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Commissioner	:	<u>Genevieve Shiroma</u>
Administrative Law Judge	:	<u>Jacob Rambo</u>
Public Advocates Office	:	
Witness	:	<u>Andrew Sweeney</u>



PUBLIC ADVOCATES OFFICE
CALIFORNIA PUBLIC UTILITIES COMMISSION

REPORT ON
ADMINISTRATIVE & GENERAL EXPENSES AND
SPECIAL REQUEST #11.

CALIFORNIA AMERICAN WATER COMPANY
General Rate Case Application 22-07-001
Test Year 2024

PUBLIC VERSION

San Francisco, California
April 13, 2023

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MEMORANDUM

The Public Advocates Office at the California Public Utilities Commission (“Cal Advocates”) examined application material, data request responses, and other information presented by California American Water Company (“Cal Am”) in Application (“A.”) 22-07-001 to provide the California Public Utilities Commission (“Commission” or “CPUC”) with recommendations in the interests of ratepayers for safe and reliable service at the lowest cost. Mr. Courtney Sorensen is Cal Advocates’ project lead for this proceeding. This Report is prepared by Mr. Andrew Sweeney. Mr. Mukunda Dawadi is the oversight supervisor. Ms. Angela Wuerth and Ms. Emily Fisher are the legal counsel. Although every effort was made to comprehensively review, analyze, and provide the Commission with recommendations on each ratemaking and policy aspect presented in the Application, the absence from Cal Advocates’ testimony of any particular issue connotes neither agreement nor disagreement of the underlying request, methodology, or policy position related to that issue.

Chapter #	Description	Witness
1	Labor Budget	Andrew Sweeney
2	Benefits	Andrew Sweeney
3	Regulatory Commission Expenses	Andrew Sweeney
4	Leak Adjustment and Uncollectible Expenses	Andrew Sweeney
5	Outside Services Expenses	Andrew Sweeney
6	Customer Accounting Expenses	Andrew Sweeney
7	Rent Expenses	Andrew Sweeney
8	Miscellaneous A&G Expenses	Andrew Sweeney
9	Special Request #11	Andrew Sweeney

CHAPTER 1 LABOR BUDGET

I. INTRODUCTION

In TY 2024, Cal Am requests a total labor budget of \$42,388,412 based on its projected 2022 expenses.^{1 2} Cal Am estimates this labor budget by utilizing a total of 339 positions.³ Of this labor budget, Cal Am requests to expense \$32,470,755⁴ and capitalize (i.e., increase its rate base by) \$9,917,657.⁵ Cal Am's total labor budget includes the payroll and wages expense, capitalized payroll and wages, overtime, expensed and capitalized Annual Performance Plan ("APP") benefits, Compensation Expenses ("Options/RSUs") under the Long-Term Performance Plan ("LTPP"), and severance. Other expenses, such as the stock purchase plan, pension expenses, and healthcare benefits, are not included in the total labor budget. Instead, these are categorized as "Employee Pensions and Benefits" costs.

¹ RO Model Workpaper (July 1, 2022) "ALL_CH04_O&M_RO_Labor" tab "Labor Costs W-Spec Adj WS7", Columns G, Q. Labor Budget = "Labor Regular" (\$35,112,593) + "Labor Overtime" (\$3,133,540) + "Annual Performance Plan" (\$3,522,829) + "Compensation Exp-Options" (\$10,590) + "Compensation Exp-RSU" (\$522,572) + "Severance" (\$86,288) + "Labor Capitol Credits" (\$8,908,997) + "Annual Performance Plan Cap Credits" (\$1,008,660) = \$42,388,412.

² On July 1, 2022, Cal Am filed its General Rate Case Application in this proceeding. In conjunction with this filing, Cal Am submitted RO Model workpapers. On October 10, 2022, Cal Am filed its 100-day update to its General Rate Case Application. On January 27, 2023, Cal Am filed an Updated Application. In conjunction with these two updated applications, Cal Am submitted updated RO Model workpapers. These workpapers include revised forecasted costs, which is inconsistent with the Rate Case Plan. D.07-05-062, Appendix A (Rate Case Plan and Minimum Data Requirements for Class A Water Utilities) at A-9. Therefore, for any forecasted costs, Cal Advocates is using the values from Cal Am's original application and the July 1, 2022 version of the RO Model workpapers.

³ Cal Am workpaper "ALL_CH_04_WP_Labor", tab "Employee Count WS-A-11" cell K77. The 339 total positions consist of 307 current employees (also includes requested 3 new positions), 16 Vacant Positions, 15 requested new employees for future hire, and 1.4 temporary positions.

⁴ RO Model Workpaper (July 1, 2022) "ALL_CH04_O&M_RO_Labor", Tab "Labor Costs W-Spec Adj WS7", Cell Q503.

⁵ RO Model Workpaper (July 1, 2022) "ALL_CH04_O&M_RO_Labor", Tab "Labor Costs W-Spec Adj WS7", Columns G, Q. Labor Capital Credits (\$8,908,997) + Annual Performance Plan Cap Credits (\$1,008,660) = \$9,917,657).

1 Cal Am's requested 2024 labor budget is inflated as a result of the utility's higher
2 estimated expenses for 2022 which include 18 additional requested new positions, which
3 are the basis of the proposed TY 2024 employees and total labor budget.⁶ The substantial
4 increase between Cal Am's 2021 recorded expenses and 2022 estimated expenses is
5 apparent in terms of Cal Am's expensed labor budget and overall labor budget, with a
6 14.7% increase⁷ in the former and a 17.1% increase⁸ in the latter between those two
7 years.

8 Cal Am requests a 12% increase in the total number of employees from 2021 to
9 TY 2024⁹ and a 24.3% increase in the labor budget from 2021 to TY 2024.¹⁰ Figure 1-1
10 below shows that Cal Am's requested labor budget for TY 2024 is significantly higher
11 than the increasing trend line.

⁶ See Hofer Testimony at 59-60 for new requested positions (Table 1. Hired Positions, Table 2. Future Hire Positions).

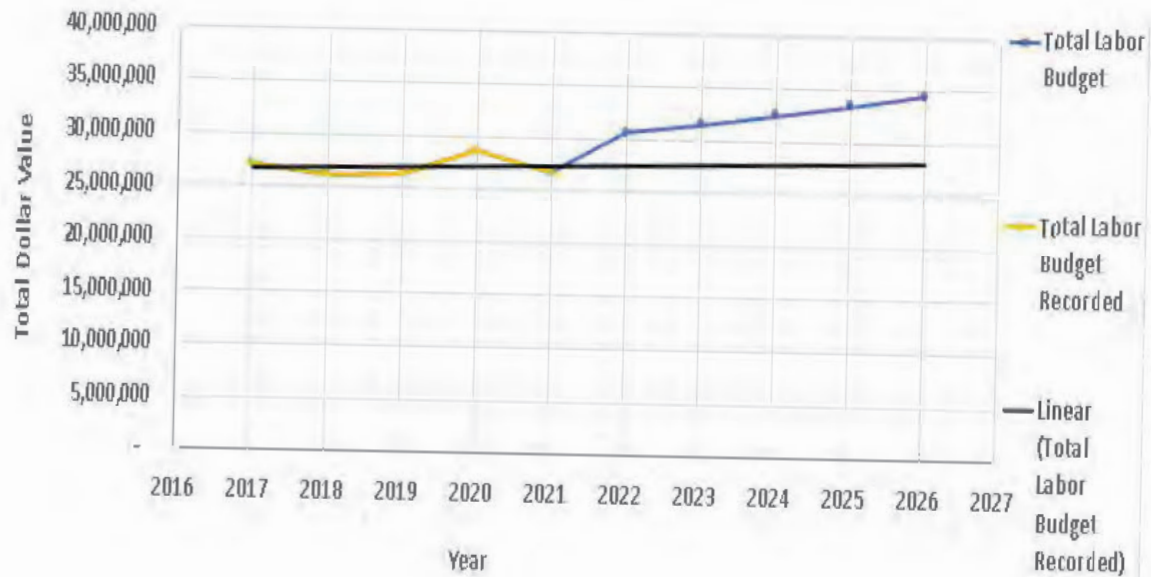
⁷ RO Model Workpaper (July 1, 2022), "ALL_CH04_O&M_RO_Labor", Tab "Labor Costs W-Spec Adj WS7", Cells N503, O503.

⁸ RO Model Workpaper (July 1, 2022), "ALL_CH04_O&M_RO_Labor", Tab "Labor Costs W-Spec Adj WS7", Sum of Columns N and O (removing any adjustments labeled as "Annual Performance Plan Cap Credits" and "Labor Capital Credits" in Column G).

⁹ RO Model Workpaper (July 1, 2022) "ALL_CH04_O&M_WP_Labor" tab "Employee Count WS-A-11" under row 77. The increase from 2021 (303) to TY 2024 (339) is about 12%. Including the additional employees Cal Am has already hired, this becomes $339/307 = 10.5\%$ increase.

¹⁰ RO Model Workpaper (July 1, 2022), "ALL_CH04_O&M_RO_Labor", Tab "Labor Costs W-Spec Adj WS7", Column N (removing any adjustments labeled as "Annual Performance Plan Cap Credits" and "Labor Capital Credits" in Column G); RO Model Workpaper (July 1, 2022), "ALL_CH04_O&M_RO_Labor", Tab "Labor Costs W-Spec Adj WS7", Column Q (removing any adjustments labeled as "Annual Performance Plan Cap Credits" and "Labor Capital Credits" in Column G). The projected increase in the total labor budget from 2021 (\$34,105,058) to TY 2024 (\$42,388,412) is 24.3%.

Figure 1-1: Total Labor Budget and Trend Line



1 II. SUMMARY OF RECOMMENDATIONS

2 The Commission should only authorize 307 positions for the current GRC cycle
3 and reduce Cal Am's TY 2024 labor budget by \$6,646,129. This \$6,646,129 reduction of
4 the total labor budget includes \$4,200,506 in the expensed labor and \$2,445,623 in the
5 capitalized labor budgets. Table 1-1 below summarizes Cal Advocates' and Cal Am's
6 labor budgets for TY 2024.

Table 1-1: Labor Summary of Recommendations

Description	Cal Advocates Recommended	Cal Am Requested	Cal Am > Cal Adv
Labor Budget			
Current Employee Salaries	\$32,245,300	\$35,112,593	\$2,867,293
Labor Overtime	\$2,844,498	\$3,133,540	\$289,042
Annual Performance Plan	\$652,485	\$3,522,829	\$2,870,344
Long-Term Performance Plan	0	\$533,162	\$533,162
Severance	0	\$86,288	\$86,287
Total Labor Budget	\$35,742,283	\$42,388,412	\$6,646,129
Capitalized Labor Budget			
Capitalized Labor	\$7,334,109	\$8,908,997	\$1,574,888
Capitalized Annual Performance Plan	\$137,925	\$1,008,660	\$870,735
Total Capitalized Labor	\$7,472,034	\$9,917,657	\$2,445,623
Total Expensed Labor Budget	\$28,270,249	\$32,470,755	\$4,200,506

III. ANALYSIS

A. Authorize Capitalized Labor Rate of 21.44% for All Districts

Cal Am’s requested capitalization labor for TY 2024 ranges from 1.73% to 41.42%, depending on the districts.¹¹ Even though Cal Am claims in its testimony that it utilizes an overall capitalization rate of 21.44% based on a three-year average from 2019-2021,¹² it requests in its workpapers an overall capitalization rate of 25.37% for TY 2024.¹³ Since Cal Am’s testimony only supports an overall capitalization rate of 21.44%, the Commission should utilize a capitalization rate of 21.44% for all districts and deny Cal Am’s usage of an overall capitalization rate of 25.37%. This recommendation will result in \$7,472,034 capitalized labor and \$28,270,249 expensed labor for TY 2024.

¹¹ Results of Operations Workpapers (July 1, 2022), “ALL_CH04_O&M_WP_labor CAP Percentage” tab “OUT_CAW RO_Labor Allocation,” column E.

¹² Direct Testimony of Stephen (Wes) Owens, July 1, 2022, at 9, ln. 20.

¹³ RO Model Workpaper (July 1, 2022), “ALL_CH04_O&M_WP_Labor”, Tab “OUT Specifc Adj”, Column O (Capitalized labor of \$8,908,997 and Total Labor of \$35,112,593). $\$8,908,997/\$35,112,593 = 25.37\%$

B. Authorize 307 Employee Positions for the Current GRC

Currently, Cal Am has 307 employees,^{14 15} including the three (two Utility Worker I positions and one Customer Service Representative, all tied to East Pasadena) hired after filing the previous general rate case (A.19-07-004).¹⁶ As described in the subsections below, the Commission should only authorize 307 employees for the current GRC and remove the budgets for “Vacancy-Fill”¹⁷ positions and “New” positions from Cal Am’s estimated labor budgets.

C. Remove Salary and Wage Budgets related to 15 New Positions

The Commission should not allow a \$1,613,071¹⁸ labor budget for 15 new positions in this GRC because Cal Am’s forecasted new employee number is unreasonably higher than the forecasted average customer increase, and Cal Am’s request goes against the utility’s justification of the acquisitions it is making.

Cal Am requests to include 18 new positions in rates for TY 2024.¹⁹ Three of these positions (all tied to East Pasadena) are already hired and included in the current employee group. Cal Advocates does not oppose Cal Am’s request to include these three positions in labor budgets for TY 2024. However, the

¹⁴ Cal Am workpaper “ALL_CH_04_WP_Labor”, tab “Current Employees WS-A-1” sum of all positions in column H (column P filtered to remove Lic/Certs).

¹⁵ The Commission did not authorize a specific number of employees for Cal Am in either of the previous GRCs (A.19-07-004 and A.16-07-002). For the GRC A.19-07-004, the Commission adopted Cal Am’s recorded labor expense removing the nine positions that were vacant at the time of the GRC filing, and for the GRC A.16-07-002, the Commission adopted Cal Am’s 2015 recorded salary expense to forecast 2018 labor expenses instead of adopting a specific staffing level.

¹⁶ Hofer Testimony, at 59-60, Table 1. Hired Positions.

¹⁷ Results of Operations Workpapers (July 1, 2022), “ALL_CH04_O&M_WP_Labor” tab “Vacancy-New Empl WS-A-5,” column H.

¹⁸ Cal Am workpaper “ALL_CH_04_WP_Labor”, tab “Vacancy-New Empl WS-A-5” Sum Cells H25-31 + sum H62-H73 (column P filtered to remove Lic/Certs).

¹⁹ Hofer Testimony, at 59-60, Table 1. Hired Positions, Table 2. Future Hire Positions.

Commission should not grant Cal Am budgets for the remaining 15 positions Cal Am intends to hire in the future.²⁰

As shown in the following chart, Cal Am forecasts an unreasonably higher number of employees for TY 2024 compared to its average customer growth forecasts. Cal Am's requested 14.7%²¹ employee increase compared to its 9.4%²² customer increase from 2018 to 2024 is not justifiable.

Figure 1-2: Cal Am's Increase in Employees vs. Customers



Cal Am's request for 15 new employees goes against the justification it provides for the acquisition of new systems. The 15 new positions include three for Bass Lake, one for Warring, one for Ventura County, one for Hillview, and nine for the corporate office.²³ Regarding the Bass Lake positions, Cal Am states

²⁰ Direct Testimony of Gary Hofer, July 1, 2022 (Hofer Testimony), at 59-60, Table 2. Future Hire Positions.

²¹ Cal Am workpaper "ALL_CH_04_WP_Labor", tab "Employee Count WS-A-11" cell (K77/E77) – 1 (339/296)-1 = 0.1466 = 14.7%.

²² Results of Operations Workpapers (July 1, 2022), "ALL_CH03_REV_RO_Sales-Customers", tab "Y_Rec Cust" cell (K503) = 178,588. "ALL_CH03_REV_RO_Sales-Customers", tab "Proj Cust Calc" cell (BO503) = 194,993. 194,993/178,588 = 1.0936 = 9.4%

²³ Results of Operations Workpapers (July 1, 2022), "ALL_CH04_O&M_WP_Labor", "Vacancy-New

1 that “three operator positions are being requested, and offers will be extended to
2 the certified operators currently operating the Bass Lake system”²⁴ and that “one
3 employee will transition from Warring to California American Water.”²⁵ The
4 Hillview system is located about 7 miles from the Bass Lake system. Therefore
5 the Hillview and Bass Lake systems could share some resources, including
6 operation positions. However, Cal Am does not state that any operator positions
7 will be shared between these two systems. This goes against Cal Am’s
8 justifications for acquisition, i.e., spreading costs and reducing coverage gaps.^{26 27}

9 **Duplicate Positions**

10 <<Begin Confidential>> [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED] <<End Confidential>>

15 estimated labor cost of \$63,052 and a Job number of <<Begin

16 Confidential>> [REDACTED]. <<End Confidential>>³⁰ To avoid double

Empl WS-A-5”.

²⁴ Hofer Testimony at 70, lns. 14-16.

²⁵ Hofer Testimony at 72, lns. 25-26.

²⁶ Hofer Testimony at 69, lns. 2-3.

²⁷ Hofer Testimony at 68, lns. 14-16.

²⁸ <<Begin Confidential>> [REDACTED] <<End Confidential>>

²⁹ <<Begin Confidential>> [REDACTED]
[REDACTED] <<End Confidential>>

³⁰ <<Begin Confidential>> [REDACTED]
[REDACTED]
<<End Confidential>>

recovery, the Commission should remove the <<Begin Confidential>>
<<End Confidential>> position and associated
costs from the Vacant-New Employee forecast resulting in a reduction of
\$63,052 to Cal Am's TY 2024 forecast.

D. Remove Labor Budgets related to 16 Vacant Positions

The Commission should not authorize Cal Am \$1,477,808 labor budget for
16 vacant positions for TY 2024.³¹

Cal Am's 2022 payroll forecast assumes all positions will be filled
throughout the GRC cycle, i.e., a 0% vacancy rate, despite the utility having 21
vacancies as of December 1, 2022.³² These vacancies lead to salary expenses that
are projected but not incurred, and most businesses, utilities included, experience
employee turnover and realize gaps between an employee leaving a position and
that position being filled. The necessity of some of these positions may be
questionable. Indeed, between 2017 and 2021, 30 positions were recorded as
unfilled for more than 180 days.³³ These extended vacancies should be taken into
account when forecasting overall payroll.

Moreover, in other general rate cases, the Commission has stated that it is
"not reasonable to assume [the utility] will maintain 100 percent employment of
all authorized positions through the entire rate case cycle."³⁴ For the GRC "A.19-
07-004," the Commission adopted Cal Am's recorded labor expense removing the
nine positions that were vacant at the time of the GRC filing.³⁵ For the GRC

³¹ Results of Operations Workpapers (July 1, 2022), "ALL_CH_04_WP_Labor", Worksheet
(tab)"Vacancy-New Empl WS-A-5", Sum Cells AE34 to AE59.

³² See Attachment 1-2: Response to DR-ASW 09 Q001. Attachment 1a

³³ See Attachment 1-3: Response to DR-ASW 09 Q001, Attachment 1b.

³⁴ D.20-09-019 at 41; issued in A.18-09-019.

³⁵ Hofer Testimony at 58, lns. 17-20.

1 “A.16-07-002,” the Commission adopted Cal Am’s 2015 recorded salary expense
2 instead of adopting a specific staffing level.³⁶ A forecast based on historical
3 expenses reflects actual vacancy levels, as should expenses tied to projected future
4 positions.

5 In Cal Am’s workpapers, vacant positions are listed separately from the
6 future hire and hired positions.^{37 38} Therefore, the Commission should not allow
7 Cal Am to include the \$1,477,808 in expenses related to vacant positions in its TY
8 2024 labor budget, as they are not requested in or supported by Cal Am’s
9 testimony.

10 **E. Adopt Salaries and Wage Increase Rates for Executives,**
11 **Managers, and Non-Union Employees Equivalent to Union**
12 **Employees**

13 The Commission should use a salary increase rate of 2.75% in 2022, 2.5%
14 in 2023, and 2.5% in 2024 for executives, managers, and non-union employees in
15 estimating TY 2024 labor budget and deny Cal Am’s request of indexing
16 executives, managers, and non-union employees’ salaries higher than union
17 employees’ annual wage increase rates. As seen in Table 1-2, Cal Am uses up to a
18 0.9% higher salary rate increase for executives, management-level, and non-union
19 hourly employees compared to union employees, whose wage increase is
20 determined by the union contracts.

21 Cal Am calculates its TY 2024 employee payroll by indexing the 2022
22 payroll by the union contract agreement rate for union employees and using a rate
23 higher than the union contract agreement rate for executives, management-level,

³⁶ Direct Testimony of Gary Hofer, July 1, 2019, at 61 lns .16-19; in A.19-07-004.

³⁷ Results of Operations Workpapers (July 1, 2022) “ALL_CH04_O&M_WP_Labor”, Worksheet (tab) “Vacancy-New Empl WS-A-5”.

³⁸ Results of Operations Workpapers (July 1, 2022), “ALL_CH04_O&M_WP_Labor”, “Vacancy-New Empl WS-A-5”, Rows: 34 - 60 include a list of positions not listed either as future hire positions or recently hired positions in direct testimony of Gary Hofer.

and non-union hourly employees on a position-by-position basis.³⁹ This rate ranges between 2.5% and 3.0% in 2023 and 2024 based on the union contract agreement rate and stands at 3.3% and 3.4% for 2023 and 2024,⁴⁰ respectively, for non-union hourly employees and exempt employees.⁴¹

Table 1-2: Cal Am's Requested Wage Increases⁴²

	2022	2023	2024	2025
San Diego County Union Employees	0.0%	0.0%	0.0%	0.0%
Monterey County Union Employees	3.00%	2.50%	2.50%	3.00%
Los Angeles County Union Employees	2.75%	3.00%	2.50%	2.50%
Sacramento Union Employees	0.00%	2.50%	2.75%	2.75%
Larkfield Union Employees	0.00%	0.00%	0.00%	0.00%
All Salaried Exempt Employees	0.00%	3.30%	3.40%	3.40%
Non-Union Hourly Employees	0.00%	3.30%	3.40%	3.40%

The salaries and wages of Cal Am's union staff were increased based on union contracts.⁴³ Even though Cal Am claims that wage increases for non-union hourly and exempt employees are based on a Willis Towers Watson survey,⁴⁴ Cal

³⁹ Results of Operations Workpapers (July 1, 2022), Workbook "ALL_CH_04_WP_Labor", tab "INP-Labor Benefits."

⁴⁰ Results of Operations Workpapers (July 1, 2022), Workbook "ALL_CH_04_WP_Labor", tab "INP-Labor Benefits, Cells D11, E11, D20, E20."

⁴¹ Owens Testimony at 7, Ins. 16-19; Results of Operations Workpaper (July 1, 2022), "ALL_CH_04_WP_Labor", Worksheet (tab) "INP-Labor Benefits" uses different escalation factors for 2023 and 2024 for union and non-union employees. However, Larkfield and San Diego County do not have bargain unions. Non-union employees/staff include Salaried Exempt Employees and Non-Union Hourly Employees.

⁴² Results of Operations Workpapers (July 1, 2022), "Workbook "ALL_CH_04_WP_Labor", tab "INP-Labor Benefits."

⁴³ Owens Testimony at 7, Ins. 17-21.

⁴⁴ Owens Testimony at 7, Ins. 24-28.

1 Am neither provides any further detail to support its use of up to 0.9% higher
2 increased rates for non-union and management-level employees nor demonstrate
3 how those increased rates are beneficial to ratepayers.

4 In its decision approving the settlement agreement in the TY 2021 GRC,
5 the Commission stated that Cal Am must “apply the union escalation factors (both
6 escalation increases and timing of increases), similarly to union-equivalent
7 employees based in non-union service areas.”⁴⁵ In its decision in the TY 2018
8 GRC, the Commission stated, “[e]ven though union positions and management
9 positions have different incentive mechanisms, we do not find justification for
10 increasing labor expenses for non-union positions by as much as 1% more than the
11 highest negotiated union increases...”⁴⁶

12 To be consistent with union employees and past Commission decisions, the
13 Commission should authorize Cal Am to use 2.75% in 2022, 2.5% in 2023, 2.5%
14 in 2024, and 2.5% in 2025 and deny Cal Am’s use of higher salary rate increases
15 to estimate TY 2024 labor budget.

16 **F. Overtime Expenses**

17 The Commission should remove the \$289,042 related to “withdrawn”
18 positions from Cal Am’s TY 2024 overtime budget. Cal Am calculates its
19 overtime labor budget for TY 2024 using a three-year average based on the
20 recorded overtime and hours per eligible employee from 2019-2021.⁴⁷ ⁴⁸ The
21 eligible employee positions are further categorized as “active,” “withdrawn,”⁴⁹ and

⁴⁵ D.21-11-018 at 51.

⁴⁶ D.18-12-021 at 73.

⁴⁷ Owens Testimony at 8, lns. 22-23.

⁴⁸ See Hofer Testimony at 60, lns. 19-23 (Union Hourly and Non-Union Hourly Employees are eligible for overtime pay).

⁴⁹ Employees classed as withdrawn are no longer with the company.

“retiree.”⁵⁰ However, Cal Am’s forecast of TY 2024 overtime includes overtime expenses for “withdrawn”⁵¹ employees no longer employed by the utility. Ratepayers should not be burdened with expenses for employees who are no longer with the utility; therefore, the Commission should remove Cal Am’s estimated overtime budget for “withdrawn” positions from Cal Am’s estimate.

Table 1-3: Overtime Budget Estimate

Cal Advocates Recommendation	Cal Am Request ⁵²	Difference
\$2,8344,498	\$3,133,540	\$289,042

G. Incentive Compensation

Cal Am requests a \$5,064,651 budget for short-term and long-term incentive compensation programs in the form of the Annual Performance Plan (APP) program and the Long-Term Performance Plan program (LTPP), which primarily benefits Cal Am’s investors, not the ratepayers. Only certain exempt employees are eligible for LTPP.⁵³ All full-time employees, including union employees, are eligible and receive payments from the APP program.⁵⁴ As discussed in sections 1 and 2 below, Cal Am’s requested budgets for these programs are unreasonably high. Nowhere is this more evident than in terms of the CEO pay ratio.

⁵⁰ Results of Operations Model (July 1, 2022), Workbook “ALL_CH_04_WP_Labor OT”, Worksheet (tab) “WS-5-OT Total (\$)”, (column D filtered to include only “withdraw”) Cells D25-D445.

⁵¹ See Attachment 1-4: Anusha Nagesh, Report and Recommendations on Operations and Maintenance and Administrative and General Expenses, Labor Expenses, Balancing and Memorandum Accounts and Special Requests #2, 3, and 13, at 48. See also Attachment 51.

⁵² Cal Am Results of Operations Workpaper, Worksheet “ALL_CH04_O&M_RO_Labor” tab “Labor Costs W-Spec Adj WS7, column Q (column F filtered to include only “OT”).”

⁵³ Hofer Testimony at 61, ln. 14.

⁵⁴ Hofer Testimony at 61, lns. 11-19.

1 Before his retirement on February 2, 2022, the total compensation of
2 Walter J. Lynch, Chief Executive Officer of Cal Am’s parent company, was 81
3 times higher than that of an average employee.⁵⁵ This ratio is higher than all but
4 one of the six utilities closest to “American Water Works Company Inc’s” size in
5 its peer group^{56 57} and dramatically increased from the 53:1 listed in the 2018
6 proxy statement.⁵⁸ Cal Am also has a Named Executive Officer “NEO” pay ratio
7 of 20.16 versus the average employee.⁵⁹ These executive pay increases will come
8 at a time when thousands of ratepayers still face hardship in paying their water
9 bills. Therefore, Cal Advocates recommend that the Commission deny Cal Am’s
10 request for ratepayers’ funding of LTPP. Furthermore, Cal Advocates
11 recommends that the Commission reduce Cal Am’s requested TY 2024 APP
12 budget by 80% of the expenses tied to the 307 authorized positions.

⁵⁵ See Attachment 1-5: American Water Works Company Inc. 2022 Proxy Statement at 68.

⁵⁶ Size is defined as the value of the utility’s total consolidated assets. For this comparison, I chose the six utilities closest in size to Cal-Am, three larger and three smaller. The six utilities are Atmos Energy Corporation, CMS Energy Corporation, Evergy Inc., NiSource Inc., Pinnacle West Cap, and PPL Corp.

⁵⁷ See Attachment 1-5: American Water Works Company Inc. 2022 Proxy Statement at 40.

⁵⁸ See Attachment 1-6: American Water Works Company Inc. 2018 Proxy Statement at 70.

⁵⁹ See Attachment 1-7: Additional Charts Related to Executive Compensation.

Table 1-4: Incentive Compensation

Description	Cal Advocates Recommendation	Cal Am's Request	Difference
APP	\$790,410	\$4,531,489	\$3,741,079
LTPP	0	\$533,162	\$533,162
Total	\$790,410	\$5,064,651	\$4,274,241

1. Annual Performance Plan Expenses

The Annual Performance Plan (APP) is a program that allows all full-time employees⁶⁰ to earn cash incentives equivalent to a certain percentage of an employee's base salary. Each employee's annual award is based on the utility's level of achievement in the seven APP objectives stated in American Water Works' proxy statement and the employee's personal performance.⁶¹ Cal Am's recorded and requested APP is shown in the table below.

Table 1-5: Recorded and Requested APP

	Recorded					Estimated		
	2017	2018	2019 ⁶²	2020	2021	2022	2023 ⁶³	2024
APP (\$)	2,083,743	1,947,127	2,294,618	2,733,838	2,813,004	3,303,276	3,409,834	3,522,829
Capitalized APP	-398,958	-222,283	-293,721	-308,557	-337,740	-944,946	-975,848	-1,008,660
Total ⁶⁴	2,482,701	2,169,410	2,588,339	3,042,395	3,150,744	4,248,222	4,385,682	4,531,489
% Change APP		-6.56	17.85	19.14	2.90	17.43	3.23	3.31

⁶⁰ Hofer Testimony at 61, lns. 11-19.

⁶¹ See Attachment 1-5: American Water Works Company Inc. 2022 Proxy Statement at 42.

⁶² Cal-Am's workpaper "ALL_CH04_O&M_RO_Labor" tab "OM Data Rec w-Trf-Elim WS3." Column J-N (Column F Filtered to include only APP and APP Cr).

⁶³ Cal-Am's workpaper "ALL_CH04_O&M_RO_Labor" tab "Labor Costs W-Spec Adj WS7." Column O-Q (Column F Filtered to include only APP and APP Cr).

⁶⁴ APP + Cap APP

% Change CAP		-44.2	32.14	5.05	9.46	179.79	3.27	3.36
% Change Total		-12.62	19.31	17.54	3.56	34.83	3.24	3.32

Cal Am's APP weighs the value of each of its six key performance objectives as follows: (1) Adjusted Earnings per Share (50%); (2) Customer Satisfaction (15%); (3) OSHA Recordable Incident Rate (ORIR) (10%); (4) OSHA Days Away Restricted or Transferred (DART) (10%); (5) Environmental Leadership: Drinking Water Program Compliance (7.5%); (6) Environmental Leadership: Drinking Water Quality (7.5%).⁶⁵

The most heavily weighted of these objectives, earnings per share, benefits shareholders, not ratepayers. This objective is directly related to shareholder investment earnings and represents profit for Cal Am's shareholders. Therefore, ratepayers should not subsidize it. This is especially true given Cal Am's high rate of shareholder return, 185.2% over the last five years, compared to 133.3% for the S&P 500 and 79.9% for the PHLX Utility Sector Index.⁶⁶ Cal Am claims that the additional compensation tied to earnings per share benefits ratepayers. However, Cal Am failed to adequately justify this statement, merely stating that "[t]he financial metric may also benefit customers as a result of the companies' lower borrowing costs."⁶⁷ Cal Am also makes no assertions that its water quality (objectives 5 and 6 of GO 103-A) or customer service (objective 2 of GO 103-A) standards exceed the minimum compliance standards set in

⁶⁵ See Attachment 1-5: American Water Works Company Inc. Proxy Statement at 43-44.

⁶⁶ See Attachment 1-5: American Water Works Company Inc. Proxy Statement at 37.

⁶⁷ D.16-12-067 at 103.

1 GO-103-A, and ratepayers should not have to pay bonuses for standards
2 Cal Am is legally required to meet.^{68 69}

3 As described above, the Commission should not provide the 80% of
4 Cal Am's APP budget that benefits shareholders rather than ratepayers or is
5 tied to standards Cal Am is legally obligated to meet. The Commission
6 should only authorize 20% of Cal Am's requested APP budget related to
7 the 307 positions. The APP budget related to the positions not authorized
8 should also be removed prior to calculating the 20% tied to ORIR and
9 DART. This recommendation will reduce the APP budget to \$790,410
10 (from \$4,531,489).

11 **2. Long-Term Performance Plan Budget**

12 The Commission should deny Cal Am's request for a TY 2024
13 budget of \$533,162⁷⁰ for the Long-Term Performance Plan (LTPP) because
14 Cal Am's requested LTPP budget benefits shareholders with no
15 commensurate benefit to ratepayers. American Water Works' LTPP goals
16 are based on (1) Relative Total Shareholder Return and (2) Compounded
17 Adjusted Earnings Per Share Growth.⁷¹ The weighted percentages and the
18 percentages compared to the eligible employees' base salary vary.

19 American Water Works' proxy statement states that the purpose of
20 the Relative Total Shareholder Return goal is "[t]o encourage performance
21 that not only increases shareholder value but increases it to an extent that

⁶⁸ General Order 103-A, Attachment 1 (Water Quality and Supply Requirements at 9-12), (Continuity of Service at 12-13).

⁶⁹ General Order 103-A, Attachment 1 p.32-35.

⁷⁰ Cal Am Results of Operations Workpaper (July 1, 2022), "ALL_CH04_O&M_RO_Labor" Worksheet (tab) "Labor Costs W-Spec Adj WS7.", Cell Q30 + Q31. "Compensation Expenses Options" + "Compensation Expense RSU's" = 10,590 + 522,572 = \$533,162.

⁷¹ See Attachment 1-5: American Water Works Company Inc. 2022 Proxy Statement at 46.

1 compares favorably relative to the companies in the 2021 peer group.”⁷²
2 The “Compounded Adjusted Earnings Per Share growth” goal “is a key
3 measure of our financial and operational success, and achieving our
4 earnings and strategic goals creates long-term shareholder value and
5 provides greater total return to our shareholders.”⁷³ Both of American
6 Water Works’ stated goals focus on increasing its profits and primarily
7 benefit its shareholders. Therefore, the Commission should remove 100%
8 of Cal Am’s proposed ratepayer funding of LTPP costs, totaling \$533,162
9 in TY 2024.

10 In Cal Am’s past seven GRC decisions, the Commission has either
11 denied or reduced Cal Am’s requested incentive compensation.⁷⁴ The
12 Commission reached a similar conclusion in several other energy and water
13 utility GRC proceedings.⁷⁵ Ratepayers should not fund incentive programs
14 that primarily benefit shareholders. Therefore, the Commission should
15 deny 100% (\$533,162) of Cal Am’s forecasted LTPP costs for TY 2024.

16 **H. Severance Budget**

17 Cal Am’s estimate for severance expenses uses an inflation-adjusted five-
18 year average for 2022 and then escalates it for the TY 2024 estimate of \$86,287.⁷⁶
19 By their very nature, Severance Expenses are subject to a high degree of variance.
20 However, Cal Am’s proxy statement only provides information related to

⁷² See Attachment 1-5: American Water Works Company Inc. 2022 Proxy Statement at 46.

⁷³ See Attachment 1-5: American Water Works Company Inc. 2022 Proxy Statement at 46.

⁷⁴ D.03-02-030; D.06-11-050; D.09-07-021; D.12-06-016; D.15-04-007; D.18-12-021; and D.21-01-022.

⁷⁵ D.16-12-067, at 104,105 (Golden State Water company); D.13-05-010, at 832 (San Diego Gas & Electric); D.12-11-051, at 451 (Southern California Edison).

⁷⁶ Cal Am Results of Operations Workpaper (July 1, 2022), Workbook ALL_CH04_O&M_RO_Labor, Worksheet (tab) “Labor Costs W-Spec Adj WS7”, Cells Q32 and Q52.

1 severance packages for its CEO and NEOs. It does not discuss any potential
2 ratepayer benefits for these severance packages, and therefore Cal Am has not
3 justified using ratepayer funding for those packages.⁷⁷ Therefore, the Commission
4 should not include Cal Am’s requested severance budget of \$86,287 in the labor
5 budget for TY 2024.

6 **IV. CONCLUSION**

7 The Commission should reduce Cal Am’s TY 2024 labor budget by \$6,646,129.
8 Therefore, the Commission should:

- 9 • Authorize a Capitalized Labor Rate of 21.44% for All Districts.
- 10 • Authorize 307 positions for the current GRC.
- 11 • Remove salaries and wage budgets of \$1,613,071 related to 15 new
12 positions.
- 13 • Remove labor budgets of \$1,477,808 related to 16 vacant positions.
- 14 • Use a salary increase rate of 2.75% in 2022, 2.5% in 2023, and 2.5% in
15 2024 for executives, managers, and non-union employees in estimating TY
16 2024 labor budget.
- 17 • Reduce Cal Am’s requested overtime expenses budget by \$289,042
18 because it includes expenses for “withdrawn” employees and positions.
- 19 • Reduce Cal Am’s requested budget for its APP by \$3,741,079 to remove
20 funding for the APP objectives that relate directly to shareholder benefits
21 with no commensurate benefit to ratepayers.
- 22 • Reject Cal Am’s request for ratepayer funding of its \$533,162 of LTPP
23 expenses because the LTPP’s objectives relate directly to shareholder
24 benefits with no commensurate benefit to ratepayers.

⁷⁷ See Attachment 1-5: American Water Works Company Inc. 2022 Proxy Statement at 50, 66.

- 1
 - 2
- Reject Cal Am's \$86,287 of severance expenses because they do not benefit ratepayers.

CHAPTER 2 BENEFITS

I. INTRODUCTION

Cal Am requests to increase its budget for various benefits categories (USOA Account 795), including but not limited to pension expenses, other post-employment benefits expenses, executive retirement plans, and group insurance expenses. Cal Am requests \$7,680,228 for USOA Account 795 in TY 2024.⁷⁸

II. SUMMARY OF RECOMMENDATIONS

The Commission should:

- Reduce Cal Am’s forecasted Pension and Other Post-Employment Benefits (“OPEB”) expenses by calculating benefits on a per-employee basis using the final number of authorized positions (307)⁷⁹ approved in this proceeding.
- Calculate other employee benefits based on a 5-year average, with adjustments made for outliers.
- Remove all \$112,221 of expenses related to the stock purchase plan.
- Calculate group expenses using the final number of authorized positions.

Table 2-1 below summarizes Cal Advocates recommended and Cal Am requested benefits budget TY 2024.

⁷⁸ Results of Operations Workpapers (July 1, 2022), Workbook ALL_CH04_O&M_RO, Worksheet O&M Costs W-Spec Adj WS7, Column Q (Column H filtered to include only NARUC 795).

⁷⁹ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_WP_Labor”, Worksheet (tab) “Employee Count WS-A-11” cell H77 (303+4= 307).

Table 2-1: Test Year 2024 Benefits Recommendations

Expense Category	Cal Advocates Recommendation (\$)	Cal Am Requested (\$)	Difference (\$)
Pension (Expensed)	1,176,098	1,257,239 ⁸⁰	81,141
Pension (Capitalized)	196,627	211,081 ⁸¹	14,454
OPEB (Expensed)	(810,029)	(890,242) ⁸²	(80,213)
OPEB (Capitalized)	20,811	18,760 ⁸³	(2,051)
Employee Stock Purchase Plan	0	112,221 ⁸⁴	112,221
Other Welfare A&G	324,115	419,564 ⁸⁵	95,449
Group Insurance Expenses (Expensed)	5,209,396	5,735,426 ⁸⁶	526,030
Group Insurance Expenses (Capitalized)	(1,095,453)	(1,195,447) ⁸⁷	(99,994)
Total	5,021,565	5,668,602	647,037

⁸⁰ Results of Operations Workpapers, Workbook “ALL_CH04_O&M_WP_Labor”, Worksheet (tab) “Pension WS-A-14”, cell U81.

⁸¹ Results of Operations Workpapers, Workbook “ALL_CH04_O&M_WP_Labor”, Worksheet (tab) “Pension WS-A-14”, cell U80.

⁸² Results of Operations Workpapers, Workbook “ALL_CH04_O&M_WP_Labor”, Worksheet (tab) “OPEB WS-A-15”, cell U81.

⁸³ Results of Operations Workpapers, Workbook “ALL_CH04_O&M_WP_Labor”, Worksheet (tab) “OPEB WS-A-15”, cell U80.

⁸⁴ Results of Operations Workpapers (July 1, 2022), Workbook ALL_CH04_O&M_RO, Worksheet O&M Costs W-Spec Adj WS7, Column Q (Column G filtered to include only Employee Stock Purchase Plan Expenses).

⁸⁵ Results of Operations Workpapers (July 1, 2022), Workbook ALL_CH04_O&M_RO, Worksheet O&M Costs W-Spec Adj WS7, Column Q (Column G filtered to include only Other Welfare–Admin & General).

⁸⁶ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “O&M Costs W-Spec Adj WS7” column Q (Column G filtered to include only “Group Insurance Expenses”).

⁸⁷ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “O&M Costs W-Spec Adj WS7” column Q (Column G filtered to include only “Group Insurance Capitalized Credits”).

1 **III. ANALYSIS**

2 **A. Pension and OPEB**

3 Cal Am proposes a TY 2024 budget of \$1,468,320 for pension costs and
4 (\$871,482) for OPEB costs. This budget should be reduced to include only the
5 expenses tied to the 307 current employee positions.

6 Cal Am’s forecast for the employee Pension and OPEB expenses relied on
7 Willis Towers Watson’s actuarial report (“WTW Report”),⁸⁸ which allocated a
8 percentage of American Water Works’ overall costs to Cal Am each year to
9 calculate pension and OPEB expenses.⁸⁹

10 However, Cal Am’s requested TY 2024 pension and OPEB budgets of
11 \$1,468,320 and (\$871,482), assume that all 339⁹⁰ positions proposed for TY 2024
12 will be hired. The Commission should remove the pension and OPEB budgets
13 related to the 31 positions (new and vacant) not authorized.

14 Cal Am calculates its pension and OPEB budgets using a combination of
15 service and non-service costs. To account for this new number of authorized
16 positions, both of these costs should be multiplied by the proportionate number of
17 Cal Advocates recommended and Cal Am’s requested positions. The resulting
18 figures should then be adjusted to account for the recommended capitalization rate
19 of 21.44% for all districts.

20 For TY 2024, adjusting Cal Am’s requested pension budget to reflect the
21 31 positions (new and vacant) not authorized gives \$917,106⁹¹ and \$412,612⁹² for

⁸⁸ Owens Testimony at 20, lns. 8-10.

⁸⁹ Owens Testimony at 20, lns. 10-12.

⁹⁰ Cal Am workpaper (July 1, 2022) “ALL_CH_04_WP_Labor”, tab “Employee Count WS-A-11” cell K77. The 339 total positions consist of 307 current employees, 16 Vacant Positions, 15 requested new employees for future hire, and 1.4 temporary positions.

⁹¹ Cal Am workpaper (July 1, 2022) “ALL_CH_04_WP_Labor”, tab “INP-Labor Benefits” cell P11 = Pension Service. $\$1,012,700 * (307/339) = \$917,106$

⁹² Cal Am workpaper (July 1, 2022) “ALL_CH_04_WP_Labor”, tab “INP-Labor Benefits” cells P18 =

1 service and non-service costs for TY 2024. Applying the recommended
2 capitalization rate of 21.44% gives \$1,176,098⁹³ in expensed pension budget and
3 \$196,627⁹⁴ in capitalized pension budget a reduction of \$81,141 and \$14,454.

4 Similarly, adjusting Cal Am’s requested TY 2024 OPEB budget to reflect
5 the 31 positions (new and vacant) not authorized gives \$97,066⁹⁵ and (\$886,284)⁹⁶
6 for service and non-service costs, respectively. Applying the recommended
7 capitalization rate of 21.44% gives (\$810,029)⁹⁷ in expensed OPEB budget and
8 \$20,811⁹⁸ in capitalized OPEB budget, a reduction of (\$80,213) and (\$2,051).

9 Therefore, pension expenses should be reduced by \$95,594 to \$1,372,726
10 and OPEB by \$82,264 to (\$789,218).

11 **B. Other Employee Benefits**

12 Cal Am states that its forecasts for the employee Pension and Other Post-
13 Employment Benefits (“OPEB”) expenses and other employee benefits, such as
14 401k expense, defined contribution plan expense,⁹⁹ and employee stock purchase
15 plan expenses, are based on labor escalation factors for current employees and the
16 average employee benefit for similar positions for new positions.¹⁰⁰ Cal Am uses

Pension Non-Service. $\$455,620 * (307/339) = \$412,612$.

⁹³ Cal Am workpaper (July 1, 2022) “ALL_CH_04_WP_Labor”, tab “Pension WS-A-14” cell U81.

⁹⁴ Cal Am workpaper (July 1, 2022) “ALL_CH_04_WP_Labor”, tab “Pension WS-A-14” cell U80.

⁹⁵ Cal Am workpaper (July 1, 2022) “ALL_CH_04_WP_Labor”, tab “INP-Labor Benefits” cell W11 =
OPEB Service. $\$107,183 * (307/339) = \$97,066$

⁹⁶ Cal Am workpaper (July 1, 2022) “ALL_CH_04_WP_Labor”, tab “INP-Labor Benefits” cells W18 =
OPEB Non-Service. $(978,665) * (307/339) = \$886,283$

⁹⁷ Cal Am workpaper (July 1, 2022) “ALL_CH_04_WP_Labor”, tab “OPEB WS-A-15” cell U81.

⁹⁸ Cal Am workpaper (July 1, 2022) “ALL_CH_04_WP_Labor”, tab “OPEB WS-A-15” cell U80.

⁹⁹ It also includes “401k Expense Cap Credits” and “Defined Comp Plan Exp Cap Credits.”

¹⁰⁰ Owens Testimony at 21, Ins. 1-3.

1 a five-year escalated average for these expenses and other employee benefits¹⁰¹ to
2 develop its requested TY 2024 budget of \$2,269,301¹⁰², all expensed. As
3 described below, the Commission should reduce Cal Am’s requested budget by
4 \$165,334 for TY 2024.

5 **1. Stock Purchase Plan**

6 California ratepayers should not be charged for Cal Am’s requested
7 employee stock purchase plan (“ESPP”) budget of \$112,221¹⁰³ for a TY
8 2024 as they benefit shareholders without any commensurate benefit to
9 California ratepayers. American Water Works, Cal Am’s parent company,
10 maintains a nonqualified employee stock purchase plan “ESPP” that allows
11 employees other than its executive officers to “acquire Company common
12 stock at a purchase price of 85% of the fair market value of the common
13 stock at the end of a three-month purchase period...”¹⁰⁴ The ESPP is
14 considered compensatory.¹⁰⁵

15 Ratepayers should not fund subsidized stock purchases as they
16 benefit shareholders, not the California ratepayers. American Water Works
17 openly stated in its Initial Public Offering “IPO” that the initial employee
18 stock purchase plan was established to more closely align their employees’
19 goals with those of their stockholders.”¹⁰⁶ Therefore, the Commission

¹⁰¹ Other expenses include “DC Restoration Expense,” “Health Savings Account,” “Other Welfare A&G,” and “Retiree Medical.”

¹⁰² Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “O&M Costs W-Spec Adj WS7”, Column Q.”

¹⁰³ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “O&M Costs W-Spec Adj WS7”, Column Q” (Column G filtered to include only “Employee Stock Purchase Plan Expenses).

¹⁰⁴ Attachment 2-1: American Water Works Company Inc. 2021 Form 10K at 112.

¹⁰⁵ Attachment 2-1: American Water Works Company Inc. 2021 Form 10K at 112.

¹⁰⁶ Attachment 2-2: American Water Works Company Inc. Initial Public Offering of Common Stock at

1 should deny Cal Am’s request for a TY 2024 budget of \$112,221 for the
2 ESPP.

3 **2. Other Welfare A&G**

4 The Commission should reduce Cal Am’s requested TY 2024 Other
5 Welfare A&G budget of \$419,564¹⁰⁷ by \$95,449 to account for outliers in
6 Cal Am’s recorded data.

7 Cal Am’s 2017 Corporate Office “Other Welfare–Admin &
8 General” recorded expense of \$337,345¹⁰⁸ is more than twice the amount
9 recorded in any other year from 2017-2021 and is more than three times the
10 expense amount recorded in 2021,¹⁰⁹ as well as being close to two standard
11 deviations^{110 111} above the 2017-2021 mean of \$189,715 Therefore, to
12 ensure that ratepayers are not unfairly burdened by expenses that go against
13 the declining trend, this expense should be calculated using a (2018-2021)
14 rather than a (2017-2021) average. Likewise, Cal Am’s 2017 “Other
15 Welfare–Admin & General” expense for the Larkfield District was

119.

¹⁰⁷ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “O&M Costs W-Spec Adj WS7”, Column Q” (Column G filtered to include only “Other Welfare-Admin & General).

¹⁰⁸ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “OM Data Rec w-Trf-Elim WS3”, Cell J41.

¹⁰⁹ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “OM Data Rec w-Trf-Elim WS3”, Cell N41.

¹¹⁰ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “OM Data Rec w-Trf-Elim WS3”, Cells J41-N41. $189,715 \text{ (2017-2021 Mean)} + 77,797 \text{ (Standard Deviation)} = 267,512 + 77,797 = 345,309$.

¹¹¹ According to the 67-95-99.7 rule of statistics, two standard deviations correspond to a 95% confidence interval, meaning that 95% of estimates for an unknown parameter will fall within the range of two standard deviations. It is unfair to burden ratepayers based on expenses that are statistically highly unlikely to be repeated.

1 \$3,388,¹¹² is more than twice the amount recorded in any other year from
2 2017-2021, more than thirty times the expense amount recorded in 2021,¹¹³
3 and more than two standard deviations above the 2017-2021 mean of
4 \$1,299.¹¹⁴ Therefore, to ensure that ratepayers are not unfairly burdened by
5 expenses that go against the declining trend, both of these expenses should
6 be calculated using a (2018-2021) rather than a (2017-2021) average for
7 final expenses of \$156,665 and \$1,017, respectively.

8 Finally, Dunnigan WW only incurred “Other Welfare A&G”
9 expenses once between 2017 and 2021 in 2019.¹¹⁵ Similarly,
10 Meadowbrook only incurred “Other Welfare A&G” expenses in two years
11 within this five-year period (2017 and 2018).¹¹⁶ Therefore, the
12 Commission should remove “Other Welfare A&G” expenses for Dunnigan
13 WW and Meadowbrook from Cal Am’s TY 2024 Other Welfare A&G
14 budget for a total TY2024 reduction of \$1,279. Table 2-2 below
15 summarizes Cal Advocates’ recommended reductions to Cal Am’s
16 recommended TY 2024 budget.

¹¹² Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “OM Data Rec w-Trf-Elim WS3”, Cell J4997.

¹¹³ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “OM Data Rec w-Trf-Elim WS3”, Cell N4997.

¹¹⁴ $1,299 \text{ (2017-2021 Mean)} + 1,130 \text{ (Standard Deviation)} = 2,429 + 1,130 = 3,559$.

¹¹⁵ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “OM Data Rec w-Trf-Elim WS3”, Cell L5351.

¹¹⁶ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “OM Data Rec w-Trf-Elim WS3”, Cell J6413, K6413.

Table 2-1: Other Welfare A&G Recommended Reductions

District	Cal Advocates Estimate	Cal Am Requested	Difference
Cal Am Corporate	\$156,665	\$250,100	\$93,435
Larkfield	\$1,017	\$1,752	\$735
Dunnigan WW	0	\$47	\$47
Meadowbrook	0	\$1,232	\$1,232
Total	\$157,682	\$253,131	\$95,449

The Commission should reduce Cal Am's TY 2024 Other Welfare A&G expense budget by \$95,449 and authorize a TY 2024 budget of \$324,115.

C. Group Insurance Expenses

The Commission should only include the group insurance expenses for the 307 current employee positions and reduce the projected budget to \$5,209,396 accordingly.

Cal Am's requested TY 2024 budget for group insurance is based on information provided by American Water, who obtained it from AON.¹¹⁷ AON projects an average annual cost increase of 5.22%¹¹⁸ for group insurance premiums from 2023-2025. Although AON uses the actual group insurance data from 2011-2021, AON makes some significant assumptions that the costs for medical/RX and dental/vision will increase and that no plan changes will occur beyond 2021.¹¹⁹ Cal Am's calculations also assume that all forecasted customers,

¹¹⁷ AON is a large multinational financial services firm that provides risk mitigation services to a variety of companies.

¹¹⁸ Owens Testimony at 21, Ins. 10-12. The premiums for 2023, 2024, and 2025 were 5.54%, 5.05%, and 4.90%, respectively.

¹¹⁹ Owens Testimony at 21, Ins. 7-10.

1 sales, revenues, and expenses for the four proposed acquisitions will be
2 incorporated into the forecasted revenue requirement.¹²⁰

3 Cal Am’s requested TY 2024 group insurance budget of \$5,735,426¹²¹
4 assumes that all 339¹²² positions proposed for TY 2024 will be hired. The
5 Commission should remove the group insurance budgets related to the 31
6 positions (new and vacant) not authorized. Therefore, the Commission should
7 reduce Cal Am’s requested TY 2024 group insurance budget by \$526,030¹²³ and
8 authorize an amount of \$5,209,396.

9 **D. Authorize Capitalization Benefit Rate of 21.44%**

10 Cal Am utilizes the capitalization rate for benefits similar to labor
11 capitalization. Cal Am capitalizes budgets related to Pension, 401K, PBOP,
12 Group Insurance, Defined Compensation, Retiree Medical, FUTA, FICA, and
13 SUTA. As discussed previously in chapter 1, section A, the Commission should
14 utilize an overall capitalization rate of 21.44% for all budgets related to benefits
15 for all districts.

16 **IV. CONCLUSION**

17 Consistent with the recommendations listed below, the Commission should reduce
18 Cal Am’s forecasted TY 2024 pension (including ERP) and benefits expenses by only

¹²⁰ Owens Testimony at 51, lns. 20-23.

¹²¹ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “O&M Costs W-Spec Adj WS7” column Q (Column G filtered to include only “Group Insurance Expenses”).

¹²² Cal Am workpaper (July 1, 2022) “ALL_CH_04_WP_Labor”, tab “Employee Count WS-A-11” cell K77. The 339 total positions consist of 307 current employees (also includes requested 3 new positions), 16 Vacant Positions, 15 requested new employees for future hire, and 1.4 temporary positions.

¹²³ Cal Am workpaper (July 1, 2022) “ALL_CH_04_WP_Labor”, tab “Vacancy-New Empl WS-A-5” cell BS78.

1 including expenses related to Cal Am's 307 current employee positions. Therefore, the
2 Commission should.

- 3 • Base Cal Am's benefits on Cal Advocates' recommended number of
4 employees (307) rather than Cal Am's requested number of (339). Reduce
5 Cal Am's total benefits expense to \$7,033,191 (from \$7,680,228) to
6 account for the removal of expenses related to new and vacant employees.
- 7 • Reject Cal Am's requested budget of \$112,221 for an employee stock
8 purchase plan because it benefits shareholders, not ratepayers.
- 9 • Reduce Cal Am's budget for Other Welfare A&G expenses to \$324,115
10 (from \$419,564) to account for outliers and non-recurring expenses.
- 11 • Reduce Cal Am's budget for Group Insurance expenses to \$5,209,396
12 (from \$5,735,426) to account for outliers and non-recurring expenses.
- 13 • The Commission should utilize an overall capitalization rate of 21.44% for
14 all districts' pension, OPEB, and group insurance expenses.

CHAPTER 3 REGULATORY COMMISSION EXPENSES

I. INTRODUCTION

Regulatory Commission Expenses (USOA Account 797) include all expenses that Cal Am incurs in connection with proceedings before the Commission or other regulatory bodies.¹²⁴ Cal Am's annualized Regulatory Commission Expenses increased from \$1,060,755 (2018-2020) to \$1,730,993¹²⁵ (2021-2023), an increase of 63.2%, while inflation increased by 15.68%.¹²⁶ Annualized Regulatory Commission Expenses for 2024-2026 are projected to increase by a further 29.8% over the previous GRCs value¹²⁷ ¹²⁸ to \$2,246,733.¹²⁹

Cal Am requests a total Regulatory Commission Expense budget of \$6,740,198 for the 2024-2026 GRC cycle.¹³⁰ This budget correlates to a regulatory commission expense of \$33.57 per service connection, more than three times that of Golden State Water Company, the nearest Class-A utility of comparable size.^{131 132} The Commission

¹²⁴ Owens Testimony at 21, Ins. 18-21; D.16-11-006, Appendix A (Uniform System of Accounts for Class A Water Utilities) at A139-140.

¹²⁵ Results of Operations Workpapers (July 1, 2022), Workbook "ALL_CH04_O&M_WP_Reg Exp", Worksheet (Tab) "Summary WS-01", Cell D23 = \$1,730,993, Cell H23 = \$1,060,755.

¹²⁶ See Attachment 3-1: U.S. Bureau of Labor Statistics, CPI Inflation Calculator, available at https://www.bls.gov/data/inflation_calculator.htm. June 2019 - June 2022.

¹²⁷ RO Model Workpaper A.19-07-004 (July 1, 2019), "ALL_CH04_O&M_WP_Reg Exp", Tab "Summary WS-01", Cell D23 = \$1,730,993 (2021-2023 annualized regulatory expenses) Cell H23 = \$1,060,755 (2018-2021 annualized regulatory expenses).

¹²⁸ $2018-2021 = \$1,730,993 / \$1,060,753 = 1.632$, $2021-2024 = \$2,246,733 / \$1,730,993 = 1.298$

¹²⁹ Results of Operations Workpapers (July 1, 2022), Workbook "ALL_CH04_O&M_WP_Reg Exp", Worksheet (Tab) "Summary WS-01", Cell D23 = \$2,246,733.

¹³⁰ Results of Operations Workpapers (July 1, 2022), Workbook "ALL_CH04_O&M_WP_Reg Exp", Worksheet (Tab) "Summary WS-01", Cell D21

¹³¹ See Table 3-2: (Proposed regulatory expense budget/Service Connections) $\$6,740,198 / 200,764 = \33.57 per service connection.

¹³² Cal Am, Cal-Water, Golden State Water, and San Jose Water all have over 200,000 service

should authorize a total regulatory commission expense budget of \$2,148,707¹³³ for 2024-2026, which is \$4,591,491 less than what Cal Am proposes.

II. SUMMARY OF RECOMMENDATIONS

The Commission should:

- Reduce Cal Am’s overall regulatory commission expense budget for the 2024-2026 GRC cycle to \$2,148,707 (from \$6,740,198) to account for its excessive regulatory commission expense costs per service connection and bring these expenses in line with its closest peers. This budget should be amortized equally across the full three years.
- Require Cal Am to amend its 2021 annual report to include the amount of Regulatory Commission Expenses (USOA 797) incurred. The Commission should require Cal Am to cease misreporting and include the actual Regulatory Commission Expenses (USOA account # 797) incurred in future annual reports.

III. ANALYSIS

Regulatory Commission Expenses refer to the amounts a utility incurs for expenses connected to proceedings before the Commission or other regulatory bodies.¹³⁴ For the 2024-2026 GRC cycle, Cal Am requests a total Regulatory Commission Expense budget to be recovered from ratepayers of \$6,740,198.¹³⁵ Cal Am’s requested budget is excessive when compared to its peers. As discussed in the sections below, the

connections.

¹³³ See Table 3-2: $\$6,740,198 \times \text{Golden State Budget per Connection } (\$2,808,700/262,429) / \text{Cal Am Budget per Connection } (\$6,740,198/200,763) = \$2,148,707$

¹³⁴ D.16-11-006, Appendix A at A139-140.

¹³⁵ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_WP_Reg Exp”, Worksheet (Tab) “Summary WS-01”, Cell D21

Commission should reduce Cal Am’s budget by \$4,591,491 for 2024-2026 and authorize \$2,148,707 total for 2024-2026 (\$716,236 per year for this GRC cycle) to bring Cal Am’s budget in line with the per-capita costs of Golden State Water, a peer of comparable size with the second highest Regulatory Commission Expense cost per capita. Cal Am also has several particularly extraneous Regulatory Commission Expenses, including its legal fees and contingency rebuttal witness, that contribute to this figure.

Also, as discussed in more detail later in the testimony, Cal Am’s Special Request #11 proposes recovering the Regulatory Commission Expenses over 27 months instead of the typical 36. Cal Am proposes to recover in rates three months equivalent budget of the total Regulatory Commission Expense budget in TY 2024 and the rest in the later years. This unreasonable request will be discussed in the Special Request #11 section.

A. Cal Am’s Regulatory Commission Expense Per Connection is increasing higher than the increase due to inflation

Cal Am’s Regulatory Commission Expenses have historically been and are projected to continue to be excessive, both overall and on a per-connection basis as it is overall. Cal Am’s annualized Regulatory Commission Expenses per connection¹³⁶ averaged 5.85¹³⁷ for the 2018-2020 GRC period, rising to 9.04¹³⁸ for the 2021-2023 GRC period and further to a projected 11.43¹³⁹ ¹⁴⁰ for the 2024-2026 period. In percentage terms, this comes to a 54.59% increase between the

¹³⁶ See Attachment 3-2: Regulatory Commission Expenses per Connection

¹³⁷ Results of Operations Workpapers (July 1, 2022), “ALL_CH03_REV_RO_Sales-Customers”, tab “Y_Rec Cust” cell (K-M503). (\$1,060,755/An average of 181,384 customers) = \$5.85 per customer.

¹³⁸ Results of Operations Workpapers (July 1, 2022), “ALL_CH03_REV_RO_Sales-Customers”, tab “Y_Rec Cust” cell (N503) =2021, tab “Proj Cust Calc” cell (BM, BN) = 2022, 2023. (\$1,730,993/An average of 191,469 customers) = \$9.04 per customer.

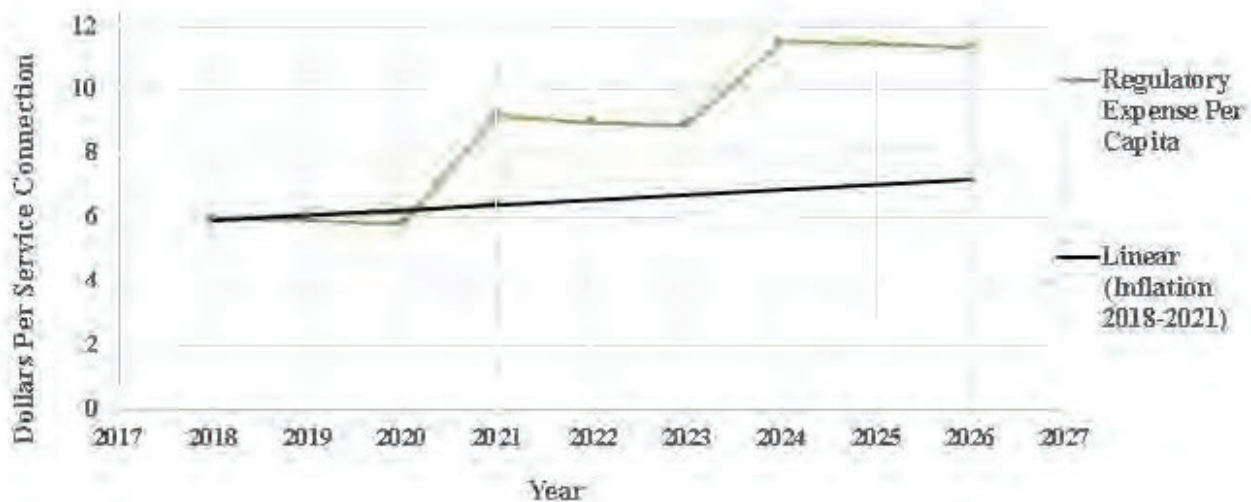
¹³⁹ Results of Operations Workpapers (July 1, 2022), “ALL_CH03_REV_RO_Sales-Customers”, tab “Proj Cust Calc” cell (BO, BP, BQ). (\$2,246,733/An average of 196,563 customers) = \$11.43 per customer.

¹⁴⁰ This figure differs from the figure found in Table 3-2 because it was calculated using data from Cal Am’s RO model. Table 3-2 was calculated using the Class-A utilities’ annual reports for consistency.

first and second GRC periods and a 26.43% increase between the second and third GRC periods. The total annualized increase in Regulatory Commission Expenses per Connection from 2018 to 2026 is 13.98%.¹⁴¹

While the increase shown in Figure 3-1 is not linear, rising dramatically between GRCs and decreasing slowly within each GRC period, it is far in excess of inflation. Linear inflation over the most recent historical GRC period (2018-2021) amounted to only 2.75%¹⁴² per year. While that figure rises to 3.95%¹⁴³ per year if the high degree of inflation experienced in 2022 is considered, it still falls far short of the increase in per connection Regulatory Commission Expense recorded by Cal Am.

Figure 3-1: Cal Am's Estimated Average Yearly Regulatory Commission Expense Per Service Connection (\$)



¹⁴¹ $(\$2,246,733 / \$1,060,755) - 1 = 111.81\%$ total increase / 8 years = 13.98% annual increase

¹⁴² See Attachment 3-3: U.S. Bureau of Labor Statistics, CPI Inflation Calculator, available at https://www.bls.gov/data/inflation_calculator.htm, 2018-2021 Average.

¹⁴³ See Attachment 3-4: U.S. Bureau of Labor Statistics, CPI Inflation Calculator, available at https://www.bls.gov/data/inflation_calculator.htm, 2018 – 2022 Average.

1 **B. Cal Am Misinforms the Commission in the 2021 Annual Report**
2 **by not Following the Uniform System of Accounts**

3 Cal Am did not follow the Uniform System of Accounts and misinformed
4 the Commission by underreporting Regulatory Commission Expenses in its 2021
5 Annual Report to the Commission.¹⁴⁴

6 The Uniform System of Accounts (“USOAs”) is a set of accounting
7 standards designed to have each utility consistently provide financial transparency
8 of its water operations.¹⁴⁵ The Commission adopted this set of accounting
9 standards for all water utilities under its jurisdiction to enable the accuracy,
10 reliability, and comparability necessary for the uniform and consistent reporting of
11 financial information. Following the USOA also ensures that the utility’s
12 financial information will be verifiable and auditable by a third party. It also
13 ensures that the utility’s financial information is comprehensible to taxpayers,
14 investors, and others.

15 USOA accounts are grouped by category, each with a brief description of
16 the items to be included. It also includes instructions regarding recording each
17 transaction in the account. The expense accounts are further divided into
18 subcategories, such as general administrative and maintenance, which are then
19 used to determine whether these costs of service are legitimate and reasonable
20 when determining rates.¹⁴⁶ The USOA also directly states which categories of
21 salaries and expenses are included within each account and any exceptions.¹⁴⁷

22 Regulatory Commission Expenses are classified under USOA account # 797.¹⁴⁸

¹⁴⁴ See Attachment 3-5: Cal Am 2021 Annual Report, Schedule B-2 at 47.

¹⁴⁵ D.16-11-006, at 21.

¹⁴⁶ D.16-11-006, Uniform System of Accounts for Class A Water Utilities

¹⁴⁷ See generally D.16-11-006, Appendix A.

¹⁴⁸ D.16-11-006, Appendix A at A139-140; See also Owens Testimony at 21, Ins. 15-18.

Cal Am does not provide a direct accounting of its Regulatory Commission Expenses (USOA #797) in its 2021 annual report.¹⁴⁹ As shown in Table 3-1 below, Cal Am failed to provide in the annual report the actual amount of Regulatory Commission Expenses incurred.

Table 3-1: Annual Report vs. RO Model

Expense	TY 2024 RO	2021 RO	Annual Report ¹⁵⁰	Difference TY 2024 RO-Annual Report
797 (Regulatory Commission Expenses)	748,911 ¹⁵¹	379,025 ¹⁵²	None	N/A

The Commission should require Cal Am to amend its 2021 Annual Report to include actual Regulatory Commission Expenses (USOA account # 797) it incurred. Furthermore, the Commission should require Cal Am to include actual Regulatory Commission Expenses (USOA account # 797) incurred in future annual reports.

1. Cal Am's Expenses per Service Connection are Excessive

As stated previously Cal Am's requested regulatory commission expense for this GRC period corresponds to a cost per service connection of

¹⁴⁹ See Attachment 3-5: Cal Am 2021 Annual Report, Schedule B-2 at 47.

¹⁵⁰ For all values in this column, see Attachment 3-5: Cal Am 2021 Annual Report, Schedule B-2 at 47.

¹⁵¹ Results of Operations Workpapers (July 1, 2022), Workbook ALL_CH04_O&M_RO, Worksheet(Tab) Summary of Costs-NARUC WS11, Cell Q87.

¹⁵² Results of Operations Workpapers (July 1, 2022), Workbook ALL_CH04_O&M_RO, Worksheet(Tab) Summary of Costs-NARUC WS11, Cell N87.

1 \$33.57,¹⁵³ ¹⁵⁴ ¹⁵⁵ far above the other Class A water utilities.¹⁵⁶ Cal Am's
2 regulatory commission expense costs per service connection are more than
3 three times greater than both the average amount requested by the other
4 Class A water utilities¹⁵⁷ and the regulatory commission expense per
5 service connection requested by Golden State Water, which has the second
6 highest cost per service connection over the GRC period of the large¹⁵⁸
7 Class A water utilities. This same pattern was seen in the previous GRC,
8 A.19-07-002, where Cal Am's recorded Regulatory Commission Expenses
9 for 2015-2017 were 2.5 times that of its closest peer, Golden State Water,
10 over the same period, with the proposed rate for 2021-2023 being higher
11 still.¹⁵⁹ ¹⁶⁰ Therefore, Cal Am's Regulatory Commission Expenses should
12 be reduced to bring its costs per service connection to a level comparable to
13 its closest large peer, Golden State Water. Table 3-2 below compares the
14 Regulatory Commission Expense costs per service connection for all Class
15 A water utilities.

¹⁵³ Cal Am Results of Operations Workpapers (July 1, 2022), Workbook ALL_CH04_O&M_WP_Reg Exp, Worksheet (Tab) Summary WS-01, Cell D21. Cell D21 = \$6,740,198

¹⁵⁴ Attachment 3-5: Cal Am 2021 Annual Report at 8. Active metered + Flat rate service connections.

¹⁵⁵ See Table 3-2: (Regulatory Commission Expenses for the entire GRC period)/(# service connections) = (\$6,740,198/200,764) = \$33.57 per service connection

¹⁵⁶ See Table 3-2: Regulatory Commission Expenses per Service Connection

¹⁵⁷ See Table: 3-2. The mean cost per service connection per GRC cycle is \$13.68, \$10.84 sans Cal Am.

¹⁵⁸ For the purposes of this testimony, large is defined as having over 200,000 connections. (Cal Am, Cal-Water, Golden State, and San Jose).

¹⁵⁹ See Attachment 3-6: Anusha Nagesh, Report and Recommendations on Operations and Maintenance and Administrative and General Expenses, Labor Expenses, Balancing and Memorandum Accounts and Special Requests #2, 3, and 13, February 14, 2020, at 16, Table 1-4-Comparison of Regulatory Commission Expenses; in A.19-07-004.

¹⁶⁰ See Attachment 3-7: Per-Service Connection Graphs.

Table 3-2: Regulatory Commission Expense Cost per Service Connection

Utility	Proceeding	TY	TY Amount	GRC Amount	Service ¹⁶¹ Connections	TY \$ amount per service connection	GRC \$ amount per service connection
Apple Valley	A.21-03-007	2022	83,483	235,776 ¹⁶²	20,714 ¹⁶³	4.03	11.38
Cal-Am	A.22-07-001	2024	748,911 ¹⁶⁴	6,740,198	200,764 ¹⁶⁵	3.73	33.57
Cal-Water	A.21-07-002	2023	294,560		483,096 ¹⁶⁶	1.64	
Golden State Water	A.20-07-012	2022	34,100 ¹⁶⁷	2,808,700	262,429 ¹⁶⁸	0.13	10.70
Great Oaks Water	A.21-07-001	22-23	58,708	178,009 ¹⁶⁹	21,406 ¹⁷⁰	2.74	8.32
Liberty Park Water	A.21-07-003	2022	139,995 ¹⁷¹	419,985	28,115 ¹⁷²	4.98	14.94
San Gabriel	A.22-01-003	2024	486,956 ¹⁷³	1,460,867 ¹⁷⁴	97,717 ^{175 176}	3.82	14.95

¹⁶¹ For this column, see Attachment 3-8: Additional Annual Reports, for utilities that are not Cal Am.

¹⁶² Apple Valley Workpapers (A.21-03-007), AV22 Expenses, Tab ExpenseDetail (5-yr avg), Cell O401

¹⁶³ Apple Valley 2021 Annual Report at 8 (Metered + Flat Rate Service Connections, Annual Average).

¹⁶⁴ Results of Operations Workpaper: ALL_CH04_O&M_WP_Reg Exp, Tab: Summary WS-01.

¹⁶⁵ Attachment 3-5: Cal Am 2021 Annual Report at 8. Active metered + Flat rate service connections.

¹⁶⁶ Cal-Water Annual Report at 7 (Active metered + Flat rate service connections).

¹⁶⁷ SEC-40_EXP_OM AG-Non-Standard, tab WS-11 “Regulatory Expenses”, cell C21-E21

¹⁶⁸ Golden State 2021 Annual Report at 8 (Metered + Flat Rate Service Connections, Annual Average).

¹⁶⁹ Great Oaks Water (A.21-07-001 Exhibit E GRC Workpapers, tab WP6-A&G Expense, Cell K18).

¹⁷⁰ Great Oaks 2021 Annual Report at 8 (Metered + Flat Rate Service Connections, Annual Average)

¹⁷¹ Liberty Park Workpapers RO Model Final, tab RegComExp, Cells C/D-22/23.

¹⁷² Park 2021 Annual Report at 8 (Metered + Flat Rate Service Connections, Annual Average)

¹⁷³ San Gabriel Workpaper, Tab EX1, Cells (W93+W659+W1466).

¹⁷⁴ Direct Testimony of Joel M. Reiker, January 2022, at 38, lns. 26-27.

¹⁷⁵ San Gabriel 2022_Cal_Adv, Tab RV1, Cell U30, U151 (LA + Fontaine)

¹⁷⁶ San Gabriel 2021 Annual Report at 9 (Metered + Flat Rate Service Connections, Annual Average).

San Jose Water	A.21-01-003	2022	342,000 ¹⁷⁷	1,050,000	226,387 ¹⁷⁸	1.51	4.64
Suburban Water	A.20-03-001	2022	240,287	634,355 ¹⁷⁹	76,547 ¹⁸⁰	3.14	10.93

Table 3-3: Regulatory Commission Expenses Annual Report vs. RO Model

Expense	RO TY	RO 2021	RO GRC	2021 Annual Report (Account 797) ¹⁸¹
Apple Valley	83,483	81,367 ¹⁸²	235,776	128,387 ¹⁸³
Cal Am	748,911		6,740,198	None given ¹⁸⁴
Cal-Water	294,560			294,650 ¹⁸⁵
Golden State Water	34,100	None ¹⁸⁶	2,808,700	1,109,887 ¹⁸⁷
Great Oaks Water	62,311	75,066 ¹⁸⁸	189,093	401,051 ¹⁸⁹
Liberty Park Water	139,995		419,985	(103,626) ¹⁹⁰
San Gabriel	486,956		1,460,867	411,878 ¹⁹¹

¹⁷⁷ San Jose Water Workpaper CH-09, tab “WP 9-08” Cell M45-O45

¹⁷⁸ San Jose Water (2021 Annual Report, Schedule D-4) at 64 (Active metered service connections).

¹⁷⁹ Suburban Workpaper Vol I-0810 Final, Tab Regulatory Cost, Cell F8. \$634,355 GRC+\$202,182 COC

¹⁸⁰ Suburban 2021 Annual Report at 8 (Metered+Flat Rate Service Connections, Annual Average).

¹⁸¹ For this column, see Attachment 3-8: Additional Annual Reports, for utilities that are not Cal Am.

¹⁸² AV22 Expenses, Tab ExpenseDetail (5-yr avg), Cell N401

¹⁸³ Apple Valley 2021 Annual Report p.47 (PDF 59) Schedule B-2

¹⁸⁴ See Attachment 3-5: Cal Am 2021 Annual Report p.47 (PDF 59) Schedule B-2

¹⁸⁵ Cal-Water 2021 Annual Report p.47 (PDF 49) Schedule B-2

¹⁸⁶ SEC-40_EXP_OM AG-Non-Standard, tab WS-11 “Regulatory Expenses”

¹⁸⁷ Golden State Water 2021 Annual Report p.48 (PDF 54) Schedule B-2

¹⁸⁸ Great Oaks Water (Exhibit E GRC Workpapers, tab WP6-A&G Expense, cell J18).

¹⁸⁹ Great Oaks Water 2021 Annual Report p.47 (PDF 49) Schedule B-2

¹⁹⁰ Liberty Park Water 2021 Annual Report p.53 Schedule B-2

¹⁹¹ San Gabriel Valley Water 2021 Annual Report p.53 (PDF 54) Schedule B-2

San Jose Water	342,000	333,000 ¹⁹²	1,050,000	6,498,377 ¹⁹³
Suburban Water	240,287	240,287 ¹⁹⁴	634,355	1,711,998 ¹⁹⁵

1 C. Rate Consultants

2 Several components of Cal Am’s Regulatory Commission Expenses are
3 particularly egregious in terms of their contributions to Cal Am’s excessive overall
4 figure, especially considering that the utility’s labor budget has also continued to
5 climb. Cal Am employs the services of rate consultants, who perform similar
6 duties to employees already included in Cal Am’s Rates Department. Financing
7 these duplicated duties increases the burden for ratepayers. These consultants
8 include its former employees and outside firms specializing in creating RO models
9 for GRCs. Cal Am’s workpaper¹⁹⁶ provides details of each of the utility’s
10 proposed consultants.

11 1. Dave Stephenson and Edward Grubb

12 Cal Am anticipates contracting with two former Cal Am employees,
13 Edward Grubb, and Dave Stephenson.¹⁹⁷ Mr. Stephenson retired as Cal
14 Am’s Director of Rates in 2015. Cal Am states that both provide a variety
15 of services for regulatory case proceedings, including (1) Collecting and
16 reviewing information and data for analysis; (2) Specifying elements of
17 design analytical models and exhibits; (3) Setting up models and exhibits as
18 necessary; (4) Reviewing and revising models, and exhibits for changing

¹⁹² San Jose Water Workpaper CH-09, tab “WP 9-08” Cell L45

¹⁹³ San Jose Water 2021 Annual Report p.50 Schedule B-2

¹⁹⁴ Suburban Workpapers Vol. I-0810 Final, Tab Regulatory Cost, Cell J40-51. \$240,287 GRC + \$93,407.

¹⁹⁵ Suburban Water Systems 2021 Annual Report p.50 Schedule B-2

¹⁹⁶ Workpaper: ALL_CH04_O&M_WP_Reg Exp, Tab: Rate Consultants WS-02.

¹⁹⁷ Workpaper: ALL_CH04_O&M_WP_Reg Exp, Tab: Rate Consultants WS-02, Cell G12, G19.

1 circumstances; (5) Evaluating results and suggesting strategies related to
2 scenarios developed.¹⁹⁸ Mr. Stephenson is also responsible for performing
3 several other categories of GRC-related assistance, including, but not
4 limited to, preparing data requests and providing performance and usability
5 enhancements to the RO model.¹⁹⁹

6 These two consultants have similar responsibilities²⁰⁰ to the fourteen
7 staff²⁰¹ in Cal Am's Rates Department. These staff members already
8 receive payroll dollars, included in Cal Am's labor budget, for performing
9 the duties in question. Cal Am also doubled the number of personnel in its
10 Rates Department from seven to fourteen since the TY 2018 GRC.²⁰² The
11 Rates Department employees are already included in Cal Am's payroll
12 budget, which Cal Am did not reduce to compensate for this continued
13 outsourcing. This is a factor in Cal Am's high cost per service connection
14 and adds to the burden on ratepayers.

15 **2. Outside Consulting Expenses**

16 Cal Am provided invoices for payments to Blue Planet Utility
17 Consulting between January 2018 and September 2022, ²⁰³ ²⁰⁴ which

¹⁹⁸ Attachment 3-9: Cal Am's Response to DR-ASW 04, Q001a and 1b. at 4-6; Q001c at 5, Q001e at 6.

¹⁹⁹ Attachment 3-9: Cal Am's Response to DR-ASW 04, Q001a and 1b. at 4-6; Q001c at 5, Q001e at 6.

²⁰⁰ Direct Testimony of Gary Hofer, Attachment A, at 87.

²⁰¹ Results of Operations Workpapers (July 1, 2022), Workbook ALL_CH04_O&M_WP_Labor, Worksheet Current Employees WS-A-1, Count Column H (Column J filtered to include only "CORP-Rates," Column P Filtered to remove Lic/Certs).

²⁰² Results of Operations Workpapers (2016 General Rate Case), Workbook ALL_CH04_O&M_WP_Labor, Worksheet Current Employees WS-A-1, Count Column H (Column J filtered to include only "CORP-Rates," Column P Filtered to remove Lic/Certs).

²⁰³ Attachment 3-9: Cal Am's Response to DR-ASW 04 Q001, Attachment 4a/b.

²⁰⁴ Attachment 3-9: Cal Am's Response to DR-ASW 04 Q001. Attachment 4a/b.

1 amount to far less than Cal Am’s recorded expenses. Specifically, Cal Am
2 is requesting a budget of \$993,578 (\$915,938 sans travel costs)²⁰⁵ for the
3 2024-2026 GRC cycle for Blue Planet Utility Consulting,²⁰⁶ while the total
4 amount listed in the invoices is \$560,622.²⁰⁷ Cal Am’s expense reporting is
5 inaccurate, and the utility did not lower its payroll budget to compensate for
6 this continued outsourcing.

7 Cal Am also hired the Utility Consulting Group (UCG) to develop
8 Cal Am’s new Results of Operations (“RO”) model, while also including
9 invoices related to the RO model produced for the previous GRC.^{208 209}
10 The cost of creating the RO model was a one-time cost, as the RO model
11 has been completed and implemented for use in the current proceeding. Cal
12 Am has not justified the continuation of the RO model expenses into the
13 next rate case.

14 Finally, Cal Am states that Contingency Rebuttal Witnesses “may be
15 necessary to address unanticipated critical issues and topics raised in the
16 direct testimony of Cal PA or other intervenors that cannot be addressed by
17 Cal Am staff or rate consultants.”²¹⁰ Cal Am requests a budget of \$50,000
18 for the 2024-2026 GRC cycle for these contingency rebuttal witnesses.²¹¹

²⁰⁵ Results of Operations Workpapers, Workbook ALL_CH04_O&M_WP_RegExp, Worksheet (tab) Rate Consultants WS-02, Cell G34 – Cell F31 = \$993,578 - \$77,640 = \$915,938.

²⁰⁶ Results of Operations Workpapers, Workbook ALL_CH04_O&M_WP_RegExp, Worksheet (tab) Rate Consultants WS-02, Cell G34, see also Worksheet (tab) Summary WS-01, Row 8.

²⁰⁷ See Attachment 3-9: Cal Am’s Response to DR-ASW 04 Q001, Attachment 4a/b. 235,973 (Blue Planet) + 324,649 (TalentBurst) = 560,622 + 77,640 (BP travel) = 638,262.

²⁰⁸ Attachment 3-9: Cal Am’s Response to DR-ASW 04, at 4-6 Q001c at 5, Q001e at 6.

²⁰⁹ Attachment 3-10: CAW Response to DR-ASW 05 Q005, Attachment 6 (Redacted).

²¹⁰ Attachment 3-9: Cal Am’s Response to DR-ASW 04, at 4-6; Q001c at 5, Q001e at 6.

²¹¹ Results of Operations Workpapers, Workbook ALL_CH04_O&M_WP_RegExp, Worksheet (tab) Rate Consultants WS-02, Cell G41, see also Worksheet (tab) Summary WS-01, Row 8.

Cal Am provided invoices showing the costs of contingency fees between January 2018 and September 2022.²¹² The total amount of the payments reflected in the invoices was \$2,736.73.

D. Legal Expenses

Cal Am's proposed 64%²¹³ increase in billed legal hours and 140%²¹⁴ increase in legal expenses are unreasonable. Hourly rates for legal expenses for the TY 2024 GRC are determined using the 2022 hourly rates multiplied by a projected year-on-year increase of 3.06%.²¹⁵ Cal Am's requested amount for TY 2024 legal fees is based on the 2022 rates annually escalated based on input from outside counsel.²¹⁶ Several of these estimates, including those for recorded outside counsel expenses and Cal Am's in-house legal staffing capacity, are excessive and contribute to the utility's excessive regulatory commission expense spending.

1. Legal staffing

Cal Am's 2024-2026 Regulatory Commission Expense budget includes \$632,400 (\$70,267 for TY 2024, \$281,067 for 2025, and \$281,067 for 2026) in legal fees.²¹⁷ Cal Am currently has six corporate counsels and

²¹² Attachment 3-11: Response to DR-ASW 04 Q001 Attachment 5.

²¹³ Results of Operations Workpapers, Workbook ALL_CH04_O&M_WP_Reg Exp, Worksheet(Tab) Legal GRC WS-04. Cell D28/Cell D30 $1076/655 = 1.643 = 64\%$ increase.

²¹⁴ Results of Operations Workpapers, Workbook ALL_CH04_O&M_WP_Reg Exp, Worksheet(Tab) Legal GRC WS-04. Cell F28/Cell D31 $632,400/263,392 = 2.40 = 140\%$ increase.

²¹⁵ Results of Operations Workpapers, Workbook "ALL_CH04_O&M_Reg Exp", Worksheet(tab) "Legal GRC WS-04" Rows, 28-31. 35-38.

²¹⁶ Owens Testimony at 26, Ins. 22-28.

²¹⁷ Results of Operations Workpapers, Workbook ALL_CH04_O&M_WP_Reg Exp, Worksheet (tab) Summary WS-01, Cells D9, E9, F9, G9.

1 three paralegals,²¹⁸ one of which has been added since the TY 2021^{219 220}
2 GRC, in its legal department. This trend for additional legal representation
3 was the subject of protest from the Mark West Area Community Services
4 Committee and the California Water Rights Association (Mark West et al.).
5 The protest notes the relationship between Cal Am’s in-house and outside
6 counsel and the increasing number of attorneys working on Cal Am
7 proceedings.²²¹ In the current GRC Application, Cal Am continues to
8 request increased budgets for outside legal consultants for similar tasks.
9 Given the resources of Cal Am’s law office in San Francisco, shareholders,
10 not ratepayers, should bear outside attorney expenses.

11 Cal Am has been unable to demonstrate that the services of outside
12 counsel were used in the most efficient and cost-effective manner. Several
13 of the heavily redacted invoices provided by Cal Am show that Cal Am’s
14 outside council performed work within the scope of the internal regulatory
15 council,^{222 223} such as “General-CA PUC Advice,”²²⁴ from Nossman LLP
16 and “2019 GRC RO Model support”²²⁵ from Utility Consulting Group
17 LLC.

²¹⁸ Cal Am workpaper (July 1, 2022) “ALL_CH_04_WP_Labor”, tab “Current Employee WS-A-1”. Column H (Column J filtered to include only “CORP-Legal,” Column P Filtered to remove Lic/Certs).

²¹⁹ Cal Am workpaper (July 1, 2019) “ALL_CH_04_WP_Labor”, tab “Current Employee WS-A-1”. Column H (Column J filtered to include only “CORP-Legal,” Column P Filtered to remove Lic/Certs).

²²⁰ Cal Am workpaper (2016) “ALL_CH_04_WP_Labor”, tab “Current Employee WS-A-1”. Column H (Column J filtered to include only “CORP-Legal,” Column P Filtered to remove Lic/Certs). A.16-07-002

²²¹ A.16-07-002, Protest of Mark West Area Community Services Committee and the California Water Rights Association, at 10-11.

²²² Attachment 3-9: Cal Am’s Response to DR-ASW 04, at 4-6; Q001c at 5, Q001e at 6.

²²³ Attachment 3-12: Cal Am’s Response to DR ASW-004, Q001 Attachments 4a/4b.

²²⁴ Attachment 3-10: CAW Response to DR-ASW 05 Q002a, Attachment 5 (Redacted).

²²⁵ Attachment 3-13: CAW Response to DR-ASW 05 Q005, Attachment 6 (Redacted).

1 **E. Witness Training**

2 Cal Am requests a witness training budget of \$57,120 total for the 2024-
3 2026 GRC cycle (\$6,347 for TY 2024, \$25,387 for 2025, and \$25,387 for
4 2026).²²⁶ Cal Am’s TY 2024 GRC application includes prepared testimony from
5 fourteen witnesses, ten of whom state in their testimony introduction that they
6 have previously testified before the Commission.²²⁷ Therefore, these witnesses
7 should have already been trained and do not need further training. Of the
8 remaining four,²²⁸ Clarke is a senior accounting manager for Cal Am,²²⁹ Cullen is
9 the director of tax reporting and compliance for Cal Am,²³⁰ Mitchell is a general
10 partner at M.cubed,²³¹ ²³² and Pilz is the senior manager of field operations at Cal
11 Am.²³³ Witness training for such qualified individuals is unnecessary and will
12 only inflate Cal Am’s excessive regulatory commission expense forecast.

13 **IV. CONCLUSION**

14 Cal Am did not follow the Uniform System of Accounts and misinformed the
15 Commission by underreporting Regulatory Commission Expenses in its 2021
16 Annual Report to the Commission. Cal Am requests a total Regulatory

²²⁶ Results of Operations Workpapers, Workbook ALL_CH04_O&M_WP_Reg Exp, Worksheet (tab) Summary WS-01, Cell D13-G13.

²²⁷ Christopher Cook, Ian C. Crooks, Gary Hofer, Jeffrey Linam, Johnathan Morse, Stephen (Wes) Owens, Bahman Pourtaherian, Edward A. Simon, Kevin Tilden, John M. Watkins.

²²⁸ Michael S. Clarke, Scott Cullen, David Mitchell, Patrick Pilz.

²²⁹ Clarke Testimony at 1, Ins. 17-18.

²³⁰ Cullen Testimony at 1, Ins. 17-18.

²³¹ Mitchell Testimony at 1, ln. 14.

²³² M.Cubed is an economic consulting firm.

²³³ Pilz Testimony at 1, Ins. 16-18.

Commission Expense budget of \$6,740,198²³⁴ for the 2024-2026 GRC cycle. Cal Am proposes to recover this budget as follows: \$748,911 for TY 2024, \$2,995,643 in 2025, and \$2,995,643 in 2026. Cal Am’s requested budget per service connection is excessive compared to other class A water utilities. The Commission should

- Authorize a total Regulatory Commission Expense budget of \$2,148,707 for 2024-2026 to bring it in line with Cal Am’s closest peer Golden State Water. This budget should be amortized equally across three years.
- Require Cal Am to amend its 2021 annual report to include the amount of Regulatory Commission Expenses (USOA 797) incurred. The Commission should require Cal Am to cease misreporting and include the actual Regulatory Commission Expenses (USOA account # 797) incurred in future annual reports.

²³⁴ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_WP_Reg Exp”, Worksheet (Tab) “Summary WS-01”, Cell D21.

CHAPTER 4 UNCOLLECTIBLE ACCOUNTS

I. INTRODUCTION

Cal Am requests a TY 2024 budget of \$5,609,942 for Uncollectible Accounts (USOA Account 775), which includes \$4,057,674²³⁵ for leak adjustment expenses²³⁶ and \$1,552,268²³⁷ for uncollectible customer accounting expenses.²³⁸ Cal Am forecasts leak adjustment expenses by reviewing a set number of bills in each service area annually.²³⁹ Cal Am calculated uncollectible expenses by multiplying forecasted billed revenues by 0.5207%.^{240 241}

II. SUMMARY OF RECOMMENDATIONS

The Commission should:

- Adopt a leak adjustment budget of \$0. Since the Commission has been approving budgets for the maintenance of supply mains (USOA 712), there is no need to provide an additional budget for leak adjustment expenses and

²³⁵ Results of Operations Workpapers (July 1, 2022), Workpaper: “ALL_CH04_O&M_RO” tab: “O&M Costs W-Spec Adj WS7” Column Q (Column G filtered to include only “Uncollectible Expense-Leak Adjustment”).

²³⁶ SAP Account 57010199.

²³⁷ Results of Operations Workpapers (July 1, 2022), Workpaper: “ALL_CH04_O&M_RO” tab: “O&M Costs W-Spec Adj WS7”, Column Q (Column G filtered to include only “Uncollectible Accounts Exp-Customer Accounting”).

²³⁸ There are uncollectible accounts expenses titled “Admin & General,” “Customer Accounting,” “Individual Value Adjustments,” and “Natural Accounts,” but only “Customer Accounting” appear in the RO model. “Leak Adjustments” are listed separately

²³⁹ Owens Testimony at 16, lns. 14-20.

²⁴⁰ Owens Testimony at 16 (“I recommend the use of the uncollectible rate of 0.5207% authorized in California American Water’s 2019 GRC as established in D.21-11-018.”); D.21-11-018 at 33 (“The Settlement adopts Cal Advocates’ proposed uncollectible rate of 0.5117%.).

²⁴¹ Results of Operations Workpapers, Workpaper: “ALL_CH04_O&M_WP_Uncollectible” tab: “Uncollectible Rates,” Column D.

1 unfairly burden ratepayers with bill adjustments to generate corporate
2 goodwill.

- 3 • Adopt a 0.5117% uncollectible rate to estimate the customer accounting
4 related uncollectible budget. This recommendation will reduce TY 2024
5 total uncollectible-customer accounting expenses budget by \$26,830.

6 **III. ANALYSIS**

7 **A. Leak Adjustment**

8 Cal Am’s updated leak adjustment estimates for TY 2024 are excessive and
9 do not align with the State’s conservation efforts in the face of “extreme and
10 expanding drought conditions.”²⁴²

11 **1. Account Suitability Issues**

12 There are several reasons why the Commission should deny Cal
13 Am’s requested leak adjustment expense budget of \$4,057,674. First, Cal
14 Am’s requested leak adjustment budget would create a subsidization
15 scheme that grants some customers significant bill adjustments funded by
16 other customers. Ratepayers, especially those with limited incomes, should
17 not have to pay for others’ leaks.

18 Also, Cal Am’s leak adjustment policy states that Cal Am may
19 provide adjustments for “leaks within (interior plumbing or
20 appliances)...the structure.”²⁴³ Ratepayers should not pay for leaks on
21 customer-owned appliances and plumbing that Cal Am does not have
22 control over.

²⁴² See Attachment 4-1 Executive Order -N-7-22, issued on March 28, 2022; Proclamation of a State of Emergency, issued by Governor Newsom on October 19, 2021, at 1.

²⁴³ See Attachment 4-2: <https://www.amwater.com/caaw/customer-service-billing/adjustment-requests> “Instructions for Adjustment Requests,” available at <https://www.amwater.com/caaw/customer-service-billing/adjustment-requests> (as of 2/2/2023).

1 Finally, as discussed in the next section, leak adjustments provide
2 goodwill for the utility, which is a shareholder asset, not a ratepayer
3 benefit; thus, this expense should be funded by shareholders, not
4 ratepayers.

5 **2. Courtesy Leak Adjustment is a Corporate Goodwill**

6 Providing leak adjustments to customers could prove a boon to Cal
7 Am's corporate image at the expense of other ratepayers. Deirdre Mueller,
8 public relations manager of Cal Am's parent company, the American Water
9 Works Association, has stated that leak adjustments are "something the
10 larger utilities are willing to do in an effort to maintain good relations with
11 their customers."²⁴⁴

12 Like advertising and public relations, providing leak adjustments,
13 especially "courtesy adjustments,"²⁴⁵ to customers can elevate Cal Am's
14 and American Water's corporate image at the cost of burdening all other
15 customers. Cal Am's current policy is to potentially provide adjustments
16 for high bills due to excessive water use based on leaks at the property,
17 high use for a known cause, such as irrigation issues, and even high use
18 resulting from a leak that field investigation cannot determine the cause

²⁴⁴ See Attachment 4-3: "How to Get a Refund on Your Water Bill If Your Faucet Leaks"
[https://www.kiplinger.com/article/real-estate/t029-c011-s003-get-money-back-for-that-leaky-faucet-or-toilet.html#:~:text=It's%20an%20incentive%20to%20try,parts%20purchased%20by%20the%20homeowner\). \(As of 2/2/2023\)](https://www.kiplinger.com/article/real-estate/t029-c011-s003-get-money-back-for-that-leaky-faucet-or-toilet.html#:~:text=It's%20an%20incentive%20to%20try,parts%20purchased%20by%20the%20homeowner).)

²⁴⁵ See Attachment 4-4: Cal Am's AL 1173, p.27 under "BACKGROUND" see Res. W-4951.

1 of.^{246 247} Cal Am had previously identified their leak adjustments as
2 “courtesy” adjustments. ²⁴⁸

3 Therefore, the Commission should deny Cal Am’s requested leak
4 adjustment budget of \$4,057,674 for TY 2024.

5 **B. Uncollectible Expenses**

6 In this GRC cycle, Cal Am requests to use the uncollectible rate of
7 0.5207% authorized in California American Water’s 2019 GRC as established in
8 D.21-11-018.^{249 250} This is not what the decision indicates. The rate agreed upon
9 in the TY 2021 settlement and reflected in D.21-11-018 was 0.5117%.²⁵¹ Hence,
10 as requested by Cal Am, the Commission should utilize 0.5117% to estimate a
11 customer accounting related uncollectible budget. This will reduce Cal Am’s
12 uncollectible budget related to customer accounting by \$26,830.²⁵² Any other
13 differences in the dollar value of uncollectible expenses other than leak
14 adjustments result from differences in forecasted revenue and revenue
15 requirements addressed by other Cal Advocates witnesses.

16 **IV. CONCLUSION**

17 For the reasons outlined above, the Commission should deny Cal Am’s requested
18 TY 2024 budget of \$4,057,674 for leak adjustment expenses. Additionally, the

²⁴⁶ See Attachment 4-2: <https://www.amwater.com/caaw/customer-service-billing/adjustment-requests>
“Instructions for Adjustment Requests” As of 2/2/2023.

²⁴⁷ See Attachment 4-4: Cal Am’s AL 1173, p.27 under “BACKGROUND” see Res. W-4951.

²⁴⁸ See Attachment 4-5: Advice Letter 1173 filed by Cal Am on July 27, 2017.

²⁴⁹ Owens Testimony at 16, Ins. 5-7.

²⁵⁰ Results of Operations Workpapers, Workpaper: “ALL_CH04_O&M_WP_Uncollectible” tab:
“Uncollectible Rates”, Column D.

²⁵¹ D.21-11-018 at 33.

²⁵² Uncollectible-Customer Accounting = \$1,552,268 * (0.5117%/0.5207%) = \$1,525,438

- 1 Commission should only authorize an uncollectible rate of 0.5117% to estimate the total
- 2 customer accounting related uncollectible budget. This recommendation will reduce TY
- 3 2024 total uncollectible-customer accounting expenses budget by \$26,830.

CHAPTER 5 OUTSIDE SERVICES EXPENSES

I. INTRODUCTION

Outside Services Expenses (USOA Account # 798) include amounts for additional contracted services. Cal Am is requesting an outside services expense budget of \$2,737,166 for TY 2024.²⁵³ The Commission should instead authorize a budget of \$2,725,471.

II. SUMMARY OF RECOMMENDATIONS

The Commission should adopt a \$2,725,471 budget for outside services expenses.

III. ANALYSIS

Cal Am generally forecasts its TY 2024 outside services expense as \$2,737,166 using a five-year (2017 – 2021) inflation-adjusted average of recorded data.²⁵⁴ However, some of the historical expenses included in USOA Account #798²⁵⁵ that Cal Am utilized to build its forecast are no longer required, unlikely to be incurred in this general rate case cycle, or miscategorized. These expenses are typically calculated using a five-year average, but in this case, many have only a single entry in the 2017-2021 recorded years and did not occur in 2021.^{256 257} It is reasonable to expect that these are one-time costs; therefore, the Commission should remove these one-time costs from the recorded years

²⁵³ Results of Operations Workpapers (July 1, 2022), Workbook ALL_CH04_O&M_RO, Worksheet: “O&M Costs W-Spec Adj WS7”, Column Q (Column H filtered to include only NARUC Account 798).

²⁵⁴ Owens Testimony at 27, lns 14-22.

²⁵⁵ Specifically expenses tied to SAP Account 53150016 “Contract Svc-Other-Admin & General” and SAP Account 53110016 “Contract Svc-Eng-Admin & General.”

²⁵⁶ Results of Operations Workpaper (July 1, 2022) “ALL_CH04_O&M_RO” tab “OM Data Rec w-Trf-Elim WS3.” Cells (K2027, L2375, J4505, J5921, N6275, J6269, L8399).

²⁵⁷ See Table 5-1: One-Time Customer Accounting Expenses.

1 (2017-2021) when forecasting the expenses for TY 2024. The two expenses recorded for
2 Geyserville were either incurred only in 2021²⁵⁸ or decreased dramatically between 2017
3 and 2021 with no expenses incurred in between.²⁵⁹ It is reasonable to expect that these
4 expenses will not be consistently incurred, and the Commission should remove them
5 when forecasting the TY 2024 expenses. Removing the expenses listed in Table 5-1 will
6 reduce the TY2024 Customer Accounting Expense budget by \$11,695 for a total of
7 \$2,725,471.

Table 5-1: One-Time Customer Accounting Expenses

		2017 ²⁶⁰	2018	2019	2020	2021	TY 2024
Monterey -Toro	Contract Svc-Other-Admin & General	(0)	133	0	0	0	36
Monterey- Ambler	Contract Svc-Other-Admin & General	121	0	0	0	0	33
Dunnigan	Contract Svc-Other-Admin & General	28,829	0	0	0	0	7,985
Geyserville	Contract Svc-Other-Admin & General	0	0	0	0	45	10
Rio Plaza	Contract Svc-Other-Admin & General	0	0	2,960	0	0	1,943
Monterey- Garrapata	Contract Svc-Eng-Admin & General	0	0	250	0	0	66
Geyserville	Contract Svc-Eng-Admin & General	5,715	0	0	0	170	1,622
Total		41,487	154	3,650	0	215	11,695

8 IV. CONCLUSION

9 For the reasons discussed above, the Commission should remove the one-time
10 expenses described in this chapter from Cal Am’s Outside Services Budget. The

²⁵⁸ Results of Operations Workpaper (July 1, 2022) “ALL_CH04_O&M_RO” tab “OM Data Rec w-Trf-Elim WS3.” Cell (N6275).

²⁵⁹ Results of Operations Workpaper (July 1, 2022) “ALL_CH04_O&M_RO” tab “OM Data Rec w-Trf-Elim WS3.” Cells (J6269, N6269).

²⁶⁰ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “OM Data Rec w-Trf-Elim WS3” All historical figures come from here

- 1 Commission should authorize a TY 2024 Outside Services Budget of \$2,725,471 (a
- 2 reduction of \$11,695).

CHAPTER 6 CUSTOMER ACCOUNTING EXPENSES

I. INTRODUCTION

Cal Am requests a TY 2024 Customer Accounting (USOA Account # 774) budget of \$2,042,931. In TY 2024, Cal Am forecasts Customer Accounting (USOA Account #774) expenses based on the five-year (2017-2021) escalated average, resulting in a 23.2%²⁶¹ increase from recorded 2021²⁶² to projected 2022.^{263 264} However, this escalated average is not reasonable because (1) Cal Am's actual customer accounting postage costs steadily decreased from 2017 to 2021, with a total decrease of 7.4%²⁶⁵ and a per service connection decrease of 9.1%, and (2) Cal Am's recorded customer accounting expenses include a number of one-time expenses that should be excluded from Cal Am's TY 2024 budget forecast.²⁶⁶

II. SUMMARY OF RECOMMENDATIONS

The Commission should

- Authorize a TY 2024 customer accounting postage budget of \$639,198 (a reduction of \$310,916).

²⁶¹ Estimated 2022/Recorded 2021 = $(\$1,907,127/\$1,548,112)-1 = 0.2319 = 23.19\%$

²⁶² Results of Operations Workpapers (July 1, 2022), Workbook "ALL_CH04_O&M_RO", Worksheet (tab) "OM Data Rec w-Trf-Elim WS3" Column N (Column H filtered to include only NARUC Account 774) Sum column N = \$1,548,112

²⁶³ Cal Am's Workpaper: "ALL_CH04_O&M_RO", tab "O&M Costs W-Spec Adj WS7", columns O (Column H filtered to include only NARUC Account 774). Sum column O = \$1,907,127).

²⁶⁴ See Attachment 6-1: BLS Inflation Calculation 2021-2022. Inflation for this period was 6.97%.

²⁶⁵ Results of Operations Workpapers (July 1, 2022), Workbook "ALL_CH04_O&M_RO", Worksheet (tab) "OM Data Rec w-Trf-Elim WS3", Cell J184, J3016, and N184. $((N184)/(J184+J3016)) - 1 = ((724,149)/(776,184)) - 1 = 6.7\%$ decrease.

²⁶⁶ See Attachment 3-7: Per-Service Connection Graphs.

- Remove \$1,057 of one-time customer accounting expenses from Cal Am's TY 2024 customer accounting budget.
- Authorize a budget of \$191,965 for the Hillview District's customer accounting expenses, using a two-year adjusted average.

III. ANALYSIS

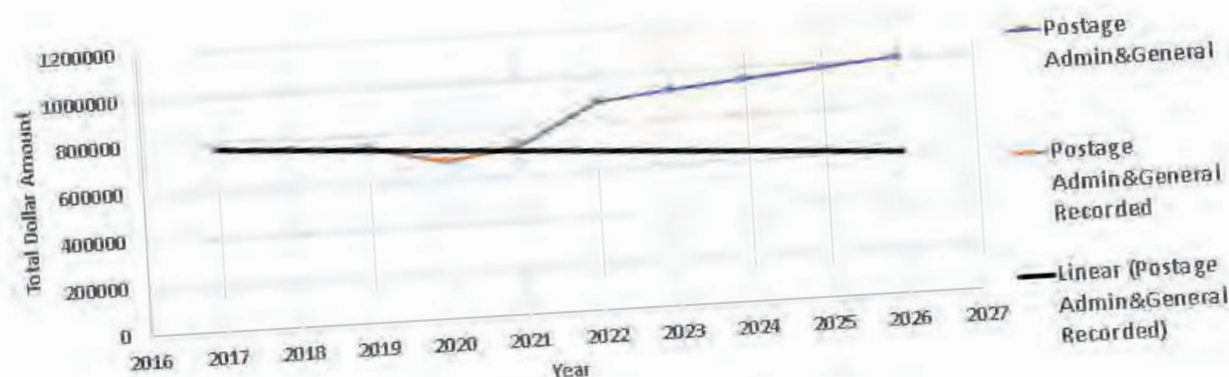
A. Customer Accounting Postage Expenses

The Commission should reduce Cal Am's customer accounting postage budget for TY 2024 to \$639,198 (from \$950,114) to account for the decreasing trend of this expense. Between 2017 and 2021, Cal Am's customer accounting expenses related to recorded postage decreased by 1.34%²⁶⁷ annually, following a 2.48% average annual decrease from 2014-2018.²⁶⁸ Therefore, taking a simple five-year escalated average will result in overestimation. Figure 6-1 below illustrates Cal Am's proposed average (solid blue) and the recorded postage trend line (solid black).

²⁶⁷ Results of Operations Workpapers (July 1, 2022), Workbook "ALL_CH04_O&M_RO", Worksheet (tab) "OM Data Rec w-Trf-Elim WS3" (column G filtered to include only "Postage - Customer Accounting"). $((\text{Column N}/\text{Column J})-1)/5 = ((724,149/776,125)-1)/5 = -0.01339 = -1.34\%$.

²⁶⁸ Results of Operations Workpapers (July 1, 2019), Workbook "ALL_CH04_O&M_RO", Worksheet (tab) "OM Data Rec w-Trf-Elim WS3" (column G filtered to include only "Postage - Customer Accounting"). $((\text{Column N}/\text{Column J})-1)/5 = ((753,476/860,328)-1)/5 = -0.02484 = -2.48\%$.

Figure 6-1: Postage Expenses



There has been a consistent reduction in postage every year since 2017. However, Cal Am forecasts an increase in postage costs for TY 2024. Cal Am’s proposed budget for customer accounting expenses related to postage is higher than the actual recorded expenses in any of the last four years and goes against the prevailing downward trend. For a more accurate forecast, the one-time expenses for Ventura County District and Larkfield District, \$59²⁶⁹ and \$9²⁷⁰ respectively should be removed, and Cal Am’s Corporate expenses recalculated using a trend line of actual costs. Using the standard linear trendline equation,²⁷¹ this would yield a TY 2024 expense of \$639,198.²⁷² This lower expense is also supported by Cal Am’s special request #19, the “paperless billing opt-out pilot,” which aims to reduce postage and mailing costs.²⁷³ Therefore, the Commission should adopt \$639,198 as the customer accounting postage expense (SAP account 52566015)

²⁶⁹ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “OM Data Rec w-Trf-Elim WS3”, Cell J3016 = \$59

²⁷⁰ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “OM Data Rec w-Trf-Elim WS3”, Cell K5140 = \$9

²⁷¹ See Figure 6-1: Postage Expenses. The linear trend line is a standard statistical equation to calculate the value of the y-axis (postage costs) for each corresponding x-axis (year).

²⁷² $Y = (MX+B)$ where m = the slope of the line, x = each year (where the year 2017 is 1 and 2024 is 8), and b = the y-intercept. $(-18874x + 790190)$. $(-18,874*8) = -150,992 + 790,190 = \$639,198$

²⁷³ Pilz Testimony at 40.

for TY 2024, which is \$310,916 less than Cal Am’s requested TY 2024 budget of \$950,114.

B. Other Customer Accounting Expenses (Uniform System of Accounts 774)

Cal Am has several miscellaneous customer accounts representing costs incurred related to work on customer applications, contracts, orders, collections, and other expenses as part of its Uniform System of Account (NARUC) account 774. These expenses are typically calculated using a five-year average, but in this case, many have only a single entry in the 2017-2021 recorded years and did not occur in 2021.^{274 275} It is reasonable to expect that these costs are one-time costs; therefore, the Commission should remove these one-time costs from the recorded years (2017-2021) when forecasting the expenses for TY 2024. Removing these expenses from the recorded years reduces Cal Am’s requested TY 2024 budget by \$1,029.

Table 6-1: One-Time Customer Accounting Expenses

		2017	2018	2019	2020	2021	TY 2024
Monterey County	Telephone-Customer Accounting	3,400					942
Los Angeles County	Janitorial-Customer Accounting				243		62
Larkfield	Janitorial-Customer Accounting	91					25
Total							1,029

²⁷⁴ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “OM Data Rec w-Trf-Elim WS3” Cells J910, M2643, J5121.

²⁷⁵ See Table 6-1.

Also, Cal Am added Hillview’s escalated customer accounting expenses for 2020 and 2021 together, rather than averaging them, to get its 2024 estimate, a pattern none of the other districts follow.²⁷⁶ Cal Am gives no explanation for this methodology. Therefore, the Commission should use a two-year average escalated to calculate Cal Am’s TY 2024 customer accounting budget. This will reduce Hillview’s customer accounting budget to \$191,965 (from \$383,930) for TY 2024.

IV. CONCLUSION

The Commission should reduce Cal Am’s total Customer Accounting (USOA Account # 774) budget to \$1,539,021²⁷⁷ (from \$2,042,931) for TY 2024, with the following three adjustments:

- (a) The Commission should reduce Cal Am’s customer accounting postage²⁷⁸ budget for TY 2024 to \$639,198 (from \$950,114), a reduction of \$310,916, to account for the decreasing trend of these expenses.
- (b) Remove \$1,029 related to one-time expenses used in estimating TY 2024 Other Customer Accounting Expenses.
- (c) Reduce Hillview customer accounting budget to \$191,965 (from \$383,930) for TY 2024 by utilizing a two-year average.

²⁷⁶ Results of Operations Workpaper (July 1, 2022), “ALL_CH04_O&M_RO” tab “O&M Costs W-Spec Adj WS7.” Cells M8943, N8943, Q8943. Cell M8943 + N8943 escalated = Cell Q8943; $(171,195 + 161,403 * 1.0776 * 1.039 * 1.031) = 383,930$; should be $(M8943 + N8943) / 2 = 166,299 * 1.0776 * 1.039 * 1.031 = 191,965$.

²⁷⁷ $\$2,042,931 - \$310,916$ (customer accounting postage reduction) = $\$1,732,015 - \$1,029$ (one-time expenses) = $\$1,730,986 - \$191,965$ (Hillview customer accounting reduction) = $\$1,539,021$.

²⁷⁸ (SAP account 52566015)

CHAPTER 7 RENT EXPENSES

I. INTRODUCTION

For TY 2024, Cal Am requests \$2,338,163 for rent expenses (USOA Account # 811), split between \$158,880²⁷⁹ for expenses related to the rental of equipment and \$2,179,284²⁸⁰ for expenses related to the rental of real property. Cal Am projects changes in rent expenses due to the relocation of corporate headquarters from San Diego to Sacramento and its rental at 520 Capitol Mall in Sacramento for additional office space.

II. SUMMARY OF RECOMMENDATIONS

The Commission should

- Reduce Cal Am's requested TY 2024 budget for rental expenses related to real property by \$166,047 to remove expenses related to the new office space lease for 520 Capitol Mall.
- Remove \$24,447 in single-entry equipment leases that Cal Am has not incurred in more than a year.

²⁷⁹ Results of Operations Workpapers (July 1, 2022), "ALL_CH04_O&M_RO" tab "O&M Costs W-Spec Adj WS7." (Q288+Q642+Q996+Q1704+Q2766+Q3120+Q4890+Q5244+Q6306+Q6660) for rents labeled A&G.
(Q284+Q637+Q992+Q993+Q994+Q1699+Q1701+Q2055+Q2764+Q4885+Q4886+Q4887+Q4888+Q5241+Q5242+Q5949+Q6301+Q6303+Q6304+Q6657+Q6658+Q9137) for rents not labeled A&G.

²⁸⁰ Results of Operations Workpapers (July 1, 2022), "ALL_CH04_O&M_RO" tab "O&M Costs W-Spec Adj WS7." (Q280+Q634+Q988+Q1696+Q3112+Q4882+Q5236+Q6652+Q9130) for rents labeled A&G.
(Q275+Q277+Q280+Q628+Q632+Q634+Q988+Q1696+Q3112+Q4879+Q4880+Q4882+Q5236+Q6652+Q9129+Q9130) for rents not labeled A&G.

III. ANALYSIS

Most of Cal Am’s rent expenses are based on a five-year escalated average. However, Cal Am based some of its lease costs on the executed lease agreements.²⁸¹ Cal Am’s Corporate District is forecasted based on current leases for a San Francisco legal office (\$187,808)²⁸² and San Diego corporate office (\$492,141).²⁸³ Cal Am also has an estimated new lease expense for 3,970 square feet of office space at 520 Capitol Mall in Sacramento (\$166,047)²⁸⁴ and proposes a further budget increase of \$3,115,041²⁸⁵ in 2025 to purchase land.²⁸⁶ Details regarding Cal Am’s proposed headquarters relocation costs, recorded one-time costs, and miscategorized entries are discussed below.

A. Headquarters Relocation Expenses

Cal Am’s headquarters relocation plan is immature, includes a redundant lease budget, and requests ratepayer funding for something that will not benefit ratepayers. Therefore, the Commission should not authorize \$166,047 for Cal Am’s headquarters relocation related budget. Cal Am plans to work with CBRE Group, a commercial real estate firm, to complete a transition and relocation study by 2024.²⁸⁷ Cal Am plans to purchase the land in 2025 with design and permitting efforts for the new campus beginning in 2026-2027, and complete headquarters relocation is expected by 2028-2030.²⁸⁸ However, this issue was first raised in the

²⁸¹ Owens Testimony at 29, Ins. 17-25.

²⁸² Attachment 7-1: Cal Am’s Response to Cal Advocates’ DR ASW-006, Q002.a-c.

²⁸³ Attachment 7-1: Cal Am’s Response to Cal Advocates’ DR ASW-006, Q002.a-c.

²⁸⁴ Attachment 7-1: Cal Am’s Response to Cal Advocates’ DR ASW-006, Q002.a-c.

²⁸⁵ Cal Am Workpaper “ALL_CH07_PLT_RO_Forecast” tab “Total CAPEX by Project WS-9” Cell X37

²⁸⁶ Attachment 7-1: Cal Am’s Response to Cal Advocates’ DR ASW-006, Q002.a-c.

²⁸⁷ Direct Testimony of Ian C. Crooks, July 1, 2022 (Crooks Testimony), at 159, In. 7; see also Owens Testimony at 39, Ins. 26-27.

²⁸⁸ Owens Testimony at 39, In 27 to 40, In 5.

1 2019 GRC,²⁸⁹ and there is no guarantee that Cal Am will even be able to acquire a
2 developable plot. The San Diego corporate headquarters lease expires in 2025
3 with the potential for an extended lease term,²⁹⁰ while Cal Am is requesting
4 \$166,047 in new lease expenses for Sacramento.²⁹¹ Cal Am states that “the
5 current Sacramento OC [Operations Center] at 4701 Beloit drive does not meet the
6 company’s needs moving forward for several reasons, including but not limited to
7 space constraints, employee security, and environmental health.”²⁹²

8 However, unlike Cal Am’s testimony from the previous GRC,²⁹³ Cal Am
9 does not give an estimate of the exact number of positions that it plans to relocate
10 to the new facility in Sacramento. Cal Am also does not give a timeline of when
11 the move will happen, whether before or after the next GRC. Cal Am has also not
12 stated that it will transfer all eligible employees to the rented office space at 520
13 Capitol Mall or that the current OC will be abandoned between now and the
14 construction of the new consolidated campus in 2030. Therefore, Cal Am has not
15 demonstrated that it has a firm plan for when or how many employees will transfer
16 to the new Sacramento headquarters, and the Commission should not provide a
17 budget for something unknown.

18 If Cal Am’s proposed relocation is approved, ratepayers will have to fund
19 rents for both the San Diego headquarters and the rented office space at 520
20 Capitol Mall in Sacramento. Cal Am has not demonstrated that the additional cost
21 from the relocation will benefit ratepayers. Therefore, the Commission should

²⁸⁹ (A.19-07-004) Owens Testimony at 48, Ins. 1-7. Crooks Testimony at 243, ln 23 to 244, ln 8.

²⁹⁰ Owens Testimony at 38, Ins. 15-19.

²⁹¹ Attachment 7-1: Cal Am’s Response to Cal Advocates’ DR ASW-006, Q002.a-c.

²⁹² Crooks Testimony at 158, Ins. 24-27.

²⁹³ (A.19-07-004.) July 1, 2019, Owens Testimony at 49, Ins. 11, 17-18.

1 deny Cal Am’s proposed relocation budget of \$166,047 to prevent ratepayers from
2 funding redundant lease expenses.

3 **B. Remove equipment lease expenses that Cal Am has not incurred**
4 **in more than a year**

5 The Commission should not authorize several of Cal Am’s Equipment
6 Rental expenses²⁹⁴ moving forward. Geyserville, Meadowbrook, Monterey
7 County, and Monterey Wastewater had no recorded expenses for “Rents-
8 Equipment – Admin & General” in 2021.²⁹⁵ Geyserville and Monterey
9 Wastewater had steady downward trends from 2017 to 2021, as did Monterey
10 County²⁹⁶ except for 2019, and all four recorded their lowest expense in their final
11 year.²⁹⁷ These expenses should be removed for a reduction of \$15,215²⁹⁸, see
12 Table 7-1. Similarly, several districts had no recorded non-A&G-related rent
13 expenses in 2021.²⁹⁹ These recorded equipment leases have not occurred in more
14 than a year, and therefore Cal Am is unlikely to incur these expenses in this GRC
15 cycle. Therefore, the Commission should remove these expenses for a reduction
16 of \$9,232³⁰⁰, see Table 7-2. Removing these equipment leases would result in a
17 total reduction of \$24,447 for Cal Am’s TY 2024 rents budget.

²⁹⁴ SAP Accounts: 54140000, 54140011, 54140012, 54140013, 54140014, 54140015, 54140016.

²⁹⁵ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “OM Data Rec w-Trf-Elim WS3” cell N996 + N1704 + N6306 + N6660. See Table 7-1

²⁹⁶ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “OM Data Rec w-Trf-Elim WS3” cell L996

²⁹⁷ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “OM Data Rec w-Trf-Elim WS3” cell M996 + M1704 + L6306 + M6660. See Table 7-1

²⁹⁸ Results of Operations Workpapers (July 1, 2022), “ALL_CH04_O&M_RO” tab “O&M Costs W-Spec Adj WS7”, cell Q996 + Q1704 + Q6306 + Q6660. See Table 7-1

²⁹⁹ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “OM Data Rec w-Trf-Elim WS3” cell N284+N637+N1699+N4885+N4886+N4887+N4888+N5949+N6657+N6658+N9137. See Table 7-2.

³⁰⁰ Results of Operations Workpapers (July 1, 2022), “ALL_CH04_O&M_RO” tab “O&M Costs W-

Table 7-1: A&G Equipment Leases

		2017	2018	2019	2020	2021	TY 2024
Monterey County District	Rents – Equipment –A&G	14,846	11,057	19,458	5,691		13,627
Monterey Wastewater	Rents – Equipment –A&G	226	173	101	61		151
Geyserville	Rents – Equipment –A&G	622	439	146			328
Meadowbrook	Rents – Equipment –A&G	1,054	1,321	1,111	674		1,109
Total	Rents – Equipment –A&G	20,093	15,009	23,670	6,426		15,215

Table 7-2: Non A&G Equipment Leases

		2017	2018	2019	2020	2021	TY 2024
Cal Am Corporate	Rents – Equipment –Pumping		367				98
San Diego County	Rents – Equipment –Source of Supply				86		22
Monterey Wastewater	Rents – Equipment – Source of Supply	(5,903)	42				(1,624)
Sacramento	Rents – Equipment – Source of Supply			384			101
Sacramento	Rents – Equipment –Pumping		5,918				1,579
Sacramento	Rents – Equipment –Water Treatment		4,443	6,637	2,789		3,642
Sacramento	Rents – Equipment – Transmission & Distribution				214		55
Dunnigan	Rents – Equipment –Water Treatment	3,853	1,927	9,342	4,442		5,171
Meadowbrook	Rents – Equipment –Water Treatment	129					36
Meadowbrook	Rents – Equipment – Transmission & Distribution	462					128
Hillview	Rents – Equipment – Customer Accounting				19		24
Total		(1,749)	14,671	18,607	8,376		9,232

Spec Adj WS7", cell

Q284+Q637+Q1699+Q4885+Q4886+Q4887+Q4888+Q5949+Q6657+Q6658+Q9137. See Table 7-2.

IV. CONCLUSION

The Commission should adopt a rents account forecast of \$2,147,669 in TY 2024 (a reduction of \$190,494 from Cal Am's request). This forecast removes the following from Cal Am's TY 2024 rents budget: (1) expenses related to Cal Am's proposed headquarters relocation, which is a reduction of \$166,047; and (2) expenses related to the equipment leases discussed in this chapter, which is a reduction of \$24,447.

CHAPTER 8 MISCELLANEOUS A&G EXPENSES

I. INTRODUCTION

Cal Am requests a TY 2024 budget of \$10,717,096³⁰¹ for Miscellaneous General Expenses related to A&G (USOA Account # 799).³⁰² Cal Am forecasts these expenses based on a five-year (2017-2021) escalated average.³⁰³ However, a forecast based on a five-year (2017-2021) escalated average is not reasonable for some of these costs because (1) Cal Am's recorded Corporate District Relocation Expenses include an outlier within the 5-year period (2017); Cal Am's Telephone A&G Expenses have decreased consistently over this 5-year period. These adjustments are discussed in further detail below.

II. SUMMARY OF RECOMMENDATIONS

The Commission should:

- Authorize \$284,273 for Cal Am's TY 2024 Telephone Admin & General Expenses budget (a reduction of \$527,154 from Cal Am's request).
- Authorize \$42,383 for Cal Am's TY 2024 Corporate Relocation Expenses budget, using a four-year adjusted average (a reduction of 88,621 from Cal Am's request).

³⁰¹ Results of Operations Workpapers (July 1, 2022), "ALL_CH04_O&M_RO" tab "O&M Costs W-Spec Adj WS7", column Q (column H filtered to include only NARUC Account 799).

³⁰² SAP Accounts: (52001600, 52501600, 52546016, 52550016, 52566016, 52571016, 52574016, 52574116, 52574316, 52578016, and 55000016) are labeled as Admin & General.

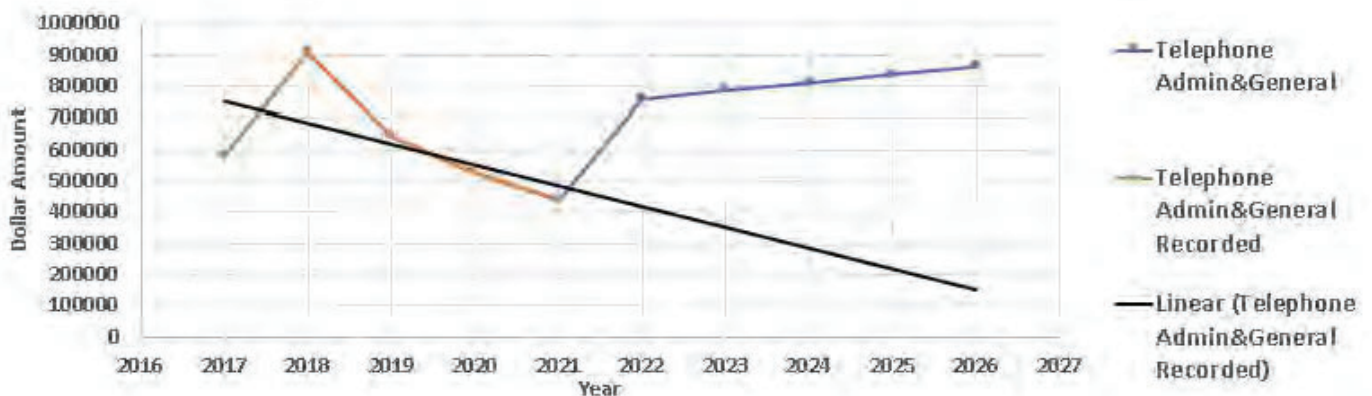
³⁰³ Owens Testimony at 27, lns. 20-22.

III. ANALYSIS

A. Telephone Admin & General Expenses

Cal Am requests a TY 2024 budget of \$811,427 for Telephone-Admin & General Expenses. This budget decreased by 4.97%³⁰⁴ annually from 2017 to 2021 and 12.96%³⁰⁵ annually from 2018 to 2021. Therefore, taking a simple five-year escalated average will result in overestimation. Figure 8-1 below illustrates Cal Am's proposed average and the recorded telephone expenses trend line.

Figure 8-1: Telephone Expenses



There has been a consistent reduction in A&G telephone expenses every year since 2018, and the 2014-2017³⁰⁶ expenses were all substantially higher than the \$436,965 recorded in 2021.³⁰⁷ However, Cal Am forecasts an increase in

³⁰⁴ Results of Operations Workpapers (July 1, 2022), Workbook "ALL_CH04_O&M_RO", Worksheet (tab) "OM Data Rec w-Trf-Elim WS3", (Column G Filtered to include only "Telephone-Admin & General) Column J = 581,625 Column N = 436,965. $((\text{Column N}/\text{Column J})-1)/5 = -4.97\%$.

³⁰⁵ Results of Operations Workpapers (July 1, 2022), Workbook "ALL_CH04_O&M_RO", Worksheet (tab) "OM Data Rec w-Trf-Elim WS3", (Column G Filtered to include only "Telephone-Admin & General), Column J = 907,310 Column N = 436,965. $((\text{Column N}/\text{Column J})-1)/4 = -12.96\%$.

³⁰⁶ Results of Operations Workpapers, (July 1, 2019) (A.19-07-004), Workbook "ALL_CH_04_RO", Worksheet (tab) "Worksheet (tab) "OM Data Rec w-Trf-Elim WS3" Columns J, K, L, M.

³⁰⁷ Results of Operations Workpapers (July 1, 2022), "ALL_CH04_O&M_RO" tab "Worksheet (tab) "OM Data Rec w-Trf-Elim WS3", Column N

A&G telephone costs for TY 2024. Cal Am’s proposed A&G telephone cost of \$811,427 is higher than in all but one of the last five years (2018) and is inconsistent with the prevailing downward trend of these costs. A more accurate forecast would follow the trend line of actual costs, using the standard linear trendline equation, which yields a TY 2024 expense of \$284,273.^{308 309 310} The declining use of non-cellular telephones also supports this lower expense.³¹¹ Cell phones are listed as a separate expense in Cal Am’s RO model. Therefore, the Commission should adopt \$284,273 as the A&G telephone expense for TY 2024, which is \$527,154 less than Cal Am’s TY 2024 estimate of \$811,427.

B. Corporate District Relocation Expenses

While some year-to-year variance is expected, Cal Am’s 2017 recorded Corporate District Relocation expense, \$350,569,³¹² is an outlier as it is nearly two standard deviations³¹³ above the 2017-2021 mean and more than three times greater than the expense of any other year in that period as shown below in Table 8-1.

³⁰⁸ $Y = (MX+B)$ where m = the slope of the line ($-\$xx$), x = each year (where the year 2017 is 1 and 2024 is 8), and b = the constant value of $\$XX$. $Y = (-66997X + 820249) = (-66997*8 + 820249) = \$284,273$

³⁰⁹ Trendline data confirmed using <https://www.graphpad.com/quickcalcs/linear1/>.

³¹⁰ See Attachment 3-7: Per-Service Connection Graphs.

³¹¹ See Attachment 8-1: Telephone Expenses - Statista <https://www.statista.com/chart/2072/landline-phones-in-the-united-states/#:~:text=Phone%20ownership%20in%20the%20U.S.&text=As%20smartphones%20have%20become%20a,it's%20less%20than%2030%20percent>.

³¹² Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_RO”, Worksheet (tab) “OM Data Rec w-Trf-Elim WS3”, Cell J187.

³¹³ $95,143$ (2017-2021 Mean) + $131,769$ (Standard Deviation) = $226,912 + 131,769 = \$358,681$.

Table 8-1: Corporate District Relocation Expenses

2017	2018	2019	2020	2021	Standard Deviation	2017-2021 Escalated Average	2018-2021 Escalated Average
350,569	6,952	26,251	91,870	73	131,769	131,004	42,383

Therefore, Corporate District relocation expenses should be calculated using a four-year (2018-2021) rather than a five-year (2017-2021) average to ensure that ratepayers are not unfairly burdened. This yields a more reasonable TY 2024 Corporate District relocation expense amount of \$42,383 rather than the \$131,004³¹⁴ requested by Cal Am.

IV. CONCLUSION

The Commission should reduce Cal Am's TY 2024 Miscellaneous General A&G Expenses (USOA Account #799) by \$615,775 for a final budget of \$10,101,321.

Therefore, the Commission should:

- Adopt a budget of \$284,273 for Cal Am's TY 2024 Telephone Admin & General Expenses³¹⁵ (a reduction of \$527,154 from Cal Am's request).
- Adopt a budget of \$42,383 for Cal Am's TY 2024 Corporate District Relocation Expenses (a reduction of \$88,621 from Cal Am's request).

³¹⁴ Results of Operations Workpapers (July 1, 2022), "ALL_CH04_O&M_RO" tab "O&M Costs W-Spec Adj WS7", Cell Q187.

³¹⁵ (SAP account 52574016)

1 **CHAPTER 9 SPECIAL REQUEST #11**

2 **I. INTRODUCTION**

3 In Special Request #11, Cal Am requests a deviation from the Rate Case Plan for
4 amortizing rate case expenses. Cal Am requests that its Regulatory Commission
5 Expenses³¹⁶ be amortized over 27 months rather than 36.³¹⁷ Cal Am also requests that
6 the Commission authorize recovery of these expenses for three months of the test year,
7 with the remainder recovered equally in the attrition and escalation years.³¹⁸ This is
8 identical to Special Request #9 from the previous GRC,³¹⁹ which was withdrawn,³²⁰ and
9 the third time³²¹ a similar request has been made.³²²

10 **II. SUMMARY OF RECOMMENDATIONS**

11 The Commission should reject Cal Am's Special Request #11 because it is
12 inconsistent with the Rate Case Plan that allows for a single test year forecast of
13 expenses.³²³

14 **III. ANALYSIS**

15 The annual budget for most expenses varies during the rate case cycle, hence the
16 use of a multi-year average to determine a test year expense. Cal Am states that a single

³¹⁶ Regulatory Commission Expenses are discussed in chapter 3.

³¹⁷ Direct Testimony of Jeffrey Linam at 72, lns. 19-20.

³¹⁸ Direct Testimony of Jeffrey Linam at 72, lns. 20-22.

³¹⁹ Direct Testimony of Jeffrey Linam, July 1, 2019, at 80, ln.4-7; in A.19-07-004.

³²⁰ D.21-11-018 at 152.

³²¹ Direct Testimony of Jeffrey Linam, July 1, 2016, at 33, ln.4-7; in A.16-07-002.

³²² A.19-07-004; A.16-07-002.

³²³ Decision 07-05-062, *Re Revised Rate Case Plan for Class A Water Utilities*, Appendix A, p. A-12.

1 annual budget for regulatory expenses, which include rate case expenses and consulting
2 expenses from “E-Source,” an outside consultant specializing in water-saving processes
3 and recommendations,³²⁴ is not appropriate because the annual amount incurred for these
4 expenses is inconsistent throughout the rate case cycle. However, this could also be said
5 for most utility expenses, which is why the most common method used to determine a
6 Test Year expense is an inflation-adjusted average of a set number of years’ worth of
7 historical expenses. Provided that the historical expenses are accurate and the inflation-
8 adjusted average is calculated using a representative period, this process reasonably
9 estimates the expenses necessary to compensate a utility for variable expenses over the
10 Commission’s three-year GRC period.

11 Cal Am claims Special Request #11 is necessary³²⁵ to better match cost and
12 recovery of Regulatory Commission Expenses because very few rate case expenses are
13 incurred during the test year, and dividing those expenses over three months of TY 2024
14 with the remainder recovered equally between the Escalation and Attrition years would
15 better align costs and recovery. Cal Am claims that if the authorized amount is spread
16 evenly across all three years, and the Escalation Year rate increase is reduced due to the
17 small amount of rate case expenses listed as earned in the Test Year,³²⁶ then expense in
18 the attrition year will have to be much greater than the authorized amount.

19 Cal Am states:

20 “Financial statements should always attempt to match
21 costs and revenues as closely as possible. If you are
22 recovering revenue in one period for coverage of expenses
23 that occur in another, you do at times have to defer the
24 revenue to match the expense occurrence. This is time

³²⁴ Direct testimony of Jeffrey Linam at 73 lns.10-11.

³²⁵ Direct testimony of Jeffrey Linam at 72 lns.25-27.

³²⁶ Direct testimony of Jeffrey Linam at 75 lns.13-16.

1 consuming and creates extra work and explanation that can
2 easily be avoided by authorizing a delayed response as
3 requested above for ratemaking purposes.”³²⁷

4 However, although the Rate Case Plan does specifically differentiate ratemaking
5 treatment for some expenses, such as escalation year labor expenses, and offset accounts,
6 such as balancing accounts,³²⁸ no such distinction is made for expenses, including rate
7 case expenses, with a single test year budget. Therefore, Cal Advocates recommends
8 evenly recovering rate case expenses over the three-year rate case cycle.

9 Cal Am requested special requests very similar to special request #11 in the two
10 previous GRCs as well as this one. In the last GRC, Cal Am withdrew this special
11 request.³²⁹ In the GRC prior to that, the Assigned Commissioner excluded this special
12 request from the scope of the proceeding.³³⁰ Therefore, it is appropriate for the
13 Regulatory Commission Expenses to be spread out over a 3-year period rather than a 27-
14 month period. The Commission should not create an unnecessary distinction in
15 ratemaking budgets by approving special request #11.

16 **IV. CONCLUSION**

17 The Commission should not approve Special Request #11.

³²⁷ Direct testimony of Jeffrey Linam at 74 ln19 – ln24.

³²⁸ D.07-05-062, p. A-19

³²⁹ D.21-11-018 at 152 (Special Request 9).

³³⁰ Assigned Commissioner’s Scoping Memo and Ruling, Oct. 17, 2016, at 5 (Special Request 9); in A.16-07-002.

Attachment 1-1: Qualifications of Andrew Sweeney

QUALIFICATIONS AND PREPARED TESTIMONY OF ANDREW SWEENEY

Q1. Please state your name, business address, and position with the California Public Utilities Commission (“Commission”).

A1. My name is Andrew Sweeney, and my business address is 505 Van Ness Avenue, San Francisco, California 94102. I am a Public Utilities Regulatory Analyst II in the Water Branch of the Public Advocates Office.

Q2. By whom are you employed and in what capacity?

A2. I am currently employed by the California Public Utilities Commission Public Advocates Office as a Public Utilities Regulatory Analyst II in the Rates & Revenue Section.

Q3. Please summarize your educational background and professional experience.

A3. I graduated from the University of California San Diego with a Bachelor of Science in Environmental Systems and a Minor in Business. I later graduated from the Rady School of Management with a Masters of Finance. Before joining the Public Advocates Office, I worked as a corporate governance research associate for Glass Lewis & Co. and as an Accounting Clerk for several companies. In my time at the Public Advocates Office, I have analyzed bill arrearages for Class A water utilities. I have written testimony for East Pasadena Water Company and Warring Water Service’s proposed mergers with California-American Water and written the O&M report for San Jose Water Company’s TY2022 GRC and written the A&G report for California Water Company’s TY2023 GRC.

Q4. What is your responsibility in this proceeding?

A4. Analyzing the utility’s Operations and Maintenance Expenses and writing testimony to present my analysis.

Q5. Does this conclude your prepared direct testimony?

A5. Yes, it does.

Attachment 1-2: Response to DR- ASW 09 Q001 Attachment 1a.

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 \$55,771,300 or 18.71% in the year 2024, by \$19,565,300 or 5.50% in the year 2025, and by \$19,892,400 or 5.30% in the year 2026.

A.22-07-001
(Filed July 1, 2022)

CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST ASW 09

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Attorneys for California-American Water Company

Dated: December 14, 2022

California-American Water Company

APPLICATION NO. A.22-07-001
DATA REQUEST RESPONSE

Response Provided By: Kimberly Castillo
Title: HR Business Partner
Address: California American Water
4701 Beloit Drive
Sacramento, CA 95838

Response Provided By: Joey Chen
Title: Senior Rates & Regulatory Analyst
Address: California American Water
520 Capital Mall, Suite 630
Sacramento, CA 95814

Cal Adv Request: A2207001 CAL ADV DATA REQUEST # ASW-09
Company Number: Cal ADV ASW 09 Q001
Date Received: November 30, 2022
Date Response Due: December 14, 2022
Subject Area: Vacancy Rates

DATA REQUEST:

1. Refer to the workpaper titled "ALL_CH04_O&M_WP_Labor" tab "Current Employees WS-A-1."
 - a. Please list the positions that are currently vacant and the reason for each vacancy.
 - b. Additionally, if there were any time periods in which a position for California American Water was vacant between 2017 and 2021, please indicate the position title for the vacant position, the location in the RO model of the position, the estimated payroll for the position, and the days vacant.

Vacancy (Position Title)	Location in RO Model	Estimated Payroll	Days Vacant

California-American Water Company

APPLICATION NO. A.22-07-001
DATA REQUEST RESPONSE

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CAL-AM'S RESPONSE

a. Please see CAW Response Cal Adv ASW 09 Q001 Attachment 1a.

b. Please see CAW Response Cal Adv ASW 09 Q001 Attachment 1b. Positions reflected in the RO Model for Test Year 2024 are based on "current staffing levels plus the 'future hire positions'" as detailed in the Direct Testimony of Stephen (Wes) Owens. This is staffing for a future period, which does not overlap with the historical period 2017-2021, so while some positions may be the same there isn't a direct correlation between the forward looking and historical personnel positions.

To determine "days vacant" California American Water used either the date a position was posted or the date an employee retired from their positions, was promoted to other positions, or left the company for reasons other than retirement or are terminated. California American Water does not believe "days vacant" is relevant and does not properly account for the complexities of filling a vacancy. As has been widely reported, the labor market has been increasingly challenging since the onset of the pandemic.¹

California American Water's goal is to fill vacancies as expeditiously as possible, in a prudent and thoughtful manner, being mindful of a number of protocols that add time to the hiring process. In a workforce that's nearly one-half union-represented, one of the initial procedures in the hiring process is that union positions are required to be first posted internally, as well as interviewing all qualified internal candidates. This is consistent with the company's desire to promote from within, and if there are qualified internal candidates, the process is relatively quick, and the vacancy is filled. Of course, with each internal promotion, another vacancy is created and the process repeats. If there are no qualified internal candidates, this requirement slows the process considerably at the very beginning. Only after going through this required internal posting and interviewing can positions be advertised to external candidates.

Once a decision has been made to post a vacancy externally, the goal of hiring the best candidate can make the process become even more methodical. The Company is driven, for each position, to develop a diverse pool of candidates representative of the

¹ See, e.g., <https://www.nytimes.com/2022/09/12/business/economy/labor-participation-covid.html>; <https://www.washingtonpost.com/business/2022/09/16/worker-shortage-strikes-economy/>; <https://www.latimes.com/business/technology/story/2022-12-02/job-market-remains-too-tight-for-feds-labor-pool>.

California American Water Vacancies 12.01.22

	Position	Reason for Vacancy	Recruitment Status
1	Business Support Specialist	Did not return from Leave of Absence	Backfill HC / Not yet posted
2	Dir Corp Counsel	Separation	Backfill HC / Recruitment kick off meeting 12/8/22
3	Field Clerk/Utilityperson U508	Internal Union Transfer	Req 104207 / Backfill HC / Internal union trsf Danny Pinedo starts 12/12/22
4	Field Service Representative U511	Internal Union Transfer	Req 103710 / Backfill HC / Internal union trsf TBD
5	FSR Foreman	Internal Union Transfer	On Hold 2022
6	Laborer U805	Did not return from Leave of Absence	Req 104151 / HC / Interviews scheduled
7	Laborer U805	Termination	Req 104150 / Backfill HC / Interviews scheduled
8	Maintenance Mechanic	Internal Union Transfer	Req 103525 / Backfill HC / Internal union trsf TBD
9	Meter Reader	Resignation	Req 104221 / Backfill HC / Phone screening candidates for interviews
10	Meter Reader U508	Internal Union Transfer	Req 104093 / Backfill HC / Interviews being scheduled
11	Meter Reader U511	Termination	Req 104212 / Backfill HC / Phone screening candidates for interviews
12	Production-Treatment Operator I U511	Internal Union Transfer	Req 103970 / Backfill JHC / Internal union trsf TBD
13	Project Manager	Promoted to Ops Supervisor	Backfill Alissa Kispirsky - On Hold
14	Rates & Regulatory Analyst	Resignation	Req 102881 / Backfill HC / Resume review
15	Serviceperson OE39	Termination	Req 104368 / Backfill HC / Internal union recruitment to be filled 12/12/22
16	Serviceperson OE39	Internal Union Transfer	Req 104044 / Backfill HC / Candidate scheduled to start 12/19/22
17	Utility Worker I Gr I U511	Internal Union Transfer	Req 104010 / Backfill HC / Resume review
18	Utility Worker U805	Resignation	Req 104343 / Backfill HC / Internal union recruitment to be filled 12/12/22
19	Water Conservation Specialist U511	Internal Union Transfer	Req 103283 / Backfill HC / Phone screening candidates for interviews
20	Water Systems Operator	Resignation	Req 104220 / Backfill HC / Phone screening candidates for interviews
21	WQ & Env Compliance Specialist	Resignation	Req 104226 / Backfill HC / Interviews scheduled

Attachment 1-3: Response to DR-ASW 09 Q001, Attachment 1b.

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 \$55,771,300 or 18.71% in the year 2024, by \$19,565,300 or 5.50% in the year 2025, and by \$19,892,400 or 5.30% in the year 2026.

A.22-07-001
(Filed July 1, 2022)

CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST ASW 09

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Attorneys for California-American Water Company

Dated: December 14, 2022

California-American Water Company

APPLICATION NO. A-22-07-001
DATA REQUEST RESPONSE

Response Provided By: Kimberly Castillo
Title: HR Business Partner
Address: California American Water
4701 Beloit Drive
Sacramento, CA 95838

Response Provided By: Joey Chen
Title: Senior Rates & Regulatory Analyst
Address: California American Water
520 Capital Mall, Suite 630
Sacramento, CA 95814

Cal Adv Request: A2207001 CAL ADV DATA REQUEST # ASW-09
Company Number: Cal ADV ASW 09 Q001
Date Received: November 30, 2022
Date Response Due: December 14, 2022
Subject Area: Vacancy Rates

DATA REQUEST:

1. Refer to the workpaper titled "ALL_CH04_O&M_WP_Labor" tab "Current Employees WS-A-1."
 - a. Please list the positions that are currently vacant and the reason for each vacancy.
 - b. Additionally, if there were any time periods in which a position for California American Water was vacant between 2017 and 2021, please indicate the position title for the vacant position, the location in the RO model of the position, the estimated payroll for the position, and the days vacant.

Vacancy (Position Title)	Location in RO Model	Estimated Payroll	Days Vacant

California-American Water Company

APPLICATION NO. A.22-07-001
DATA REQUEST RESPONSE

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CAL-AM'S RESPONSE

a. Please see CAW Response Cal Adv ASW 09 Q001 Attachment 1a.

b. Please see CAW Response Cal Adv ASW 09 Q001 Attachment 1b. Positions reflected in the RO Model for Test Year 2024 are based on "current staffing levels plus the 'future hire positions'" as detailed in the Direct Testimony of Stephen (Wes) Owens. This is staffing for a future period, which does not overlap with the historical period 2017-2021, so while some positions may be the same there isn't a direct correlation between the forward looking and historical personnel positions.

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<https://www.washingtonpost.com/business/2022/09/16/worker-shortage-strikes-economy/>;
<https://www.latimes.com/business/technology/story/2022-12-02/job-market-remains-too-tight-for-feds-labor-pool>.

Vacancy Date	Date Posted	Title	Location	Department Name	Union/ Non	Start Date	Days Vacant	Division	Annualized Salary (at start date)
01/09/17	01/05/17	REDACTED	Monterey	Operations	Union	02/07/17	29.00	Coastal	62,691.20
01/12/17	01/26/17		Monterey	Engineering	Non	05/08/17	116.00	Coastal	67,999.88
01/16/17	02/06/17		Sacramento	Operations	Non	03/13/17	56.00	Northern	60,000.00
01/20/17	01/23/17		Rosemead	Operations	Union	02/13/17	24.00	Southern	68,952.00
01/23/17	01/23/17		Monterey	Operations	Union	02/13/17	21.00	Coastal	68,348.80
01/23/17	02/06/17		Monterey	ORM	Non	05/08/17	105.00	Coastal	119,999.88
02/13/17	02/06/17		Monterey	Operations	Union	02/27/17	14.00	Coastal	70,158.40
02/13/17	N/A		San Diego	Human Resources	Non	03/06/17	21.00	Southern	112,999.90
02/13/17	02/22/17		Rosemead	Corp-Field Srv	Non	03/13/17	28.00	Southern	62,416.12
02/16/17	02/17/17		Rosemead	Operations	Non	05/08/17	81.00	Southern	56,160.00
02/17/17	02/24/17		Rosemead	Operations	Union	03/13/17	24.00	Southern	64,771.20
02/17/17	02/22/17		Rosemead	Operations	Union	03/13/17	24.00	Southern	66,144.00
02/17/17	02/22/17		Rosemead	Operations	Non	04/05/17	47.00	Southern	74,880.00
02/17/17	02/23/17		Sacramento	Operations	Non	04/10/17	52.00	Northern	91,000.00
02/17/17	02/24/17		San Diego	Operations	Non	05/08/17	80.00	Southern	181,325.04
02/27/17	02/23/17		Monterey	Operations	Union	03/27/17	28.00	Coastal	65,894.40
03/10/17	03/21/17		Sacramento	Operations	Union	03/27/17	17.00	Northern	42,369.60
03/13/17	03/13/17		San Diego	SLT	Non	04/10/17	28.00	Southern	70,720.00
03/13/17	03/13/17		Rosemead	Operations	Union	05/09/17	57.00	Southern	63,460.80

Vacancy Date	Date Posted	Title	Location	Department Name	Union/ Non	Start Date	Days Vacant	Division	Annualized Salary (at start date)
03/13/17	03/13/17	REDACTED	Rosemead	Operations	Union	05/11/17	59.00	Southern	63,460.80
03/27/17	03/23/17	REDACTED	Monterey	Operations	Union	05/22/17	56.00	Coastal	62,691.20
03/27/17	04/11/17	REDACTED	Ventura	Operations	Non	06/05/17	70.00	Southern	78,592.80
03/27/17	04/17/17	REDACTED	Sacramento	Operations	Union	06/19/17	84.00	Northern	39,270.40
03/30/17	03/31/17	REDACTED	Larkfield	Operations	Non	07/17/17	109.00	Northern	49,587.20
04/01/17	03/31/17	REDACTED	Monterey	Operations	Union	05/30/17	59.00	Coastal	68,348.80
04/10/17	04/18/17	REDACTED	Sacramento	Operations	Union	06/05/17	56.00	Northern	79,144.00
04/10/17	03/27/17	REDACTED	Monterey	Operations	Non	06/05/17	56.00	Coastal	88,000.00
05/02/17	05/15/17	REDACTED	Ventura	Operations	Union	07/17/17	76.00	Southern	49,337.60
05/05/17	05/12/17	REDACTED	Imperial Beach	Operations	Non	06/19/17	45.00	Southern	54,204.80
05/08/17	05/30/17	REDACTED	Rosemead	Operations	Non	07/03/17	56.00	Southern	142,000.04
05/31/17	01/12/18	REDACTED	Southern (IB/Ventura/LA)	Health & Safety	Non	04/09/18	313.00	Southern	78,956.80
06/01/17	05/24/17	REDACTED	Rosemead	Operations	Union	08/14/17	74.00	Southern	64,771.20
06/03/17	10/06/17	REDACTED	Sacramento	Rates	Non	02/05/18	247.00	Northern	95,000.10
06/05/17	06/05/17	REDACTED	Sacramento	Operations	Union	06/19/17	14.00	Northern	61,963.20
06/05/17	05/12/17	REDACTED	Imperial Beach	Operations	Non	08/21/17	77.00	Southern	51,729.60
06/05/17	06/06/17	REDACTED	Pacific Grove	Operations	Union	08/28/17	84.00	Coastal	63,128.00
06/16/17	07/25/17	REDACTED	Sacramento	Rates	Non	08/28/17	73.00	Northern	84,000.02
06/19/17	06/22/17	REDACTED	Imperial Beach	Operations	Non	08/21/17	63.00	Southern	57,948.80

Vacancy Date	Date Posted	Title	Location	Department Name	Union/ Non	Start Date	Days Vacant	Division	Annualized Salary (at start date)
06/23/17	06/29/17	REDACTED	Sacramento	Operations	Union	07/17/17	24.00	Northern	53,144.00
07/01/17	06/23/17	REDACTED	Rosemead	Operations	Union	07/17/17	16.00	Southern	64,771.20
07/03/17	07/07/17	REDACTED	Imperial Beach	Operations	Non	08/28/17	56.00	Southern	116,455.30
07/14/17	07/20/17	REDACTED	Rosemead	Operations	Union	09/12/17	60.00	Southern	64,896.00
07/15/17	07/17/17	REDACTED	Sacramento	Operations	Union	07/31/17	16.00	Northern	39,977.60
07/15/17	07/12/17	REDACTED	Sacramento	Operations	Non	11/20/17	128.00	Northern	99,999.90
07/22/17	10/12/18	REDACTED	Sacramento	Operations	Non	12/03/18	499.00	Northern	37,440.00
07/22/17	07/17/17	REDACTED	Sacramento	Operations	Non	09/11/17	51.00	Northern	80,304.12
07/25/17	07/26/17	REDACTED	Sacramento	Operations	Union	08/14/17	20.00	Northern	61,963.20
07/31/17	08/02/17	REDACTED	Sacramento	Operations	Union	10/30/17	91.00	Northern	39,270.40
07/31/17	08/23/17	REDACTED	Monterey	Operations	Non	01/16/18	169.00	Coastal	93,999.88
08/14/17	09/20/17	REDACTED	Sacramento	Operations	Union	10/09/17	56.00	Northern	39,977.60
08/19/17	08/22/17	REDACTED	Sacramento	Operations	Union	09/25/17	37.00	Northern	44,616.00
08/29/17	08/23/17	REDACTED	Imperial Beach	Operations	Non	09/25/17	27.00	Southern	100,750.00
08/30/17	08/30/17	REDACTED	Rosemead	Operations	Union	09/26/17	27.00	Southern	64,896.00
09/21/17	10/06/17	REDACTED	Imperial Beach	Operations	Non	11/20/17	60.00	Southern	79,705.60
09/22/17	09/29/17	REDACTED	Pacific Grove	Operations	Union	10/30/17	38.00	Coastal	63,128.00
09/25/17	10/06/17	REDACTED	Sacramento	Operations	Union	12/18/17	84.00	Northern	39,977.60
10/16/17	10/18/17	REDACTED	Monterey	Operations	Non	02/26/18	133.00	Coastal	93,999.88

Vacancy Date	Date Posted	Title	Location	Department Name	Union/ Non	Start Date	Days Vacant	Division	Annualized Salary (at start date)
10/23/17	11/13/17	REDACTED	Monterey	Operations	Non	08/06/18	287.00	Coastal	110,000.02
11/08/17	10/11/18		Pacific Grove	ORM	Non	11/19/18	376.00	Coastal	76,232.00
11/11/17	10/27/17		San Francisco	Legal	Non	12/18/17	37.00	Southern	99,964.80
11/15/17	01/12/18		Monterey	Health & Safety	Non	08/20/18	277.00	Coastal	79,996.80
11/20/17	12/08/17		Sacramento	Operations	Non	04/02/18	133.00	Northern	66,999.92
11/20/17	10/08/18		Imperial Beach	Operations	Non	11/26/18	371.00	Southern	59,550.40
12/09/17	03/07/18		Pacific Grove	Operations	Non	05/21/18	163.00	Coastal	44,636.80
01/15/18	01/02/18		Imperial Beach	Operations	Non	03/12/18	56.00	Southern	53,144.00
01/19/18	01/15/18		Monterey	Operations	Union	04/02/18	73.00	Coastal	68,952.00
01/31/18	01/15/18		Sacramento	Operations	Non	04/30/18	89.00	Northern	66,996.80
02/15/18	02/23/18		Sacramento	Operations	Union	03/26/18	39.00	Northern	51,750.40
02/22/18	02/22/18		Pacific Grove	Operations	Union	03/26/18	32.00	Coastal	66,456.00
02/26/18	03/01/18		Pacific Grove	Operations	Union	04/02/18	35.00	Coastal	58,240.00
02/28/18	10/05/18		Ventura	Operations	Union	12/03/18	278.00	Southern	50,564.80
03/13/18	03/12/18		Rosemead	Operations	Non	07/02/18	111.00	Southern	52,000.00
03/26/18	03/26/18		Sacramento	Operations	Union	05/14/18	49.00	Northern	50,315.20
03/31/18	09/03/19		Monterey	Operations	Union	11/04/19	583.00	Coastal	78,665.60
04/02/18	04/10/18		Pacific Grove	Operations	Union	05/07/18	35.00	Coastal	57,574.40
04/09/18	04/04/18		Imperial Beach	Operations	Non	07/09/18	91.00	Southern	53,144.00

Vacancy Date	Date Posted	Title	Location	Department Name	Union/ Non	Start Date	Days Vacant	Division	Annualized Salary (at start date)
06/01/18	06/13/18	REDACTED	Sacramento	Operations	Union	07/30/18	59.00	Northern	50,315.20
06/01/18	06/09/18		Sacramento	Operations	Non	08/13/18	73.00	Northern	60,008.00
06/01/18	06/13/18		Rosemead	Operations	Union	08/14/18	74.00	Southern	46,758.40
07/01/18	06/06/18		Monterey	Operations	Union	07/02/18	1.00	Coastal	70,054.40
07/03/18	07/07/18		Pacific Grove	Operations	Union	08/06/18	34.00	Coastal	59,009.60
07/07/18	05/31/18		Monterey	Operations	Non	08/13/18	37.00	Coastal	174,000.06
07/31/18	08/07/18		Sacramento	Operations	Union	10/15/18	76.00	Northern	50,315.20
08/13/18	10/19/18		Pacific Grove	Engineering	Non	01/14/19	154.00	Coastal	160,000.10
08/23/18	08/23/18		Rosemead	Operations	Union	09/10/18	18.00	Southern	68,536.00
08/29/18	09/11/18		Imperial Beach	Operations	Non	11/19/18	82.00	Southern	38,480.00
09/21/18	10/11/18		Sacramento	Operations	Non	12/10/18	80.00	Northern	49,920.00
10/01/18	10/08/18		Imperial Beach	Operations	Non	12/31/18	91.00	Southern	53,144.00
10/22/18	10/24/18		Rosemead	Operations	Union	12/17/18	56.00	Southern	66,518.40
11/16/18	08/09/19		San Francisco	Legal	Non	11/14/19	363.00	Northern	87,006.40
11/19/18	11/06/18		Pacific Grove	Operations	Union	12/31/18	42.00	Coastal	73,486.40
11/24/18	08/30/19		Monterey	Operations	Non	12/02/19	373.00	Coastal	64,480.00
12/04/18	10/04/19		Rosemead	Operations	Non	11/04/19	335.00	Southern	120,000.14
12/15/18	01/03/19		Sacramento	Operations	Union	02/11/19	58.00	Northern	41,995.20
12/31/18	01/04/19		Pacific Grove	Operations	Non	02/25/19	56.00	Coastal	92,999.92

Vacancy Date	Date Posted	Title	Location	Department Name	Union/ Non	Start Date	Days Vacant	Division	Annualized Salary (at start date)
01/15/19	02/21/19	REDACTED	Sacramento	Rates	Non	09/16/19	244.00	Northern	78,000.00
01/18/19	05/22/20	REDACTED	San Diego	Eng.	Non	07/13/20	542.00	Southern	62,504.00
02/01/19	03/18/19	REDACTED	San Diego	Business Dev.	Non	04/22/19	80.00	Southern	90,500.00
02/02/19		REDACTED	Sacramento	Rates	Non	10/07/19	247.00	Northern	70,000.06
02/11/19	05/02/19	REDACTED	Sacramento	Bus Perf	Non	07/01/19	140.00	Northern	55,120.00
02/11/19	N/A	REDACTED	San Diego	Bus Perf	Non	03/04/19	21.00	Southern	60,008.00
02/25/19	06/03/19	REDACTED	Pacific Grove	WQ&EC	Non	07/15/19	140.00	Coastal	85,999.94
02/27/19	03/01/19	REDACTED	Pacific Grove	Water Cons.	Union	04/08/19	40.00	Coastal	66,996.80
03/01/19	05/01/19	REDACTED	Monterey	Operations	Union	07/01/19	122.00	Coastal	70,678.40
03/01/19	09/16/21	REDACTED	Sacramento	Operations	Non	10/18/21	962.00	Northern	95,000.00
03/08/19	03/08/19	REDACTED	Pacific Grove	Wastewater	Non	11/04/19	241.00	Coastal	105,499.94
03/09/19	03/28/19	REDACTED	San Diego	Eng.	Non	05/06/19	58.00	Southern	105,514.24
03/15/19	04/02/19	REDACTED	Sacramento	Operations	Union	07/01/19	108.00	Northern	41,995.20
04/08/19	04/12/19	REDACTED	Pacific Grove	Operations	Union	06/03/19	56.00	Coastal	59,009.60
04/29/19	08/13/19	REDACTED	Ventura	Operations	Union	11/04/19	189.00	Southern	51,833.60
05/01/19	04/25/19	REDACTED	Imperial Beach	Operations	Non	05/20/19	19.00	Southern	68,848.00
05/03/19	05/28/19	REDACTED	Imperial Beach	Operations	Non	07/29/19	87.00	Southern	61,256.00
05/03/19	05/05/19	REDACTED	Pacific Grove	HR	Non	08/12/19	101.00	Coastal	99,999.90
05/06/19	05/13/19	REDACTED	Ventura	Operations	Non	07/01/19	56.00	Southern	120,030.04

Vacancy Date	Date Posted	Title	Location	Department Name	Union/ Non	Start Date	Days Vacant	Division	Annualized Salary (at start date)
05/18/19	05/31/19	REDACTED	Sacramento	Operations	Non	07/29/19	72.00	Northern	93,500.16
05/18/19	06/06/19		Rosemead	Operations	Union	08/27/19	101.00	Southern	66,518.40
05/20/19	08/07/19		Imperial Beach	Operations	Non	08/26/19	98.00	Southern	61,256.00
06/01/19	08/02/19		Pacific Grove	Operations	Non	09/23/19	114.00	Coastal	28,080.00
06/22/19	07/17/19		Pacific Grove	Operations	Non	10/21/19	121.00	Coastal	78,000.00
07/01/19			Ventura	Operations	Non	08/26/19	56.00	Southern	137,499.96
07/01/19	07/18/19		Pacific Grove	Operations	Non	11/18/19	140.00	Coastal	62,004.80
07/01/19	02/06/20		Pacific Grove	Operations	Union	03/09/20	252.00	Coastal	75,920.00
07/29/19			Sacramento	Operations	Union	03/23/20	238.00	Northern	43,160.00
08/01/19	08/07/19		Rosemead	Operations	Union	08/26/19	25.00	Southern	72,758.40
08/01/19	n/a		Pacific Grove	Operations	Non	04/20/20	263.00	Coastal	60,777.60
08/03/19	08/07/19		Sacramento	Operations	Non	11/18/19	107.00	Northern	66,999.92
08/12/19	01/25/21		Sacramento	Engineering	Non	04/26/21	623.00	Northern	139,500.00
08/26/19	09/11/19		Rosemead	Operations	Non	11/05/19	71.00	Southern	49,358.40
09/14/19			Sacramento	Rates	Non	10/07/19	23.00	Northern	95,000.10
09/28/19	11/04/19		Sacramento	Eng.	Non	04/06/20	191.00	Northern	56,160.00
10/07/19	11/13/19		Sacramento	Rates	Non	01/13/20	98.00	Northern	65,000.00
10/07/19	12/04/19		Sacramento	Rates	Non	01/27/20	112.00	Northern	60,320.00
10/19/19	11/11/19		Sacramento	Operations	Union	12/30/19	72.00	Northern	53,331.20

Vacancy Date	Date Posted	Title	Location	Department Name	Union/ Non	Start Date	Days Vacant	Division	Annualized Salary (at start date)
10/19/19	10/28/19	REDACTED	Rosemead	Operations	Union	01/14/20	87.00	Southern	68,515.20
10/28/19	11/12/19	REDACTED	Sacramento	Legal	Non	02/24/20	119.00	Northern	200,000.06
11/03/19	10/29/19	REDACTED	Rosemead	Operations	Non	12/02/19	29.00	Southern	95,000.10
11/04/19	10/31/19	REDACTED	Pacific Grove	Operations	Non	11/18/19	14.00	Coastal	143,000.00
11/04/19	11/15/19	REDACTED	Pacific Grove	Operations	Union	12/30/19	56.00	Coastal	73,985.60
11/04/19	11/11/19	REDACTED	Pacific Grove	Operations	Non	01/27/20	84.00	Coastal	109,999.76
11/18/19	11/19/19	REDACTED	Pacific Grove	Operations	Non	12/16/19	28.00	Coastal	133,000.14
12/02/19	12/13/19	REDACTED	Rosemead	Operations	Union	01/13/20	42.00	Southern	67,308.80
12/17/19	04/29/21	REDACTED	Sacramento	Engineering	Non	07/12/21	573.00	Northern	67,000.00
12/28/19	01/03/20	REDACTED	Imperial Beach	Operations	Non	03/09/20	72.00	Southern	72,633.60
12/30/19	12/30/19	REDACTED	Sacramento	Operations	Union	01/13/20	14.00	Northern	51,563.20
12/30/19	04/07/21	REDACTED	Sacramento	Engineering	Non	07/12/21	560.00	Northern	62,000.00
01/01/20	12/18/19	REDACTED	Pacific Grove	Operations	Union	01/27/20	26.00	Coastal	61,484.80
01/01/20	12/16/19	REDACTED	Pacific Grove	Operations	Union	01/27/20	26.00	Coastal	70,595.20
01/04/20	12/02/19	REDACTED	San Diego	Operations	Non	03/02/20	58.00	Southern	184,499.90
01/13/20	01/21/20	REDACTED	Sacramento	Operations	Union	03/16/20	63.00	Northern	43,160.00
01/13/20	01/21/20	REDACTED	Rosemead	Operations	Union	03/31/20	78.00	Southern	49,358.40
01/27/20	02/05/20	REDACTED	Pacific Grove	Operations	Union	03/09/20	42.00	Coastal	70,158.40
01/27/20	02/17/20	REDACTED	Pacific Grove	Operations	Union	04/27/20	91.00	Coastal	60,777.60

Vacancy Date	Date Posted	Title	Location	Department Name	Union/ Non	Start Date	Days Vacant	Division	Annualized Salary (at start date)
01/31/20	02/26/20	REDACTED	Sacramento	Engineering	Non	08/24/20	206.00	Northern	115,000.08
03/02/20	03/03/20	REDACTED	Sacramento	Operations	Union	05/04/20	63.00	Northern	75,233.60
03/09/20	03/19/20	REDACTED	Imperial Beach	Operations	Non	06/01/20	84.00	Southern	63,024.00
04/01/20	03/18/20	REDACTED	Rosemead	Operations	Non	04/06/20	5.00	Southern	112,000.20
04/03/20	03/19/20	REDACTED	Sacramento	Operations	Non	04/20/20	17.00	Northern	61,500.14
04/03/20	04/07/20	REDACTED	Imperial Beach	Operations	Non	05/04/20	31.00	Southern	63,024.00
04/06/20	04/10/20	REDACTED	Rosemead	Operations	Non	05/04/20	28.00	Southern	87,776.00
05/01/20	04/20/20	REDACTED	Sacramento	Operations	Union	05/18/20	17.00	Northern	66,872.00
05/04/20	04/29/20	REDACTED	Sacramento	Operations	Union	05/18/20	14.00	Northern	66,872.00
05/04/20	05/07/20	REDACTED	Rosemead	Operations	Union	06/01/20	28.00	Southern	76,627.20
05/04/20	05/11/20	REDACTED	Imperial Beach	Operations	Non	06/15/20	42.00	Southern	47,569.60
05/18/20		REDACTED	Sacramento	Operations	Union	05/18/20	0.00	Northern	59,550.40
05/18/20	05/18/20	REDACTED	Sacramento	Operations - Sac Meters	Union	06/15/20	28.00	Northern	54,121.60
05/18/20	05/18/20	REDACTED	Sacramento	Operations - Sac Distribution	Union	06/29/20	42.00	Northern	49,108.80
06/01/20	06/02/20	REDACTED	Rosemead	Operations	Union	08/24/20	84.00	Southern	49,358.40
06/01/20	06/11/20	REDACTED	Pacific Grove	Operations	Non-	09/14/20	105.00	Coastal	83,200.00
06/01/20	07/13/20	REDACTED	Imperial Beach	Operations	Non	10/05/20	126.00	Southern	61,422.40
06/01/20	06/11/20	REDACTED	Pacific Grove	Operations	Union	02/01/21	245.00	Coastal	73,486.40
06/05/20	06/17/20	REDACTED	Ventura	Operations	Union	07/27/20	52.00	Southern	76,107.20

Vacancy Date	Date Posted	Title	Location	Department Name	Union/ Non	Start Date	Days Vacant	Division	Annualized Salary (at start date)
06/15/20	05/20/20	REDACTED	Sacramento	Operations - Sac Cust Svc	Union	07/27/20	42.00	Northern	43,160.00
06/18/20	08/25/20		Monterey	Engineering	Non	01/25/21	221.00	Coastal	125,000.00
06/29/20			Sacramento	Operations - Sac Cust Svc	Union	08/24/20	56.00	Northern	43,160.00
07/14/20	07/30/20		Ventura	Operations	Non	09/07/20	55.00	Southern	86,881.60
07/27/20	08/07/20		Ventura	Operations	Union	10/05/20	70.00	Southern	53,393.60
07/31/20	08/07/20		Ventura	Operations	Union	09/28/20	59.00	Southern	53,393.60
08/24/20	09/14/20		Rosemead	Operations	Union	11/17/20	85.00	Southern	70,220.80
09/01/20	08/31/20		Monterey	Operations	Union	11/02/20	62.00	Coastal	78,728.00
09/07/20			Ventura	Operations	Union	10/26/20	49.00	Southern	53,393.60
10/05/20	10/07/20		Imperial Beach	Operations	Non	11/09/20	35.00	Southern	63,024.00
10/09/20	10/19/20		Sacramento	Operations	Union	01/04/21	87.00	Northern	43,160.00
11/01/20	08/26/20		Santa Rosa	Operations	Non	12/07/20	36.00	Northern	72,800.00
11/02/20	11/04/20		Monterey	Operations	Union	01/11/21	70.00	Coastal	77,480.00
12/01/20	12/23/20		Monterey	Operations	Non	03/01/21	90.00	Coastal	78,998.40
12/01/20	12/07/20		Monterey	Operations	Non	02/08/21	69.00	Coastal	105,000.00
12/28/20	03/02/21		Monterey	Operations	Union	04/26/21	119.00	Coastal	76,960.00
01/01/21	02/10/21		Ventura	Operations	US08A	03/08/21	66.00	Southern	76,044.80
01/11/21	01/12/21		Monterey	Operations	Union	02/08/21	28.00	Coastal	65,603.20
01/13/21	01/29/21		Monterey	Operations	Union	05/10/21	117.00	Coastal	63,024.00

Vacancy Date	Date Posted	Title	Location	Department Name	Union/ Non	Start Date	Days Vacant	Division	Annualized Salary (at start date)
01/25/21	06/04/21	REDACTED	Sacramento	Rates	Non	07/06/21	162.00	Northern	77,000.04
01/31/21	01/29/21		Monterey	Operations	Union	04/26/21	85.00	Coastal	70,740.80
02/08/21	02/23/21		Monterey	Operations	Union	05/03/21	84.00	Coastal	62,296.00
02/08/21	02/08/21		Monterey	WQ & EC	Non	05/03/21	84.00	Coastal	88,000.00
03/01/21	01/12/21		Sacramento	Engineering	Non	04/05/21	35.00	Northern	153,000.00
03/08/21	03/08/21		Ventura	Operations	Union	06/14/21	98.00	Southern	54,724.80
03/12/21	03/04/21		Rosemead	Operations	Union	04/05/21	24.00	Southern	72,363.20
03/26/21	04/02/21		Monterey	Operations	Union	04/19/21	24.00	Coastal	78,748.80
04/01/21	06/18/21		Meadowbrook	Operations	Non	09/06/21	158.00	Northern	98,000.24
04/02/21	03/19/21		Sacramento	WQ & EC	Non	04/19/21	17.00	Northern	70,000.06
04/05/21	03/18/21		Sacramento	Engineering	Non	05/17/21	42.00	Northern	115,000.08
04/05/21	08/27/21		Rosemead	Operations	Union	11/16/21	225.00	Southern	71,988.80
04/17/21	03/25/21		Monterey	Operations	Non	11/29/21	226.00	Coastal	112,000.02
04/19/21	05/04/21		Pacific Grove	Operations	Union	08/23/21	126.00	Coastal	75,192.00
05/25/21	06/09/21		Sacramento	WQ & EC	Non	08/30/21	97.00	Northern	61,360.00
07/12/21			Monterey	Operations	Union	09/20/21	70.00	Coastal	79,414.40
07/12/21	06/21/21		Sacramento	Operations	Non	12/06/21	147.00	Northern	67,600.00
07/13/21	07/13/21		Monterey	Operations	Union	12/27/21	167.00	Coastal	77,188.80
07/14/21	06/14/21		Pacific Grove	Operations	Union	07/26/21	12.00	Coastal	80,912.00

Vacancy Date	Date Posted	Title	Location	Department Name	Union/ Non	Start Date	Days Vacant	Division	Annualized Salary (at start date)
07/26/21	08/12/21	REDACTED	Monterey	Operations	Union	12/06/21	133.00	Coastal	72,508.80
07/29/21	08/06/21	REDACTED	Monterey	Operations	Union	10/18/21	81.00	Coastal	77,480.00
08/09/21	07/13/21	REDACTED	Monterey	Operations	Union	11/01/21	84.00	Coastal	72,508.80
08/10/21	07/13/21	REDACTED	Monterey	Operations	Union	11/15/21	97.00	Coastal	72,508.80
08/26/21	08/26/21	REDACTED	Monterey	Operations	Union	10/04/21	39.00	Coastal	85,696.00
10/01/21	07/13/21	REDACTED	Rosemead	Operations	Union	11/01/21	31.00	Southern	74,172.80
10/14/21	10/18/21	REDACTED	San Diego or anywhere in CA	Operations	Non	11/15/21	32.00	Southern	196,500.20
10/18/21	10/11/21	REDACTED	Monterey	Operations	Union	11/01/21	14.00	Coastal	89,772.80
10/18/21	10/28/21	REDACTED	Rosemead	Operations	Non	11/15/21	28.00	Southern	73,444.80
New	08/02/21	REDACTED	Pacific Grove	Operations	Union	10/18/21	77.00	Coastal	75,192.00
New	07/10/17	REDACTED	Sacramento	Rates	Non	09/11/17	63.00	Northern	59,999.94
New	08/03/17	REDACTED	Sacramento	Rates	Non	09/25/17	53.00	Northern	49,920.00
New	11/07/18	REDACTED	Larkfield	Operations	Non	12/17/18	40.00	Northern	66,560.00
New	N/A	REDACTED	San Diego	Bus Perf	Non	02/25/19	N/A	Southern	60,008.00
New	09/26/19	REDACTED	Monterey	Prod Maintenance	Non	11/04/19	39.00	Coastal	105,000.22
New	02/28/20	REDACTED	Rosemead	Operations	Non	05/04/20	66.00	Southern	120,000.14
New	08/18/20	REDACTED	San Diego or remotely	Bus Perf	Non	10/05/20	48.00	Southern	89,249.94
New	08/07/20	REDACTED	Merced	Operations	Non	11/09/20	94.00	Northern	62,400.00
New	01/28/21	REDACTED	Sacramento	WQ & EC	Non	03/15/21	46.00	Northern	61,360.00

Vacancy Date	Date Posted	Title	Location	Department Name	Union/ Non	Start Date	Days Vacant	Division	Annualized Salary (at start date)
New	03/12/21	REDACTED	Monterey	Operations	Union	04/05/21	24.00	Coastal	88,899.20
New	05/11/21	REDACTED	Pacific Grove	Operations	Union	08/09/21	90.00	Coastal	82,825.60
New	04/23/21	REDACTED	Rosemead	Operations	Non	08/23/21	122.00	Southern	75,000.00
New	08/19/21	REDACTED	Rosemead	Operations	Union	09/06/21	18.00	Southern	79,996.80
New	08/02/21	REDACTED	Pacific Grove	Operations	Union	09/06/21	35.00	Coastal	78,728.00
New	10/05/21	REDACTED	Rosemead	Operations	Union	10/18/21	13.00	Southern	78,395.20
New	10/27/21	REDACTED	Imperial Beach	Operations	Non	11/15/21	19.00	Southern	88,275.20

Received _____

Examined _____

**CLASS A
WATER UTILITIES**

U# _____

RECEIVED

JUN 15 2022

PUBLIC UTILITIES COMMISSION
WATER DIVISION

**2021
ANNUAL REPORT
OF**

CALIFORNIA-AMERICAN WATER COMPANY

(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

655 West Broadway Suite 1410, San Diego, CA

(OFFICIAL MAILING ADDRESS)

92101

ZIP

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2021**

REPORT MUST BE FILED NO LATER THAN APRIL 30, 2022

Attachment 1-4: Anusha Nagesh, Report and Recommendations on Operations and Maintenance and Administrative and General Expenses, Labor Expenses, Balancing and Memorandum Accounts and Special Requests #2, 3, and 13, at 48. See also Attachment 51.



**REPORT AND RECOMMENDATIONS
ON OPERATIONS AND MAINTENANCE AND
ADMINISTRATIVE AND GENERAL AND EXPENSES,
LABOR EXPENSES, BALANCING AND MEMORANDUM
ACCOUNTS AND SPECIAL REQUESTS#2, 3 AND 13**

Application 19-07-004

**PUBLIC VERSION
San Francisco, California
February 14, 2020**

3 **4) Labor Overtime:**

4 Cal Am estimates labor overtime by multiplying 1.5 times of estimated
5 wage rates with the estimated average overtime hours (based on 3-year average) for
6 “eligible employee positions” in each district.¹⁸⁴ The eligible employee positions
7 are further categorized under 3 sections: “active”, “withdrawn” and “retiree.” Cal
8 Am states that “[w]ithdrawn refers to employees that are no longer with the
9 Company.”¹⁸⁵ However, Cal Am’s forecast of TY 2021 overtime identifies
10 overtime expenses for “withdrawn” employees who are no longer in the
11 company.¹⁸⁶

12 Additionally, Cal Am’s estimate does not capture any estimated overtime
13 savings from adding 26 additional full-time employees. In its most recently
14 recorded year, Cal Am did experience reductions in overtime as new employees
15 were added. For instance, in recorded year 2018, Cal Am recorded a 2.07%
16 increase in employees accompanied by a 1.27% decrease in overtime expenses.¹⁸⁷

17 To reflect this inverse relationship between employee count and overtime, a
18 more reasonable estimate of overtime expenses for TY 2021 should account for
19 additional full-time employees. In TY 2021, Cal Am proposes to increase full-time

Attachment 51: Cal Am's response to DR YCC 05 Q003.

California-American Water Company

APPLICATION NO. A 19-07-004
DATA REQUEST RESPONSE

Response Provided By:	Kimberly Castillo; Zhaoyi Chen
Title:	Human Resources Business Partner; Financial Analyst III
Address:	California American Water 4701 Beloit Drive Sacramento, CA 95838;
ORA Request:	A1907004 CAL PA DATA REQUEST #YCC-05 LABOR, AND PENSION AND BENEFIT
Company Number:	Cal PA YCC 05 Q003
Date Received:	August 26, 2019
Date Response Due:	September 10, 2019
Subject Area:	LABOR, AND PENSION AND BENEFIT

DATA REQUEST:

3. Refer to RO model excel file ALL_CH04_O&M_WP_Labor OT, tab Y_WS-2-AVG OT Total. In column D, Cal Am identified two categories of employment status (Active/Withdrawn). Please explain.

CAL-AM'S RESPONSE:

Cal Am incorporates its General Objections as if each one is stated here. Cal Am further Objects to the extent this Request is vague, ambiguous, and incomplete. Subject to, but without waiving, these objections, Cal Am responds: "Active" refers to current employees while "Withdrawn" refers to employees that are no longer with the Company.

**Attachment 1-5: American Water
Works Company Inc. 2022 Proxy
Statement.**

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to § 240.14a-12

AMERICAN WATER WORKS COMPANY, INC.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required
 - ☐ Fee paid previously with preliminary materials
 - ☐ Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a-6(i)(1) and 0-11
-

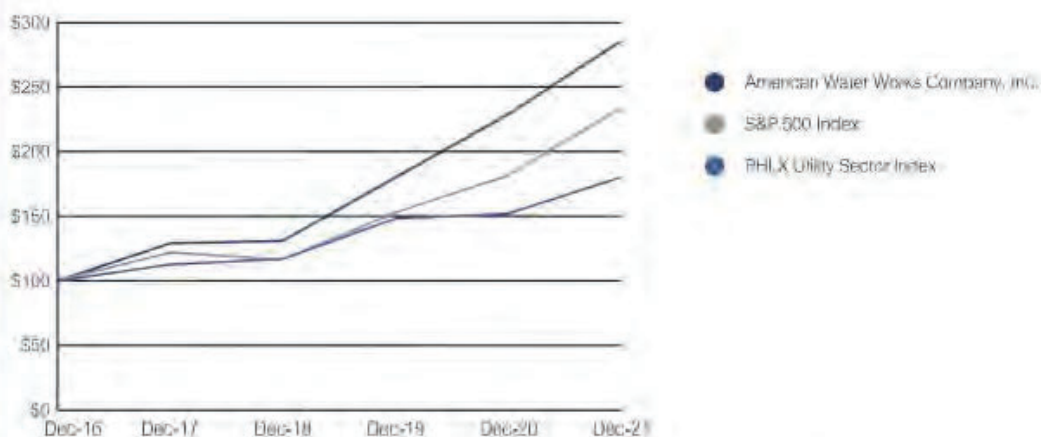


Proxy Statement 2022

Return to Shareholders

We have returned significant value to our shareholders over the past five years. The following stock performance graph shows how a \$100.00 investment in our common stock on December 30, 2016 would have grown to \$285.19 on December 31, 2021, assuming quarterly dividend reinvestment. This

return compares favorably to the return that would have been obtained through the same investment in the Standard & Poor's 500 Index and the PHLX Utility Sector Index, assuming dividend reinvestment, during the same period.



	12/30/16	12/29/17	12/31/18	12/31/19	12/31/20	12/31/21	TSR 5 year
American Water Works Company, Inc.	\$ 100.00	\$ 129.02	\$ 130.71	\$ 180.09	\$ 228.50	\$ 285.19	185.2%
PHLX Utility Sector Index	\$ 100.00	\$ 112.82	\$ 116.79	\$ 148.11	\$ 152.14	\$ 179.90	79.9%
S&P 500 Index	\$ 100.00	\$ 121.82	\$ 116.47	\$ 153.13	\$ 181.29	\$ 233.28	133.3%

peer group companies, the Compensation Committee considers factors most relevant to us as a utility, including, in decreasing order of relevance, consolidated total assets, market capitalization, number of employees, consolidated revenues, and the proportion of revenue received from our regulated businesses.

In January 2021, the Compensation Committee received an update on the status of the companies in the Company's compensation peer group, and determined that it would conduct its annual review, assessment and approval of the peer group during its July meeting, rather than in January, so that changes to the peer group would apply to the following year's annual compensation decisions and awards. Thus, the compensation peer group approved by the Compensation Committee in January 2020 (the "2020 peer group") was used until July 2021, when the Compensation Committee reviewed and approved the compensation peer group to be used from July 2021 to July 2022 (the "2021 peer group").

For both the 2020 and 2021 peer groups, consolidated total assets was the Compensation Committee's primary relevant factor, which reflects

our primary business of owning water and wastewater utilities subject to economic regulation by state utility commissions or similar entities. Based on the data provided by Semler Brossy, we were positioned near the mid-range of our peer group in terms of total assets, in the top quartile in terms of market capitalization, and near or in the bottom quartile in terms of consolidated revenues. We believe this positioning supports the Compensation Committee's view that our 2020 and 2021 peer groups are appropriate and reflective of a group comparable to us in terms of size and complexity, particularly given the different business economics of non-water utilities.

The 2020 peer group was used to calculate the three-year total shareholder return for our annual PSU awards granted in February 2021, and by the Compensation Committee to make market and merit compensation decisions with respect to our NEOs through July 2021, when the 2021 peer group was approved. The 2020 peer group was comprised of the companies listed in the table below.

American Water Compensation Peer Group

Alliant Energy Corporation	Entergy Corporation	OGE Energy Corp.
Ameren Corporation	Eversource Energy	Pinnacle West Capital Corporation
Atmos Energy Corporation	MDU Resources Group, Inc. (1)	PPL Corporation
CenterPoint Energy, Inc.	NiSource Inc.	UGI Corporation
CMS Energy Corporation		WEC Energy Group, Inc.

(1) In July 2021, the Compensation Committee approved the 2021 peer group, which added Essential Utilities, Inc. to, and removed MDU Resources Group, Inc. from, the list of companies that comprised the 2020 peer group.

2021 Annual Performance Plan

The APP is designed to provide a portion of a NEO's at-risk compensation to be paid upon the achievement of our annual business objectives. The APP provides an opportunity for NEOs to earn cash payouts tied to the satisfaction of both corporate and, to the extent deemed appropriate, individual performance goals.

The 2021 target award opportunity for each NEO is equal to a percentage of each NEO's base salary, based on the individual's position with American

Water. An APP award target is set by the Compensation Committee, together with the NEO's other elements of compensation, in an effort to align the NEO's annual total direct compensation generally with market pay for his or her position. Information used to calculate the 2021 APP award payouts for each NEO is included in the table below.

Named Executive Officer	Percentage of Base Salary	2021 APP Target	2021 APP Payout Percentage	2021 APP Award
Walter J. Lynch	110%	\$ 1,077,466	117.5%	\$ 1,268,022
M. Susan Hardwick (1)	75%	\$ 460,739	117.5%	\$ 541,369
Cheryl Norton	75%	\$ 344,692	117.5%	\$ 405,013
Michael A. Sgro	75%	\$ 365,900	117.5%	\$ 429,932
Melanie M. Kennedy (2)	55%	\$ 225,889	117.5%	\$ 265,420
Adam Noble	50%	\$ 197,625	117.5%	\$ 232,209

- (1) In December 2021, Ms. Hardwick's APP target for 2022 was increased to 100 percent of her base salary for her role as Executive Vice President and Chief Financial Officer. In connection with her promotion to President and Chief Executive Officer in February 2022, Ms. Hardwick's APP target for 2022 was subsequently increased to 110 percent of her base salary.
- (2) In December 2021, Ms. Kennedy's APP target for 2022 was increased to 65 percent of her base salary as of February 15, 2022.

For 2021, Mr. Lynch's APP target was increased from 100 percent to 110 percent of his base salary to bring his total direct compensation within the competitive ranges of the benchmarking data. Ms. Norton's 2021 APP target was set at 75 percent of her base salary in connection with her promotion to the COO role. Ms. Kennedy's APP target was increased from 50 percent to 55 percent of her base salary to keep her total direct compensation within the competitive ranges of the benchmarking data.

The APP performance measures selected for 2021 represent our primary objective for financial performance and are aligned with our 2021 core business strategies of safety, customers, people, operational excellence (in this case, environmental leadership) and growth. The APP performance measures for 2021 were adjusted EPS, customer satisfaction, ORIR, DART injury rate, drinking water program compliance and drinking water quality.

As in prior years, no payouts would be made under the 2021 APP if EPS is less than 90 percent of target. For 2021, the EPS performance curve was extended

and the maximum payout was increased from 150 percent to 200 percent of target to increase the rigor of this goal and to recognize the difficulty in achieving earnings growth significantly above our plan.

For 2021, the Compensation Committee reallocated the former O&M efficiency improvement goal equally in the amount of 2.5 percent each to the ORIR, DART and environmental leadership goals, reflecting the Compensation Committee's view as to the importance of the Company's safety, people and environmental leadership goals. As was the case in 2020, the 2021 ORIR and DART goals represented the safety and people elements, and the payouts related to these goals would not be earned in a year in which there was a preventable employee fatality.

The operational excellence strategy is represented by the environmental leadership goals. For 2021, as in 2020, the environmental leadership goal was divided into two equally weighted parts to reflect our strategic focus on both environmental compliance and drinking water quality.

The Compensation Committee determines the payout for APP awards using a corporate performance multiplier. The final percentage for each measure used to determine the corporate performance multiplier was dependent on actual performance with regard to that measure as determined by the Compensation Committee as soon as reasonably practicable after the end of the year. The corporate performance multiplier is then computed by adding the resulting weighted results achieved for each performance measure.

The Compensation Committee has adopted guidelines to permit management to make non-GAAP negative or positive adjustments to EPS results for purposes of computing APP payouts. These guidelines provide in part that EPS will exclude the accounting impacts related to business exit transactions, whether a gain or loss, to the extent greater than \$0.02 per share. The Compensation Committee retains authority to approve other non-GAAP adjustments not covered by this

authorization. For 2021, under these guidelines, EPS for purposes of the APP payout was reduced by \$2.87 per share to exclude earnings greater than \$0.02 per share from the sale of HOS, which was completed in December 2021. Further, the Compensation Committee approved the netting against those excluded earnings of a \$45 million, or \$(0.19) per share, contribution from the proceeds of the HOS sale to the AWCF.

The following table presents information regarding each of the performance measures used to determine the corporate performance multiplier, including the threshold, target and maximum performance requirements for each measure. The table also indicates the percentage that would be included in the corporate performance multiplier for threshold, target and maximum performance. If the threshold performance requirement for a performance measure is not met, no additional percentage would be added to the corporate performance factor.

Performance Measure	Percentage Included in the Corporate Performance Factor	Threshold Performance (Weighting)	Target Performance (Weighting)	Maximum Performance (Weighting)	Actual Performance (Percentage Earned)	How We Calculate the Performance Measure	Why We Use this Measure
Adjusted EPS (1)	50.0%	\$3.91 (0.0%)	\$4.23 (50.0%)	\$4.33 (100.0%)	\$4.27 (70.0%)	Adjusted EPS is diluted EPS calculated in accordance with GAAP as reported in the Company's audited consolidated financial statements, excluding \$2.87 of gain resulting from the sale of HOS in December 2021, which was then netted against \$(0.19) per share for the contribution to the AWCF.	Adjusted EPS is a key measure of our financial and operational success, and achieving our earnings and strategic goals creates long-term shareholder value and provides greater total return to our shareholders.
Customer Satisfaction	15.0%	Fourth Quartile (0.0%)	Second Quartile (15.0%)	First Quartile (22.5%)	Second Quartile (17.1%)	A quarterly survey is conducted by a third-party firm of random regulated water and wastewater customers, and the results are aggregated and weighted for each individual state.	Our service quality and ability to satisfy our customers are a focus of state public utility commissions in evaluating rate cases.
OSHA (2)	10.0%	0.99 (0.0%)	0.79 (10.0%)	0.75 (15.0%)	0.97 (1.0%)	OSHA is a measure of injuries and illnesses requiring treatment beyond first aid for every 200,000 hours worked.	To continue our momentum toward becoming an industry leader with respect to the safety and well-being of our workforce.

Performance Measure	Percentage Included in the Corporate Performance Factor	Threshold Performance (Weighting)	Target Performance (Weighting)	Maximum Performance (Weighting)	Actual Performance (Percentage Earned)	How We Calculate the Performance Measure	Why We Use this Measure
DART Injury Rate (2)	10.0%	0.63 (0.0%)	0.60 (10.0%)	0.48 (15.0%)	0.54 (6.8%)	DART injury rate measures the number of OSHA defined recordable injuries that resulted in days away from work, work restrictions, or job duty/position transfers in the calendar year per 100 employees.	DART reflects serious incidents that result in the employee being placed in restricted duty or time away from work. This aligns to both our safety and people strategies as we believe that our employees should return home in the same or better condition than when they arrived to work.
Environmental Leadership: Drinking Water Program Compliance	7.5%	10x (0.0%)	20x (7.5%)	25x (11.25%)	42x (11.25%)	This environmental leadership metric is determined by comparing our overall number of drinking water notices of violation as reported in an EPA database, to the national drinking water industry average, and assessing how many times better we perform.	We are committed to protecting the environment and maintaining our history of materially complying with, and in many cases, surpassing, minimum standards required by applicable laws and regulations.
Environmental Leadership: Drinking Water Quality	7.5%	5x (0.0%)	10x (7.5%)	45x (11.25%)	Zero NOVs (11.25%)	This environmental leadership metric is determined by comparing our overall number of drinking water notices of violation for maximum contaminant level exceedances as reported in an EPA database, to the national drinking water industry average, and assessing how many times better we perform.	We are committed to excellent water quality and maintaining our history of materially complying with, and in many cases, surpassing, minimum standards required by applicable laws and regulations.

(1) Adjusted EPS is a non-GAAP measure. See Appendix A for reconciliation and additional information. No APP awards may be earned if 2021 adjusted EPS is less than 80 percent of the target amount.

(2) This goal may not be earned in the event of a preventable employee fatality during the year.

Actual payouts may be lower or higher than the APP target depending on corporate and business performance and, in instances where warranted, individual NEO performance against specific goals. Cash awards under the APP are generally distributed to participants by March 15 of the year following the performance year.

While the NEOs are subject to individual performance goals as well as the corporate goals comprising the

corporate performance factor, the 2021 APP awards reflect, for all NEOs, the NEO's target award multiplied by the corporate performance multiplier, as outlined below.

The Compensation Committee utilized this convention based on the CEO's recommendation that NEOs should assume principal responsibility for, and their awards generally should be based upon, performance of the entire organization. Furthermore, in 2021, there

were no significant factors that caused the independent Board members, in the case of the CEO, and the Compensation Committee, in the case of all other NEOs (based on the CEO's recommendations), to apply an upward or downward adjustment based on his or her individual performance.

Based upon our performance with regard to the financial and non-financial performance measures described above, the Compensation Committee

certified a corporate performance multiplier of 117.5 percent. The APP awards for each NEO were computed using this multiplier.

We have included the amount of the APP awards paid to our NEOs with respect to 2021 under the Non-Equity Incentive Plan Compensation column of the 2021 Summary Compensation Table on page 54 of this proxy statement.

2021 Long-Term Performance Plan

The LTPP is designed to incentivize eligible participants to achieve our long-term business objectives by providing an opportunity to earn equity awards tied to our long-term goals and continued employment with the Company. LTPP awards are generally granted by the Compensation Committee in February of each year and allocated 30 percent to time-based RSUs and 70 percent to PSUs. PSU awards for 2021 were allocated equally between shares that may be earned based on total shareholder return relative to the companies in the 2020 peer group and shares that may be earned based on the rate of our compounded EPS growth. Stock options are not granted as part of the LTPP.

Generally, our RSU awards vest ratably over an approximate three-year period while a participant remains employed with us. PSU awards generally are earned ratably over a three-year performance period while employed, and the vesting of each PSU award is determined by the Compensation Committee following the end of the three-year performance period based on the satisfaction of pre-determined performance goals. To the extent an RSU award is unvested or a PSU award has not been earned, it is generally forfeited once a participant ceases to be employed with us. However, certain of our NEOs have received LTPP awards with alternative vesting or forfeiture provisions. For more information, please see "Ongoing and Post-Employment Arrangements and Benefit Plans—Terms of Outstanding Equity Grants" beginning on page 51 of this proxy statement.

The Compensation Committee has adopted guidelines to permit management to make non-GAAP

adjustments for purposes of LTPP performance goals based on EPS with respect to LTPP awards granted beginning in 2018, to the extent greater than \$0.02 per share. The Compensation Committee retains authority to approve other non-GAAP adjustments not covered by this authorization. For 2021, under these guidelines, the Company's 2021 EPS for determining the payout of the PSU awards based on the Company's compounded annual EPS growth was reduced in the same manner as described above with respect to the APP.

Also, to reflect the sale of HOS in December 2021, in January 2022, the Compensation Committee approved the amendment and adjustment of the outstanding 2020 and 2021 PSU awards based on our compounded EPS growth as follows. First, the starting EPS for each set of awards was decreased by \$0.38 and \$0.40, respectively, which is equivalent to the contribution of the HOS business to the Company's EPS in the 2019 and 2020 fiscal years. Second, the ending EPS in the measurement years of 2022 and 2023 for these awards will exclude the impact of certain interest income to be earned by the Company under a secured seller note issued in connection with the HOS sale, as well as revenue or other income recorded by the Company under a revenue share agreement entered into in connection with the HOS sale. These adjustments will be reflected in the calculation of the three-year compounded EPS growth rate used to determine achievement of the EPS performance goal for the 2020 and 2021 PSU awards. The Compensation Committee's decision to amend and adjust these PSU awards was based on, among other things, data and other analyses provided by Semler Brossy.

We based the aggregate target value of LTPP awards on a percentage of each NEO's salary. The following table presents a summary of the grant date fair value of LTPP target awards granted in 2021 to each NEO. Information regarding the number of shares underlying these awards is found in "Executive Compensation—2021 Grants of Plan-Based Awards" on page 57 of this proxy statement.

Named Executive Officer	LTPP Target Award as a Percentage of Base Salary	Aggregate Grant Date Fair Value of LTPP Target Awards	Aggregate Grant Date Fair Value of PSUs	Aggregate Grant Date Fair Value of PSUs (TSR)	Aggregate Grant Date Fair Value of PSUs (EPS)
William J. Lynch	400%	\$ 3,399,989	\$ 1,199,980	\$ 1,399,989	\$ 1,400,004
Ms. Susan Hardwick	180%(1)	\$ 1,140,129	\$ 342,044	\$ 399,007	\$ 399,078
Gregory Norton	150%(1)	\$ 749,840	\$ 224,929	\$ 262,927	\$ 262,388
Michael A. Sgro	150%	\$ 713,680	\$ 214,080	\$ 249,783	\$ 249,787
Michael M. Kennedy	115%(1)	\$ 489,682	\$ 137,951	\$ 180,987	\$ 180,924
Adam Noble	100%	\$ 364,969	\$ 115,622	\$ 134,694	\$ 134,749

(1) In December 2021, each of Ms. Norton's and Ms. Kennedy's LTPP target award for 2022 as a percentage of base salary was increased to 175 percent and 120 percent, respectively, and Ms. Hardwick's LTPP target award for 2022 was increased to 250 percent for her Executive Vice President and Chief Financial Officer role. In February 2022, Ms. Hardwick's LTPP target award for 2022 as a percentage of base salary was subsequently increased to 400 percent in connection with her promotion to President and Chief Executive Officer.

In February 2021, Mr. Lynch's LTPP award target for 2021 as a percentage of his annual base salary was increased from 275 percent to 400 percent to strengthen the alignment between CEO pay and our long-term performance. Also in February 2021, Ms. Norton's LTPP award target for 2021 as a percentage of her annual base salary was increased, effective March 1, 2021, from 100 percent to 150 percent in connection with her promotion to the COO role and to bring her compensation within the competitive ranges of the benchmarking data for her role.

In December 2020, Ms. Hardwick's, Mr. Sgro's and Ms. Kennedy's LTPP award targets for 2021 as a percentage of annual base salary were increased to 180 percent, 150 percent and 115 percent, respectively. The Compensation Committee awarded these increases to keep each NEO's total direct compensation within the competitive ranges of the benchmarking data for the NEO's position.

The following table presents information regarding the performance measures related to the PSUs granted in 2021, as amended and adjusted as described above.

Performance Measure	Threshold Performance (Weighting)	Target Performance (Weighting)	Maximum Performance (Weighting)	How We Calculate the Performance Measure	Why We Use this Performance Measure
Simple Total Shareholder Return	25th percentile (25%)	50th percentile (100%)	90th percentile (200%)	Based on American Water's total shareholder return compared to the total shareholder return performance of the companies in the 2021 peer group, during the three-year performance period from January 1, 2021 through December 31, 2023, assuming reinvestment of dividends during the performance period.	To encourage performance that not only increases shareholder value, but increases it to an extent that compares favorably relative to the companies in the 2021 peer group.
Compounded EPS Growth Rate	5.0% (0%)	8.0% (100%)	10.0% (200%)	Based on the rate of EPS growth (as adjusted), compounded annually over the three-year period from January 1, 2021 through December 31, 2023 (minus interest income under the secured seller note and amounts recorded under the revenue share agreement), over our 2020 EPS, as adjusted, to eliminate the contribution of ROS.	EPS is a key measure of our financial and operational success, and achieving our earnings and strategic goals creates long-term shareholder value and provides greater total return to our shareholders.

Executive Severance Policy

Under our Executive Severance Policy, we provide severance benefits to our currently employed NEOs. Our policy is designed to provide a clear statement of the rights of our executive officers if they are involuntarily terminated without cause (as defined under the policy), except in cases following a change of control, as discussed below. Among other things, the Executive Severance Policy provides for 18

months and 12 months of salary continuation for our CEO and each of such other currently employed NEOs, respectively, and a pro rata APP award for the year in which the termination date occurs to the extent a payment is earned under the terms of the APP. See "Executive Compensation—Potential Payments on Termination or Change of Control" beginning on page 62 of this proxy statement for further information.

Change of Control Severance Policy

In July 2021, the Compensation Committee, in consultation with Semler Brossy, approved the adoption of a Change of Control Severance Policy, which provides benefits to each of our NEOs, if within 24 months after the consummation of a "change of control," the NEO's employment is involuntarily terminated without "cause" or if the NEO resigns from employment for "good reason" (each as defined in this policy). The Change of Control Severance Policy was adopted after the Compensation Committee undertook an assessment of our then-existing severance plans and benefits and sought to align those benefits with similar benefits provided by companies in our 2020 peer group, as well those in the broader utility industry.

The occurrence or potential occurrence of a change of control transaction often creates uncertainty regarding the continued employment of a company's executives, as many change of control transactions result in significant organizational changes, particularly at the senior executive level. In order to continue to encourage our NEOs to remain employed with us in connection with a potential change of control transaction, or to attract new executives in the midst of such a transaction, we provide our NEOs with specified severance benefits if the NEO's

employment terminates for the reasons described above in connection with a change of control.

Specifically, the Change of Control Severance Policy provides that, in the event of a covered termination, the CEO and the other currently employed NEOs would be eligible to receive three times and two times, respectively, the sum of (1) such NEO's annual base salary on the termination date of employment and (2) the greater of the last annual award paid to the NEO under the APP, or the average of the last three such annual APP awards. Each currently employed NEO would also receive paid COBRA coverage for health, dental and vision benefits for the maximum statutory period, would continue to be eligible to participate for six months in our Employee Assistance Plan and would receive up to 12 months of outplacement services. The Change of Control Severance Policy also provides that, in the event of a covered termination, each currently employed NEO would be entitled to receive unpaid base salary due for periods prior to the termination date, all accrued and unused vacation through the termination date, and reimbursement of all properly documented reasonable and necessary expenses incurred in connection with employment prior to the termination date.

EXECUTIVE COMPENSATION

2021 Summary Compensation Table

The following table sets forth information regarding the compensation of each of our NEOs for 2021.

Name and Principal Position	Year	Salary (\$)(1)	Bonus (\$)	Stock Awards (\$)(2)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)(4)	All Other Compensation (\$)(5)	Total (\$)
Walter J. Lynch President and Chief Executive Officer (5)	2021	\$994,616	\$ —	\$3,999,969	\$ —	\$ 1,266,022	\$ 1,017,097	\$ 120,424	\$7,398,128
	2020	\$870,378	\$ —	\$2,543,912	\$ —	\$ 963,772	\$ 1,191,466	\$ 106,306	\$5,675,833
	2019	\$612,063	\$ —	\$ 969,956	\$ —	\$ 560,881	\$ 784,169	\$ 78,117	\$3,023,155
M. Susan Hardwick Executive Vice President and Chief Financial Officer (7)	2021	\$616,908	\$ —	\$1,140,129	\$ —	\$ 541,369	\$ —	\$ 110,261	\$2,408,687
	2020	\$584,466	\$ —	\$ 907,601	\$ —	\$ 503,477	\$ —	\$ 101,726	\$2,097,292
	2019	\$296,150	\$120,000	\$ 479,169	\$ —	\$ 290,622	\$ —	\$ 151,036	\$1,336,977
Cheryl Norton Executive Vice President and Chief Operating Officer (8) (9)	2021	\$482,204	\$ —	\$ 749,840	\$ —	\$ 405,013	\$ 615,863	\$ 29,121	\$2,582,051
Michael A. Sgro Executive Vice President and General Counsel (10)	2021	\$489,804	\$ —	\$ 713,650	\$ —	\$ 428,932	\$ 217,184	\$ 52,523	\$1,903,093
	2020	\$490,987	\$ —	\$ 624,177	\$ —	\$ 422,853	\$ 1,005,918	\$ 39,796	\$2,583,731
	2019	\$458,974	\$ —	\$ 562,463	\$ —	\$ 420,646	\$ 1,614,493	\$ 31,616	\$3,086,192
Melanie M. Kennedy Executive Vice President, Chief Human Resources Officer (9) (11)	2021	\$412,478	\$ —	\$ 459,892	\$ —	\$ 265,420	\$ —	\$ 91,316	\$1,229,106
Adam Noble Chief Technology and Innovation Officer (9)	2021	\$396,826	\$ —	\$ 384,966	\$ —	\$ 232,209	\$ —	\$ 61,466	\$1,075,457

(1) In 2021, the following NEOs deferred a portion of their base salary under the Employee Deferred Compensation Plan: Mr. Lynch—\$98,962; Ms. Hardwick—\$30,686; Ms. Norton—\$95,672; Ms. Kennedy—\$20,512; and Mr. Noble—\$19,755.

(2) The amounts shown in this column reflect the aggregate grant date fair value of PSUs and RSUs granted to the NEOs. The grant date fair value of PSUs and RSUs granted in 2021 is as follows:

Name	PSUs	RSUs
Walter J. Lynch	\$ 2,799,989	\$ 1,199,980
M. Susan Hardwick	\$ 796,065	\$ 342,044
Cheryl Norton	\$ 524,915	\$ 224,925
Michael A. Sgro	\$ 469,570	\$ 214,080
Melanie M. Kennedy	\$ 321,911	\$ 137,981
Adam Noble	\$ 269,443	\$ 115,523

With respect to the PSUs, the amounts disclosed in the table above represent the grant date fair value based upon the target outcome of the performance conditions, determined at the grant date in accordance with ASC 718. See Note 11—Stock Based Compensation in the Notes to Consolidated Financial Statements in the 2021 Form 10-K for the assumptions that were made in determining grant date fair values of the PSU and RSU awards.

Name	Benefit	Voluntary Termination	Early/ Normal Retirement	Involuntary Termination without Cause	Voluntary Termination for Good Reason	Involuntary Termination for Cause	Involuntary Termination without Cause Following a Change of Control	Disability	Death
Walter J. Lynch	Cash Severance	\$ —	\$ —	\$ 1,500,000	\$ —	\$ —	\$ 5,881,316	\$ —	\$ —
	APP	\$ —	\$ 1,288,022	\$ 1,077,486	\$ —	\$ —	\$ —	\$ —	\$ —
	Outplacement Services	\$ —	\$ —	\$ 15,000	\$ —	\$ —	\$ 15,000	\$ —	\$ —
	Deferred Compensation	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
	Benefits	\$ 2,878,426	\$ 2,878,426	\$ 2,878,426	\$ 2,878,426	\$ —	\$ 2,878,426	\$ 2,878,426	\$ 2,878,426
	Nonqualified Pension	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
	Benefits	\$ 3,787,571	\$ 3,787,571	\$ 3,787,571	\$ 3,787,571	\$ 3,787,571	\$ 3,787,571	\$ 5,003,396	\$ 3,600,905
	Qualified Pension	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
	Benefits	\$ 985,623	\$ 985,623	\$ 985,623	\$ 985,623	\$ 985,623	\$ 985,623	\$ 1,282,494	\$ 972,888
	COBRA	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
	Premiums	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 44,258	\$ —	\$ —
	RSUs and PSUs	\$ —	\$ 5,608,835	\$ —	\$ —	\$ —	\$ 7,327,172	\$ —	\$ —
	Total	\$ 7,851,620	\$ 14,526,477	\$ 10,244,086	\$ 7,851,620	\$ 4,773,194	\$ 20,929,366	\$ 9,174,316	\$ 7,452,217

In connection with Mr. Lynch's retirement on February 2, 2022, and based on the recommendation of the Compensation Committee and the approval of the independent members of the Board, the Company and Mr. Lynch entered into a Separation Agreement and General Release, providing for, in addition to his already accrued but unpaid benefits, payment to Mr. Lynch for 12 months of his current annual base

salary in consideration for a 12-month concurrent non-compete and non-solicitation period, a general release of claims, and other restrictive covenants. For purposes of Mr. Lynch's 2021 APP award and his LTPP awards outstanding as of February 2, 2022, such awards continue to vest and/or be paid subject to the terms and conditions of the respective awards in existence on such date.

Name	Benefit	Voluntary Termination	Early/ Normal Retirement	Involuntary Termination without Cause	Voluntary Termination for Good Reason	Involuntary Termination for Cause	Involuntary Termination without Cause Following a Change of Control	Disability	Death
M. Susan Hardwick	Cash Severance	\$ —	\$ —	\$ 818,600	\$ —	\$ —	\$ 2,244,154	\$ —	\$ —
	APP	\$ —	\$ —	\$ 480,739	\$ —	\$ —	\$ —	\$ —	\$ —
	Outplacement Services	\$ —	\$ —	\$ 15,000	\$ —	\$ —	\$ 15,000	\$ —	\$ —
	Deferred Compensation	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
	Benefits	\$ 95,614	\$ 95,614	\$ 95,614	\$ 95,614	\$ —	\$ 203,702	\$ 95,614	\$ 203,702
	COBRA	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
	Premiums	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 15,799	\$ —	\$ —
	RSUs and PSUs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,269,673	\$ —	\$ —
	Total	\$ 95,614	\$ 95,614	\$ 1,189,953	\$ 95,614	\$ —	\$ 4,746,328	\$ 95,614	\$ 203,702

NAME	Salary	Voluntary Termination		Benefit Payments (Continued)		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary Termination without Cause		Voluntary 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CEO Pay Ratio

The Compensation Committee reviewed a comparison of Mr. Lynch's total compensation as CEO for fiscal year 2021 as reported in the Summary Compensation Table of this proxy statement to the median annual total compensation of our U.S. employees for the same period. Our identification of our median employee and our CEO to median employee pay ratio were calculated in a manner we believe to be consistent with Item 402(u) of Regulation S-K. In this regard:

- We identified the median employee in 2021 by examining the 2021 W-2 earnings for all individuals, excluding Mr. Lynch, located in the United States who were employed by us on December 31, 2021. We believe the use of W-2 earnings represents an objective, easily understood and consistently applied measure of compensation paid across our entire employee base.
- We included 8,426 employees located in the United States as of December 31, 2021, which includes full-time, part-time, seasonal and temporary employees. We did not have any employees located outside of the United States as of December 31, 2021.
- We did not include leased employees or independent contractors.

- We did not make any assumptions, adjustments (such as cost-of-living adjustments) or estimates with respect to W-2 income other than annualizing the compensation of permanent employees that were employed as of December 31, 2021 but were employed for less than the full year.

After identifying the median employee, we calculated that employee's annual total compensation using the same methodology we use for our NEOs in the 2021 Summary Compensation Table. The annual total compensation for fiscal year 2021 for Mr. Lynch and for the median employee was \$7,398,128 and \$81,236, respectively. The resulting ratio of Mr. Lynch's pay to the pay of our median employee for fiscal year 2021 is 81 to 1.

As contemplated by Item 402(u) of Regulation S-K and related interpretations, we relied on methods and assumptions that we determined to be reasonable and appropriate for this calculation. Other public companies may use different methods and assumptions. It may therefore be difficult, for this and other reasons, to compare our reported ratio to those reported by other companies.

Policies Prohibiting Hedging, Pledging, Margining and Short Selling

Our insider trading policy prohibits all directors, officers (including our current NEOs) and employees (among others), including their immediate family members and controlled entities, from engaging in any hedging transaction. Under our insider trading policy, no covered person may:

- enter into any hedging transaction, as described in the insider trading policy;

- buy or sell any security that derives its value from the price of any of our securities; or
- enter into any other transaction of a similar nature that has the effect of reducing or eliminating the investment risk associated with any of our securities owned by such covered person.

**Attachment 1-6: American Water Works
Company Inc. 2018 Proxy Statement at 70.**

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant ☒ Filed by a Party other than the Registrant ☐

Check the appropriate box:

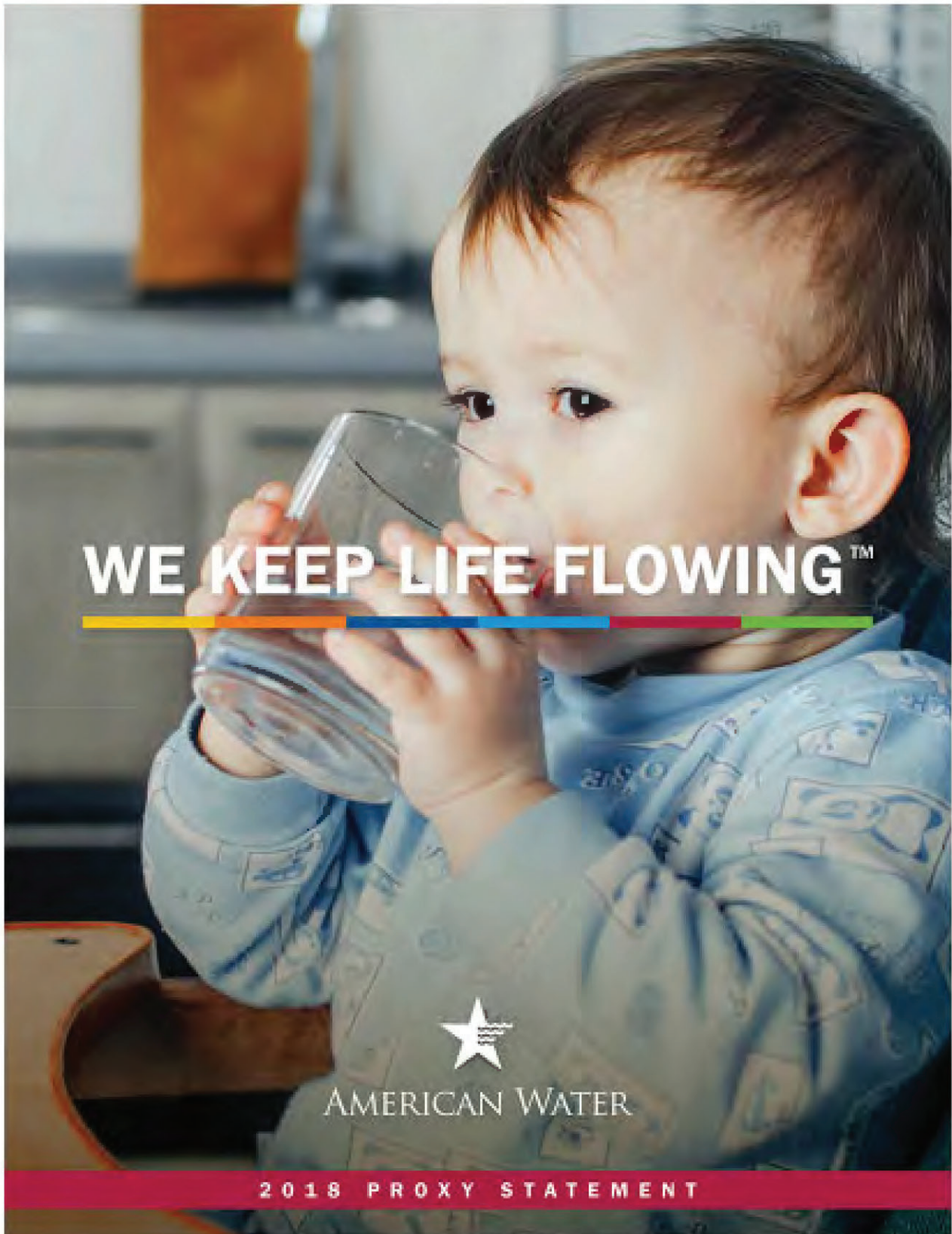
- ☐ Preliminary Proxy Statement
☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
☐ Definitive Proxy Statement
☐ Definitive Additional Materials
☐ Soliciting Material Pursuant to § 240.14a-12

AMERICAN WATER WORKS COMPANY, INC.
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11
- | | |
|-----|---|
| (1) | Title of each class of securities to which transaction applies: |
| (2) | Aggregate number of securities to which transaction applies: |
| (3) | Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): |
| (4) | Proposed maximum aggregate value of transaction: |
| (5) | Total fee paid: |
- ☐ Fee paid previously with preliminary materials.
- ☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
- | | |
|-----|---|
| (1) | Amount Previously Paid: |
| (2) | Form, Schedule or Registration Statement No.: |
| (3) | Filing Party: |
| (4) | Date Filed: |



- We did not make any assumptions, adjustments (such as cost-of-living adjustments) or estimates with respect to base salary and wages plus overtime pay

other than annualizing the compensation of permanent employees that were employed as of December 31, 2017 but were employed for less than the full year.

After identifying the median employee based on 2017 base salary or wages plus overtime pay, as applicable, we calculated the annual total compensation for such employee using the same methodology we use for our NEOs as set forth in the 2017 Summary Compensation Table.

The annual total compensation for fiscal year 2017 for our CEO and for the median employee was \$4,357,075 and \$81,999, respectively. The resulting ratio of our CEO's pay to the pay of our median employee for fiscal year 2017 is 53 to 1.

As contemplated by Item 402(u) of Regulation S-K and related interpretations, we relied on methods and assumptions that we determined to be reasonable and appropriate for this calculation. Other public companies may use different methods and assumptions. It may therefore be difficult, for this and other reasons, to compare our reported ratio to those reported by other companies.

Attachment 1-7: Additional Charts Related to Executive Compensation.

Base Salaries

Utility	CEO	NEO Average	CEO% Difference	NEO% Difference
California-American Water	994,616	479,644	0	0
Atmos Energy Corporation	900,077	429,918	10.50%	11.57%
CMS Energy Corporation	1,050,000	543,000	-5.27%	-11.67%
Evergy Inc	980,769	549,866	1.41%	-12.77%
NiSource Inc.	1,025,000	525,313	-2.96%	-8.69%
Pinnacle West Capital Corporation	1,100,000	590,000	-9.58%	-18.70%
PPL Corporation	1,132,492	599,938	-12.17%	-20.05%

CEO Pay Ratio

Utility	2021 Consolidated Total Assets	CEO Base	CEO Total comp	CEO Total less pension	Median Employee	Pay Ratio CEO	CEO Base Difference	CEO Total Difference
Cal-Am (AM Water)	26075	994,616	7,398,128	6,381,031	91,238	81	0.00%	0.00%
Atmos Energy Corp.	19609	900,077	6,467,314	4,770,636	78,050	83	-9.51%	-12.58%
CMS Energy Corp.	28753	1,050,000	6,871,068	6,870,990	135,987	50.5	5.57%	-7.12%
Evergy Inc.	28521	980,769	11,138,082	11,138,082	90,649/ 133,369	10.82/ 83.51	-1.39%	50.55%
NiSource Inc.	24157	1,025,000	9,535,782	9,535,782	124,663	76	3.05%	28.89%
Pinnacle West Cap	22003	1,100,000	8,100,157	7,000,602	136,805	59	10.60%	9.49%
PPL Corp	33223	1,132,492	11,356,481	8,995,389		77	13.86%	53.50%

NEO Pay Ratios

Utility	2021 Consolidated Total Assets	NEO Avg Base	NEO Avg Total Comp	NEO Avg less pension	Median Employee	Pay Ratio Neo	NEO Base Difference	NEO Total Difference
Cal-Am (AM Water)	26,075	479,644	1,839,683	1,613,069	91,238	20.16	0.00%	0.00%
Atmos Energy Corp.	19,609	429,918	1,666,440	1,612,310	78,050	21.35	-10.37%	-9.42%
CMS Energy Corp.	28,753	543,000	2,131,976	2,131,976	135,987	15.68	13.21%	15.89%
Evergy Inc.	28,521	549,866	3,534,789	3,407,912	90,649/ 133,369	6.07/ 26.5	14.64%	92.14%
NiSource Inc.	24,157	525,313	2,491,010	2,468,747	124,663	19.98	9.52%	35.40%
Pinnacle West Cap	22,003	590,000	2,842,352	2,445,085	136,805	20.78	23.01%	54.50%
PPL Corp	33,223	59,9938	3,584,496	3,204,180	147,670	21.7	25.08%	94.84%

CEO+NEO Base Salary Comparison

2022 Proxy	Base Salary	2017 Proxy	Base Salary	% Increase
Walter Lynch	994,616	Susan Story	876,923	13.42%
Susan Hardwick	616,908	Linda Sullivan	482,915	27.75%
Cheryl Norton	482,204	Walter Lynch	551,146	-12.51%
Michael Sgro	489,804	Michael Sgro	396,985	23.38%
Melanie Kennedy	412,478	Loyd Warnock	377,188	9.36%
Adam Noble	396,826			

Attachment 2-1: American Water Works Company Inc. 2021 Form 10K at 112.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number: 001-34028

AMERICAN WATER WORKS COMPANY, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

51-0063696

(I.R.S. Employer Identification No.)

1 Water Street, Camden, NJ 08102-1658

(Address of principal executive offices) (Zip Code)

(856) 958-4001

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Employee Stock Purchase Plan

The Company maintains a nonqualified employee stock purchase plan (the "ESPP") that expires in 2027 through which employee participants (other than the Company's executive officers) may use payroll deductions to acquire Company common stock at a purchase price of 85% of the fair market value of the common stock at the end of a three-month purchase period. A total of 2.0 million shares may be issued under the ESPP, and as of December 31, 2021, there were 1.6 million shares of common stock reserved for issuance under the ESPP. The ESPP is considered compensatory. During the years ended December 31, 2021, 2020 and 2019, the Company issued 80 thousand, 86 thousand and 88 thousand shares, respectively, under the ESPP.

Note 12: Long-Term Debt

The Company obtains long-term debt through AWCC primarily to fund capital expenditures of the Regulated Businesses and to lend funds to parent company to refinance debt and for other purposes. Presented in the table below are the components of long-term debt as of December 31:

	Rate	Weighted Average Rate	Maturity	2021	2020
Long-term debt of AWCC: (a)					
Senior notes—fixed rate	2.30%-8.27%	3.83%	2023-2051	\$ 8,965	\$ 8,191
Private activity bonds and government funded debt—fixed rate	0.60%-2.45%	1.63%	2023-2031	190	191
Long-term debt of other American Water subsidiaries:					
Private activity bonds and government funded debt—fixed rate	0.00%-5.50%	1.70%	2022-2048	739	735
Mortgage bonds—fixed rate	6.35%-9.19%	7.36%	2023-2039	534	565
Mandatorily redeemable preferred stock	8.47%-9.75%	8.60%	2024-2036	4	5
Finance lease obligations	12.25%	12.25%	2026	1	1
Long-term debt				10,433	9,688
Unamortized debt (discount) premium, net (b)				(9)	(4)
Unamortized debt issuance costs				(23)	(22)
Less current portion of long-term debt				(57)	(329)
Total long-term debt				\$ 10,344	\$ 9,333

Employee Stock Purchase Plan

The Company maintains a nonqualified employee stock purchase plan (the "ESPP") that expires in 2027 through which employee participants (other than the Company's executive officers) may use payroll deductions to acquire Company common stock at a purchase price of 85% of the fair market value of the common stock at the end of a three-month purchase period. A total of 2.0 million shares may be issued under the ESPP, and as of December 31, 2021, there were 1.6 million shares of common stock reserved for issuance under the ESPP. The ESPP is considered compensatory. During the years ended December 31, 2021, 2020 and 2019, the Company issued 80 thousand, 86 thousand and 88 thousand shares, respectively, under the ESPP.

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Unamortized debt issuance costs				(23)	(22)
Less current portion of long-term debt				(57)	(329)
Total long-term debt				\$ 10,344	\$ 9,333

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- (a) This indebtedness is considered "debt" for purposes of a support agreement between parent company and AWCC, which serves as a functional equivalent of a full and unconditional guarantee by parent company of AWCC's payment obligations under such indebtedness.
- (b) Includes debt discount, net of fair value adjustments previously recognized in acquisition purchase accounting.

All mortgage bonds and \$738 million of the private activity bonds and government funded debt held by the Company's subsidiaries were collateralized as of December 31, 2021.

Long-term debt indentures contain a number of covenants that, among other things, limit, subject to certain exceptions, AWCC from issuing debt secured by the Company's consolidated assets. Certain long-term notes require the Company to maintain a ratio of consolidated total indebtedness to consolidated total capitalization of not more than 0.70 to 1.00. The ratio as of December 31, 2021 was 0.60 to 1.00. In addition, the Company has \$859 million of notes which include the right to redeem the notes at par value, in whole or in part, from time to time, subject to certain restrictions, with a weighted average interest rate of 1.84%.

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**Attachment 2-2: American Water Works
Company Inc. Initial Public Offering of
Common Stock at 119**

58,000,000 Shares



AMERICAN WATER

American Water Works Company, Inc.

Common Stock

This is an initial public offering of common stock of American Water Works Company, Inc. The selling stockholder is selling all of the shares in the offering. We will not receive any of the proceeds from the sale of shares by the selling stockholder.

The initial public offering price per share of the common stock is \$21.50. Our common stock has been approved for listing on the New York Stock Exchange under the symbol "AWK."

Investing in our common stock involves risks. See "[Risk Factors](#)" beginning on page 9 to read about factors you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission, any state securities commission or any other regulatory body has approved or disapproved of these securities or passed on the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per share	Total
Initial public offering price	\$ 21.50	\$ 1,247,000,000
Underwriting discount	\$ 0.645	\$ 37,410,000
Proceeds, before expenses, to the selling stockholder	\$ 20.855	\$ 1,209,590,000

The underwriters may also purchase up to an additional 8,700,000 shares of common stock from the selling stockholder at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus.

Attachment 3-1: BLS Inflation Calculation June 2019 - June 2022



TOP PICKS

SERIES REPORT

PUBLIC DATA API

DISCONTINUED DATABASES

FAQS

SPECIAL NOTICES

MORE SOURCES OF DATA

CPI Inflation Calculator

CPI Inflation Calculator

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Attachment 3-2: Regulatory Commission Expenses per Connection

	Annualized Regulatory Commission Expense	Number of Connections	(\$) Cost per Connection	Annual % Change in (\$) cost per Connection
2018	1,060,753 ³³¹	178,135 ³³²	5.95	
2019	1,060,753	179,035	5.92	-0.5
2020	1,060,753	182,797	5.80	-2.06
2021	1,730,993 ³³³	187,705	9.22	58.92
2022	1,730,993	193,014 ³³⁴	8.97	-2.75
2023	1,730,993	193,816	8.93	-0.41
2024	2,246,733 ³³⁵	195,317	11.50	28.80
2025	2,246,733	196,513	11.43	-0.61
2026	2,246,733	198,190	11.34	-0.85

³³¹ Results of Operations Workpapers (July 1, 2019), Workbook “ALL_CH04_O&M_WP_Reg Exp”, Worksheet (Tab) “Summary WS-01”, Cell H23

³³² Results of Operations Workpapers (July 1, 2022), “ALL_CH03_REV_RO_Sales-Customers”, tab “Proj Cust Calc WS-03” cells P502-S502.

³³³ Results of Operations Workpapers (July 1, 2019), Workbook “ALL_CH04_O&M_WP_Reg Exp”, Worksheet (Tab) “Summary WS-01”, Cell D23

³³⁴ Results of Operations Workpapers (July 1, 2022), “ALL_CH03_REV_RO_Sales-Customers”, tab “Proj Cust Calc WS-03” cells BM502-BQ502.

³³⁵ Results of Operations Workpapers (July 1, 2022), Workbook “ALL_CH04_O&M_WP_Reg Exp”, Worksheet (Tab) “Summary WS-01”, Cell D23

Attachment 3-3: BLS Inflation Calculation 2018 – 2021 Average

TOP PICKS

SERIES REPORT

PUBLIC DATA API

DISCONTINUED DATABASES

FAQS

SPECIAL NOTICES

MORE SOURCES OF DATA

CPI Inflation Calculator

CPI Inflation Calculator

\$

in

has the same buying power as

in

[Calculate](#)

TOP PICKS

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PUBLIC DATA API

DISCONTINUED DATABASES

FAQS

SPECIAL NOTICES

MORE SOURCES OF DATA

CPI Inflation Calculator

CPI Inflation Calculator

\$

in

has the same buying power as

in

[Calculate](#)

Attachment 3-4: BLS Inflation Calculation 2018 – 2022 Average

Bureau of Labor Statistics > Data Tools > Charts and Applications > Inflation Calculator

TOP PICKS

SERIES REPORT

PUBLIC DATA API

DISCONTINUED DATABASES

FAQS

SPECIAL NOTICES

MORE SOURCES OF DATA

CPI Inflation Calculator

CPI Inflation Calculator

\$

in

has the same buying power as

in

Bureau of Labor Statistics > Data Tools > Charts and Applications > Inflation Calculator

TOP PICKS

SERIES REPORT

PUBLIC DATA API

DISCONTINUED DATABASES

FAQS

SPECIAL NOTICES

MORE SOURCES OF DATA

CPI Inflation Calculator

CPI Inflation Calculator

\$

in

has the same buying power as

in

Attachment 3-5: Cal Am 2021 Annual Report.

INCOME, EXPENSES, AND OTHER DATA

Calendar Year 2021

Name of Utility: California-American Water

Telephone: 619-206-8099

INCOME/EXPENSES DATA

	Annual Amount
1 Operating Revenues	\$ 265,144,318
2 Operating Expenses	\$ 154,642,733
3 Depreciation - and Amortization	\$ 33,496,844
4 Taxes	\$ 21,624,718
5 Income from Nonutility Operations (net)	\$ (970,372)
6 Interest on Long-Term Debt	\$ 16,490,635
7 Net Income	\$ 49,302,018

OPERATING EXPENSES DATA

10 Source of Supply Expense	\$ 67,820,995
11 Pumping Expenses	\$ 10,799,282
12 Water Treatment Expenses	\$ 7,005,084
13 Transmission and Distribution Expenses	\$ 12,738,096
14 Customer Account Expenses	\$ 3,816,418
15 Sales Expenses	\$ -
16 Recycled Water Expenses	\$ -
17 Administrative and General Expenses	\$ 19,427,967
18 Miscellaneous	\$ 33,034,891
19 Total Operating Expenses	\$ 154,642,733

OTHER DATA

	Jan. 1	Dec. 31	Annual Average
23 <u>Active Service Connections</u> (Exc. Fire Protect.)			
24			
25 Metered Service Connections	176,646	180,605	178,626
26 Flat Rate Service Connections	22,112	22,164	22,138
27 Total Active Service Connections	198,758	202,769	200,764

SCHEDULE B-2									
Account 502 - Operating Expenses - For Class A, B, and C Water Utilities (Continued)									
Respondent should use the group of accounts applicable to its class									
Line No.	Acct	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Parenthesis) (d)	
			A	B	C				
75		V. CUSTOMER ACCOUNT EXPENSES							
76		Operation							
77	771	Supervision	A	B		91,598	99,848	\$ (8,250)	
78	771	Superv., meter read., other customer acct expenses			C	-	-	\$ -	
79	772	Meter reading expenses	A	B		937,357	1,023,934	\$ (86,577)	
80	773	Customer records and collection expenses	A			1,003,193	951,188	\$ 52,005	
81	773	Customer records and accounts expenses		B		-	-	\$ -	
82	774	Miscellaneous customer accounts expenses	A			399,346	272,106	\$ 127,240	
83	775	Uncollectible accounts ²	A	B	C	1,384,924	879,270	\$ 505,654	
84		Total customer account expenses				\$ 3,816,418	\$ 3,226,346	\$ 590,072	
85		VI. SALES EXPENSES							
86		Operation							
87	781	Supervision	A	B		-	-	\$ -	
88	781	Sales expenses			C	-	-	\$ -	
89	782	Demonstrating selling expenses	A			-	-	\$ -	
90	783	Advertising expenses	A			-	-	\$ -	
91	784	Miscellaneous, jobbing and contract work	A			-	-	\$ -	
92	785	Merchandising, jobbing and contract work	A			-	-	\$ -	
93		Total sales expenses				\$ -	\$ -	\$ -	
94		VII. RECYCLED WATER EXPENSES							
95		Operation and Maintenance							
96	786	Recycled water operation and maint. expenses				-	-	\$ -	
97		Total recycled water expenses				\$ -	\$ -	\$ -	
98		VIII. ADMIN. AND GENERAL EXPENSES							
99		Operation							
100	791	Administrative and general salaries	A	B	C	6,188,717	5,661,582	\$ 527,135	
101	792	Office supplies and other expenses	A	B	C	97,114	71,065	\$ 26,049	
102	793	Property insurance	A			19,203	-	\$ 19,203	
103	793	Property insurance, injuries and damages		B	C	-	-	\$ -	
104	794	Injuries and damages	A			458,578	392,602	\$ 65,976	
105	795	Employees' pensions and benefits	A	B	C	5,446,597	3,577,224	\$ 1,869,373	
106	796	Franchise requirements	A	B	C	-	-	\$ -	
107	797	Regulatory commission expenses	A	B	C	-	-	\$ -	
108	798	Outside services employed	A			356,501	327,679	\$ 28,822	
109	798	Miscellaneous other general expenses		B		-	-	\$ -	
110	798	Miscellaneous other general operation expenses			C	-	-	\$ -	
111	799	Miscellaneous general expenses	A			6,708,469	11,350,551	\$ (4,642,082)	
112		Maintenance							
113	805	Maintenance of general plant	A	B	C	150,788	162,800	\$ (12,012)	
114		Total administrative and general expenses				\$ 19,427,967	\$ 21,543,503	\$ (2,115,536)	

**Attachment 3-6: Anusha Nagesh, Report and
Recommendations on Operations and
Maintenance and Administrative and
General Expenses, Labor Expenses,
Balancing and Memorandum Accounts and
Special Requests #2, 3, and 13, at 16, Table 1-
4-Comparison of Regulatory Commission
Expenses**



**REPORT AND RECOMMENDATIONS
ON OPERATIONS AND MAINTENANCE AND
ADMINISTRATIVE AND GENERAL AND EXPENSES,
LABOR EXPENSES, BALANCING AND MEMORANDUM
ACCOUNTS AND SPECIAL REQUESTS#2, 3 AND 13**

Application 19-07-004

**PUBLIC VERSION
San Francisco, California
February 14, 2020**

1 Table 1-4 - Comparison of Regulatory Commission Expenses

Class A water utility	Application number	Years	Amount per year (\$)	Service connections	Amount per customer (\$)
California American Water	A.19.07.002 (proposed)	2021-2023	\$ 1,730,993	188,302	\$ 9.19
California American Water	A.19.07.002 (recorded)	2015 - 2017	\$ 1,112,194	176,804	\$ 6.29
Golden state water company	A.17-07-010	2014 - 2016	\$ 645,052	255,525	\$ 2.52
California Water Service	A.18.07.001	2015 - 2017	\$ 493,773	474,897	\$ 1.04
San Jose Water Company	A.18-01-004 (adopted)	2018 - 2020	\$ 233,333	226,403	\$ 1.03

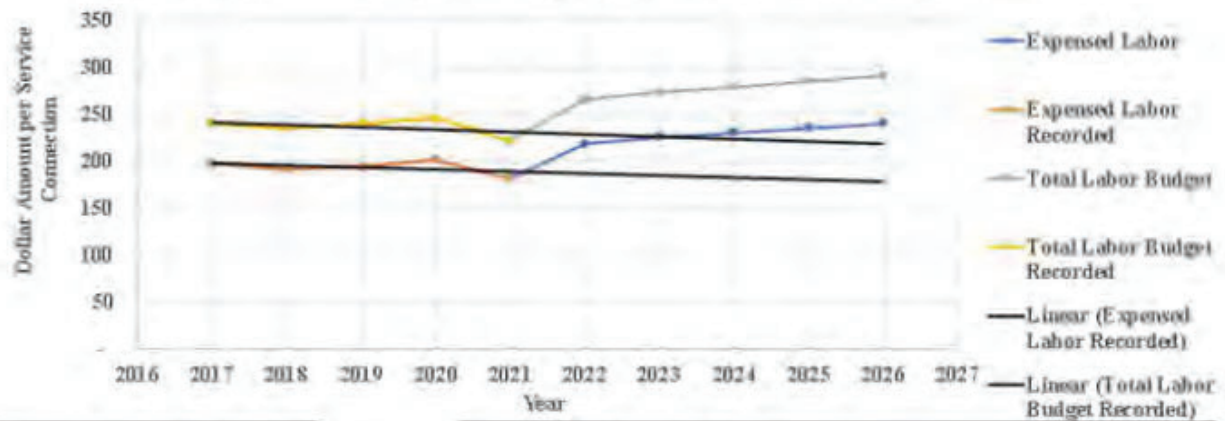
2 As can be seen in Table 1-4 above, Cal Am's recorded regulatory
3 commission expenses for years 2015-2017 are approximately three times higher
4 than other Class A water utilities in California. Cal Am's proposed budget for
5 years 2021-2023 is approximately four times higher than that of other Class A
6 water utilities in California on a per customer basis. This is partly explained by Cal
7 Am continuing to forecast costs that it previously indicated could be eliminated.

8 For example, in its 2013 GRC application, Cal Am proposed and received
9 an increase to its internal regulatory legal staff budget.⁶¹ In support of its request,
10 Cal Am stated: "California American Water has worked to identify the tasks that
11 are best handled in-house...Additionally, California American Water has identified
12 other routine work previously performed by Manatt [Cal Am's outside legal
13 consultants] that can be handled by California American Water Staff. For
14 example...finalize and serve discovery."⁶²

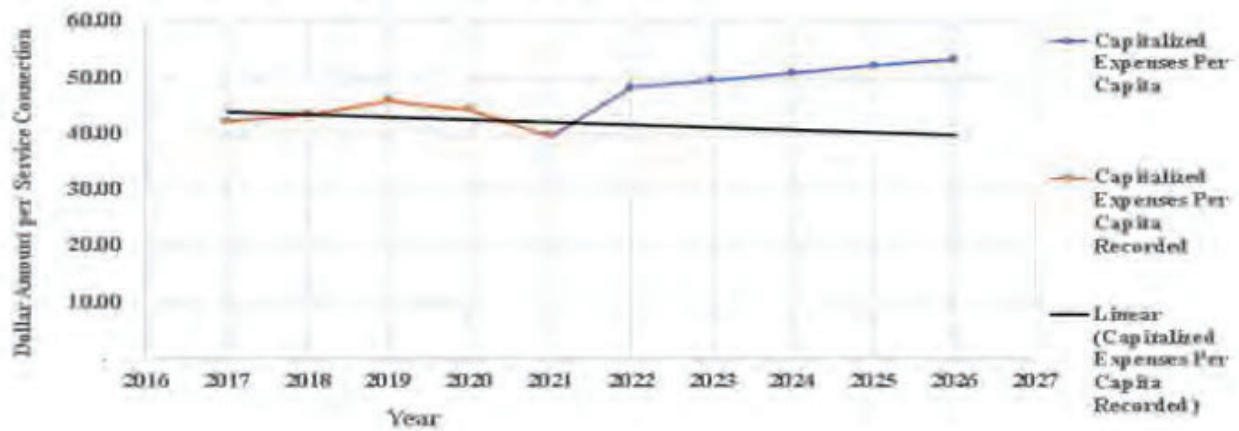
15 Despite stating that tasks, such as finalizing and serving discovery, could be
16 handled internally if it received additional internal legal staffing, Cal Am continues

Attachment 3-7: Per-Service Connection Graphs

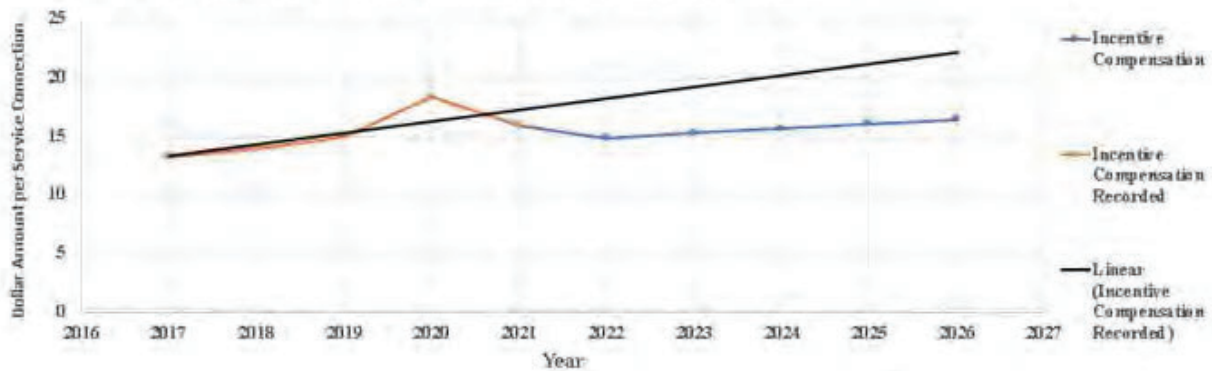
Expensed Labor and Total Labor Budget: Expenses—Per-Service Connection



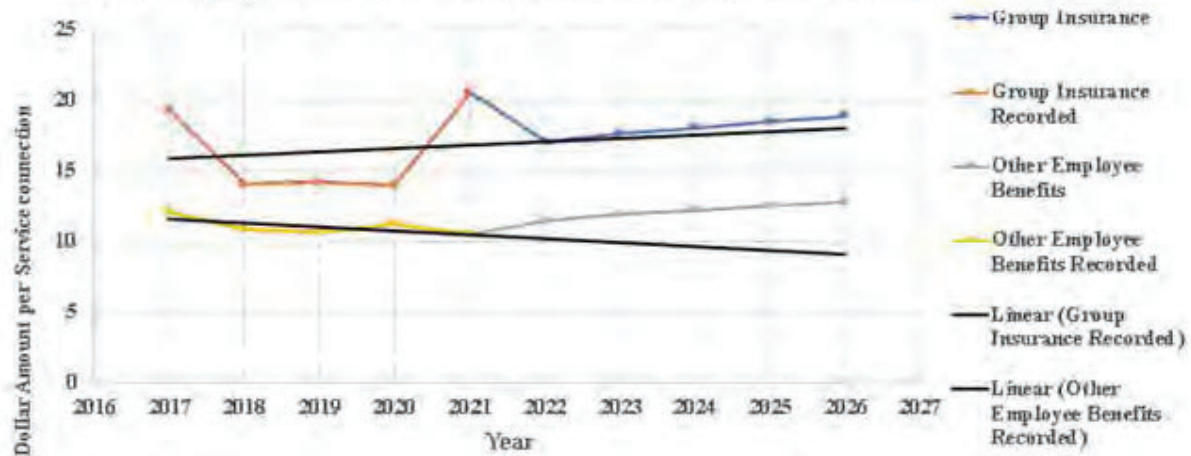
Capitalized Labor: Expenses—Per-Service Connection



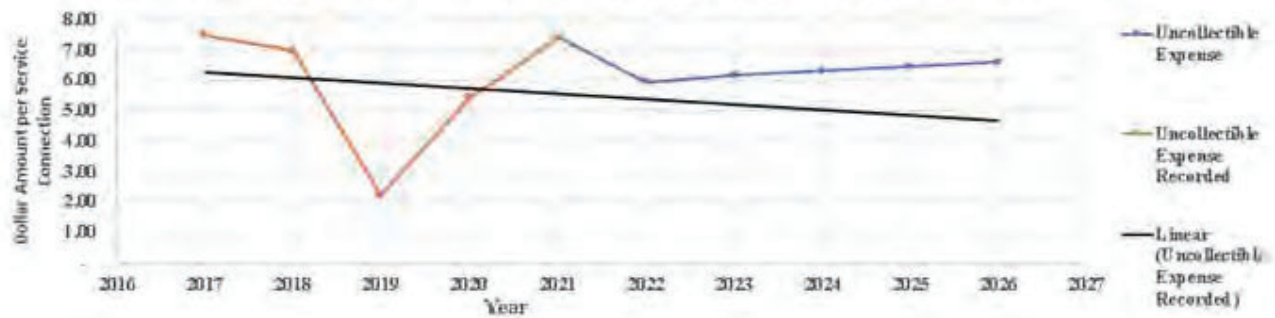
Incentive Compensation: Expenses – Per-Service Connection



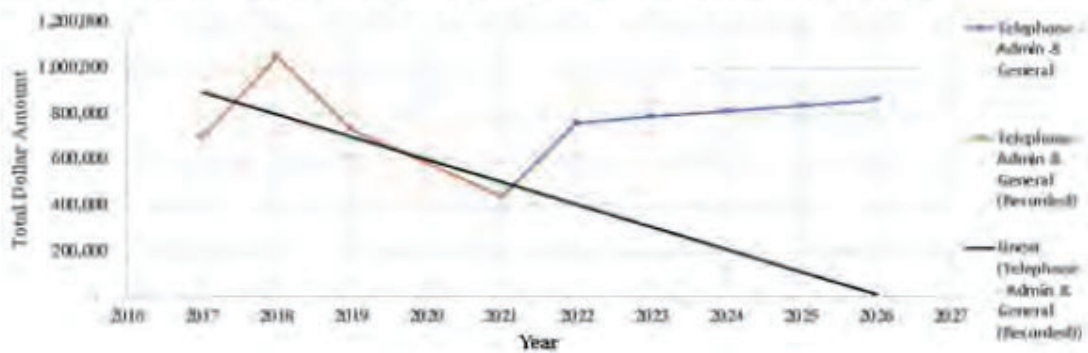
Other Employee Benefits and Group Insurance: Expenses– Per-Service Connection



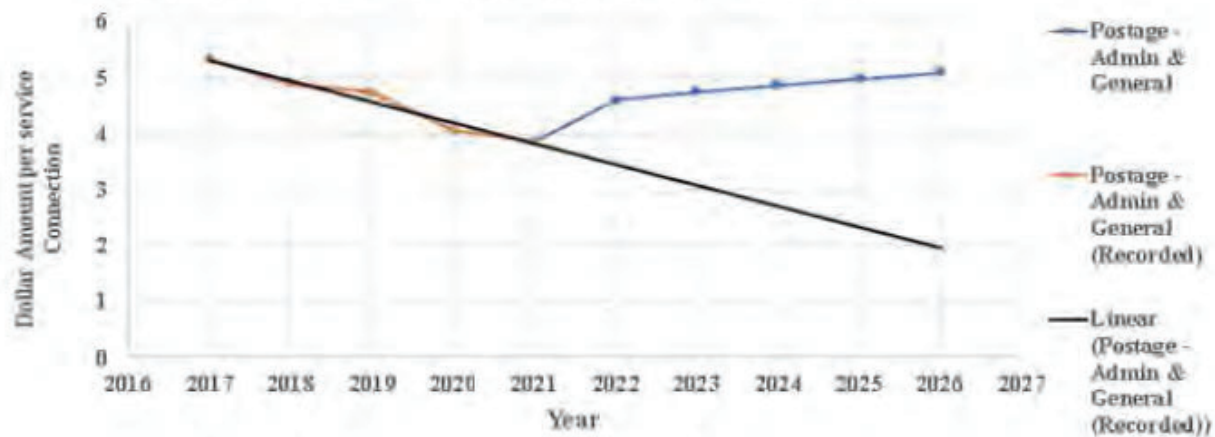
Uncollectible Expenses – Admin & General: Expenses Per-Service Connection



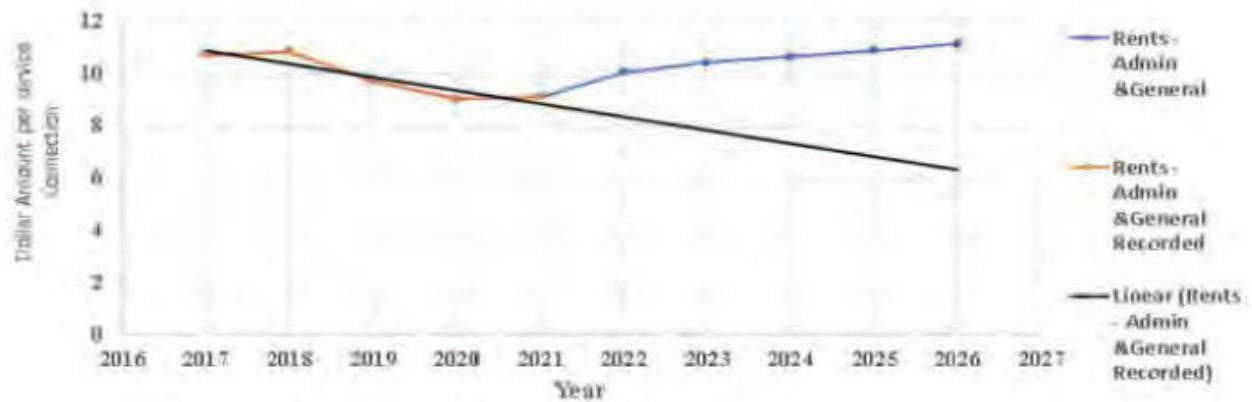
Outside Services – Admin & General: Expenses Per-Service Connection



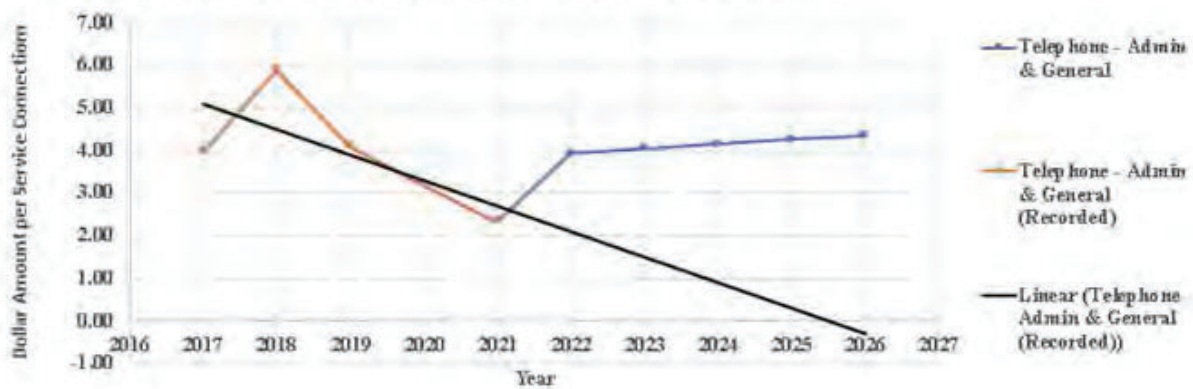
Postage – Admin & General: Expenses Per-Service Connection



Rents – Admin & General: Expenses Per-Service Connection



Telephone – Admin & General: Expenses Per-Service Connection



Attachment 3-8: Additional Annual Reports

Received _____

Examined _____

**CLASS A
WATER UTILITIES**

U# 346-W

RECEIVED

JUN 21 2021

PUBLIC UTILITIES COMMISSION
WATER DIVISION

**2021
ANNUAL REPORT
OF**

LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

P.O. BOX 7005, APPLE VALLEY, CA
(OFFICIAL MAILING ADDRESS)

92307-7005
ZIP

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2021**

REPORT MUST BE FILED NO LATER THAN APRIL 30, 2022

INCOME, EXPENSES, AND OTHER DATA

Calendar Year 2021

Name of Utility: LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP.

Telephone: (562) 923-0711

INCOME/EXPENSES DATA

	Annual Amount
1 Operating Revenues	\$ 29,500,712
2 Operating Expenses	\$ 13,081,999
3 Depreciation	\$ 4,830,362
4 Taxes	\$ 3,508,678
5 Income from Nonutility Operations (net)	\$ (1,468,999)
6 Interest on Long-Term Debt	\$ -
7 Net Income	\$ 6,801,375

8

9 OPERATING EXPENSES DATA

10 Source of Supply Expense	\$ 133,472
11 Pumping Expenses	\$ 2,010,118
12 Water Treatment Expenses	\$ 172,086
13 Transmission and Distribution Expenses	\$ 1,330,995
14 Customer Account Expenses	\$ 677,906
15 Sales Expenses	\$ 238,937
16 Recycled Water Expenses	\$ 153,853
17 Administrative and General Expenses	\$ 7,563,244
18 Miscellaneous	\$ 801,388
19 Total Operating Expenses	\$ 13,081,999

20

21 OTHER DATA

22

23 Active Service Connections (Exc. Fire Protect.)

24

25 Metered Service Connections

26 Flat Rate Service Connections

27 Total Active Service Connections

	Jan. 1	Dec. 31	Annual Average
24	20,691	20,736	20,714
25	-	-	-
26	-	-	-
27	20,691	20,736	20,714

Received _____
Examined _____

U# 60-W _____

CLASS A
WATER UTILITIES

RECEIVED

MAY 27 2022

PUBLIC UTILITIES COMMISSION
WATER DIVISION

2021
ANNUAL REPORT
OF

CALIFORNIA WATER SERVICE COMPANY
1720 NORTH FIRST STREET
SAN JOSE, CALIFORNIA 95112

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2021

REPORT MUST BE FILED NOT LATER THAN MAY 31, 2022

INCOME, EXPENSES, AND OTHER DATA

Calendar Year 2021

Name of Utility: California Water Service Company Telephone: (408)-387-8200

INCOME/EXPENSES DATA		Note	Annual Amount
1	Operating Revenues		\$ 727,148,850
2	Operating Expenses		\$ 477,581,372
3	Depreciation		\$ 100,727,842
4	Taxes		\$ 28,550,143
5	Income from Nonutility Operations (net)		\$ 16,452,143
6	Interest on Long-Term Debt		\$ 41,832,530
7	Net Income	A	\$ 94,313,149
8			
9	OPERATING EXPENSES DATA		
10	Source of Supply Expense		\$ 239,082,987
11	Pumping Expenses		41,082,895
12	Water Treatment Expenses		17,520,688
13	Transmission and Distribution Expenses		39,407,842
14	Customer Account Expenses		25,853,903
15	Sales Expenses		-
16	Recycled Water Expenses		-
17	Administrative and General Expenses		112,959,171
18	Miscellaneous		1,853,908
19	Total Operating Expenses		\$ 477,581,372
20			
21	OTHER DATA		
22			Annual Average
23	Active Service Connections	(Exc. Fire Protect.)	Jan. 1 Dec. 31
24			
25	Metered Service Connections		474,872 478,161 476,517
26	Flat Rate Service Connections		7,331 5,828 6,580
27	Total Active Service Connections		482,203 483,989 483,096

Note

A The revenue and expenses shown on this schedule don't add up to this line as the interest on short term, capitalized, and premium are not reported on this schedule.

Received _____
Examined _____

**CLASS A
WATER UTILITIES**

UP# _____



**2021
ANNUAL REPORT
OF**

CALIFORNIA-AMERICAN WATER COMPANY

(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

655 West Broadway Suite 1410, San Diego, CA

92101

(OFFICIAL MAILING ADDRESS)

ZIP

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2021**

REPORT MUST BE FILED NO LATER THAN APRIL 30, 2022

INCOME, EXPENSES, AND OTHER DATA

Calendar Year 2021

Name of Utility: California-American Water

Telephone: 619-206-8099

		Annual Amount
INCOME/EXPENSE \$ DATA		
1	Operating Revenues	\$ 265,144,318
2	Operating Expenses	\$ 154,642,733
3	Depreciation - and Amortization	\$ 33,496,844
4	Taxes	\$ 21,624,718
5	Income from Nonutility Operations (net)	\$ (970,372)
6	Interest on Long-Term Debt	\$ 16,490,635
7	Net Income	\$ 49,302,018
8		
9	OPERATING EXPENSE \$ DATA	
10	Source of Supply Expense	\$ 67,820,995
11	Pumping Expenses	\$ 10,799,282
12	Water Treatment Expenses	\$ 7,005,084
13	Transmission and Distribution Expenses	\$ 12,738,096
14	Customer Account Expenses	\$ 3,816,418
15	Sales Expenses	\$ -
16	Recycled Water Expenses	\$ -
17	Administrative and General Expenses	\$ 19,427,967
18	Miscellaneous	\$ 33,034,891
19	Total Operating Expenses	\$ 154,642,733
20		
21	OTHER DATA	
22		
23	Active Service Connections (Exc. Fire Protect.)	Jan. 1 Dec. 31 Annual Average
24		
25	Metered Service Connections	176,646 180,605 178,626
26	Flat Rate Service Connections	22,112 22,164 22,138
27	Total Active Service Connections	198,758 202,769 200,764

Received _____

Examined _____

CLASS A
WATER UTILITIES

U# _____

RECEIVED

MAY 20 2022

PUBLIC UTILITIES COMMISSION
WATER DIVISION

2021
ANNUAL REPORT
OF

GOLDEN STATE WATER COMPANY

(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

630 E. FOOTHILL BLVD., SAN DIMAS, CA 91773

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2021

REPORT MUST BE FILED NO LATER THAN APRIL 30, 2022

INCOME, EXPENSES, AND OTHER DATA

Calendar Year 2021

Name of Utility: Golden State Water Company

Telephone: 909-394-3600

INCOME/EXPENSES DATA

	Annual Amount
1 Operating Revenues	\$ 344,885,242
2 Operating Expenses	\$ 168,434,002
3 Depreciation	\$ 31,832,158
4 Taxes	\$ 58,693,116
5 Income from Nonutility Operations (net)	\$ 5,393
6 Interest on Long-Term Debt	\$ 20,858,722
7 Net Income	\$ 69,214,860

OPERATING EXPENSES DATA

10 Source of Supply Expense	\$ 66,466,346
11 Pumping Expenses	\$ 16,268,347
12 Water Treatment Expenses	\$ 7,940,503
13 Transmission and Distribution Expenses	\$ 12,151,465
14 Customer Account Expenses	\$ 7,561,842
15 Sales Expenses	\$ 1,440,024
16 Recycled Water Expenses	\$ 1,017,211
17 Administrative and General Expenses	\$ 52,598,713
18 Miscellaneous	\$ 2,989,551
19 Total Operating Expenses	\$ 168,434,002

OTHER DATA

	Jan. 1	Dec. 31	Annual Average
23 Active Service Connections (Exc. Fire Protect.)			
24			
25 Metered Service Connections	256,790	257,961	257,376
26 Flat Rate Service Connections	5,151	4,956	5,054
27 Total Active Service Connections	261,941	262,917	262,429

Received _____

Examined _____

**CLASS A
WATER UTILITIES**

UP# 162W

**2021
ANNUAL REPORT
OF**

Great Oaks Water Company

(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

PO Box 23490

San Jose, California 95153

(OFFICIAL MAILING ADDRESS)

251

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2021**

REPORT MUST BE FILED NOT LATER THAN APRIL 30, 2022

INCOME, EXPENSES, AND OTHER DATA

Calendar Year 2021

Name of Utility: Great Oaks Water Company Telephone: (408) 227-3540

		Annual Amount
INCOME/EXPENSES DATA		
1	Operating Revenues	\$ 23,414,763
2	Operating Expenses	\$ 16,654,234
3	Depreciation	\$ 1,458,366
4	Taxes	\$ 1,781,188
5	Income from Nonutility Operations (net)	\$ 69,418
6	Interest on Long-Term Debt	\$ 260,000
7	Net Income	\$ 3,330,399
8		
9	OPERATING EXPENSES DATA	
10	Source of Supply Expense	\$ 9,371,897
11	Pumping Expenses	\$ 1,124,396
12	Water Treatment Expenses	\$ 27,229
13	Transmission and Distribution Expenses	\$ 1,281,871
14	Customer Account Expenses	\$ 1,343,811
15	Sales Expenses	\$ -
16	Recycled Water Expenses	\$ -
17	Administrative and General Expenses	\$ 3,278,983
18	Miscellaneous	\$ 246,047
19	Total Operating Expenses	\$ 16,654,234
20		
21	OTHER DATA	
22		Annual Average
23	Active Service Connections (Etc. Fire Protect.)	Jan. 1 Dec. 31
24		
25	Metered Service Connections	21,398 21,413 21,406
26	Flat Rate Service Connections	0 0 0
27	Total Active Service Connections	21,398 21,413 21,406

Received _____
Examined _____

**CLASS A
WATER UTILITIES**

U# 314-W _____



**2021
ANNUAL REPORT
OF**

LIBERTY UTILITIES (PARK WATER) CORP.

(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

9750 Washburn Road, Downey, CA 90241

(OFFICIAL MAILING ADDRESS)

ZIP

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2021**

REPORT MUST BE FILED NO LATER THAN APRIL 30, 2022

INCOME, EXPENSES, AND OTHER DATA

Calendar Year 2021

Name of Utility: Liberty Utilities (Park Water) Corp.

Telephone: (562) 923-0711

INCOME/EXPENSES DATA

	Annual Amount
1 Operating Revenues	\$ 41,562,648
2 Operating Expenses	\$ 23,174,288
3 Depreciation	\$ 3,872,494
4 Taxes	\$ 5,036,694
5 Income from Nonutility Operations (net)	\$ 1,084,087
6 Interest on Long-Term Debt	\$ -
7 Net Income	\$ 9,963,818

OPERATING EXPENSES DATA

10 Source of Supply Expense	\$ 10,207,813
11 Pumping Expenses	\$ 1,528,640
12 Water Treatment Expenses	\$ 311,171
13 Transmission and Distribution Expenses	\$ 1,042,584
14 Customer Account Expenses	\$ 811,056
15 Sales Expenses	\$ 171,395
16 Recycled Water Expenses	\$ 216,670
17 Administrative and General Expenses	\$ 8,189,414
18 Miscellaneous	\$ 695,545
19 Total Operating Expenses	\$ 23,174,288

OTHER DATA

	Jan. 1	Dec. 31	Annual Average
23 Active Service Connections (Exc. Fire Protect.)			
24			
25 Metered Service Connections	28,085	28,144	28,115
26 Flat Rate Service Connections	-	-	-
27 Total Active Service Connections	28,085	28,144	28,115

Received _____

Examined _____

**CLASS A
WATER UTILITIES**

U# 337W _____

RECEIVED

APR 29 2022

PUBLIC UTILITIES COMMISSION
WATER DIVISION

**2021
ANNUAL REPORT
OF**

SAN GABRIEL VALLEY WATER COMPANY

(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

P.O. BOX 6010, EL MONTE, CA 91734-2010

(OFFICIAL MAILING ADDRESS)

ZIP

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2021**

REPORT MUST BE FILED NO LATER THAN APRIL 30, 2022

INCOME, EXPENSES, AND OTHER DATA
Adjusted to Exclude Non-Regulated Activity
 Calendar Year 2021

Name of Utility: San Gabriel Valley Water Company

Telephone: (626) 448-6183

		Annual Amount
INCOME/EXPENSES DATA		
1	Operating Revenues	\$ 175,765,030
2	Operating Expenses	\$ 107,939,981
3	Depreciation	\$ 16,513,463
4	Taxes	\$ 12,365,323
5	Income from Nonutility Operations (net)	\$ -
6	Interest on Long-Term Debt	\$ 6,932,531
7	Net Income	\$ 31,980,380
8		
9	OPERATING EXPENSES DATA	
10	Source of Supply Expense	\$ 44,090,891
11	Pumping Expenses	\$ 13,302,236
12	Water Treatment Expenses	\$ 11,669,253
13	Transmission and Distribution Expenses	\$ 6,688,872
14	Customer Account Expenses	\$ 7,446,675
15	Sales Expenses	\$ -
16	Recycled Water Expenses	\$ 1,831,142
17	Administrative and General Expenses	\$ 27,610,184
18	Miscellaneous	\$ (4,699,271)
19	Total Operating Expenses	\$ 107,939,981
20		
21	OTHER DATA	
22		
23	Active Service Connections (Exc. Fire Protect.)	Jan. 1 Dec. 31 Annual Average
24		
25	Metered Service Connections	95,196 95,463 95,330
26	Flat Rate Service Connections	2,360 2,415 2,388
27	Total Active Service Connections	97,556 97,878 97,717

Received _____
Examined _____

CLASS A
WATER UTILITIES

U# 168-W _____

RECEIVED

MAY 27 2022

PUBLIC UTILITIES COMMISSION
WATER DIVISION

2021
ANNUAL REPORT
OF

San Jose Water Company

(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

110 West Taylor Street

San Jose, CA 95110

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2021

REPORT MUST BE FILED NO LATER THAN MAY 31, 2021

INCOME, EXPENSES, AND OTHER DATA

Calendar Year 2021

Name of Utility: San Jose Water Company

Telephone: 408-279-7900

		Annual Amount
INCOME/EXPENSES DATA		
1	Operating Revenues	\$ 411,902,801
2	Operating Expenses	\$ 265,917,595
3	Depreciation	\$ 66,213,233
4	Taxes	\$ 27,563,780
5	Income from Nonutility Operations (net)	\$ 7,222,666
6	Interest on Long-Term Debt	\$ 25,833,500
7	Net Income	\$ 38,660,766
8		
9	OPERATING EXPENSES DATA	
10	Source of Supply Expense	\$ 94,572,721
11	Pumping Expenses	\$ 91,478,008
12	Water Treatment Expenses	\$ 6,025,787
13	Transmission and Distribution Expenses	\$ 20,031,298
14	Customer Account Expenses	\$ 8,568,232
15	Sales Expenses	\$ -
16	Recycled Water Expenses	\$ -
17	Administrative and General Expenses	\$ 55,010,007
18	Miscellaneous	\$ (9,768,458)
19	Total Operating Expenses	\$ 265,917,595
20		
21	OTHER DATA	
22		
23	Active Service Connections (Exc. Fire Protect.)	Jan. 1 Dec. 31 Annual Average
24		
25	Metered Service Connections	222,214 222,357 222,286
26	Flat Rate Service Connections	4,082 4,121 4,102
27	Total Active Service Connections	226,296 226,478 226,387

Received _____
Examined _____

**CLASS A
WATER UTILITIES**

U# _____



**2021
ANNUAL REPORT
OF**

SUBURBAN WATER SYSTEMS

(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

1325 N. GRAND AVENUE, STE 100

COVINA, CA 91724-4044

(OFFICIAL MAILING ADDRESS)

ZIP

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2021**

REPORT MUST BE FILED NO LATER THAN APRIL 30, 2022

INCOME, EXPENSES, AND OTHER DATA

Calendar Year 2021

Name of Utility: SUBURBAN WATER SYSTEMS

Telephone: (626) 543-2500

INCOME/EXPENSES DATA

	Annual Amount
1 Operating Revenues	\$ 94,589,090
2 Operating Expenses	\$ 60,117,977
3 Depreciation	\$ 11,688,676
4 Taxes	\$ 6,807,712
5 Income from Nonutility Operations (net)	\$ 528,924
6 Interest on Long-Term Debt	\$ 4,388,696
7 Net Income	\$ 12,369,432

OPERATING EXPENSES DATA

10 Source of Supply Expense	\$ 28,197,747
11 Pumping Expenses	\$ 5,670,381
12 Water Treatment Expenses	\$ 949,331
13 Transmission and Distribution Expenses	\$ 2,961,118
14 Customer Account Expenses	\$ 2,654,062
15 Sales Expenses	\$ 432,504
16 Recycled Water Expenses	\$ -
17 Administrative and General Expenses	\$ 23,924,822
18 Miscellaneous	\$ (3,471,988)
19 Total Operating Expenses	\$ 60,117,977

OTHER DATA

	Jan. 1	Dec. 31	Annual Average
23 Active Service Connections (Exc. Fire Protect.)			
24			
25 Metered Service Connections	75,303	75,290	75,297
26 Flat Rate Service Connections	1,251	1,249	1,250
27 Total Active Service Connections	76,554	76,539	76,547

**Attachment 3-9: Cal Am's Response to DR-
ASW 04, Q001a and 1b. at 4-6; Q001c at 5,
Q001e at 6.**

**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 \$55,771,300 or 18.71% in the year 2024, by \$19,565,300 or 5.50% in the year 2025, and by \$19,892,400 or 5.30% in the year 2026.

A.22-07-001
(Filed July 1, 2022)

**CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST ASW 04**

Sarah E. Leeper
Nicholas A. Subias
Cathy Hongola-Baptista
California-American Water Company
555 Montgomery Street, Suite 816
San Francisco, CA 94111
(415) 863-2960
sarah.leeper@amwater.com

Lori Anne Dolqueist
Willis Hon
Nossaman LLP
50 California Street
34th Floor
San Francisco, CA 94111
(415) 398-3600
ldolqueist@nossamna.com

Attorneys for California-American Water Company

Dated: September 29, 2022

California-American Water Company

APPLICATION NO. A 22-07-001
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Rates & Regulatory Analyst
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento, CA 95814
Cal Adv Request: A2207001 CAL ADV DATA REQUEST # ASW-04
Company Number: Cal ADV ASW 04 Q001
Date Received: September 15, 2022
Date Response Due: September 29, 2022
Subject Area: Regulatory Expenses-Rate Consultant Expenses

DATA REQUEST:

Please refer to Cal Am's RO Model Workpaper "ALL_CH04_O&M_WP_Reg Exp" for the following questions:

1. Explain in detail the consulting work provided by the following individuals and organizations, and provide copies of invoices they submitted between January 2018 and September 2022 and payment made by Cal Am to such consultants.
 - a. Dave Stephenson
 - b. Edward Grubb
 - c. The Utility Consulting Group
 - d. Blue Planet Utility Consulting
 - e. The Contingency Rebuttal Witnesses

CAL-AM'S RESPONSE

California American Water incorporates its General Objections as though each is submitted fully here. California American Water further objects to this request to the extent it seeks information protected by the attorney-client privilege and/or attorney work product doctrine. California American Water also objects to this request to the extent it seeks information irrelevant to this proceeding. Subject to, but without waiving, those objections, California American Water responds as follows.

- a. Provide services related to various regulatory proceedings, including General Rate Cases, as described below. See CAW Response Cal Adv ASW-04 Q001 Attachment 1 for invoices.
 1. Review and advise on documents submitted including the application(s) and all supporting documentation

California-American Water Company

APPLICATION NO. A 22-07-001
DATA REQUEST RESPONSE

2. Work with Cal Am's staff to prepare data requests
 3. Work with Cal Am's staff to provide data responses as part of any discovery process
 4. Collect and review information and data for the purposes of analysis
 5. Specify elements of design analytical models and exhibits
 6. Set up models and exhibits as necessary
 7. Review and revise models and exhibits for changing circumstances
 8. Evaluate results and suggest strategies related to scenarios developed
 9. Prepare pre-filed testimony and rebuttal testimony as needed or as required
 10. Provide written and oral testimony
 11. Analyze material provided by others
 12. Suggest strategies related to progression of the proceeding
 13. Participate in status conferences as needed or as required
 14. Support Legal Staff in cross-examination preparation as needed
 15. Defend testimony in hearings as required
 16. Assist Cal Am's staff in its ultimate recommendations
- b. Provide services related to various regulatory proceedings, including General Rate Cases, as described below. See CAW Response Cal Adv ASW-04 Q001 Attachment 2 for invoices.
1. Collect information and data for purposes of analysis
 2. Specify elements of design of analytical models and exhibits
 3. Set up model and exhibits as necessary
 4. Review and revise models and exhibits for changing circumstances
 5. Evaluate results and suggest strategies related to scenarios developed
- c. Provide services related to modifications and upgrades to Results of Operations Model as described below. See CAW Response Cal Adv ASW-04 Q001 Attachment 3 for invoices.
1. Performance and usability enhancements to the RO Model based on Cal Am experience and Cal PA feedback
 2. Prepare calculation and/or methodology updates to the RO Model
 3. General updates to the RO Model based on Cal Am experience and Cal PA feedback
- d. Through Blue Planet Utility Consulting, and previously through TalentBurst, Bahman Pourtaherian provides services on a range of issues across multiple Cal Am proceedings as described below. See CAW Response Cal Adv ASW-04 Q001 Attachments 4a and 4b for invoices.
1. Implementation of results from GRC Decision(s)
 2. RO Model enhancements

APPLICATION NO. A.22-07-001
DATA REQUEST RESPONSE

3. Planning
 4. Analysis/exhibits preparation
 5. Review exhibits/data
 6. Prepare/review testimony as expert witness
 7. Participate in preparation of 100-Day Update
 8. Prepare responses in discovery
 9. Prepare discovery requests for parties to proceedings
 10. Participate in public meetings
 11. Participate in settlement discussions
 12. Participate in Evidentiary Hearings
 13. Other services as necessary
- e. Contingency Rebuttal Witnesses may be necessary to address unanticipated critical issues and topics raised in the direct testimony of Cal PA or other intervenors that cannot be fully addressed by Cal Am staff or rate consultants. For the time period requested such services were provide by J.K. Hawks & Associates as described below. See CAW Response Cal Adv ASW-04 Q001 Attachment 5 for invoices.
1. Review GRC Application documents and testimony
 2. Participate in planning discussions with Cal Am staff
 3. Prepare rebuttal testimony addressing policy issues
 4. Respond to data requests
 5. Other services as necessary

**Attachment 3-10: DR ASW-005 Q002a at
7-9; Attachment 5**

**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 \$55,771,300 or 18.71% in the year 2024, by \$19,565,300 or 5.50% in the year 2025, and by \$19,892,400 or 5.30% in the year 2026.

A.22-07-001
(Filed July 1, 2022)

**CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST ASW 05**

Sarah E. Leeper
Nicholas A. Subias
Cathy Hongola-Baptista
California-American Water Company
555 Montgomery Street, Suite 816
San Francisco, CA 94111
(415) 863-2960
sarah.leeper@amwater.com

Lori Anne Dolqueist
Willis Hon
Nossaman LLP
50 California Street
34th Floor
San Francisco, CA 94111
(415) 398-3600
ldolqueist@nossamna.com

Attorneys for California-American Water Company

Dated: October 4, 2022

California-American Water Company

APPLICATION NO. A.22-07-001
DATA REQUEST RESPONSE

Response Provided By: Stephen (Wes) Owens
Title: Director Rates and Regulatory
Address: California American Water
520 Capital Mall, Suite 630
Sacramento, CA 95814
Cal Adv Request: A2207001 CAL ADV DATA REQUEST # ASW-05
Company Number: Cal ADV ASW 05 Q002
Date Received: September 20, 2022
Date Response Due: October 4, 2022
Subject Area: Regulatory Expenses – Consulting Expenses

DATA REQUEST:

All questions below relate to Cal-Am Workpaper "ALL_CH04_O&M_WP_Reg Exp."

2. Refer to the workpaper titled "ALL_CH04_O&M_WP_Reg Exp" under the tab titled "Other Reg Proceeding WS-11" California American Water provides legal consultancy fees for Other Regulatory proceedings.

- a. Under Column C from rows 30 to 36, California American Water provides "# Hours" for each position. Please answer the following:
 - i. Did California American Water use the "Prior Case Hours" mentioned in row 38 for estimating "# Hours" from the years 2018 to 2022?
 - ii. Explain in detail how "# Hours" were calculated for each position for the years 2018-2022.
 - iii. Provide the recorded "# Hours" from years 2018 to 2022 for each position in the below table:

Recorded Hourly Rates	2018	2019	2020	2021	2022
Nossaman LLC					
Senior Regulatory Attorney					
Mid-Regulatory Attorney					
Associate Regulatory Attorney					
Paralegals/Support					

- iv. For the recorded year 2022 under each position mentioned in the table above, provide invoice copies showing hourly rates, number of hours, and a description of the work performed.

California-American Water Company

APPLICATION NO. A.22-07-001
DATA REQUEST RESPONSE

- b. Under Column C rows 38 and 39, California American Water provides prior rate case hours at 297 and total cost at \$162,871 respectively. Answer the following questions:
- i. Provide a detailed breakdown of the prior General Rate Case filed in 2019 showing the number of hours and total for each position in the table below:

Positions	# Hours	Total Cost (\$)
Nossaman LLC		
Senior Regulatory Attorney		
Mid-Regulatory Attorney		
Associate Regulatory Attorney		
Paralegals/Support		

CAL-AM'S RESPONSE

California American Water incorporates its General Objections as though each is submitted fully here. California American Water further objects to this request to the extent it seeks an analysis, calculation, or compilation that has not previously been performed and is therefore unduly burdensome. California American Water additionally objects to this request on the grounds that any benefit of receiving the information is outweighed by the undue burden and expense of providing that information. Subject to, but without waiving, those objections, California American Water responds as follows.

2.a.i. Prior case hours were based on actual hours billed for 2019-2021. This is for hours billed to a General Regulatory Matter number by Nossaman.

2.a.ii. Prior case hours for 2019-2021 was based on actual hours billed to the General Regulatory Matter number by Nossaman.

2.a.iii. The following chart reflects recorded hours for 2018-2022 for the General Regulatory Matter number by Nossaman. Hours are billed in tenths but rounded for this response.

Recorded Hours	2018	2019	2020	2021	2022
Nossaman LLP					
Senior Reg Attorney	40	20	107	64	40
Mid-Level Reg Attorney	28	10	10		3
Assoc. Reg Attorney	99	39	16	31	10
Paralegal/Practice Support	8				

2.a.iv. Please see CAW Response Cal Adv ASW 05 Q002.a Attachments 1 to 6. Nossaman's legal services billed to this matter number may relate to rulemakings, informal matters, or general CPUC matters. Nossaman's legal services for general rate

California-American Water Company

APPLICATION NO. A.22-07-001
DATA REQUEST RESPONSE

cases, cost of capital proceedings, Monterey water supply matters, or acquisitions are not billed to this matter number.

2.b. Question 2 is prefaced with "Refer to the workpaper titled "ALL_CH04_O&M_WP_Reg Exp" under the tab titled "Other Reg Proceeding WS-11" California American Water provides legal consultancy fees for Other Regulatory proceedings." Thus, California American Water provides the following information with the understanding that Cal Advocates is seeking information on "Other Reg Proceeding WS-11" and not the General Rate Case filed in 2019.

POSITION	HOURS	\$
Senior Attorney	271	175094
Mid Attorney	51	19279
Associate Attorney	195	65732
Paralegal	8	1780

INVOICE

Invoice Information

Firm/Vendor: Nossaman LLP
Office: San Francisco
Invoice Number: 534578
Date of Invoice: 05/10/2022
Billing Period: 04/01/2022 - 04/30/2022
Date Posted: 05/17/2022
Invoice Description/Comment: General - California Public Utilities Co

Amount Approved

Approved Total \$1,481.22
Invoice Currency: USD
Date Approved: 05/26/2022
Final Approver: Sarah Leeper
Approved Fees \$1,299.60
Approved Expenses \$181.62
Approved Total (excl. Tax) \$1,481.22
Comments to AP:

Accounting Code Allocations

Company Code	Cost Center	General Ledger	WBS	Internal Order	Profit Center	AWE Account	String	Amount	Percentage	Comment
1015	53155000	E15-1600-150105						\$1,481.22	100%	

Vendor Address & Tax Information in Legal Tracker

Nossaman LLP
50 California Street
34th Floor
San Francisco, California 94111-4707

Tel: 415-398-3600
Fax: 415-398-2438

Remittance Address
445 South Figueroa Street
Thirty-First Floor
Los Angeles, California 90071

Vendor Tax ID: 95-2219542

VAT ID: --
GST ID: --
HST ID: --
PST ID: --
Sales Tax ID: --
QST ID: --
Withholding Tax ID: --

Other Invoice and Firm Information

Regulatory Statements: --

Amount Billed

Billed Total \$1,481.22
Invoice Currency: USD
Billed Fees \$1,299.60
Billed Expenses \$181.62
Billed Total (excl. Tax) \$1,481.22

Approval History

User	Action	Date	Amount	Comment
Jose Sillerar	Posted	05/17/2022	\$1,481.22	
Sarah Leeper	Approved	05/26/2022	\$1,481.22	
Renee Maloney	AP Batch Run	05/31/2022	\$1,481.22	Batch ID: 009000129 (Sent to AP: 05/31/2022 7:59:21 AM)

Additional Financial Information

SAP Vendor ID: 102944
Name of Invoice File in .Zip: Nossaman LLP - 534578.html
Comments to Firm:
AP Route: CA, HI - SAP

Matter Information

Matter Name (Short): General-CA PUC Advice
Matter ID: 201900344

Lead Company Person: Leeper, Sarah
Organizational unit: California-American Water Company
Practice group: Litigation
Law Firm Matter No.: 270226.0014
Country (in Matter): United States

Invoice Line Items:

Date	Description	Narrative	Timekeeper	Units	Rate	Adjust	Taxes	TaxType%	Amount
04/30/2022 -		Fee Adjustment: Premium Discount - Law Firm - Fee							(\$144.40)
04/25/2022 -		REDACTED	Dolqueist, Lori	1.4	\$760.00				\$1,064.00
			Anne						
04/26/2022 -			Dolqueist, Lori	0.5	\$760.00				\$380.00
			Anne						
04/26/2022	E106 - Online Research Service: SEARCH; Charge Type: ACCESS CHARGE; DOLQUEIST, LORI; 4/26/2022;	Quantity: 6;		6	\$30.27				\$181.62

Attachment 3-11: Response to DR-ASW 04 Q001 Attachment 5.

**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 \$55,771,300 or 18.71% in the year 2024, by \$19,565,300 or 5.50% in the year 2025, and by \$19,892,400 or 5.30% in the year 2026.

A.22-07-001
(Filed July 1, 2022)

**CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST ASW 04**

Sarah E. Leeper
Nicholas A. Subias
Cathy Hongola-Baptista
California-American Water Company
555 Montgomery Street, Suite 816
San Francisco, CA 94111
(415) 863-2960
sarah.leeper@amwater.com

Lori Anne Dolqueist
Willis Hon
Nossaman LLP
50 California Street
34th Floor
San Francisco, CA 94111
(415) 398-3600
ldolqueist@nossamna.com

Attorneys for California-American Water Company

Dated: September 29, 2022

California-American Water Company

APPLICATION NO. A 22-07-001
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Rates & Regulatory Analyst
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento, CA 95814
Cal Adv Request: A2207001 CAL ADV DATA REQUEST # ASW-04
Company Number: Cal ADV ASW 04 Q001
Date Received: September 15, 2022
Date Response Due: September 29, 2022
Subject Area: Regulatory Expenses-Rate Consultant Expenses

DATA REQUEST:

Please refer to Cal Am's RO Model Workpaper "ALL_CH04_O&M_WP_Reg Exp" for the following questions:

1. Explain in detail the consulting work provided by the following individuals and organizations, and provide copies of invoices they submitted between January 2018 and September 2022 and payment made by Cal Am to such consultants.
 - a. Dave Stephenson
 - b. Edward Grubb
 - c. The Utility Consulting Group
 - d. Blue Planet Utility Consulting
 - e. The Contingency Rebuttal Witnesses

CAL-AM'S RESPONSE

California American Water incorporates its General Objections as though each is submitted fully here. California American Water further objects to this request to the extent it seeks information protected by the attorney-client privilege and/or attorney work product doctrine. California American Water also objects to this request to the extent it seeks information irrelevant to this proceeding. Subject to, but without waiving, those objections, California American Water responds as follows.

- a. Provide services related to various regulatory proceedings, including General Rate Cases, as described below. See CAW Response Cal Adv ASW-04 Q001 Attachment 1 for invoices.
 1. Review and advise on documents submitted including the application(s) and all supporting documentation



John K. Hawks
1283 Honey Trail
Walnut Creek, CA 94597-2126
415.305.4393
jkhawks@comcast.net

INVOICE NO. 2020-0512-01

PREP NAPER

May 12, 2020

California American Water A 19-07-004 General Rate Case Application for Test Year 2021
555 Montgomery St., Suite 816
San Francisco, CA 94111

Attn: Sarah Leeper

Total Expenses for March 1 – April 30, 2020

\$2,736.73

Labor @ \$100.00 per hour	26 Hours x \$100	\$2,600.00
Expenses	Parking (3/9)	\$ 17.50
	Breakfast (3/12)	\$ 7.68
Mileage	54 @ \$0.575 (3/9)	\$ 31.05
	140 @ \$0.575 (3/12)	\$ 80.50

Detail		
March 2, 2020	1.0 hours - \$100.00	Review CalPA testimony
	0.5 hours - \$ 50.00	Participate in Cal Am conference call
March 5, 2020	1.0 hours - \$100.00	Participate in Cal Am conference call
March 9, 2020	2.0 hours - \$200.00	In-Person meeting w/Cal Am staff
March 10, 2020	4.5 hours - \$450.00	Review GRC application documents/testimony
March 11, 2020	8.0 hours - \$800.00	Prepare initial draft of Stephenson/Hawks testimony
March 12, 2020	8.0 hours - \$800.00	Review testimony w/D. Stephenson (3.5 hours); Revise draft per Stephenson meeting (4.5 hours)
April 22, 2020	1.0 hours - \$100.00	Respond to CalPA data request

Please make the check payable to John K. Hawks

Thank you.

RECEIPT

(415) 433-4722

250 Clay Street, San Francisco, CA 94111-3402

GOLDEN
GATEWAY
GARAGE

163-945

Cal Am Mtg. ~~3/15/20~~

McDonald's Restaurant #5255

4400 CENTRAL PL

FAIRFIELD, CA 94533

TEL# 707 864 1001

KS# 13

03/12/2020 08:07 AM

Side1

Order 76

1 Sau Egg McMuff MI-Hb 7.09

1 S Premium Roast

ADD 3 Cream

ADD Sugar

Subtotal 7.09

Tax 0.59

Take-Out Total 7.68

Cash Tendered 20.18

Change 12.50

NOW HIRING

ASK FOR AN APPLICATION TODAY!

**Attachment 3-12: Cal Am's Response to DR-
ASW 04, Q001, Attachment 4a/4b.**

**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 \$55,771,300 or 18.71% in the year 2024, by \$19,565,300 or 5.50% in the year 2025, and by \$19,892,400 or 5.30% in the year 2026.

A.22-07-001
(Filed July 1, 2022)

**CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST ASW 04**

Sarah E. Leeper
Nicholas A. Subias
Cathy Hongola-Baptista
California-American Water Company
555 Montgomery Street, Suite 816
San Francisco, CA 94111
(415) 863-2960
sarah.leeper@amwater.com

Lori Anne Dolqueist
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34th Floor
San Francisco, CA 94111
(415) 398-3600
ldolqueist@nossamna.com

Attorneys for California-American Water Company

Dated: September 29, 2022

California-American Water Company

APPLICATION NO. A 22-07-001
DATA REQUEST RESPONSE

Response Provided By:	Joey Chen
Title:	Senior Rates & Regulatory Analyst
Address:	California American Water 520 Capitol Mall, Suite 630 Sacramento, CA 95814
Cal Adv Request:	A2207001 CAL ADV DATA REQUEST # ASW-04
Company Number:	Cal ADV ASW 04 Q001
Date Received:	September 15, 2022
Date Response Due:	September 29, 2022
Subject Area:	Regulatory Expenses-Rate Consultant Expenses

DATA REQUEST:

Please refer to Cal Am's RO Model Workpaper "ALL_CH04_O&M_WP_Reg Exp" for the following questions:

1. Explain in detail the consulting work provided by the following individuals and organizations, and provide copies of invoices they submitted between January 2018 and September 2022 and payment made by Cal Am to such consultants.
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 - b. Edward Grubb
 - c. The Utility Consulting Group
 - d. Blue Planet Utility Consulting
 - e. The Contingency Rebuttal Witnesses

CAL-AM'S RESPONSE

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 1. Review and advise on documents submitted including the application(s) and all supporting documentation

California-American Water Company

APPLICATION NO. A 22-07-001
DATA REQUEST RESPONSE

2. Work with Cal Am's staff to prepare data requests
 3. Work with Cal Am's staff to provide data responses as part of any discovery process
 4. Collect and review information and data for the purposes of analysis
 5. Specify elements of design analytical models and exhibits
 6. Set up models and exhibits as necessary
 7. Review and revise models and exhibits for changing circumstances
 8. Evaluate results and suggest strategies related to scenarios developed
 9. Prepare pre-filed testimony and rebuttal testimony as needed or as required
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 11. Analyze material provided by others
 12. Suggest strategies related to progression of the proceeding
 13. Participate in status conferences as needed or as required
 14. Support Legal Staff in cross-examination preparation as needed
 15. Defend testimony in hearings as required
 16. Assist Cal Am's staff in its ultimate recommendations
- b. Provide services related to various regulatory proceedings, including General Rate Cases, as described below. See CAW Response Cal Adv ASW-04 Q001 Attachment 2 for invoices.
1. Collect information and data for purposes of analysis
 2. Specify elements of design of analytical models and exhibits
 3. Set up model and exhibits as necessary
 4. Review and revise models and exhibits for changing circumstances
 5. Evaluate results and suggest strategies related to scenarios developed
- c. Provide services related to modifications and upgrades to Results of Operations Model as described below. See CAW Response Cal Adv ASW-04 Q001 Attachment 3 for invoices.
1. Performance and usability enhancements to the RO Model based on Cal Am experience and Cal PA feedback
 2. Prepare calculation and/or methodology updates to the RO Model
 3. General updates to the RO Model based on Cal Am experience and Cal PA feedback
- d. Through Blue Planet Utility Consulting, and previously through TalentBurst, Bahman Pourtaherian provides services on a range of issues across multiple Cal Am proceedings as described below. See CAW Response Cal Adv ASW-04 Q001 Attachments 4a and 4b for invoices.
1. Implementation of results from GRC Decision(s)
 2. RO Model enhancements

TalentHired, Omaha
 4 Robert Spaulk Plaza
 Floor 15
 Omaha, NE 68131

Invoice

Date	Invoice #
03/20/19	190017049

Billing To:
TalentHired, Omaha, NE Attn: Payroll P.O. Box 1523 Omaha, NE 68131

Terms	Due Date
Net 10	03/30/19

Item	Quantity	Rate	Service	Description	Amount
Unknown Product	44	92.56	6402119		4075.04
Unknown Product	44	92.56	6402119		4075.04
Unknown Product	44	92.56	6402119		4075.04
Unknown Product	44	92.56	6402119		4075.04
		1700.00			7.0000
TalentHired, Omaha, Inc. 4 Robert Spaulk Plaza, Floor 15 Omaha, NE 68131					Total 8457.08

TalentBurst Canada
 4 Robert Speck Pkwy
 Floor 15
 Mississauga, ON L4Z1S1

Invoice

Date	Invoice #
7/29/2019	19071PouBa

Bill To
California American Waters Attn: Preet Nagra P.O BOX 5623 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	8/28/2019

Item	Quantity	Rate	Serviced	Description	Amount
Balmes Peuriah...	44	92.16	7/7/2019		4,055.04T
Balmes Peuriah...	44	92.16	7/14/2019		4,055.04T
Balmes Peuriah...	44	92.16	7/21/2019		4,055.04T
Balmes Peuriah...	44	92.16	7/28/2019		4,055.04T
		13.00%		HST	2,108.62
TalentBurst Canada Inc 4 Robert speck PKWY, Floor 15, Mississauga, ON L4Z1S1					Total CAD 18,328.78

TalentBurst Canada
 4 Robert Speck Pkwy
 Floor 15
 Mississauga, ON L4Z1S1

Invoice

Date	Invoice #
9/12/2019	1908Peulla

Bill To
California American Waters Attn: Preet Nagra P.O.BOX 5623 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	10/12/2019

Item	Quantity	Rate	Serviced	Description	Amount
Bahman Pourtah..	44	92.16	8/4/2019		4,055.04T
Bahman Pourtah..	44	92.16	8/11/2019		4,055.04T
Bahman Pourtah..	44	92.16	8/18/2019		4,055.04T
Bahman Pourtah..	44	92.16	8/25/2019		4,055.04T
Bahman Pourtah..	44	92.16	8/31/2019		4,055.04T
		13.00%		HST	2,635.78
TalentBurst Canada Inc 4 Robert speck PKWY, Floor 15, Mississauga, ON L4Z1S1					Total CAD 22,910.96

TalentBurst Canada

4 Robert Speck Pkwy
Floor 15
Mississauga, ON L4Z1S1

Invoice

Date	Invoice #
9/29/2019	1905Poulla

Bill To
California American Waters Attn: Preet Nagra P.O. BOX 5623 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	10/29/2019

Item	Quantity	Rate	Serviced	Description	Amount
Bahman Pountah...	44	92.16	9/8/2019		4,055.04T
Bahman Pountah...	44	92.16	9/15/2019		4,055.04T
Bahman Pountah...	44	92.16	9/22/2019		4,055.04T
Bahman Pountah...	44	92.16	9/29/2019		4,055.04T
		13.05%		HST	2,108.62
TalentBurst Canada Inc 4 Robert speck PKWY, Floor 15, Mississauga, ON L4Z1S1					Total CAD 18,328.78

TalentBurst Canada

4 Robert Speck Pkwy
Floor 15
Mississauga, ON L4Z1S1

Invoice

Date	Invoice #
10/15/2019	19102PouBoE

Bill To
California American Waters Attn: Feroz Nagra P.O. BOX 5623 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	11/14/2019

Item	Quantity	Rate	Serviced	Description	Amount
Bahman Pourtah...	1	1,911.63 13.00%	10/13/2019	HST	1,911.63 0.00
TalentBurst Canada Inc 4 Robert speck PKWY, Floor 15, Mississauga, ON L4Z1S1					Total CAD 1,911.63
					US \$ 1,474.55

TalentBurst Canada
 4 Robert Speck Pkwy
 Floor 15
 Mississauga, ON L4Z1S1

Invoice

Date	Invoice #
10/27/2019	1910PosBa

Bill To
California American Waters Attn: Preet Nagra P O BOX 5623 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	11/26/2019

Item	Quantity	Rate	Serviced	Description	Amount
Bahman Pourtah..	44	92.16	10/6/2019		4,055.04T
Bahman Pourtah..	44	92.16	10/13/2019		4,055.04T
Bahman Pourtah..	44	92.16	10/20/2019		4,055.04T
Bahman Pourtah..	44	92.16	10/27/2019		4,055.04T
		13.00%		HST	2,108.62
TalentBurst Canada Inc 4 Robert speck PKWY, Floor 15, Mississauga, ON L4Z1S1					Total CAD 18,328.78

\$ 14,138.02

TalentBurst Canada

4 Robert Speck Pkwy
Floor 15
Mississauga, ON L4Z1S1

Invoice

Date	Invoice #
11/24/2019	1911PauBa

Bill To
California American Waters Attn: Preci Nagra P.O. BOX 5623 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	12/24/2019

Item	Quantity	Rate	Serviced	Description	Amount
Bahman Pourtah...	44	92.16	11/3/2019		4,055.04T
Bahman Pourtah...	44	92.16	11/10/2019		4,055.04T
Bahman Pourtah...	44	92.16	11/17/2019		4,055.04T
Bahman Pourtah...	44	92.16	11/24/2019		4,055.04T
		13.00%		HST	2,108.62
TalentBurst Canada Inc 4 Robert speck PKWY, Floor 15, Mississauga, ON L4Z1S1					Total CAD 14,328.78
					US \$ 14,138.02

TalentBurst Canada

4 Robert Speck Pkwy
Floor 15
Mississauga, ON L4Z1S1

Invoice

Date	Invoice #
12/8/2019	10132Profit

Bill To
California American Waters Attn: Preet Nagra P.O. BOX 5625 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	1/7/2020

Item	Quantity	Rate	Serviced	Description	Amount
Bahman Pourtah...	44	92.16	12/1/2019		4,055.04T
Bahman Pourtah...	44	92.16	12/8/2019		4,055.04T
		13.00%		HST	1,054.31
TalentBurst Canada Inc 4 Robert speck PKWY, Floor 15, Mississauga, ON L4Z1S1					Total CAD 9,164.39
					US\$ 7068.47

TalentBurst Canada
 4 Robert Speck Pkwy
 Floor 15
 Mississauga, ON L4Z1S1

Invoice

Date	Invoice #
12/29/2019	1012PmRbA

Bill To
California American Waters Attn: Preet Nagra P.O. BOX 5623 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	01/29/2020

Item	Quantity	Rate	Serviced	Description	Amount
Bahman Pourtah...	44	92.16	12/15/2019	December 2019 Partial invoice hours,	4,055.04T
Bahman Pourtah...	44	92.16	12/22/2019		4,055.04T
Bahman Pourtah...	40	92.16	12/29/2019		3,686.40T
		13.00%		HST	1533.54
US \$ 9,954.24					
TalentBurst Canada Inc 4 Robert speck PKWY, Floor 15, Mississauga, ON L4Z1S1				Total	CAD 13,330.02

TalentBurst Canada

4 Robert Speck Pkwy
Floor 15
Mississauga, ON L4Z1S1

128 302

Invoice

Date	Invoice #
1/31/2020	2001PssBa

Bill To
California American Waters Attn: Preet Nagra P.O.BOX 5623 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	3/1/2020

5-29-20 \$ 16,568.64

Item	Quantity	Rate	Serviced	Description	Amount
Bahman Pourtah...	40	92.16	1/5/2020		3,686.40T
Bahman Pourtah...	44	92.16	1/12/2020		4,055.04T
Bahman Pourtah...	44	92.16	1/19/2020		4,055.04T
Bahman Pourtah...	44	92.16	1/26/2020		4,055.04T
Bahman Pourtah...	44	92.16	1/31/2020		4,055.04T
		13.00%		TEST	2,587.83
rate 1,357.650					
US\$ 3,068.27					
TalentBurst Canada Inc 4 Robert speck PKWY, Floor 15, Mississauga, ON L4Z1S1				✓	Total CAD 22,444.41
					Less dup CAD\$18,328.78 ✓
					CAD\$4,165.63 . /

TalentBurst Canada
 4 Robert Speck Pkwy
 Floor 15
 Mississauga, ON L4Z1S1

Invoice

Date	Invoice #
2/29/2020	2002PouBa

Bill To
California American Waters Attn: Preet Nagra P.O. BOX 5623 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	3/30/2020

Item	Quantity	Rate	Serviced	Description	Amount
Balman Pourtah...	44	92.16	2/9/2020		4,055.04T
Balman Pourtah...	44	92.16	2/16/2020		4,055.04T
Balman Pourtah...	44	92.16	2/23/2020		4,055.04T
Balman Pourtah...	44	92.16	2/29/2020		4,055.04T
		13.06%		HST	2,108.62
US\$ 13502.36 1.35745000 rate					
TalentBurst Canada Inc 4 Robert speck PKWY, Floor 15, Mississauga, ON L4Z1S1					
Total					CAD 18,328.75

Mississauga, ON L4Z1S1

Date	Invoice #
3/29/2020	2001Pours

Terms	Due Date
Net 30	4/26/2020

US\$ 16,877.95
rate 1.35745

TalentBurst Canada
 4 Robert Speck Pkwy
 Floor 15
 Mississauga, ON L4Z1S1

Invoice

Date	Invoice #
3/11/2020	20021PwrBE

Bill To
California American Waters Attn: Preet Nagra P.O. BOX 5623 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	4/16/2020

Item	Quantity	Rate	Serviced	Description	Amount
Bahman Peurich...	1	4,895.89 13.00%	2/9/2020	HST	4,895.89 0.00
<p>1,35706 rate</p> <p>US\$ 3,607.72</p>					
Total					CAD 4,895.89

TalentBurst Canada
 4 Robert Speck Pkwy
 Floor 15
 Mississauga, ON L4Z1S1

Invoice

Date	Invoice #
5/13/2020	2004PcurB

Bill To
California American Waters Attn: Preet Nagra P.O.BOX 5633 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	6/12/2020

Item	Quantity	Rate	Serviced	Description	Amount
Bahamas Pountah...	44	92.16	4/12/2020		4,055.04T
Bahamas Pountah...	44	92.16	4/19/2020		4,055.04T
Bahamas Pountah...	44	92.16	4/26/2020		4,055.04T
Bahamas Pountah...	44	92.16	5/3/2020		4,055.04T
		13.00%		EIST	2,108.62
US\$13,683.10					
TalentBurst Canada Inc 4 Robert speck PKWY, Floor 15, Mississauga, ON L4Z1S1					Total CAD 18,328.78

TalentBurst Canada
 4 Robert Speck Pkwy
 Floor 15
 Mississauga, ON L4Z1S1

Invoice

Date	Invoice #
5/31/2020	2005PearB

Bill To
California American Waters Attn: Preet Nagra P.O. BOX 5623 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	6/30/2020

Item	Quantity	Rate	Serviced	Description	Amount
Bahman Pourish...	44	92.16	5/10/2020		4,055.04T
Bahman Pourish...	44	92.16	5/17/2020		4,055.04T
Bahman Pourish...	44	92.16	5/24/2020		4,055.04T
Bahman Pourish...	36	92.16	5/31/2020		3,317.76T
		13.00%		HST	2,012.71
					US\$ 13,061.13
					Total CAD 17,495.65

Invoice

TalentBurst Canada

Floor 15

Mississauga, ON L4Z1S1

Date	Invoice #
7/7/2020	2006PourB

B# To
California American Waters Attn: Preet Nagri P.O.BOX 5623 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	8/6/2020

Item	Quantity	Rate	Serviced	Description	Amount
Bahman Pourish...	40	96.77	6/7/2020		3,870.80T
Bahman Pourish...	40	96.77	6/14/2020		3,870.80T
Bahman Pourish...	43	96.77	6/21/2020		4,161.11T
Bahman Pourish...	43	92.16	6/28/2020		3,962.88T
Bahman Pourish...	36	92.16	7/5/2020		3,317.76T
Wire Fee	1	17.50			17.50
		13.00%		HST	2,493.64
US \$ 16,240.24					
Wired 7/9/20					
TalentBurst Canada Inc 4 Robert speck PKWY, Floor 15, Mississauga, ON L4Z1S1					
Total					CAD 21,694.69

TalentBurst Canada
 Floor 15
 Mississauga, ON L4Z1S1

128302
 1015

Invoice

Date	Invoice #
7/29/2020	100719url8

Bill To
California American Waters Attn: Preet Nagra P.O. BOX 5623 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	8/28/2020

Item	Quantity	Rate	Serviced	Description	Amount
Balman Pountah..	42	96.77	7/12/2020		4,064.34T
Balman Pountah..	42	96.77	7/19/2020		4,064.34T
Balman Pountah..	41	96.77	7/26/2020		3,967.57T
Balman Pountah..	42	96.77	8/2/2020		4,064.34T
Wire Fee	1	17.50	8/2/2020		17.50
		13.00%		HST	2,100.81
US\$ 13,967.59					
TalentBurst Canada Inc 4 Robert speck PK WY, Floor 15, Mississauga, ON L4Z1S1					Total CAD 18,226.97

TalentBurst Canada

128302

Invoice

Floor 15

Mississauga, ON L4Z1S1

Date	Invoice #
8/31/2020	2008PainB

Bill To
California American Waters Attn: Preet Nagro P.O. BOX 5623 Cherry Hill, NJ 08034-5614

1015

Terms	Due Date
Net 30	9/30/2020

Item	Quantity	Rate	Serviced	Description	Amount
Bahman Pourtah...	42	96.77	8/9/2020		4,064.34T
Bahman Pourtah...	42	96.77	8/16/2020		4,064.34T
Bahman Pourtah...	43	96.77	8/23/2020		4,161.11T
Bahman Pourtah...	18	96.77	8/30/2020		1,741.86T
Wire Fee	1	17.50	8/30/2020		17.50
		13.00%		HST	1,824.11
US\$ 12,126.53					
TalentBurst Canada Inc 4 Robert speck PKWY, Floor 15, Mississauga, ON L4Z1S1					
Total					CAD 15,473.26

TalentBurst Canada
 Floor 15
 Mississauga, ON L4Z1S1

Invoice

Date	Invoice #
9/30/2020	2069PaurH

Bill To
California American Waters Attn: Fred Nagra P O BOX 5623 Cherry Hill, NJ 08034-5614

1015

Terms	Due Date
Net 30	10/30/2020

Item	Quantity	Rate	Serviced	Description	Amount
Bahman Pourtah...	18	96.77	9/6/2020		1,741.86T
Bahman Pourtah...	32	96.77	9/13/2020		3,096.64T
Bahman Pourtah...	40	96.77	9/20/2020		3,870.80T
Bahman Pourtah...	2	145.16	9/20/2020		290.32T
Bahman Pourtah...	40	96.77	9/27/2020		3,870.80T
Bahman Pourtah...	4	145.16	9/27/2020		580.64T
Bahman Pourtah...	40	96.77	10/4/2020		3,870.80T
Bahman Pourtah...	4	145.16	10/4/2020		580.64T
Wire Fee	1	17.50		Wire Fee	17.50
		13.00%		HST	2,327.33
US \$ 15,625.83					
TalentBurst Canada Inc 4 Bloor Street West, Suite 1500 Mississauga, ON L4Z1S1					Total CAD 20,247.33


TalentBurst Canada
 Floor 15
 Mississauga, ON L4Z1S1

Invoice

Date	Invoice #
10/31/2020	2010PourB

Bill To
California American Waters Attn: Preet Nagra P.O.BOX 5623 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	11/30/2020

Item	Quantity	Rate	Serviced	Description	Amount
Bahrain Pourish...	44	96.77	10/11/2020		4,257.88T
Bahrain Pourish...	44	96.77	10/18/2020		4,257.88T
Bahrain Pourish...	25	96.77	10/25/2020		2,419.25T
Bahrain Pourish...	26	96.77	11/1/2020		2,516.02T
Wire Fee	1	17.50		Wire Fee	17.50
		13.00%		HST	1,748.63
USD \$11,974.10 					
TalentBurst Canada Inc 4 Robert Speck PKWY, Floor 15, Mississauga, ON L4Z1S1				Total	CAD 19,217.16


TalentBurst Canada
 Floor 15
 Mississauga, ON L4Z1S1

Invoice

Date	Invoice #
11/30/2020	2011PentB

Bill To
California American Waters Attn: Preet Nagra P.O.BOX 5623 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	12/30/2020

Item	Quantity	Rate	Serviced	Description	Amount
Bahman Pourtah...	27	96.77	11/8/2020		2,612.79T
Bahman Pourtah...	28	96.77	11/15/2020		2,709.56T
Bahman Pourtah...	28	96.77	11/22/2020		2,709.56T
Bahman Pourtah...	27	96.77	11/29/2020		2,612.79T
Wire Fee	1	17.50		Wire Fee	17.50
		13.00%		HST	1,383.61
USD \$ 9,478.78 					
TalentBurst Canada Inc. 4 Robert speck PKWY, Floor 15, Mississauga, ON L4Z1S1					Total CAD 12,046.01

TalentBurst Canada

Floor 15
Mississauga, ON L4Z 1S1

Invoice

Date	Invoice #
1/30/2021	279617568

Bill To:
California American Water Attn: Christy Nagle P.O. BOX 5625 Cherry Hill, MO 63015-5625

Terms	Due Date
net 30	3/1/2021

Item	Quantity	Rate	Services	Description	Amount
Belmont Personnel...	43	98.77	1/10/2021		4,257.11
Belmont Personnel...	44	98.77	1/17/2021		4,357.88
Belmont Personnel...	43	98.77	1/24/2021		4,257.11
Belmont Personnel...	52	98.77	1/31/2021		5,136.04
		13,068.00		TOTAL	18,012.51
				USD\$14,012.51	
				<i>Nicola Sackville</i>	
				Total	USD 17,196.02

TalentBurst Canada

Floor 15
Mississauga, ON L4Z1S1

Invoice

Date	Invoice #
2/15/2021	21021 FourB

Bill To
California American Waters Attn: Freet Nagra P.O.BOX 5623 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	3/17/2021

Item	Quantity	Rate	Serviced	Description	Amount
Bahman Pourtah	32	96.77	2/7/2021		3,096.64T
Bahman Pourtah	31	96.77	2/14/2021		2,999.87T
Bahman Pourtah	32	96.77	2/21/2021		3,096.64T
Bahman Pourtah	32	96.77	2/28/2021		3,096.64T
		13.00%		HST	1,597.67
US\$ 11,224.91					
Nicole Sockwall					
Total					CAD 13,887.46

TalentBurst Canada
 Floor 15
 Mississauga, ON L4Z1S1

Invoice

Date	Invoice #
3/31/2021	21031 PourB

Bill To
California American Waters Attn: Prost Nagra P.O. BOX 5623 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	4/30/2021

Item	Quantity	Rate	Serviced	Description	Amount
Bahman Pourtah	30	96.77	3/7/2021		2,903.10T
Bahman Pourtah	32	96.77	3/14/2021		3,096.64T
Bahman Pourtah	32	96.77	3/21/2021		3,096.64T
Bahman Pourtah	32	96.77	3/28/2021		3,096.64T
		13.00%		HST	1,585.09
Wire sent US\$11,369.58					
<i>Nicole Sockwell</i>					
Total					CND 13,774.11

Mississauga, ON L4Z1S1

Date	Invoice #
4/4/2021	2104PousB

Bill To
California American Waters Attn: Preet Nagra P.O. BOX 5623 Cherry Hill, NJ 08034-5614

Terms	Due Date
Net 30	5/4/2021

US\$ 11,798.54
Nicole Sockwell

Floor 15
Mississauga, ON L4Z 1S1

Date	Invoice #
6/18/2001	21049683

Test no.	Due Date
NAF 20	7/18/2021

211

Invoice

Invoice Number 21014
Invoice Date Nov 15, 2021
Supply Date Nov 14, 2021
Currency USD (US Dollar)
Purchase Order 3000529154
Payment Terms 45 days net

Supplier
Blue Planet Utility Consulting Inc
55 Dorian Drive
Guelph, ON N1G 5J8
CA (Canada)
647-780-6684

Customer
California American Water Company
7 Water St
Camden, NJ 08102-1658
US (United States)
8567778426
8566199733

Ship To
ATTN: Preet Nagra
4701 Beloit Dr
Sacramento, CA 95838
US (United States)

#	PO Item	Description	Unit	Qty	Unit Price	Line Total
1	10	Consulting Services - 2022 General Rate	NU	1	\$14,960.00	\$14,960.00

Subtotal \$14,960.00
Total Tax Amount \$0.00
Invoice Amount \$14,960.00



Invoice

Invoice Number 21012
Invoice Date Oct 15, 2021
Supply Date Oct 15, 2021
Currency USD (US Dollar)
Purchase Order 3000529154
Payment Terms 60 days net

Supplier
Blue Planet Utility Consulting Inc.
85 Drohan Drive
Guelph, ON N1G 5J8
CA (Canada)
M17-780-6584

Customer
California American Water Company
1 Water St
Camden, NJ 08102-1658
US (United States)
8667778426
8565189733

Ship To
ATTN: Preet Nagra
4701 Balaji Dr
Sacramento, CA 95838
US (United States)

#	PO Item	Description	Unit	Qty	Unit Price	Line Total
1	10	Consulting Services - 2022 General Rate	AU	1	\$20,187.50	\$20,187.50

Subtotal \$20,187.50
Total Tax Amount \$0.00
Invoice Amount \$20,187.50



Invoice

Invoice Number 22008
Invoice Date Apr 1, 2022
Supply Date Apr 1, 2022
Currency USD (US Dollar)
Purchase Order 3000529154
Payment Terms 45 days net

Supplier
Blue Planet Utility Consulting Inc.
55 Dichen Drive
Guelph, ON N1G 5J6
CA (Canada)
647-780-6684

Customer
California American Water Company
1 Water St
Camden, NJ 08102-1658
US (United States)
8567776426
8565198733

Ship To
ATTN:Preet Nagra
4701 Becht Dr
Sacramento, CA 95838
US (United States)

#	PO Item	Description	Unit	Qty	Unit Price	Line Total
1	10	Consulting Services - 2022 General Rate	AL	1	\$24,150.00	\$24,150.00
						Subtotal \$24,150.00
						Total Tax Amount \$0.00
						Invoice Amount \$24,150.00



Invoice

Invoice Number 22617
Invoice Date Aug 31, 2022
Supply Date Aug 29, 2022
Currency USD (US Dollar)
Purchase Order 3000529154
Payment Terms 45 days net

Supplier
Blue Planet Utility Consulting Inc.
85 Drohan Drive
Sausalito, CA 94965-6108
CA (Canada)
647-780-0884

Customer
California American Water Company
1 Water St.
Camden, NJ 08102-1650
US (United States)
8607778426
0565199723

Ship To
ATTN: Fred Nagel
4701 Belch Dr
Sacramento, CA 95838
US (United States)

#	PO Item	Description	Unit	Qty	Unit Price	Line Total
1	10	Consulting Services (2022 General Rate)	AU	1	\$14,790.00	\$14,790.00
Subtotal						\$14,790.00
Total Tax Amount						\$0.00
Invoice Amount						\$14,790.00



Invoice

Invoice Number 22002
Invoice Date Feb 1, 2022
Supply Date Feb 1, 2022
Currency USD (US Dollar)
Purchase Order 3000529154
Payment Terms 45 days net

Supplier
Blue Planet Utility Consulting Inc
55 Drehan Drive
Guelph, ON N1G 5J8
CA (Canada)
647-780-6684

Customer
California American Water Company
1 Water St
Camden, NJ 08102-1658
US (United States)
8667776420
8665198738

Ship To
ATTN:Pract Nagra/
4701 Beloit Dr
Sacramento, CA 95830
US (United States)

#	PO Item	Description	Unit	Qty	Unit Price	Line Total
1	10	Consulting Services -2022 General Rate	AL	1	\$19,760.00	\$19,760.00

Subtotal \$19,760.00
Total Tax Amount \$0.00
Invoice Amount \$19,760.00



Invoice

Invoice Number 22001
Invoice Date Jan 1, 2022
Supply Date Jan 1, 2022
Currency USD (US Dollar)
Purchase Order 3000529154
Payment Terms 45 days net

Supplier
Blue Planet Utility Consulting Inc.
55 Birchen Drive
Guelph, ON N1G 3J8
CA (Canada)
647-780-6084

Customer
California American Water Company
1 Water St
Camden, NJ 08102-1855
US (United States)
8067778426
8565199723

Ship To
ATTN:Proel Negra
4701 Belsolt Dr
Sacramento, CA 95838
US (United States)

#	PO Item	Description	Unit	Qty	Unit Price	Line Total
1	10	Consulting Services 2022 General Rate	AU	1	\$25,500.00	\$25,500.00

Subtotal \$25,500.00
Total Tax Amount \$0.00
Invoice Amount \$25,500.00



Invoice

Invoice Number 22012
Invoice Date Jul 1, 2022
Supply Date Jul 1, 2022
Currency USD (US Dollar)
Purchase Order 3000529154
Payment Terms 45 days net

Supplier
 Blue Planet Utility Consulting Inc.
 55 Drohen Drive
 Guelph, ON N1G 5J8
 CA (Canada)
 547-780-6534

Customer
 California American Water Company
 1 Water St
 Camden, NJ 08102-1655
 US (United States)
 8667778426
 8565198733

Ship To
 WTTN/Preet Nagra
 4701 Belsat Dr
 Sacramento, CA 95838
 US (United States)

#	PO Item	Description	Unit	Qty	Unit Price	Line Total
1	10	Consulting Services- 2022 General Rate	Adj	1	\$26,525.00	\$26,525.00
Subtotal						\$26,525.00
Total Tax Amount						\$0.00
Invoice Amount						\$26,525.00



Invoice

Invoice Number 22015
Invoice Date Jul 31, 2022
Supply Date Jul 31, 2022
Currency USD (US Dollar)
Purchase Order 3000829154
Payment Terms 45 days net

Supplier
Bus Planet Utility Consulting Inc.
35 Drohen Drive
Guelph, ON N1G 5J8
CA (Canada)
847-780-6084

Customer
California American Water Company
1 Water St
Camden, NJ 08102-1698
US (United States)
8567778426
8565199723

Ship To
ATTN:Proc1 Napra
4701 Boldt Dr
Sacramento, CA 95838
US (United States)

#	PO Item	Description	Unit	Qty	Unit Price	Line Total
1	10	Consulting Services - 2022 General Rate	AU	1	\$13,090.00	\$13,090.00

Subtotal \$13,090.00
Total Tax Amount \$0.00
Invoice Amount \$13,090.00



Invoice

Invoice Number	22011	Supplier	Customer
Invoice Date	Jun 1, 2022	Blue Planet Utility Consulting Inc	California American Water Company
Supply Date	May 30, 2022	55 Brohan Drive	1 Water St
Currency	USD (US Dollar)	Quebec, ON N1G 5J8	Camden, NJ 08102-1658
Purchase Order	3000529154	CA (Canada)	US (United States)
Payment Terms	45 days net	647-780-6684	8667778426
			8666199733

Ship To
ATTN: Preet Nagra
4701 Beloit Dr
Sacramento, CA 95828
US (United States)

#	PO Item	Description	Unit	Qty	Unit Price	Line Total
1	10	Consulting Services - 2022 General Rate	N/A	1	\$14,410.00	\$14,410.00
Subtotal						\$14,410.00
Total Tax Amount						\$0.00
Invoice Amount						\$14,410.00



Invoice

Invoice Number 22006
Invoice Date Mar 6, 2022
Supply Date Mar 6, 2022
Currency USD (US Dollar)
Purchase Order 3000528154
Payment Terms 45 days net

Supplier
Blue Planet Utility Consulting Inc
55 Drogen Drive
Guelph, ON N1G 5J8
CA (Canada)
(547-780-6684)

Customer
California American Water Company
1 Water St
Camden, NJ 08102-1658
US (United States)
(866-777-8426)
(866-519-8793)

Ship To
ATTN: Preet Nagra
4701 Basil Dr
Sacramento, CA 95838
US (United States)

#	PO Item	Description	Unit	Qty	Unit Price	Line Total
1	10	Consulting Services - 2022 General Fee	AU	1	\$31,655.13	\$31,655.13
Subtotal						\$31,655.13
Total Tax Amount						\$0.00
Invoice Amount						\$31,655.13



Invoice

Invoice Number 21010
Invoice Date May 6, 2022
Supply Date May 6, 2022
Currency USD (US Dollar)
Purchase Order 3006529154
Payment Terms 45 days net

Supplier
Blue Planet Utility Consulting Inc
55 Dorian Drive
Guelph, ON N1G 5J8
CA (Canada)
647-780-6664

Customer
California American Water Company
1 Water St
Camden, NJ 08102-1658
US (United States)
8667778426
8565166733

Ship To
ATTN:Preet Nagra
4704 Basil Dr
Sacramento, CA 95838
US (United States)

#	PO Item	Description	Unit	Qty	Unit Price	Line Total
1	10	Consulting Services 2022 General Rate	AM	1	\$30,945.14	\$30,945.14
Subtotal						\$30,945.14
Total Tax Amount						\$0.00
Invoice Amount						\$30,945.14



**Attachment 3-13: DR ASW-005 Q002a at
7-9; Q005 at 13-14, Attachment 6.**

California-American Water Company

APPLICATION NO. A.22-07-001
DATA REQUEST RESPONSE

Response Provided By: Stephen (Wes) Owens
Title: Director Rates and Regulatory
Address: California American Water
520 Capital Mall, Suite 630
Sacramento, CA 95814
Cal Adv Request: A2207001 CAL ADV DATA REQUEST # ASW-05
Company Number: Cal ADV ASW 05 Q002
Date Received: September 20, 2022
Date Response Due: October 4, 2022
Subject Area: Regulatory Expenses – Consulting Expenses

DATA REQUEST:

All questions below relate to Cal-Am Workpaper "ALL_CH04_O&M_WP_Reg Exp."

2. Refer to the workpaper titled "ALL_CH04_O&M_WP_Reg Exp" under the tab titled "Other Reg Proceeding WS-11" California American Water provides legal consultancy fees for Other Regulatory proceedings.

a. Under Column C from rows 30 to 36, California American Water provides "# Hours" for each position. Please answer the following:

- i. Did California American Water use the "Prior Case Hours" mentioned in row 38 for estimating "# Hours" from the years 2018 to 2022?
- ii. Explain in detail how "# Hours" were calculated for each position for the years 2018-2022.
- iii. Provide the recorded "# Hours" from years 2018 to 2022 for each position in the below table:

Recorded Hourly Rates	2018	2019	2020	2021	2022
Nossaman LLC					
Senior Regulatory Attorney					
Mid-Regulatory Attorney					
Associate Regulatory Attorney					
Paralegals/Support					

- iv. For the recorded year 2022 under each position mentioned in the table above, provide invoice copies showing hourly rates, number of hours, and a description of the work performed.

California-American Water Company

APPLICATION NO. A.22-07-001

DATA REQUEST RESPONSE

- b. Under Column C rows 38 and 39, California American Water provides prior rate case hours at 297 and total cost at \$162,871 respectively. Answer the following questions:

- i. Provide a detailed breakdown of the prior General Rate Case filed in 2019 showing the number of hours and total for each position in the table below:

Positions	# Hours	Total Cost (\$)
Nossaman LLC		
Senior Regulatory Attorney		
Mid-Regulatory Attorney		
Associate Regulatory Attorney		
Paralegals/Support		

CAL-AM'S RESPONSE

California American Water incorporates its General Objections as though each is submitted fully here. California American Water further objects to this request to the extent it seeks an analysis, calculation, or compilation that has not previously been performed and is therefore unduly burdensome. California American Water additionally objects to this request on the grounds that any benefit of receiving the information is outweighed by the undue burden and expense of providing that information. Subject to, but without waiving, those objections, California American Water responds as follows.

2.a.i. Prior case hours were based on actual hours billed for 2019-2021. This is for hours billed to a General Regulatory Matter number by Nossaman.

2.a.ii. Prior case hours for 2019-2021 was based on actual hours billed to the General Regulatory Matter number by Nossaman.

2.a.iii. The following chart reflects recorded hours for 2018-2022 for the General Regulatory Matter number by Nossaman. Hours are billed in tenths but rounded for this response.

Recorded Hours	2018	2019	2020	2021	2022
Nossaman LLP					
Senior Reg Attorney	40	20	107	64	40
Mid-Level Reg Attorney	28	10	10		3
Assoc. Reg Attorney	99	39	16	31	10
Paralegal/Practice Support	8				

2.a.iv. Please see CAW Response Cal Adv ASW 05 Q002.a Attachments 1 to 6. Nossaman's legal services billed to this matter number may relate to rulemakings, informal matters, or general CPUC matters. Nossaman's legal services for general rate

California-American Water Company

APPLICATION NO. A.22-07-001
DATA REQUEST RESPONSE

cases, cost of capital proceedings, Monterey water supply matters, or acquisitions are not billed to this matter number.

2.b. Question 2 is prefaced with "Refer to the workpaper titled "ALL_CH04_O&M_WF_Reg Exp" under the tab titled "Other Reg Proceeding WS-11" California American Water provides legal consultancy fees for Other Regulatory proceedings." Thus, California American Water provides the following information with the understanding that Cal Advocates is seeking information on "Other Reg Proceeding WS-11" and not the General Rate Case filed in 2019.

POSITION	HOURS	\$
Senior Attorney	271	175094
Mid Attorney	51	19279
Associate Attorney	195	65732
Paralegal	8	1780

California-American Water Company

APPLICATION NO. A.22-07-001

DATA REQUEST RESPONSE

Response Provided By: Stephen (Wes) Owens
Title: Director Rates and Regulatory
Address: California American Water
520 Capital Mall, Suite 630
Sacramento, CA 95814
Cal Adv Request: A2207001 CAL ADV DATA REQUEST # ASW-05
Company Number: Cal ADV ASW 05 Q005
Date Received: September 20, 2022
Date Response Due: October 4, 2022
Subject Area: Regulatory Expenses – Consulting Expenses

DATA REQUEST:

All questions below relate to Cal-Am Workpaper "ALL_CH04_O&M_WP_Reg Exp."

5. In the workbook titled "ALL_CH04_O&M_WP_Reg Exp," in worksheet "CAW Travel- Misc Exp WS 07" (row 10) and "Travel Rate Consultants WS-02A" (row 8) Cal-Am estimates travel costs per person and daily costs for hotel, food, transportation, car rental and incidentals. Tab "Travel Rate Consultants WS-02A" also lists costs for "Airfare Per Person" (column G) and "Car Rental Per Day" (column H).

- a. Provide copies of Cal-Am's most recent travel policies for rate consultants and CAW travel or miscellaneous expenses.
- b. Provide copies of Cal-Am's invoices and receipts for rate consultant and CAW Travel or miscellaneous expenses for 2019, 2020, and 2021.

CAL-AM'S RESPONSE

California American Water incorporates its General Objections as though each is submitted fully here. California American Water further objects to this request to the extent it seeks an analysis, calculation, or compilation that has not previously been performed and is therefore unduly burdensome. California American Water additionally objects to this request on the grounds that any benefit of receiving the information is outweighed by the undue burden and expense of providing that information. Subject to, but without waiving, those objections, California American Water responds as follows.

- a. See CAW Response Cal Adv ASW 05 Q005 Attachment 1 CONFIDENTIAL for American Water Employee Travel and Business Expenditures Policy. Generally, California American Water's policy is to reimburse rate consultants for reasonable out-of-pocket travel-related expenses ("Travel Expenses")

California-American Water Company

APPLICATION NO. A.22-07-001
DATA REQUEST RESPONSE

incurred by Contractor in connection with airline (coach class), mileage allowance for use of personal automobile at current IRS mileage rate, tolls and other transportation, meals and lodging, when necessary. The consultant is required to provide documentation of Travel Expenses incurred and will submit request for payment of expenses with documentation to California American Water along with monthly invoices.

- b. See CAW Response Cal Adv ASW 05 Q005 Attachments 2 through 6 for rate consultant invoices including travel and miscellaneous expenses.

Invoice

Invoice Number: 0108877
Invoice Date: Apr 30, 2019
Supply Date: Apr 27, 2019
Currency: USD and Mexico
Purchase Order: 00000004
Payment Terms: 10 days net

Supplier:
 Taulia Consulting Group LLC
 6000 Calaveras Rd #700
 San Jose, CA 95128-1800
 us@taulia.com
 (415) 966-4144

Customer:
 California Assembly Water Committee
 1400 Capitol Mall
 Sacramento, CA 95833-1500
 us@waterassembly.com
 (916) 550-8333

Ship To:
 Sacramento Office
 4701 Davis Dr
 Sacramento, CA 95834
 US (United States)

Phone:
 (916) 550-4282

#	PO Item	Description	Unit	Qty	Unit Price	Line Total
1	1	2019 QRC PO Month Support: Fees and Expenses for April 1, 2019 - April 30, 2019	N/A		\$20,000.77	\$20,000.77

Summary: \$20,000.77
Total Tax Amount: \$0.00
Invoice Amount: \$20,000.77



California American Water
 2019 GRC RO MODEL SUPPORT - CAWE002
 Consulting Fees and Expenses for April 1, 2019 through April 30, 2019
 Utility Consulting Group Invoice Number: 20190075

Professional Fees

CONSULTANTS	TITLE	HOURLY RATE	HOURS	TOTAL
REDACTED				
Total Hours and Fees Incurred			180	\$ 28,800

Expenses	TOTAL
Airfare	445.98
Lodging	409.91
Ground Transportation & Misc	92.88
Per Diem	-
Total Expenses	\$ 948.77

Total Fees and Expenses Incurred This Period \$ 34,938.77

Project Billing Summary

Billing Period	Invoice Date	Invoice #	Professional Fees	Expenses	Total
REDACTED					

Total Fees/Expenses Invoiced To Date

Total Purchase Order Amount

Fees/Expenses Remaining

REDACTED



California American Water
 2019 GRC RO MODEL SUPPORT - CAM0002
 Expenses for April 1, 2019 through April 30, 2019
 Utility Consulting Group Invoice Number: 20180075

AIRFARE			
RESOURCE	DATE	TOTAL	DESCRIPTION
Andrew Strasser	4/26/2019	\$222.96	SAC to SD
Andrew Strasser	4/29/2019	\$222.96	SD to SAC
CATEGORY TOTAL:		\$ 445.92	

LODGING			
RESOURCE	DATE	TOTAL	DESCRIPTION
Andrew Strasser	4/23/2019	\$179.95	One Night
Andrew Strasser	4/24/2019	\$220.96	One Night
CATEGORY TOTAL:		\$ 400.91	

GROUND TRANSPORTATION & MISC			
RESOURCE	DATE	TOTAL	DESCRIPTION
Andrew Strasser	4/27/2019	\$17.90	Lyn
Andrew Strasser	4/29/2019	\$23.39	Uber
Andrew Strasser	4/22/2019	\$51.57	To Airport To Hotel
CATEGORY TOTAL:		\$ 92.86	

PER DIEM			
CATEGORY TOTAL:		\$ -	

PERIOD TOTAL:		\$938.73	
---------------	--	----------	--

**Attachment 4-1: Executive Order -N-7-22,
issued on March 28, 2022; Proclamation of a
State of Emergency, issued by Governor
Newsom on October 19, 2021, at 1.**

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER N-7-22

WHEREAS on April 12, 2021, May 10, 2021, July 6, 2021, and October 19, 2021, I proclaimed states of emergency that continue today and exist across all the counties of California, due to extreme and expanding drought conditions; and

WHEREAS climate change continues to intensify the impacts of drought on our communities, environment, and economy, and California is in a third consecutive year of dry conditions, resulting in continuing drought in all parts of the State; and

WHEREAS the 21st century to date has been characterized by record warmth and predominantly dry conditions, and the 2021 meteorological summer in California and the rest of the western United States was the hottest on record; and

WHEREAS since my October 19, 2021 Proclamation, early rains in October and December 2021 gave way to the driest January and February in recorded history for the watersheds that provide much of California's water supply; and

WHEREAS the ongoing drought will have significant, immediate impacts on communities with vulnerable water supplies, farms that rely on irrigation to grow food and fiber, and fish and wildlife that rely on stream flows and cool water; and

WHEREAS the two largest reservoirs of the Central Valley Project, which supplies water to farms and communities in the Central Valley and the Santa Clara Valley and provides critical cold-water habitat for salmon and other anadromous fish, have water storage levels that are approximately 1.1 million acre-feet below last year's low levels on this date; and

WHEREAS the record-breaking dry period in January and February and the absence of significant rains in March have required the Department of Water Resources to reduce anticipated deliveries from the State Water Project to 5 percent of requested supplies; and

WHEREAS delivery of water by bottle or truck is necessary to protect human safety and public health in those places where water supplies are disrupted; and

WHEREAS groundwater use accounts for 41 percent of the State's total water supply on an average annual basis but as much as 38 percent in a critically dry year, and approximately 85 percent of public water systems rely on groundwater as their primary supply; and

WHEREAS coordination between local entities that approve permits for new groundwater wells and local groundwater sustainability agencies is important to achieving sustainable levels of groundwater in critically overdrafted basins; and

Attachment 4-2: “Instructions for Adjustment Requests” As of 2/2/2023.

INSTRUCTIONS FOR ADJUSTMENT REQUESTS

California American Water may provide an adjustment for high bills as a result of excessive water use for the following scenarios:

- **Leak at Property:** Covers leaks within (interior plumbing or appliances) and outside (service line) of the structure.
- **High Use – Cause Known:** Covers excessive water use for which the cause is known. As example, a family member or gardener accidentally left outside hose running for an extended period of time. Other examples are a timing/cycling issue on irrigation equipment.
- **High Use – Cause Unknown:** Covers excessive water use for which the cause is unknown. As example, high use is experienced for a single billing period and then usage patterns return to normal. Field investigation is unable to determine the cause of higher than expected water use.
- Attach completed [form](#) to email and send to csc.correspondencebilling@amwater.com
- Fax completed form to our customer service center at (618) 433-4569
- Complete [form](#) and mail to: California American Water, PO Box 2798, Camden, NJ 08010 Attn: Adjustment Request

Please allow up to 20 calendar days for processing. You will receive a confirmation or denial of the adjustment request via letter. If granted, the adjustment provided will be included with the next regular monthly bill. Customers may request a payment agreement to cover any excess charges not included in the adjustment.

While the adjustment request is being processed, it is advisable to remit payment for a normal bill amount. The open balance will not be subject to collection activity while the adjustment request is in processing.

**Attachment 4-3: “How to Get a Refund on
Your Water Bill If Your Faucet Leaks” As of
2/2/2023.**

How to Get a Refund on Your Water Bill If Your Faucet Leaks

Many water municipalities will reimburse you for wasted water if you report and fix the problem.



 Newsletter sign up

Water utility agencies across the United States, through goodwill policies or because of government regulation, offer customers a way to recover money they lose when a toilet runs, a lawn-sprinkling system bursts, a pipe leaks and other scenarios that cause money to needlessly fall through your hands like . . . water.

Depending on your water utility's policy, you could recover all or some of that lost money. You may be able to seek leak refunds only one time, once or twice every 12 months, or once every two years.

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SIGN UP

"It's something the larger utilities are willing to do in an effort to maintain good relations with their customers," says Deirdre Mueller, public affairs manager of the Denver-based American Water Works Association, a trade group representing 3,500 of the nation's metropolitan water providers. "I suspect smaller utilities are less likely to do this simply because their financial situations tend to be a bit tighter."

Attachment 4-4: Advice Letter 1173: Res. W-4951



4701 Basin Drive
Sacramento, CA 95834
www.cawater.com

P-918484401
File # 09430

July 27, 2017.

California Public Utilities Commission
Water Division
Room 3102, State Building
505 Van Ness Ave.
San Francisco, CA 94102-3298

Dear Division of Water and Audits:

Enclosed please find an original and three copies of Advice Letter No. 1173.
Along with the Advice Letter, two copies of the workpapers have been enclosed
as well.

Regards,

/s/ Joey Chen

Joey Chen
Financial Analyst

CC: Lisa Billr, California Public Utilities Commission, Division of Ratepayer
Advocates, 505 Van Ness Ave., San Francisco, CA 94102-3298

WATER/RSK/BMD/JB5/MZ3/drs/DS4

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

DIVISION OF WATER AND AUDITS
Water and Sewer Advisory Branch

RESOLUTION W-4951
June 27, 2013

R E S O L U T I O N

**(RES. W-4951), CALIFORNIA AMERICAN WATER COMPANY
ORDER SEEKING AUTHORIZATION TO ESTABLISH THE LEAK
ADJUSTMENTS MEMORANDUM ACCOUNT TO TRACK THE
REVENUE SHORTFALLS ASSOCIATED WITH CUSTOMER
BILLING ADJUSTMENTS.**

S U M M A R Y

By Advice Letter (AL) 991, filed on February 26, 2013, California American Water Company (Cal Am or Company), a Class A water utility, seeks authorization to establish the Leak Adjustments Memorandum Account (LAMA) applicable to the Monterey County District service area. The purpose of the LAMA is to track revenue collection shortfalls attributable to Company-provided customer billing adjustments. The authorized revenue collection shortfalls are based on the difference between revenue generated by a customer's verified water consumption and the revenue generated by Cal Am's leak adjustment procedure.

This Resolution authorizes Cal Am to establish the LAMA for the purpose specified above. Cal Am is authorized to track revenue collection shortfalls which occur from the filing date of AL 991 and thereafter through December 31, 2014, the last day of Cal Am's current general rate case cycle, at which time the memorandum account will close. Cal Am may seek recovery of the revenue shortfalls booked to the LAMA as part of its next general rate case subject to a reasonableness review.

B A C K G R O U N D

Cal Am has historically provided courtesy billing adjustments to customers due to leaks, including customers in the Monterey County District, in the form of consumption credits. However, due to its incompatibility with Cal Am conservation policy goals and their current billing structure, Cal Am replaced this practice with a discount program. This program is available to users who experience an unusual increase in water consumption resulting in an abnormally high monthly water bill, commonly referred to as a "spike." The increased amount of water passing through a customer's meter could be a result of indoor or outdoor leaks (such as a running toilet or broken irrigation timer) or deteriorating infrastructure and mechanical failures (such as a pinhole leak in the pipeline leading from the meter, failure of the pipeline connections or poor installation of devices in line with the pipe). These water losses are commonly

**Attachment 4-5: Advice Letter 1173 filed by
Cal Am on July 27, 2017**



4791 Baldi Drive
Sacramento, CA 95835
www.camwater.com

P (916) 568-4251
F (916) 568-4260

July 27, 2017

ADVICE LETTER NO. 1173

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Pursuant to General Order 96-B, California-American Water Company ("California American Water") (U210W) submits for filing the attached changes in tariff schedules applicable to all Districts:

C.P.U.C. Sheet No.	Title of Sheet	Canceling Sheet No.
8584-W	Request for Loss of Water Adjustment	NEW
8585-W	LEAK ADJUSTMENT DENIED – SECOND REQUEST	4071-W
8586-W	AK ADJUSTMENT DENIED – LOW VOLUME	4072-W
8587-W	LEAK ADJUSTMENT DENIED – NOT RESIDENTIAL CUSTOMER	4073-W
8588-W	LEAK ADJUSTMENT PROVIDED	8049-W
8589-W	LEAK ADJUSTMENT REQUEST – NEED RECEIPTS	8050-W
8590-W	LEAK ADJUSTMENT DENIED – HIGH VOLUME NOT DUE TO LEAK	8051-W
8591-W	LEAK FOUND BY COMPANY	8052-W
8592-W	LEAK FOUND – WATER SHUT-OFF	8053-W
8593-W	TABLE OF CONTENTS (Continued) (Page 8)	8070-W
8594-W	TABLE OF CONTENTS (Page 1)	8583-W

Purpose:

The purpose of this advice letter filing is to provide the Commission with a new form, for use by California American Water customers in all districts, to request a loss of water adjustment.¹

CALIFORNIA-AMERICAN WATER COMPANY

655 West Broadway, #1410

San Diego, California 92101

Revised

C.P.U.C. SHEET NO.

8585-W

CANCELING

Original

C.P.U.C. SHEET NO.

4071-W

LEAK ADJUSTMENT DENIED – SECOND REQUEST

California-American Water Company

P.O. Box 578, Alton IL 62002
1-800-794-7350

05/13/2002

Robinson, Dorothy
2609 Warrego Way
Sacramento CA 95826-2435

Account Number: 05-0012345-0
Premise Number: 050012674
2609 Warrego Way

Dear Customer:

We have considered your request for a courtesy adjustment to your account because of a leak at your property. We regret that after reviewing your account, we have determined that no credit will be issued.

According to our records, your account was issued a courtesy leak adjustment on May 5, 2002. At that time, you were advised that this type of adjustment is a one-time only courtesy.

Because we recognize the added financial burden that may have been imposed on you due to your leak, we do offer payment arrangements in these circumstances to satisfy any outstanding charges. If you wish to establish a payment plan, please call our office and speak with a customer service representative.

If you would like to discuss your account further, please call our customer service representatives at 1-800-794-7350.

Sincerely,

Customer Service

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 1173

ISSUED BY

J.T. LINAM

(NAME)

(TO BE INSERTED BY C.P.U.C.)

DATE FILED 7-27-2017

EFFECTIVE 1-1-2018

DECISION NO.

DIRECTOR - RATES & REVENUES

(TITLE)

RESOLUTION NO.

Attachment 6-1: BLS Inflation Calculation, 2021 to 2022



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CPI Inflation Calculator

\$

in






has the same buying power as

in

[Calculate](#)



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**Attachment 7-1: Cal Am's Response to Cal
Advocates' DR ASW-006, Q002.a.**

**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 \$55,771,300 or 18.71% in the year 2024, by \$19,565,300 or 5.50% in the year 2025, and by \$19,892,400 or 5.30% in the year 2026.

A.22-07-001
(Filed July 1, 2022)

**CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST ASW 06**

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Dated: October 27, 2022

APPLICATION NO. A.22-07-001
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Rates & Regulatory Analyst
Address: California American Water
520 Capital Mall, Suite 630
Sacramento, CA 95814
Cal Adv Request: A2207001 CAL ADV DATA REQUEST # ASW-06
Company Number: Cal ADV ASW 06 Q002
Date Received: October 13, 2022
Date Response Due: October 27, 2022
Subject Area: Rent Expenses

DATA REQUEST:

2. Refer to the worksheet titled: "ALL_CH04_O&M_Other O&M Exp Adj" tab "INPUT Adjustments." Answer the following questions:
- a. Please refer to Cells R29 to U29 (SAP Account 54110016) where Cal Am estimates rent budgets for 2022 to 2025 for the following offices. However, the total estimated amount for each year are hardcoded numbers. Provide a breakdown of the total estimated rent amounts with individual cost components for all forecasted years in the table below:

SAP Account 54110016 (\$)	2022	2023	2024	2025
San Francisco Legal Office				
San Diego Corporate Office				
Sacramento Corporate Office Relocation				
Sacramento - Capitol Mall				
Total	759,609	822,328	858,240	858,240

- b. Page 39 of Owen's Direct Testimony states that "in early 2022 California American Water executed a lease agreement for 3,970 square feet of office space at 520 Capitol Mall, Sacramento, CA. This 8-year, 3.5 month lease commenced in early 2022." Where in the RO model can this expense be found, and what amount is allocated to TY 2024?
- c. Page 39-40 of Owen's Direct Testimony states that "Subsequently, later in 2024- 2025, California American Water will begin to investigate the developable land identified and is targeting to purchase the land in 2025.

APPLICATION NO. A.22-07-001
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California American Water has included approximately \$3,000,000 in this rate case filing to acquire land." Where in the RO model can this expense be found?

CAL-AM'S RESPONSE

a.

SAP Account 54110016 (\$)	2022	2023	2024	2025
San Francisco Legal Office	177,458	182,556	187,808	177,316
San Diego Corporate Office	462,770	477,203	492,141	507,602
Sacramento Corporate Office Relocation				
Sacramento - Capitol Mall	119,381	162,568	166,047	169,614
Total	759,609	822,328	858,240	858,240

- b. Please refer to California American Water's response to Cal ADV ASW 06 Q002a where the expense is identified as "Sacramento – Capitol Mall".
- c. These costs are identified as capital project I15-010003, Corporate Headquarters Relocation and New Sacramento Operations Center. See RO Model workpaper "ALL_CH07_PLT_RO_Forecast", tab "Total CAPEX by Project WS-9", Project Number I15010003 at excel row 37.

**Attachment 7-2: A.19-07-004. Direct
Testimony of Stephen (Wes) Owens, July 1,
2019, at 49, lns. 11, 17-18.**

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

6 Application of California-American Water
7 Company (U210W) for Authorization to Increase
8 its Revenues for Water Service by \$25,999,900 or
9 10.60% in the year 2021, by \$9,752,500 or 3.39%
in the year 2022, and by \$10,754,500 or 3.82% in
the year 2023.

Application 19-07-300X
(Filed July 1, 2019)

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13 **DIRECT TESTIMONY OF STEPHEN (WES) OWENS**
14 **(FINAL APPLICATION)**

15 *** * * PUBLIC VERSION * * ***

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9 Q96. What is the solution to this capacity issue ?
10 A96. It will be necessary to lease additional office space in the Sacramento region to house the
11 transitional employees. Additionally, in order to ease the capacity issues at the Beloit
12 facility California American Water will transition certain administrative positions to this
13 additional office space. Specifically, California American Water intends to transition
14 approximately fourteen of the existing positions in the Rates, External Affairs, and
15 Human Resources departments. Finally, California American Water will fill the two new
16 Financial Analyst positions requested in this GRC Application in this additional office
17 space. In total, California American Water anticipates approximately 23 positions will be
18 based out of this additional space prior to the eventual full relocation.
19
20 Q97. What size facility will be needed?
21 A97. Assuming an average office space of 100 square foot per employee the new facility will
22 need 2,300 total square foot of work space. Work space is the area such as offices,
23 cubicles, and other work stations where employees are stationed. Additionally, assuming
24 a 3:1 ratio of total office space to work space the facility will need approximately 7,100
25 square feet of total space. Common space makes up the 4,800 square foot difference
26 between office space and total space. Common space includes hallways, conference
27 rooms, break rooms, restrooms, etc.
28

Attachment 8-1: Telephone Expenses-Statista

Landline Phones Are a Dying Breed

by [Felix Richter](#), Mar 17, 2021

As smartphones have become a constant companion for most people in the United States, landline phones are rapidly losing their relevance. In 2004, more than 90 percent of U.S. adults lived in households that had an operational landline phone - now it's less than 40 percent. That's according to data provided by the [Centers of Disease Control and Prevention](#), which has been tracking phone ownership in the U.S. as a by-product of its biannual National Health Interview Survey since 2004.

If the trend towards mobile phones continues, and there's little reason to believe it won't, landline phones could soon become an endangered species, much like the VCR and other technological relics before it.

