	(48.4)	135,399.1	135,480.0	(59.2)	135,420.7

TABLE L-1
CALIFORNIA-AMERICAN WATER COMPANY
CENTRAL DIVISION
WEIGHTED AVERAGE RATE BASE TEST YEAR

ITEM	Cal-PA		UTILITY EXCEEDS BRANCH DIFFERENCE	CAW		UTILITY EXCEEDS ADOPTED AUTHORIZED	ADOPTED TEST YEAR 2021
	ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		
	(Thousands of \$)			(Thousands of \$)			
Weighted Average Utility Plant in Service	384,155.2	384,155.2	1,556.5	385,711.7	385,283.9	(18.8)	385,265.1
Materials and Supplies	281.4	281.4	-	281.4	281.4	-	281.4
Working Cash, Operational	4,098.0	4,098.0	4,085.9	8,183.9	8,183.9	-	8,183.9
Working Cash, Lead Lag	3,371.8	3,371.8	1,938.2	5,310.0	5,320.6	126.4	5,446.9
SUBTOTAL	391,906.4	391,906.4	7,580.6	399,486.9	399,069.7	107.5	399,177.2
LESS DEDUCTIONS FROM RATE BASE							
Weighted Average Depreciation Reserve	(125,976.3)	(125,976.3)	38.1	(125,938.2)	(125,989.2)	28.8	(125,960.4)
Advances for Construction	(879.7)	(879.7)	-	(879.7)	(879.7)	-	(879.7)
Unamortized Advances (20 Yr Amort)	-	-	-	-	-	-	-
Contributions in Aid of Construction	(18,285.9)	(18,285.9)	-	(18,285.9)	(18,285.9)	-	(18,285.9)
Unamortized Contributions (20 Yr Amort)	-	-	-	-	-	-	-
Accumulated Deferred Federal Income Taxes	(19,715.0)	(19,715.0)	59.2	(19,655.9)	(19,676.5)	(17.1)	(19,693.6)
Accumulated Deferred State Income Taxes	(5,468.0)	(5,468.0)	11.6	(5,456.4)	(5,465.6)	(7.4)	(5,473.0)
SUBTOTAL DEDUCTIONS	(170,325.0)	(170,325.0)	108.9	(170,216.1)	(170,296.9)	4.3	(170,292.6)
WEIGHTED AVERAGE RATE BASE	221,581.4	221,581.4	7,689.5	229,270.9	228,772.7	111.8	228,884.6
Weighted Cost of Debt	2.51%	2.51%		2.51%	2.51%		2.51%
Rate Making Interest	5,561.7	5,561.7	193.0	5,754.7	5,742.2	2.8	5,745.0

TABLE L-2
CALIFORNIA-AMERICAN WATER COMPANY
CENTRAL DIVISION
WEIGHTED AVERAGE RATE BASE ESCALATION YEAR

ITEM	Cal-PA		UTILITY EXCEEDS BRANCH DIFFERENCE	CAW		UTILITY EXCEEDS ADOPTED AUTHORIZED	ADOPTED ESCALATION YEAR 2022
	ORIGINAL 2021	REVISION 2021		REVISION 2021	ORIGINAL 2021		
	(Thousands of \$)			(Thousands of \$)			
Weighted Average Utility Plant in Service	403,244.0	403,244.0	3,498.8	406,742.8	406,052.3	(1,512.6)	404,539.7
Materials and Supplies	287.5	287.5	-	287.5	287.5	-	287.5
Working Cash, Operational	3,439.7	3,439.7	3,573.0	7,012.7	7,012.7	-	7,012.7
Working Cash, Lead Lag	3,491.1	3,491.1	2,067.2	5,558.2	5,572.2	186.0	5,758.2
SUBTOTAL	410,462.3	410,462.3	9,139.0	419,601.3	418,924.8	(1,326.6)	417,598.2
LESS DEDUCTIONS FROM RATE BASE							
Weighted Average Depreciation Reserve	(135,447.5)	(135,447.5)	48.4	(135,399.1)	(135,480.0)	59.2	(135,420.7)
Advances for Construction	(848.2)	(848.2)	-	(848.2)	(848.2)	-	(848.2)
Unamortized Advances (20 Yr Amort)	-	-	-	-	-	-	-
Contributions in Aid of Construction	(17,856.5)	(17,856.5)	-	(17,856.5)	(17,856.5)	-	(17,856.5)
Unamortized Contributions (20 Yr Amort)	-	-	-	-	-	-	-
Accumulated Deferred Federal Income Taxes	(19,575.3)	(19,575.3)	126.7	(19,448.6)	(19,472.5)	(84.2)	(19,556.8)
Accumulated Deferred State Income Taxes	(5,607.0)	(5,607.0)	10.4	(5,596.6)	(5,607.0)	(38.8)	(5,645.8)
SUBTOTAL DEDUCTIONS	(179,334.6)	(179,334.6)	185.5	(179,149.0)	(179,264.3)	(63.8)	(179,328.0)
WEIGHTED AVERAGE RATE BASE	231,127.8	231,127.8	9,324.5	240,452.3	239,660.5	(1,390.4)	238,270.2
Weighted Cost of Debt	2.51%	2.51%		2.51%	2.51%		2.51%
Rate Making Interest	5,801.3	5,801.3	234.0	6,035.4	6,015.5	(34.9)	5,980.6

(END OF ATTACHMENT D)