



OPENING BRIEF OF CALIFORNIA WATER SERVICE COMPANY

Appendix D: Courtesy Copies of Other Authorities Cited or Referenced

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Prepared Testimony

Appendix Page

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CPUC General Order 103-A, § VI.1.A.....	2
CPUC Standard Practice U-6-W, p. 3.....	4
CPUC Standard Practice U-26, p. 8.....	6
CPUC Standard Practice U-38-W, p. A53.....	8
California Water Service Group 2023 Annual Report, pp. 46-47	10
CWS 2020 Urban Water Management Plan, Oroville District, pp. 66-67	12

OPENING BRIEF OF CALIFORNIA WATER SERVICE COMPANY

Appendix D: Courtesy Copies of Other Authorities Cited or Referenced

CPUC General Order 103-A § VI.1.A

(3) Meter records shall be maintained for the useful life of the meter.

V. Rates and Billing

1. Filing of Tariffs

The utility shall file with the Commission its tariff schedules containing all tariff sheets in accordance with the procedure prescribed by the Commission.

2. Information on Bills

The utility shall render a bill to each customer for each billing period. All bills must show the time period, price per unit delivered, date bill is due, date when any late fee can be applied and the Commission's policy on late fees. Bills for metered service must include all the information shown in Appendix D.

3. Sewer Service

- A. For billing purposes, except as determined by the utility, the customer is always the property owner.
- B. Each sewer bill must show the time period, date bill is due, date when any late fee can be applied and the Commission's policy on late fees.

VI. Fire Protection Standards

1. Design Requirements

The flow standards for public fire protection purposes set forth below are those the Commission considers appropriate on an average statewide basis.

A. Standards of Local Fire Protection Agencies Govern

The Commission recognizes that there are widely varying conditions bearing on fire protection throughout the urban, suburban, and rural areas of California. Therefore, the standards prescribed by the local fire protection agency or other prevailing local governmental agency shall govern.

B. Application of the Utility's Main Extension Rule

Such local flow standards shall be followed whether greater or lesser than those set forth in this chapter. Mains designed for and capable of

OPENING BRIEF OF CALIFORNIA WATER SERVICE COMPANY

Appendix D: Courtesy Copies of Other Authorities Cited or Referenced

CPUC Standard Practice U-6-W, p. 3

ordinarily be based on data at the end of the preceding year. However, in deriving factors for use in the allocation of indirect general expenses for estimated future periods, data for a more recent 12-month period may be used if readily available. Naturally, judgment must be used if the company has an irrigation system with no end-of-year customers or if substantial changes in any of its operations have occurred between the period used for developing factors and the period during which expenses are being allocated. Typical examples of changes which have occurred are (1) changes in source of supply necessitating a sizeable change in plant and/or expenses, and (2) acquisition or disposal of one or more of the utility's systems. When such changes do occur, appropriate adjustments must be made in deriving allocation factors.

B. COMMON UTILITY PLANT AND ASSOCIATED EXPENSES

The allocation procedures applicable to common utility plant should also be used for depreciation expense, depreciation reserve, and ad valorem taxes related to common utility plant.

In general the staff recommends that allocations should be made on a use basis. Recognizing that often a use study involves considerable detailed work, it is recommended that the utilities be requested to make such a study at the time of a major rate proceeding or at intervals of three to five years unless, of course, major changes in common utility plant occur which indicate the need for a new study. Some information for a use study is available in the normal course of business from clearing account clearings and other sources, but much of the data must be worked up with each study. Briefly, the procedures contemplate that each item will be allocated between departments, districts, or states according to directly assignable use and that those portions which cannot be assigned directly will be allocated according to a use study or, where this is impracticable, according to the same factors used for administrative and general expenses. Buildings are to be considered according to floor space with appropriate weighting for basement and ground floors. Land is to be allocated according to the use of the buildings thereon. Office furniture and equipment are allocated in same ratios as buildings. Transportation equipment is allocated according to mileage and time records; communication equipment on a message unit or judgment basis; stores equipment, and materials and supplies according to last year's disbursements; and other equipment, when not directly assignable, allocated on basis of direct operation and maintenance, construction and plant removal labor.

OPENING BRIEF OF CALIFORNIA WATER SERVICE COMPANY

Appendix D: Courtesy Copies of Other Authorities Cited or Referenced

CPUC Standard Practice U-26, p. 8

C - PAYROLL

4. Normally we allow in rates any formal contract that the utility has signed such as a lease for rent, or a contract with a union for wages. As a matter of policy these contracts are generally considered reasonable. If you disagree with the reasonableness of these contracts you have the burden of proof that the utility signed the contract imprudently. Either the utility was conspiring with the company contracted with to charge higher than normal fees (see affiliated transactions above) or the utility was generally imprudent and allowed itself to sign a contract that was unreasonable, figuring it could just pass the costs on in rates. Imprudence usually means that the company did not follow normal managerial or negotiation techniques when it negotiated the contract. Higher than normal costs compared to other contracts for similar services in the same area can indicate imprudence also.

5. A tabulation of payroll adjustments normally considered is as follows:

- a. Adjust to latest wage and salary levels known for all employees.
- b. Determine if owners' or directors' salaries are reasonable, adjust if necessary.
- c. Allow for owners' time, if not charged, for a proprietorship utility.
- d. Adjust for adequate or reasonable number of employees.
- e. Allow for normal and expected overtime and part-time work.
- f. Adjust for recently adopted methods of operation.
- g. Normalize or eliminate payroll pertaining to any unusual work done, depending upon the circumstances.
- h. Capitalize construction work payroll if mingled with expenses, and coordinate with plant adjustment or estimate.
- i. Allow for appropriate growth in the utility's operations.

D - OTHER OPERATION AND MAINTENANCE EXPENSES

5. The following is a list of factors considered in adjusting and estimating operation and maintenance expenses other than payroll, power and purchased water:

OPENING BRIEF OF CALIFORNIA WATER SERVICE COMPANY

Appendix D: Courtesy Copies of Other Authorities Cited or Referenced

CPUC Standard Practice U-38-W, p. A53

construction, by fire or other casualty, injury to or death of persons other than employees, damages to property of others, defalcation of employees and agents, and the non-performance of contractual obligations of others. It does not include workmen's compensation or similar insurance on employees included as "labor" in item 2, above.

(15) "Law expenditures" includes the general law expenditures incurred in connection with construction and the court and legal costs directly related thereto, other than law expenses included in "protection," item 7, and in "injuries and damages," item 8.

(16) "Taxes" includes taxes on physical property (including land) during the period of construction and other taxes properly includible in construction costs before the facilities become available for service.

(17) "Interest during construction" includes the net cost of borrowed funds used for construction purposes and a reasonable rate upon the utility's own funds when so used. Interest during construction may be charged to the individual job upon which the funds are expended and, if so charged, shall be credited to Account 536, Interest Charged to Construction-Cr. The period for which interest may be capitalized shall be limited to the period of construction. No interest charges shall be included in these accounts upon expenditures for construction projects which have been abandoned.

Note - When a part only of a plant or project is placed in operation or is completed and ready for service but the construction work as a whole is incomplete, that part of the cost of the property placed in operation, or ready for service, shall be treated as "Utility Plant in Service" and interest thereon as a charge to construction shall cease. Interest on that part of the cost of the plant which is incomplete may be continued as a charge to construction until such time as it is placed in operation or is ready for service, except as limited in item 17, above.

(18) "Earnings and expenses during construction." The earnings and expenses during construction shall constitute a component of construction costs.

(A) The earnings shall include revenues received or earned for water supplied by new sources of supply during the construction period and sold or used by the utility. Where such water is sold to an independent purchaser before intermingling with water from other sources, the credit shall consist of the selling price of the water. Where the water is delivered to the utility's water system for distribution and sale, or is delivered to an affiliated interest, or is delivered to and used by the utility for purposes other than distribution and sale (for manufacturing or industrial use, for example), the credit shall be the fair value of the water so delivered. Such rate for water so delivered shall have first received the approval of the Commission. The revenues shall also include rentals for lands, buildings, and the like, and miscellaneous receipts not properly includible in other accounts.

OPENING BRIEF OF CALIFORNIA WATER SERVICE COMPANY

Appendix D: Courtesy Copies of Other Authorities Cited or Referenced

California Water Service Group 2023 Annual Report, pp. 46-47

Corporate Officers



Shawn C. Bunting
Vice President,
General Counsel



Sophie M. James
Chief Water
Quality Officer



Michael B. Luu
Senior Vice President,
Corporate Services and
Chief Risk Officer



David B. Hedley
Interim Vice President,
Chief Financial Officer
and Treasurer



Martin A. Kropelnicki
Chairman, President, and
Chief Executive Officer



Shannon C. Dean
Vice President, Customer
Service and Chief
Citizenship Officer



Kenneth G. Jenkins
Chief Water Resource
Sustainability Officer



Michael S. Mares
Vice President, Operations



Greg A. Milleman
Vice President, Rates
and Regulatory Affairs



Elisa Y. Ouyang
Vice President, Facilities,
Fleet, and Procurement



Thomas A. Scanlon
Corporate Controller
and Principal Accounting
Officer



Michelle R. Mortensen
Vice President, Corporate
Secretary & Chief of Staff



Shilen M. Patel
Chief Corporate
Development Officer



Justin B. Skarb
Vice President,
Government and
Community Affairs



Daryl L. Osby
Vice President, Safety,
Security, and Emergency
Preparedness



Todd K. Peters
Chief Engineering Officer



Ronald D. Webb
Vice President,
Chief Human Resource
Officer

OPENING BRIEF OF CALIFORNIA WATER SERVICE COMPANY

Appendix D: Courtesy Copies of Other Authorities Cited or Referenced

CWS 2020 Urban Water Management Plan, Oroville District, pp. 66-67

owner, appropriator, municipal water purveyor or otherwise, is beyond the scope of this report and the UWMP statutes and regulations.

Table 6-8. Water Supplies – Actual (DWR Table 6-8)

Water Supply	Additional Detail on Water Supply	2020		
		Actual Volume	Water Quality	Total Right or Safe Yield <i>(optional)</i>
Groundwater (not desalinated)	Wyandotte Creek Subbasin (b)	5	Drinking Water	
Purchased or Imported Water	Pacific Gas and Electric Company and/or Butte County (c)	2,747	Drinking Water	3,150
Total		2,753		

NOTES:

- (a) Volumes are in units of AF.
- (b) The Wyandotte Creek Subbasin is not adjudicated, and the projected groundwater supply volumes are not intended to and do not determine, limit or represent Cal Water's water rights or maximum pumping volumes. Any determination of Cal Water's water rights, as an overlying owner, appropriator, municipal water purveyor or otherwise, is beyond the scope of this report and the UWMP statutes and regulations.
- (c) The "Total Right or Safe Yield" of purchased water for the District is equal to the sum of its two contractual agreement volumes, 3,000 AFY from PG&E and 150 AFY from Butte County. However, the District has the ability to request to increase its purchase quantity from Butte County up to 3,000 AFY.

Table 6-9. Water Supplies - Projected (DWR Table 6-9)

Water Supply	Additional Detail on Water Supply	Projected Water Supply							
		2025		2030		2035		2040	
		Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)
Groundwater (not desalinated)	Wyandotte Creek Subbasin (b)	106		104		104		103	
Purchased or Imported Water	Pacific Gas and Electric Company and/or Butte County (c)	2,548	3,150	2,495	3,150	2,490	3,150	2,484	3,150
Total		2,654		2,599		2,594		2,587	
<p>NOTES:</p> <p>(a) Volumes are in units of AF.</p> <p>(b) The Wyandotte Creek Subbasin is not adjudicated, and the projected groundwater supply volumes are not intended to and do not determine, limit or represent Cal Water's water rights or maximum pumping volumes. Any determination of Cal Water's water rights, as an overlying owner, appropriator, municipal water purveyor or otherwise, is beyond the scope of this report and the UWMP statutes and regulations.</p> <p>(c) The "Total Right or Safe Yield" of purchased water for the District is equal to the sum of its two contractual agreement volumes, 3,000 AFY from PG&E and 150 AFY from Butte County. However, the District has the ability to request to increase its purchase quantity from Butte County up to 3,000 AFY.</p>									