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

Application of California-American Water Company (U210W) for Authorization to Increase its Revenues for Water Service by \$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)

REBUTTAL TESTIMONY OF MICHAEL KURZEJA

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Dated: May 25, 2023

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TABLE OF CONTENTS

Page

I. BACKGROUND 1

II. PURPOSE OF TESTIMONY 2

III. ENTERPRISE SOLUTIONS PROJECTS 2

IV. CONCLUSION 10

1 **BEFORE THE PUBLIC UTILITIES COMMISSION**
2 **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)

3
4 **REBUTTAL TESTIMONY OF MICHAEL KURZEJA**

5
6 **I. BACKGROUND**

7 Q1. Please provide your name and business address.

8 A1. My name is Michael Kurzeja. My business address is 1 Water Street, Camden, New Jersey.

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

10 A2. I am employed by American Water Works Service Company, Inc., (“Service Company”
11 or the “AWWSC”) as the Associate Director, Delivery Management for the Information
12 Technology (“IT”) Department.

13 Q3. What are your responsibilities?

14 A3. I am responsible for the successful delivery of all IT projects at American Water. In this
15 capacity, I manage the portfolio of IT projects to help ensure delivery is on time, within
16 budget, and within the accepted project scope.

17 Q4. Briefly describe your educational background.

18 A4. I have attained both my undergraduate and graduate degrees from Grantham University.
19 My undergraduate degree is in Electronics Engineering Technology and my master's
20 degree is in Business Administration with a Project Management concentration.

21 Q5. Please describe your professional experience.

22 A5. I was employed by Exelon Corporation for nearly 20 years in various roles including
23 operations, corporate strategy, and information technology. The majority of my time at
24 Exelon was focused on implementing new and emerging technologies across our five
25 different electric and gas utilities as well as our fleet of electricity generating assets.

26 Q6. Have you testified before any regulatory agencies?

27 A6. No, I have not testified before any regulatory agencies.

28 **II. PURPOSE OF TESTIMONY**

29 Q7. What is the purpose of your testimony?

30 A7. The purpose of my rebuttal testimony is to address certain recommendations, made in the
31 Public Advocates Office's ("Cal Advocates") Report, to exclude from California American
32 Water's rate base certain Enterprise Solutions capital projects. Specifically, I explain how
33 the Company has transitioned from managing and accounting for Enterprise Solutions
34 projects in its last general rate case ("GRC") to separately identifying costs for unique
35 software application projects in this case.

36 **III. ENTERPRISE SOLUTIONS PROJECTS**

37 Q8. What are Enterprise Solutions projects?

38 A8. Enterprise Solutions projects include the implementation, upgrades, and enhancements to
39 the core IT infrastructure, customer systems, operations and business support systems, and
40 security-related systems necessary to continue to provide safe, reliable, and efficient

41 service to California American Water’s customers and for the customers of its regulated
42 utility affiliates.

43 Q9. Please explain the change in how the Company planned and accounted for Enterprise
44 Solutions projects.

45 A9. In accordance with the Settlement Agreement adopted in the Company’s last GRC, the
46 Company has transitioned from managing and recording its Enterprise Solutions software
47 application projects and cost as Recurring Projects to separately identifying each Enterprise
48 Solutions project as an Investment Project.¹ Recurring Projects (“RP”) are routine,
49 perpetual groups of sub-projects, with an emphasis on asset renewal, that are planned and
50 managed on a calendar year basis (e.g., meter replacements). Investment Projects (“IP”)
51 are unique, one-time projects having a definitive start and stop (e.g., a new treatment plant).

52 Q10. Please discuss some of the differences between the Company’s traditional Investment
53 Projects and Enterprise Solution projects.

54 A10. As explained in the Direct Testimony of Company witness Crooks, “The IP are capital
55 improvement projects included in the five-year plan ... [and] are related to the service
56 areas’ respective offices, source of supply facilities, booster stations, distribution storage
57 tanks, and transmission/distribution main piping network.”² These projects are to build,
58 improve, or replace physical assets that last decades whereas the unique software
59 application projects that comprise most Enterprise Solutions projects are identified,
60 prioritized, and approved based on ongoing business needs in a more rapidly evolving

¹ In the Company’s last GRC, the Commission approved the Settlement that provided in part that “Cal-Am shall separately identify costs for unique software application projects in its future GRC filings to allow for better review of the costs associated with individually identifiable investment projects. *Decision Approving and Adopting Settlement Agreements, Resolving the Remainder of Disputed Issues and Authorizing California-American Water Company’s General Rate Increases for 2021, 2022, AND 2023*, p. 95 Docket No. A.19-07-004 (Decision Issued 11/23/2021).

² Direct Testimony of Ian Crooks p. 22.

61 enterprise software environment. For example, the average depreciable lives of the
62 Company's typical IP assets might be 20 to 50 years, while the depreciable lives of
63 Enterprise Solution projects are typically 3, 5, or 7 years.

64 Q11. What were some of the planning, governance, and accounting challenges with transitioning
65 dozens of pending, planned, and potential Enterprise Solutions projects from Recurring
66 Projects to Investment Projects?

67 A11. California American Water's agreement to change the Enterprise Solutions accounting
68 structure from RPs to IPs resulted in significant and complex changes that needed to be
69 analyzed, transacted, and governed. To operationalize these changes successfully, core
70 software systems (e.g., SAP and PowerPlant) needed to be configured and cross
71 functionally tested for all American Water Works Company, Inc. ("American Water")
72 utility subsidiaries and Service Company. New PowerPlant asset locations needed to be
73 created; SAP code masks configuration changes occurred to support continued use; and
74 interface and process testing between and within the two systems needed to occur. Once
75 these changes were made, the legacy Recurring Projects accounting structure needed to be
76 mapped to the new Investment Project-like accounting structure and new state level Work
77 Breakdown Structures ("WBS elements") for each project, each project phase, and each
78 American Water utility company. In addition, Service Company WBS elements needed to
79 be created and settlement rules mapped to ensure that costs were allocated appropriately to
80 each utility company. Charges needed to be analyzed and mapped to the appropriate WBS
81 element and project phase and journal entries needed to be created and reviewed/approved
82 to reclassify charges. Once charges were reclassified, we needed to place WBS elements
83 in-service. Over 4,000 rows of data needed to be analyzed; depreciation, indirect overhead,
84 and AFUDC adjustments needed to be calculated and reclassified; and historical purchase
85 orders needed to be closed out individually. To ensure appropriate governance was

86 maintained, new internal reporting structures, business processes and controls, and training
87 were developed and adopted.

88 Q12. How does the Company separately identify and track costs for Enterprise Solutions
89 projects?

90 A12. The Company approves a number of Enterprise Solutions projects for implementation each
91 calendar year, and once each Enterprise Solutions project is approved, the Company
92 assigns a project number to capture the cost of implementing or enhancing the application
93 during that calendar year.³ If the Company anticipates that a software implementation,
94 enhancement, or upgrade will be a multi-year project (with one set of deliverables), the
95 project is assigned one project number throughout the multi-year implementation period.
96 As new Enterprise Solutions projects were approved throughout 2022, the Company
97 assigned project numbers to capture the cost of implementing the new software application
98 or the costs of enhancements or upgrades to an existing software application during that
99 calendar year.

100 Q13. Cal Advocates recommends excluding certain Enterprise Solutions capital projects from
101 California American Water’s rate base. Please explain why the Company initially included
102 \$381,787 in 2022, \$1,213,993 in 2023, \$2,058,949 in 2024, and \$3,743,240 in costs as
103 “Business Projects” with the ID# T1501ZZ1?

104 A13. Given the need to transition dozens of pending, planned, and potential projects from an
105 accounting, governance, and planning perspective in a relatively short period of time, and
106 the rapidly evolving landscape of enterprise software applications, it should not be
107 surprising that (as the Company explained in response to Cal Advocates’ DR SIH-09,
108 attached hereto as Kurzeja Rebuttal Attachment 1) many of the Enterprise Solutions

³ See e.g., California American Water’s Response to Cal Advocates’ Data Request SIH-09, Attachment 1, attached here to as Kurzeja Rebuttal Attachment 2, row 7 columns B and F.

109 projects were still in the requirements gathering and analysis stage at the time the Company
110 filed its direct testimony in this case. During the requirements gathering and analysis stage,
111 there are no unique software application projects identified.⁴ Once unique software
112 application projects are identified, assessed, and prioritized, the potential projects are given
113 a unique identification number.⁵ After the potential projects are approved for
114 implementation, the Company then assigns project numbers to separately capture the cost
115 of each approved software application project. As part of the transition of Enterprise
116 Solution projects from RPs to IPs, once unique software application projects were
117 identified and approved throughout 2022, costs were reallocated in 2022 from the
118 “Business Projects” line item and other line items to identified projects,⁶ and in some cases,
119 approved projects as part of the ongoing project prioritization process.⁷

120 Q14. Did California American separately identify the costs for unique Enterprise Solutions
121 Projects in this case in accordance with the terms of the settlement and the Commission’s
122 decision in the Company’s last GRC?

123 A14. Yes. By the time the Commission’s order was issued in the Company’s last rate case
124 (November 23, 2021), the Company had been planning for the transition of dozens of in-
125 flight and planned Enterprise Solutions projects from RPs to IPs. As part of its direct
126 testimony in this case, the Company provided a list of over 50 unique software application
127 projects for the 2022-25 period.⁸ In addition, the Company provided an updated list of over

⁴ California American Water’s Response to Cal Advocates’ Data Request SIH-09 (without attachments), attached here to as Kurzeja Rebuttal Attachment 1.

⁵ See California American Water’s Response to Cal Advocates’ Data Request SIH-09, Attachment 1 thereto, which is attached hereto as Kurzeja Rebuttal Attachment 2, columns B and F.

⁶ See *id.* at Attachment 2 hereto, columns B and F.

⁷ See *id.*, e.g., Attachment 2 hereto, rows 53-93.

⁸ Direct Testimony of Ian C. Crooks, Attachment 2.

128 130 Enterprise Solution projects in response to Cal Advocates’ DR SIH-09. That list is
129 included here as Kurzeja Rebuttal Attachment 2.⁹

130 Q15. Did Cal Advocates reference California American’s response to SIH-09 in its report?

131 A15. Yes. Cal Advocates did reference California American Water’s response to SIH-09. Cal
132 Advocates, however, appears to have overlooked the substance of that response,
133 particularly Attachment 001 to the response.

134 Q16. Please explain what you mean.

135 A16. California American’s response to SIH-09 makes clear that “the Company has transitioned
136 from recording its Enterprise Solutions software application projects and cost as RPs to
137 separately identifying each Enterprise Solutions project as an IP.”¹⁰ Additionally, “[o]nce
138 a project is approved, it is assigned a project number . . . to capture the cost of
139 implementing: (1) a new software application or (2) enhancements or upgrades to an
140 existing software application.”¹¹

141 Q17. Does that have a bearing on Cal Advocates’ argument that the Business Projects line item
142 under Enterprise Solutions projects should be disallowed?

143 A17. Yes. Cal Advocates ignores the fact that every dollar in the 2022 estimate for Business
144 Projects was subsequently allocated to various IPs. Consistent with the settlement and order
145 in the Company’s prior GRC, those projects are separately identified in CAW Response
146 Cal Adv SIH 09 Q001 Attachment 001.¹² As such, if Cal Advocates had any questions

⁹ California American Water’s Response to Cal Advocates’ Data Request SIH-09, Attachment 1 thereto, which is attached hereto as Kurzeja Rebuttal Attachment 2.

¹⁰ California-American Water Company’s Response to Public Advocates Office Data Request SIH-09 (without attachments), which is attached hereto as Kurzeja Rebuttal Attachment 1.

¹¹ *Ibid.*

¹² California American Water’s Response to Cal Advocates’ Data Request SIH-09, Attachment 1 thereto, which is attached hereto as Kurzeja Rebuttal Attachment 2.

147 regarding the projects to which dollars were allocated from the Business Projects, Cal
148 Advocates could have sought additional information about any one of those projects.

149 Q18. Please provide a brief description of some of the projects to which dollars were allocated
150 from Business Projects.

151 A18. As discussed above, Enterprise Solutions projects include the implementation, upgrades
152 and enhancements to the core IT infrastructure, customer systems, and operations and
153 business support systems. Investment dollars have been allocated to projects that fall into
154 each of these broad categories. Examples include:

155 Core IT infrastructure includes the foundational technologies that support the underlying
156 systems and applications utilized enterprise-wide to support the business, including
157 improvements and enhancements designed to maintain security of our facilities, systems
158 and Company and customer data. For example, S/4 Implementation (which is described in
159 response to CAW Response Cal Adv SIH 09 Q001 and in Attachment 2 hereto, Row 29)
160 includes mandated upgrades to existing SAP software, along with the migration of core
161 foundational systems and business processes, which are required to maintain support of
162 critical software functions.¹³ The benefit of this project is to maintain support of critical
163 software functions. Because these systems will no longer be supported in the future, it is
164 critical that these systems be upgraded to maintain the access to, and protection of, data
165 and to comply with the latest cyber security architecture standards. Other examples include
166 the Data Analytics Platform (Attachment 2 hereto, Row 11) and the Platform (Attachment
167 2 hereto, Row 26).¹⁴ The Data Analytics Platform involves the development of software
168 infrastructure to support the creation and reporting of analytical information to enhance our

¹³ California American Water's Response to Cal Advocates' Data Request SIH-09, Attachment 1,
attached here to as Kurzeja Rebuttal Attachment 2.

¹⁴ *Ibid.*

169 customers experience and improve operational resiliency. The Platform improves
170 Infrastructure as a Service (“IaaS”) and Platform as a Service (“PaaS”) to support all
171 applications. IaaS and PaaS are cloud-based environments that allow organizations to
172 manage their business resources (such as their network, servers, and data storage) and to
173 host, build, and deploy internally developed applications, respectively. This project
174 provides shared services such as intra-application interfaces (“API”), integration services,
175 and platform services and supports all applications, including their architecture, security,
176 and housing. This project improves resiliency and responsiveness of all applications to
177 support ongoing operations, such as stability of remote treatment capabilities and helping
178 to ensure customers have timely and reliable access to their accounts, including usage data
179 and the ability to make payments. It also improves operational efficiency and manages
180 costs by allowing for centrally managing and administering the cloud-based environment
181 for many applications and the integration of multiple systems, while also providing
182 scalability of those functions as necessary.

183 Customer systems are those systems designed to interface with customers and help improve
184 their overall customer experience. For example, myWater (row 24 in Attachment 2 hereto)
185 is a customer facing platform designed to allow customers to perform self-service functions
186 using the internet in lieu of calling the customer service center.¹⁵ Several enhancements
187 have been made to improve customer service (e.g., streamlined move-in/move-out process,
188 improved resiliency, etc.), with the most recent planned enhancements including
189 integration with Alerts 1 View and Meter Data Management customer usage, as well as
190 implementing credit card autopay functionality. Another example is Customer Digital
191 Channels (Attachment 2 hereto, Row 10), which implements solutions to further enhance
192 the customer experience.¹⁶ These enhancements include enabling automatic bill payments

¹⁵ *Ibid.*

¹⁶ *Ibid.*

193 with a credit card, management of grant payments for customers in support of their
194 customer bill, supporting third party bill payments for low-income customers, allowing
195 customers to self-service their communications preferences, and improved reporting
196 capabilities. Operations and business support systems are those systems designed to
197 support field operations and business functions and improve internal processes such that
198 the Company can continue to provide high quality and reliable service to its customers as
199 efficiently as possible. In his direct testimony, Mr. Crooks provides a summary of the
200 Meter Data Management System, which is one of the projects that was allocated additional
201 dollars (Attachment 2 hereto, Row 22).¹⁷ Another example is Enterprise GIS (Attachment
202 2 hereto, Row 14), which will support asset management and inventory and training at
203 plant locations.¹⁸ The project is designed to provide improved operational readiness and
204 helps support the preservation of institutional knowledge. In addition, MapCall and
205 Work1View (described in Mr. Crooks direct testimony) have been reclassified as Work
206 Management (Attachment 2 hereto, Row 94).¹⁹

207 **IV. CONCLUSION**

208 Q19. Does this conclude your testimony?

209 A19. Yes, it does.

¹⁷ *Ibid.*

¹⁸ *Ibid.*

¹⁹ *Ibid.*

ATTACHMENT 1

**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 SIH 09**

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Attorneys for California-American Water Company

Dated: December 28, 2022

California-American Water Company (U-210- W; “California American Water,” “CAW” or the “Company”) hereby sets forth the following objections and responses to Public Advocates Office’s (“Cal Advocates”) Data Request SIH 09 (“Data Requests” or “RPD”), propounded on December 6, 2022, in A.22-07-001.

RESERVATION OF RIGHTS

1. California American Water’s investigation into the Data Requests is ongoing. The Company reserves the right, without obligating itself to do so, to supplement or modify its responses and to present further information and produce additional documents as a result of its ongoing investigation.

2. Any information or materials provided in response to the Data Requests shall be without prejudice to California American Water’s right to object to their admission into evidence or the record in this proceeding, their use as evidence or in the record, or the relevance of such information or materials. In addition, California American Water reserves its right to object to further discovery of documents, other information or materials relating to the same or similar subject matter upon any valid ground or grounds, including without limitation, the proprietary nature of the information, relevance, privilege, work product, overbreadth, burdensomeness, oppressiveness, or incompetence.

GENERAL OBJECTIONS

1. California American Water objects to the Data Requests as improper, overbroad, and unduly burdensome to the extent they purport to impose upon California American Water any obligations broader than those permitted by law.

2. California American Water objects to the Data Requests as improper, overbroad, and unduly burdensome to the extent they improperly seek the disclosure of information protected by the attorney-client privilege, the attorney work-product doctrine, or any other applicable privilege or doctrine, and/or the client confidentiality obligations mandated by Business and Professions Code Section 6068(e)(1) and Rule 3-100(A) of the California Rules of Professional Conduct. Such responses as may hereafter be given shall not include information protected by such privileges or

doctrines, and the inadvertent disclosure of such information shall not be deemed as a waiver of any such privilege or doctrine.

3. California American Water objects to the Data Requests to the extent that the requests are duplicative and overlapping, cumulative of one another, overly broad, and/or seek responses in a manner that is unduly burdensome, unreasonably expensive, oppressive, or excessively time consuming to California American Water.

4. California American Water objects to the Data Requests to the extent they seek documents that are and/or information that is neither relevant nor material to this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

5. California American Water objects to the Data Requests to the extent they seek an analysis, calculation, or compilation that has not previously been performed and that California American Water objects to performing.

6. California American Water objects to the Data Requests insofar as they request the production of documents or information that are publicly available or that are equally available to Cal Advocates because such requests subject California American Water to unreasonable and undue annoyance, oppression, burden and expense.

7. California American Water objects to the Data Requests to the extent the requests are vague, ambiguous, use terms that are subject to multiple interpretations but are not properly defined for purposes of the Data Request, or otherwise provide no basis from which California American Water can determine what information is sought.

8. The objections contained herein, and information and documents produced in response hereto, are not intended nor should they be construed to waive California American Water's right to object to the Data Requests, responses or documents produced in response hereto, or the subject matter of such Data Requests, responses or documents, as to their competency, relevancy, materiality, privilege and admissibility as evidence for any purpose, in or at any hearing of this or any other proceeding.

9. The objections contained herein are not intended nor should they be construed to waive California American Water's right to object to other discovery involving or relating to the subject matter of the Data Requests, responses or documents produced in response hereto.

California-American Water Company

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

Response Provided By: Sheryl Bald
Title: Principal Business Process Specialist
Address: American Water
1 Water St.
Camden, NJ 08102
Cal Adv Request: A2207001 CAL ADV DATA REQUEST # SIH-09
Company Number: Cal ADV SIH-09 Q001
Date Received: December 6, 2022
Date Response Due: December 20, 2022
Subject Area: Corporate Plant Additions

DATA REQUEST:

1. For corporate plant additions T1501ZZ1 Business Projects and T1501ZZ18 S/4 Implementation, listed in the Direct Testimony of Ian C. Crooks, Attachment 2, "Capital Estimate of California American Water Charges for American Water Enterprise Solutions," please provide the following information:
1. Description of the proposed project.
 2. Any cost estimates used to develop the proposed costs.
 3. Any supporting documentation for the costs, including but not limited to contracts, invoices, or receipts.

CAL-AM'S RESPONSE

Enterprise Solutions projects include implementation, upgrades, and enhancements to the Company's technology infrastructure, customer systems, operations systems, and business support systems. In the Company's last general rate case, the Commission approved the Settlement that provided in part: "Cal-Am shall separately identify costs for unique software application projects in its future GRC filings to allow for better review of the costs associated with individually identifiable investment projects."¹ Accordingly, the Company has transitioned from recording its Enterprise Solutions software application projects and cost as Recurring Projects ("RP") to separately identifying each Enterprise Solutions project as an Investment Project ("IP"). As part of its direct testimony in this case, the Company provided a list of projects in various stages of consideration -- requirements gathering, analysis, design, prioritization, development, and deployment --

¹ DECISION APPROVING AND ADOPTING SETTLEMENT AGREEMENTS, RESOLVING THE REMAINDER OF DISPUTED ISSUES AND AUTHORIZING CALIFORNIA-AMERICAN WATER COMPANY'S GENERAL RATE INCREASES FOR 2021, 2022, AND 2023, Docket No. A.19-07-004, p. 95 (Decision Issued 11/23/2021).

California-American Water Company

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

for the period 2022 – 2025.² The list included both potential projects in various stages of consideration and approved projects.

The Company assigns initial ID numbers to potential Enterprise Solutions projects that are in the requirements gathering and analysis stage before a project is approved. Once a project is approved, it is assigned a project number.³ Each calendar year, the Company assigns a project number to capture the cost of implementing: (1) a new software application or (2) enhancements or upgrades to an existing software application. If the Company anticipates that a software implementation, enhancement, or upgrade will be a multi-year project with one set of deliverables, the project is assigned one project number throughout the multi-year implementation period.⁴

1. S/4 Implementation (Unique ID# T1501ZZ18⁵; Project # T15-013M-P-2000⁶) – This project is the upgrade of the Company’s on-premises SAP enterprise resource planning (ERP) Central Component (SAP ECC) to SAP’s latest ERP business suite core (SAP S/4 HANA).⁷ The SAP S/4 HANA project design and implementation work has been delayed to early 2023. The Company anticipates that this software upgrade will be a multi-year project.

Business Projects (Unique ID #T1501ZZ1) – At the time this case was being prepared, this line item included a number of potential projects that were in the requirements gathering and analysis stage. As potential projects were identified, assessed, prioritized, and approved, the Company assigned project numbers to separately capture the cost of each approved software application project.

2. As noted above, the Company assigns temporary identification numbers to proposed projects under consideration. Once a project is approved, it is assigned a project number to capture the cost of implementing the project. The cost estimates for S/4 HANA are attached as Cal Adv SIH 09 Q001 Attachment 02 CONFIDENTIAL. Throughout 2022, Enterprise Solutions costs were reallocated from the Business Projects and other line items to approved projects as part of the ongoing project prioritization process.⁸ An updated list of 2022 - 2025 project descriptions, project numbers for approved projects, and project cost estimates is attached to this response as Cal Adv SIH 09 Q001 Attachment 01.

² See *Direct Testimony of Ian C. Crooks*, Attachment 2

³ See Cal Adv SIH 09 Q001 Attachment 01, columns B and F

⁴ See e.g., Cal Adv SIH 09 Q001 Attachment 01, row 7 columns B and F

⁵ See Cal Adv SIH 09 Q001 Attachment 01, column A, row 29

⁶ See Cal Adv SIH 09 Q001 Attachment 01, column B, row 29

⁷ HANA is an acronym for (High-performance Analytic Appliance). It is a multi-model database that, among other things, allows users to run analytics alongside high-speed transactions in a single system.

⁸ See e.g., Cal Adv SIH 09 Q001 Attachment 01, rows 53-93

California-American Water Company

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

3. Cal Adv SIH 09 Q001 Attachments 03-10 (CONFIDENTIAL) includes Master Service Agreements (“MSAs”) and Statements of Work (“SOWs”) that have been entered into in support of the projects.

ATTACHMENT 2

Capital Estimate of California American Water Charges for Enterprise Solutions-Revised as of 12/20/22

	A	B	C	D	E	F	G	H	I	J	K	L
	Unique ID	2022 Business Project Number ¹	Project Description	2022 Estimate	2022 Actual as of 12/19/22	2023 Business Project Numbers ¹	2023	2024	2025	2023 Revised	2024 Revised	2025 Revised
1	T1501ZZ9	T15-017A-P-1000	(DMS) Document Management System	18,934	85,757	T15-017A-P-1000	0	0	0	29,550	14,775	5,910
2	T1501ZZ35	T15-012C-P-1000	Advanced Analytics Program	94,668	48,896	TBD	94,668	0	0	59,100	0	0
3	T1501ZZ19	T15-011T-P-1000	Application Architecture Upgrade	126,224	8,442	TBD	63,112	0	0	0	12,559	12,795
4	T1501ZZ24		Business Analysis Process Mapping system	63,112	0	TBD	31,556	0	0	29,550	0	0
5	T1501ZZ34	T15-012E-P-1000	Business Analytics Program	142,633	73,111	TBD	138,846	0	0	59,100	59,100	59,100
6	T1501ZZ1		Business Projects	381,787	0	TBD	1,213,993	2,058,939	3,743,240	0	0	0
7	T1501ZZ25	T15-013N-P-1000	Capital Portfolio/Project Management System Enh	15,778	27,998	T15-013N-P-1000	6,311	0	0	29,550	0	0
8	T1501ZZ2	T15-012H-P-1000	Contract Management System	5,901	62,937	T15-012H-P-1000	0	0	0	29,550	14,775	5,910
9	T1501ZZ8	T15-012Y-P-1000	Customer 360 (Qualtrics) Data Enhancements	12,622	6,873	TBD	0	0	0	0	0	0
10	T1501ZZ5	T15-012I-P-1000	Customer Digital Channels	154,624	17,777	T15-012I-P-1000	75,734	0	0	118,200	177,300	236,400
11	T1501ZZ37	T15-011I-P-1001	Data Analytics Platform	189,336	10,364	TBD	189,336	0	0	147,750	147,750	147,750
12	T1501ZZ27	T15-018A-P-0001	Data Privacy	94,668	94,628	T15-018A-P-0001	0	0	0	23,640	23,640	35,460
13	T1501ZZ36	T15-012L-P-1000	Enterprise Data Governance	94,668	30,153	TBD	94,668	0	0	29,550	29,550	29,550
14	T1501ZZ33	T15-012M-P-1000	Enterprise GIS	107,290	102,520	TBD	107,290	0	0	118,200	118,200	118,200
15	T1501ZZ29	T15-011L-P-1000	Enterprise Network Upgrade	126,224	64,590	TBD	0	0	0	0	0	0
16	T1501ZZ30	T15-012U-P-1000	Enterprise SCADA Security	63,112	33,686	TBD	0	0	0	14,775	16,253	17,730
17	T1501ZZ15	T15-0176-P-0001	Extreme Enhancements	75,734	142	TBD	0	0	0	0	0	0
18	T1501ZZ3		GRC 12.0 Phase 3 & 4	18,934	0	TBD	0	0	0	0	0	0
19	T1501ZZ21		HRIS Enhancements	31,556	0	TBD	31,556	0	0	0	0	0
20	T1501ZZ17	T15-012P-P-1000	Mapcall	189,336	245,094	TBD	189,336	208,270	0	0	0	0
21	T1501ZZ23	T15-013J-P-1000	Merger & Acquisition (DSP) Enhancements	37,867	28,470	TBD	37,867	0	0	0	0	0
22	T1501ZZ26	T15-014A	Meter Data Management System	258,908	531,025	T15-014A	23,002	25,336	27,704	354,600	336,870	265,950
23	T1501ZZ28	T15-012Q-P-1000	MyAccess Enhancements	25,245	23,124	TBD	0	0	0	29,550	32,505	35,460
24	T1501ZZ7	T15-012R-P-1000	myWater v2	94,668	283,517	T15-012R-P-1000	0	0	0	177,300	177,300	147,750
25	T1501ZZ31		Nuance IVR Enhancements	25,245	0	TBD	0	0	0	0	0	0
26	T1501ZZ38	T15-012W-P-1000	Platform	517,519	192,642	TBD	0	0	0	118,200	118,200	118,200
27	T1501ZZ22	T15-013Q-P-0001	PowerPlan Upgrade	252,448	51,384	T15-013Q-P-0001	63,112	0	0	17,730	0	0
28	T1501ZZ4	T15-011X-P-1000	PowerTax - Provision	6,311	3,665	TBD	0	0	0	0	0	0
29	T1501ZZ18	T15-013M-P-2000	S/4 Implementation	94,668	5,653	T15-013M-P-2000	1,262,241	1,262,241	0	679,355	1,007,655	742,355
30	T1501ZZ11	T15-013B-P-1000	SAP Enhancements - Customer	18,934	87,572	TBD	18,934	0	0	88,650	88,650	88,650
31	T1501ZZ12	T15-013B-P-2000	SAP Enhancements - ERP	18,934	28,255	TBD	18,934	0	0	20,685	20,685	20,685
32	T1501ZZ13	T15-013B-P-4000	SAP Enhancements - HTR	25,245	14,805	TBD	25,245	0	0	23,640	23,640	23,640
33	T1501ZZ14	T15-013B-P-3000	SAP Enhancements - OPs	18,934	11,125	TBD	18,934	0	0	41,370	41,370	41,370
34	T1501ZZ20		SAP GRC and Basis Enhancements	18,934	0	TBD	18,934	0	0	0	0	0
35	T1501ZZ10	T15-013M-P-1000	SAP Technical & Functional Upgrade	31,556	131,555	TBD	31,556	31,556	31,556	0	0	0
36	T1501ZZ32	T15-013D-P-1000	SIEM Enhancements	44,178	63,419	TBD	0	0	0	29,550	32,505	34,574
37	T1501ZZ26	T15-0110-P-2000	Test Global Automation	25,245	36,308	TBD	0	94,668	0	0	0	0
38	T1501ZZ16	T15-013F-P-1000	Work 1 View	110,446	138,570	TBD	47,334	121,491	0	0	0	0
39		R15-01K3.16-P-0019	AMI SAP Integration	0	0	TBD	0	0	0	0	0	0
40		R15-01K3.18-P-1044	Enterprise Meter Data Management	0	0	TBD	0	0	0	0	0	0
41		T15-0132-P-2000	Enterprise MDM Platform v2	0	36253	TBD	0	0	0	0	0	0
42		T15-0132-P-1000	Enterprise MDM Platform v1	0	16	TBD	0	0	0	0	0	0
43		T15-0132-P-0998	Enterprise MDM Platform-C-P1119	0	21	TBD	0	0	0	0	0	0
44		T15-011I-P-1002	Advanced Analytics	0	1984	TBD	0	0	0	0	0	0
45		T15-011I-P-1003	Business Analytics	0	0	TBD	0	0	0	0	0	0
46		T15-011I-P-1001	Data Analytics	0	10364	TBD	0	0	0	0	0	0
47		T15-0113-P-1000	Meter Ops	51,417	49,747	TBD	0	0	0	0	0	0
48		T15-011Y-P-1000	Accounting - Payroll standard & aut	-5,768	0	TBD	0	0	0	0	0	0

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Capital Estimate of California American Water Charges for Enterprise Solutions-Revised as of 12/20/22

	A	B	C	D	E	F	G	H	I	J	K	L
	Unique ID	2022 Business Project Number ¹	Project Description	2022 Estimate	2022 Actual as of 12/19/22	2023 Business Project Numbers ¹	2023	2024	2025	2023 Revised	2024 Revised	2025 Revised
49		T15-0115-P-0998	Alerts 1 View-C-P1119	0	0	TBD	0	0	0	0	0	0
50		T15-011W-P-1000	SuccessFactors EmplCentral & WFA 20	99,170	52,525	TBD	0	0	0	0	0	0
51		T15-0115-P-1000	Alerts 1 View	13,002	42,448	TBD	0	0	0	0	0	0
52		T15-011R-P-1000	e-Builder	93,155	105,199	T15-011R-P-1000	0	0	0	0	0	0
53		T15-0113-P-2000	MeterOps Enhancements 2021	0	106,222	TBD	0	0	0	0	0	0
54		T15-0111-P-1002	Advanced Analytics	0	1,984	TBD	0	0	0	0	0	0
55		T15-0130-P-1000	amwater.com Enh 2022	0	8,596	TBD	0	0	0	0	0	0
56		T15-013L-P-1000	Ask HR Phase 2	0	29,467	T15-013L-P-1000	0	0	0	11,820	2,955	2,955
57		T15-012F-P-1000	Business HyperAutomation Program	0	111,096	TBD	0	0	0	59,100	59,100	59,100
58		T15-0121-P-2000	Customer Digital Channels Tech Design	0	7,063	TBD	0	0	0	0	0	0
59		T15-0131-P-2000	Data & Analytics Enablement Platform v2	0	23	TBD	0	0	0	0	0	0
60		T15-012J-P-1000	Data Analytics Platform	0	115,906	TBD	0	0	0	0	0	0
61		T15-011H-P-1000	Digital As-Built v1	0	296	TBD	0	0	0	0	0	0
62		T15-011P-P-1000	DSP & SAP Enhancements	0	450	TBD	0	0	0	0	0	0
63		T15-0119-P-1000	Enhanced Portal	0	32,142	TBD	0	0	0	0	0	0
64		T15-0112-P-1000	Enterprise Mapcall	0	12,467	TBD	0	0	0	0	0	0
65		T15-012N-P-1000	HR Case Management	0	18,160	TBD	0	0	0	0	0	0
66		T15-011G-P-1000	Interactive Data Portal	0	76	TBD	0	0	0	0	0	0
67		T15-0112-P-2000	Mapcall 2021	0	17,654	TBD	0	0	0	0	0	0
68		T15-011A-P-1000	Meter Testing App-v1	0	793	TBD	0	0	0	0	0	0
69		T15-0182-P-0002	myAccess Enhancements 2021	0	290	TBD	0	0	0	0	0	0
70		T15-0185-P-1000	New Authentication Platform (Okta)	0	35	TBD	0	0	0	0	0	0
71		T15-012S-P-1000	New Service Inquiry (NSI) Process Auto	0	2,416	TBD	0	0	0	0	0	0
72		T15-013M-P-3000	NonProd Enterprise System Migration	0	211,407	TBD	0	0	0	0	0	0
73		T15-011F-P-1000	OneMap	0	602	TBD	0	0	0	0	0	0
74		T15-0176-P-0003	Opentext Extream Phase 2	0	10,147	TBD	0	0	0	0	0	0
75		T15-013P-P-1000	Paradox 2022	0	1,214	T15-013P-P-1000	0	0	0	35,460	2,955	2,955
76		T15-012V-P-1000	Payment Assistance Portal	0	6,204	TBD	0	0	0	0	0	0
77		T15-013R-P-0001	Payment Assistance Portal	0	6,489	TBD	0	0	0	0	0	0
78		T15-011K-P-1000	Platform v2 Enhancements	0	17,119	TBD	0	0	0	0	0	0
79		T15-0138-P-1000	Platform v2.0	0	1,500	TBD	0	0	0	0	0	0
80		T15-0174-P-0001	PowerTax Upgrade Enhancements	0	712	TBD	0	0	0	0	0	0
81		T15-013K-P-1000	Risk Rate Phase 2	0	3,167	T15-013K-P-1000	0	0	0	0	0	0
82		T15-019A-P-0001	Sabrix Enhancements 2021	0	10,063	TBD	0	0	0	0	0	0
83		T15-0121-P-2000	Sample1View 2021 Enhancements	0	176	TBD	0	0	0	0	0	0
84		R15-01K3.18-P-1036	SAMS Imp & Int - P1	0	32	TBD	0	0	0	0	0	0
85		T15-013B-P-5000	SAP Enhancements - Device - 2022	0	14,407	TBD	0	0	0	0	0	0
86		T15-011E-P-1000	SAP Enhancements - ERP	0	13,012	TBD	0	0	0	0	0	0
87		T15-011U-P-1000	SAP Enhancements - MTC 2021	0	2,485	TBD	0	0	0	0	0	0
88		T15-0117-P-1000	Sox Compliance	0	1,816	TBD	0	0	0	0	0	0
89		T15-013H-P-1000	Tax Exemption Automation	0	29,314	TBD	0	0	0	0	0	0
90		T15-013I-P-1000	Treasury Cash Ops Automation	0	29,399	TBD	0	0	0	0	0	0
91		T15-0197-P-1000	Virtual Plant	0	690	TBD	0	0	0	0	0	0
92		T15-0111-P-1000	Work 1 View	0	19,151	TBD	0	0	0	0	0	0
93		T15-013G-P-1000	WQ Compliance Management System	0	171,410	T15-013G-P-1000	0	0	0	29,550	0	135,930
94			Work Management	0	0	TBD	0	0	0	177,300	177,300	177,300
95			SAP CRM Strategy and Planning	0	0	TBD	0	0	0	0	17,730	0
96			SAP CRM solution	0	0	TBD	0	0	0	0	0	118,200

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	A	B	C	D	E	F	G	H	I	J	K	L
	Unique ID	2022 Business Project Number ¹	Project Description	2022 Estimate	2022 Actual as of 12/19/22	2023 Business Project Numbers ¹	2023	2024	2025	2023 Revised	2024 Revised	2025 Revised
97			Pre-Implementation Review- Security and Solution Architecture	0	0	TBD	0	0	0	88,650	88,650	88,650
98			myWater Mobile App (offer myWater experience through	0	0	TBD	0	0	0	44,325	59,100	59,100
99			mySupport HUB integrations	0	0	TBD	0	0	0	59,100	44,325	44,325
100			Multi-Cultural & Accessibility Strategy and Planning	0	0	TBD	0	0	0	17,730	0	0
101			Market intelligence and forecasting tool	0	0	TBD	0	0	0	29,550	0	0
102			Legal - Operations work flow & Process Automation	0	0	TBD	0	0	0	47,280	47,280	0
103			Legal - eDiscovery Redesign	0	0	TBD	0	0	0	43,143	0	0
104			Internal Comms Enhancements	0	0	TBD	0	0	0	29,550	29,550	29,550
105			Internal Comms - Social Chorus	0	0	TBD	0	0	0	17,730	5,910	2,955
106			Internal Comms - MySource enhancements	0	0	TBD	0	0	0	5,910	5,910	5,910
107			Internal Audit Process Automation	0	0	TBD	0	0	0	29,550	0	0
108			Internal Audit Management	0	0	TBD	0	0	0	29,550	0	0
109			Integrated Planning, Budgeting and Forecasting Solution	0	0	TBD	0	0	0	29,550	147,750	147,750
110			Interactive Data Portal Phase II	0	0	TBD	0	0	0	0	35,460	0
111			HR - SuccessFactors Optimization	0	0	TBD	0	0	0	59,100	59,100	59,100
112			HR - SuccessFactors Opportunity Marketplace	0	0	TBD	0	0	0	29,550	2,955	2,955
113			HR - Personalized/Decentralized Learning	0	0	TBD	0	0	0	5,910	2,955	2,955
114			HR - Leave of Absence Solution (Potential Solution - LeaveLogic)	0	0	TBD	0	0	0	29,550	2,955	2,955
115			HR - Learning Metrics & Progress Tracking Dashboards	0	0	TBD	0	0	0	0	0	29,550
116			HR - Integrated Performance & Compensation Management	0	0	TBD	0	0	0	29,550	0	0
117			HR - Enhanced Total Compensation, benefits, well being portal	0	0	TBD	0	0	0	47,280	0	0
118			HR - Employee Recognition Center	0	0	TBD	0	0	0	29,550	0	0
119			HR - Digital Learning; Certification and License Tracking	0	0	TBD	0	0	0	0	0	29,550
120			HR - Digital Content Learning & Delivery	0	0	TBD	0	0	0	0	33,244	11,081
121			Health and Safety	0	0	TBD	0	0	0	29,550	94,560	59,100
122			Finance Transformation (S/4 HANA migration) Phase 0	0	0	TBD	0	0	0	59,100	0	0
123			External Comms - FAQ Project	0	0	TBD	0	0	0	129,429	14,775	5,910
124			External Comms - AMWater.com Enhancements & Updates	0	0	TBD	0	0	0	5,910	5,910	5,910
125			Customer Supplementary Information (IDA)	0	0	TBD	0	0	0	88,650	118,200	177,300
126			Customer Facing Technical Support Strategy & Planning	0	0	TBD	0	0	0	17,730	0	0
127			Customer Business Intelligence, VOC & Predictive Analytics	0	0	TBD	0	0	0	44,325	59,100	59,100
128			Customer 360 Tool (e.g., customer personas)	0	0	TBD	0	0	0	29,550	29,550	88,650
129			Customer - Process Excellence/Hyper automation	0	0	TBD	0	0	0	44,325	44,325	44,325
130			Contact Center IVR Enhancements and Continuous	0	0	TBD	0	0	0	59,100	88,650	88,650
131			Complaint Management System (BPEM and more)	0	0	TBD	0	0	0	0	44,325	88,650
132			Chatbot solution across channels	0	0	TBD	0	0	0	0	59,100	59,100
133			Cash Ops:State-level Cash Flow with drill down capabilities	0	0	TBD	0	0	0	17,730	0	0
134			Automated UAT Testing for AP and Payroll	0	0	TBD	0	0	0	11,820	0	0
135			AI/ML	0	0	TBD	0	0	0	0	0	0
136			Acquisition Integration Management (AIM)	0	0	TBD	0	0	0	26,004	0	0
137			3PL (Supply Chain)	0	0	TBD	0	0	0	11,820	0	0
138												
139	TOTAL			3,883,402	3,858,263		3,802,500	3,802,500	3,802,500	3,859,526	3,876,960	3,876,960

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Capital Estimate of California American Water Charges for Enterprise Solutions-Revised as of 12/20/22

A	B	C	D	E	F	G	H	I	J	K	L
Unique ID	2022 Business Project Number ¹	Project Description	2022 Estimate	2022 Actual as of 12/19/22	2023 Business Project Numbers ¹	2023	2024	2025	2023 Revised	2024 Revised	2025 Revised

	2022	2023	2024	2025
CAL-AM Direct Testimony	\$ 3,882,402	\$ 3,802,500	\$ 3,802,500	\$ 3,802,500
Revised CAL-AM Enterprise Solutions Actuals/Estimates	\$ 3,858,263	\$ 3,859,526	\$ 3,876,960	\$ 3,876,960
Subtotal	\$ 24,139	\$ (57,026)	\$ (74,460)	\$ (74,460)

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