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Commissioner	: <u>Matthew Baker</u>
Administrative Law Judge	: <u>Rafael L. Lirag</u>
Public Advocates Office	
Witness(es)	: <u>Roy Keowen</u>



**PUBLIC ADVOCATES OFFICE
CALIFORNIA PUBLIC UTILITIES COMMISSION**

**REPORT ON THE GENERAL AND
ADMINISTRATIVE EXPENSES**

California American Water Company's
General Rate Case Application 25-07-003
Test Year 2027

San Francisco, California
January 23, 2026

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MEMORANDUM

1 The Public Advocates Office at the California Public Utilities Commission (Cal
2 Advocates) examined application material, data request responses, and other information
3 presented by California American Water Company (Cal Am) in Application (A.)25-07-
4 003 to provide the California Public Utilities Commission (Commission or CPUC) with
5 recommendations in the interests of ratepayers for safe and reliable service at the lowest
6 cost. Mr. Brian Yu is Cal Advocates' project lead for this proceeding. This Report is
7 prepared by Mr. Roy Keowen. Mr. Mukunda Dawadi is the oversight supervisor. Mr.
8 Niki Bawa and Ms. Ritta Merza are the legal counsel.

9 Although every effort was made to comprehensively review, analyze, and provide
10 the Commission with recommendations on each ratemaking and policy aspect presented
11 in the Application, the absence of any particular issue from Cal Advocates' testimony
12 connotes neither agreement nor disagreement with the underlying request, methodology,
13 or policy position related to that issue.

Chapter #	Description	Witness
1	Administrative & General Expenses	Roy Keowen

EXECUTIVE SUMMARY

Cal Am forecasts \$10,154,562 in A&G expenses for TY 2027 — over 50 percent above 2024 recorded levels. Cal Am’s request is unreasonable, speculative, and unsupported. After adjustments, a reasonable budget more aligned with actual inflation is \$9,563, a reduction of \$6,357,999 (–63%).

6 Key reductions result from: removal of discretionary or shareholder-oriented costs
7 (lobbying, goodwill, luxury travel, entertainment, charitable sponsorships); alignment of
8 insurance and rent forecasts with verified contracts and market indices; and elimination
9 of abnormal entries and inflated escalation factors. Cal Advocates adjusts Cal Am's
10 forecast for the following Administrative and general expense categories:

- Property Insurance
- Regulatory Expense
- Temp Employees
- Hardship Program
- Dues & Memberships
- Community Partnerships/Relationships
- Conferences & Registration
- Customer Education
- Discounts Available
- Employee Expenses
- Insurance Vehicle
- Meals
- Relocation
- Rent

26 Each of Cal Advocates recommended adjustments will be discussed in detail in
27 this chapter.

CHAPTER 1 ADMINISTRATIVE & GENERAL EXPENSES

I. INTRODUCTION

3 Cal Am requests a substantial increase in (Administrative and General) A&G
4 expenses between the last recorded year (2024) and Test Year (TY 2027). The Public
5 Advocates Office conducted an independent analysis of the utility's recorded data,
6 escalation methodology, and forecast assumptions for each major A&G sub-account. Cal
7 Advocates also reviewed responses to data requests, internal support documentation, and
8 the direct testimony of Joey Chen and the direct testimony of Patrick Pilz.^{1,2} Based on
9 this review, Cal Am's proposed A&G forecast is overstated and not adequately supported
10 by underlying evidence.

11 Consistent with the Commission's role as a substitute for competition and to
12 prevent customers from paying twice for benefits never received once, this testimony
13 identifies opportunities to align Cal Am's A&G costs with reasonable and verifiable
14 levels.³

15 Cal Advocates' recommendations are intended to protect ratepayers from bearing
16 excessive administrative overhead, promote cost discipline, and ensure that future rates
17 reflect prudent and efficient utility management.

18 II. SUMMARY OF RECOMMENDATIONS

19 The Commission should reduce Cal Am's proposed Administrative and General
20 (A&G) expense forecast for TY 2027. Cal Am's projected A&G expenses are

¹ Application of California-American Water Company (U210W) to Increase Revenues in Each of its Districts Statewide. Direct testimony of Joey Chen.

² Application of California-American Water Company (U210W) to Increase Revenues in Each of its Districts Statewide, Direct testimony of Patrick Pilz.

³ Customer rates are based on forecasted expenses which may not materialize as an actual expense or the actual expense is much less than predicted. Thus, it is fair to exclude these expenses from rates since customers never received the full benefit of the expense as promised to customers by Cal Am in the GRC which adopted the rates.

1 unreasonable, excessive, and unsupported by measurable cost drivers. Cal Advocates'
2 recommendations are compared with Cal Am's requests in Table 1-1 below:

Table 1-1: Summary of Recommendations for TY 2027

Ref	Issue	Cal Am TY 2027 (\$)	Cal Advocates	Difference (\$)
1	Property Insurance	\$1,163,109	\$1,000,000	(\$163,109)
2	Regulatory Expense	\$2,011,592	\$355,760	(\$1,655,832)
3	Temp Employees	\$59,221	\$0	(\$59,221)
4	Hardship Program	\$923,700	\$0	(\$923,700)
5	Dues & Memberships	\$615,314	\$472,320	(\$142,680)
6	Community Partnerships/Relationships	\$129,840	\$0	(\$129,840)
7	Conferences & Registration	\$191,000	\$0	(\$191,000)
8	Customer Education	\$513,167	\$0	(\$513,167)
9	Discounts Available	(\$119,000)	(\$229,862)	(\$110,862)
10	Employee Expenses	\$419,707	\$0	(\$419,707)
11	Insurance Vehicle	\$249,360	\$86,295	(\$163,065)
12	Meals	\$122,967	\$0	(\$122,967)
13	Relocation	\$30,205	\$0	(\$30,205)
14	Rent	\$3,889,670	\$2,112,050	(\$1,777,620)
15	TOTAL	\$10,199,852	\$3,796,563	(\$6,403,289)

III. ANALYSIS

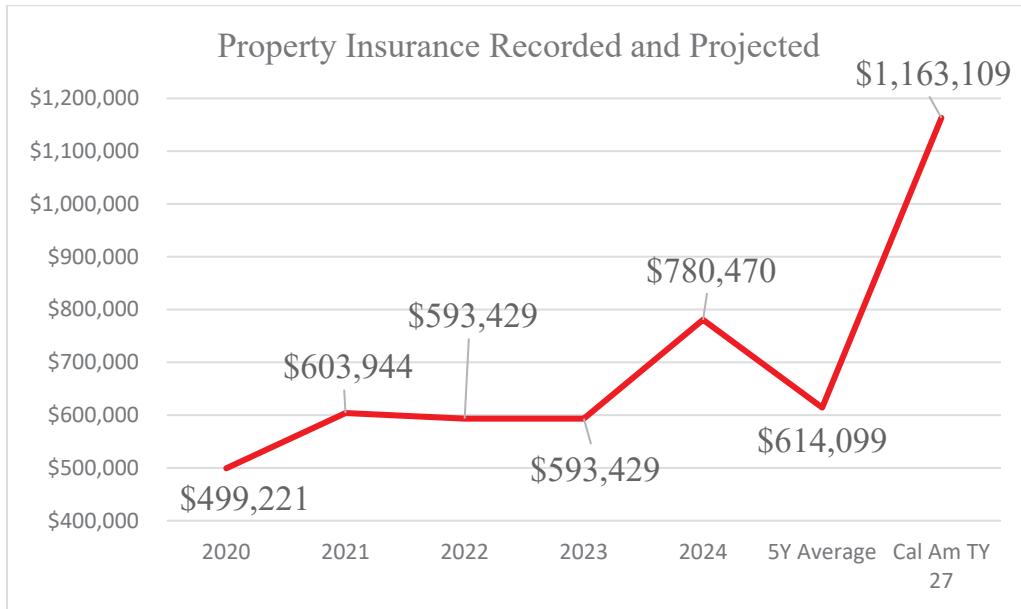
A. Property Insurance Expense

Cal Am proposes a 49% increase in property insurance expense from the last recorded year (2024) to TY 2027, from \$780,470 to \$1,163,109. Cal Am attributes the proposed increase to “historical industry losses” and “broader industry trends” but did not provide actuarial studies, broker correspondence, or internal modeling that support these assumptions.⁴

⁴ Cal Am's Response to Public Advocates Office's Data Request SLM-03, Question 4. Cal Am states its projected insurance increases are based on informal meetings with brokers, historical industry losses, broader industry trends, and macroeconomic factors such as inflation, and further states that no formal documentation supporting these forecasts exists.

1 Cal Advocates reviewed Cal Am’s recorded insurance costs from 2020
2 through 2024 and found no consistent upward trend that would justify such a sharp
3 speculated increase. See Figure 1-1 below:

4 **Figure 1-1: Cal Am’s Recorded & Projected Property Insurance Expense**



5 Figure 1-1 shows Cal Am’s recorded property insurance, the five-year
6 average property insurance, and Cal Am’s projected property insurance. The
7 company’s forecast relies on the most recent insurance premiums increasing
8 between zero to 35% based on a brokers estimate.⁵ Cal Am’s projection does not
9 align with known rate stabilization in the commercial property insurance market.⁶
10 Moreover, Cal Am’s response to data requests confirmed that “no formal
11 documentation or outline of the forecast exists due to variability of factors
12

⁵ Direct Testimony of Joey Chen at 15.

⁶ Woodruff Sawyer, Commercial Property Market Softens in Q2 2025, Risk & Insurance, July 24 2025. Available at: <https://riskandinsurance.com/commercial-insurance-rates-moderate-in-q2-as-market-shows-signs-of-stabilization>

1 involved.”⁷ This lack of support undermines the reasonableness of the proposed
2 increase.

3 Recent commercial-insurance market surveys indicate average property-
4 insurance rate increases of approximately 3%–4% for non-catastrophe-exposed
5 portfolios.^{8,9,10} To produce a more reasonable forecast, Cal Advocates escalated
6 Cal Am’s 2024 recorded amount by 3% annually to account for general cost
7 inflation and risk exposure. Table 1-2 below presents Cal Advocates’ TY 27
8 property insurance expense estimate:

10 **Table 1-2: Recorded Property Insurance Expense Escalated to TY 2027.**

Year	Escalation	Factor	Amount
2024			\$780,470
2025	1.03	1.03	\$803,884
2026	1.03 ^{^2}	1.06	\$828,001
2027	1.03 ^{^3}	1.09	\$852,309

11 This approach results in an adjusted TY 2027 amount of \$852,309, which
12 better reflects recent market data, aligns with actual experience, and limits
13 ratepayer exposure to speculative cost inflation.

⁷ Cal Am’s Response to Cal Advocates Data Request SLM-03, Q.4a.

⁸ Commercial Insurance Rates Moderate in Q2 as Market Shows Signs of Stabilization, Risk & Insurance, July 9, 2025, available at: <https://riskandinsurance.com/commercial-insurance-rates-moderate-in-q2-as-market-shows-signs-of-stabilization> [accessed January 3, 2025]

⁹ Commercial Insurance Rates Rise 3% on Average in Q1 2025, Risk & Insurance, , April 7 2025,available at: <https://riskandinsurance.com/commercial-insurance-rates-rise-3-on-average-in-q1-2025> [accessed January 3, 2025]

¹⁰ Loretta Worters, Commercial Property Insurance Shows Signs of Improvement, Stable Growth, Says New Triple-I Brief, Insurance Information Institute, December 19, 2024, available at: <https://www.iii.org/press-release/commercial-property-insurance-shows-signs-of-improvement-stable-growth-says-new-triple-i-brief-121924> [accessed January 3, 2025]

1 The Commission should adopt a TY 2027 property insurance expense of
2 \$852,309, representing a reduction of \$310,800 from Cal Am's proposal. This
3 adjustment ensures that only reasonable and supported insurance costs are
4 recovered from ratepayers and that Cal Am remains accountable for demonstrating
5 actual cost changes.

6 **B. Regulatory Expenses**

7 Cal Am requests a TY 2027 regulatory expense budget of \$2,011,592,
8 representing an increase of more than 375% over its 2024 recorded level of
9 approximately \$423,125.¹¹ Cal Am attributes this proposed increase primarily to
10 anticipated general rate case (GRC) and advice letter (AL) filings but provided a
11 speculative forecast of workload, outside counsel hours, or service company
12 allocations to substantiate the escalation.¹²

13 Cal Advocates reviewed Cal Am's recorded regulatory expenses from 2020
14 through 2024 and found that actual costs are much less than Cal Am forecasts in
15 TY 2026. Table 1-3 below demonstrates Cal Am's recorded Regulatory Expenses:

¹¹Cal Am RO Model file "ALL_CH04_O&M_RO.xlsb," tab: "Sum Costs Before GO Alloc WS9A," columns N, Q, filtered for account "797."

¹² Direct Testimony of Joey Chenat 15-16.

Table 1-3: Cal Am’s Recorded Regulatory Expenses

Year	Amount
2020	713,051 ¹³
2021	427,821 ¹⁴
2022	718,955 ¹⁵
2023	\$972,759 ¹⁶
2024	\$423,125 ¹⁷
Average	\$651,142

3 Table 1-3 demonstrates that Cal Am’s regulatory expenses are on average
4 \$651,142 on average. Despite this historical pattern, Cal Am applied a single-step
5 escalation based on internal expectations rather than on identified projects or
6 invoices.¹⁸ In response to Cal Advocates’ data requests, Cal Am confirmed that it
7 “did not prepare a cost model or activity-based forecast” for regulatory expenses
8 in this GRC.¹⁹ To develop a reasonable forecast, Cal Advocates escalated Cal

¹³ Cal Am RO Model file “ALL_CH04_O&M_RO.xlsb,” tab: “Sum Costs Before GO Alloc WS9A,” column J, filtered for account “797.”

¹⁴ Cal Am RO Model file “ALL_CH04_O&M_RO.xlsb,” tab: “Sum Costs Before GO Alloc WS9A,” column K, filtered for account “797.”

¹⁵ Cal Am RO Model file “ALL_CH04_O&M_RO.xlsb,” tab: “Sum Costs Before GO Alloc WS9A,” column L, filtered for account “797.”

¹⁶ Cal Am RO Model file “ALL_CH04_O&M_RO.xlsb,” tab: “Sum Costs Before GO Alloc WS9A,” column M, filtered for account “797.”

¹⁷ Cal Am RO Model file “ALL_CH04_O&M_RO.xlsb,” tab: “Sum Costs Before GO Alloc WS9A,” column N, filter for account “797.”

¹⁸ Direct Testimony of Joey Chen at 15-16.

¹⁹ Direct Testimony of Joey Chen at 19 states “California American Water based its estimates on historical costs and its experience with regulatory proceedings.”

1 Am's 5-Year average recorded amount by 3% annually to reflect general cost
2 inflation and the utility's periodic regulatory participation at the Commission.

3 **Table 1-4: Recorded Regulatory Expense Escalated to TY 2027.**

Year	Escalation	Factor	Amount
5Y Avg (20-24)			\$651,142
2025	1.03	1.03	\$670,676
2026	1.03 ^{^2}	1.06	\$690,797
2027	1.03 ^{^3}	1.09	\$711,520

4 Table 1-4 demonstrates that the 5-Year average recorded expense is
5 escalated to \$711,520 for TY 2027. To protect ratepayers from bearing the full
6 burden of uncertain or discretionary litigation costs while still providing Cal Am
7 an incentive to manage its filings efficiently, the Commission should adopt a
8 regulatory expense budget of \$711,520 with a 50/50 risk-sharing mechanism (i.e.,
9 only 50% of the authorized budget is recovered from rates and the remaining 50%
10 of the budget is borne by the shareholders).

11 California American Water's regulatory expense forecast includes litigation
12 costs incurred in proceedings where the Company's primary objective is to
13 advance shareholder interests through higher revenues, increased returns, or
14 favorable ratemaking treatment, rather than to provide incremental benefits to
15 customers.

16 For example, in general rate cases, including California American Water's
17 2019 GRC and 2022 GRC,^{20,21} the Company advocated for revenue increases,
18 escalation mechanisms, and administrative and general expense recoveries that

²⁰ Application No. A.19-07-004

²¹ Application No. A.22-07-001

1 were substantially reduced by the Commission. In these proceedings, a significant
2 portion of litigation effort was devoted to opposing positions advanced by the
3 Public Advocates Office and other intervenors seeking to limit rate impacts.^{22,23}
4 The Commission’s final decisions reflect that many of the Company’s litigated
5 proposals were either modified or rejected, indicating that the associated litigation
6 costs primarily served shareholder interests rather than providing commensurate
7 ratepayer benefits.^{24,25}

8 Similarly, in cost of capital proceedings,²⁶ California American Water
9 sought higher authorized returns on equity and capital structures more favorable to
10 shareholders. Such proceedings are inherently adversarial, with the Company
11 advocating for increased earnings potential while consumer advocates seek to
12 constrain rate impacts. To the extent the Commission does not adopt the
13 Company’s requested returns, the litigation costs incurred in pursuing those
14 positions cannot reasonably be characterized as benefiting ratepayers.²⁷

15 Acquisition proceedings provide another clear example of shareholder-
16 benefiting regulatory litigation. In applications such as the Bellflower
17 acquisition,²⁸ East Pasadena acquisition,²⁹ and Warring Water System
18 acquisition,³⁰ California American Water incurred extensive legal, consulting, and

²² See Docket for Application No. A.19-07-004.

²³ See Docket for Application No. A.22-07-001.

²⁴ D.21-11-018.

²⁵ D.24-12-025.

²⁶ A.21-05-001.

²⁷ D.23-06-025.

²⁸ A.18-09-013; D.22-10-003.

²⁹ A.20-04-003; D.21-11-037.

³⁰ A.20-04-017; D.22-08-005.

1 transaction-related costs over multi-year periods. These proceedings sought
2 approval of consolidation transactions, recovery of transaction costs, and future
3 ratemaking protections. While consolidation may advance broader public policy
4 goals, the litigation costs associated with pursuing individual acquisitions are
5 discretionary, transaction-specific, and contingent on Commission approval.
6 Ratepayers receive no guaranteed benefit from these costs, particularly where
7 proceedings are prolonged, modified, or delayed.

8 California American Water has also incurred regulatory expenses in
9 applications for rehearing and post-decision litigation, where the Company seeks
10 to overturn or modify Commission determinations that limit revenues or disallow
11 costs.³¹ By definition, such litigation is undertaken to protect shareholder interests
12 following an adverse Commission outcome and does not provide a corresponding
13 benefit to customers.

14 In contrast, base-level regulatory expenses necessary to comply with
15 Commission rules, mandatory reporting requirements, and routine filings
16 appropriately benefit ratepayers and should be recoverable through rates.
17 However, the record demonstrates that a substantial portion of California
18 American Water's regulatory litigation expenditures are driven by discretionary
19 filings, aggressive advocacy positions, and speculative transactions whose benefits
20 accrue primarily to shareholders.

21 Accordingly, a 50/50 risk-sharing mechanism appropriately allocates
22 regulatory expenses by allowing recovery of normalized, base-level costs through
23 rates while assigning shareholders responsibility for a meaningful share of
24 extraordinary or speculative litigation expenses. This approach aligns incentives,
25 promotes prudent regulatory strategy, and ensures that ratepayers are not required

³¹ D.21-11-037.

1 to fully underwrite litigation that primarily advances shareholder interests or is
2 ultimately rejected by the Commission.

3 A 50/50 risk-sharing mechanism, aligns with the principle of prudent
4 management accountability. A 50/50 risk-sharing mechanism also ensures that
5 both customers and shareholders share in the financial consequences of Cal Am's
6 regulatory strategy. Table 1-5 below shows a 50/50 cost-sharing mechanism
7 between ratepayers and shareholders.

8 **Table 1-5: Regulatory Expense Projections Under a 50/50 Cost Sharing Mechanism.**

Legal Risk Amount	A	\$711,520
Fair Risk Split	B	50%
Fair Amount Due from Ratepayers in TY 2027	(AxB)	\$355,760

9
10 Table 1-5 shows the amount the Commission should adopt for Cal Am's
11 Regulatory Expense in TY 2027. This methodology results in a TY 2027 forecast
12 of \$355,760, consistent with historical experience and the expected regulatory
13 workload.

14 The Commission should adopt a TY 2027 regulatory expense budget of
15 \$711,520, of which 50% (\$355,760) should be borne by shareholders. Cal
16 Advocates recommendation to include regulatory budgets of only \$355,760 in
17 rates results in a reduction of \$1,655,832 from Cal Am's requested regulatory
18 expense budget of \$2,011,592. Cal Advocates' adjustment removes unsupported
19 forecast inflation and ensures that ratepayers fund only those regulatory costs
20 directly tied to verifiable and recurring obligations.

1 **C. Temporary Employees**

2 Cal Am requests a new \$59,221 expense budget for temporary employees
3 under Account 798 (Contract Services – Temporary Employees) for TY 2027.³²
4 Cal Am did not record any costs in this account until year 2022, nor did it identify
5 any new or recurring business functions that required temporary staff.³³ In
6 response to Cal Advocates’ data request, Cal Am stated that “temporary staff may
7 be used on an as-needed basis” but provided no estimates of expected work
8 duration, job function, or frequency.³⁴

9 The absence of historical spending, coupled with the lack of a defined
10 operational plan, indicates that this request is purely discretionary and speculative.
11 Speculative forecasts should be excluded from customer rates. Temporary labor
12 costs are typically incurred to cover short-term vacancies or seasonal workloads.
13 However, Cal Am has not demonstrated such a pattern in prior years.

14 Cal Advocates’ review of historical labor-related A&G accounts shows that
15 Cal Am’s regular and overtime labor costs already include sufficient budget to
16 absorb short-term staffing fluctuations without additional funding.³⁵ Including this
17 new category would allow the company to recover costs twice — once through
18 base labor allocations and again through a separate “temporary employees”
19 charge.

20 The Commission should exclude the entire \$59,221 proposed for temporary
21 employees in TY 2027. Because no recorded costs, supporting evidence, or

³² Cal Am RO Model file “ALL_CH04_O&M_RO.xlsx,” tab: “Sum Costs Before GO Alloc WS9A,” filtered for account “798;” Cal Am RO Model file “ALL_CH04_O&M_RO.xlsx,” tab: “Contract Svc-Temp Empl - Admin & General;” Cal Am RO Model file “ALL_CH04_O&M_RO.xlsx,” tab: “Contract Svc-Temp Empl - Natural Account,” column Q.

³³ Cal Am’s Response to Public Advocates Office’s Data Request RK2-03, Question 2.

³⁴ Cal Am’s Response to Public Advocates Office’s Data Request RK2-03, Question 2.

³⁵ See, Testimony of Sam Lam, Cal Advocates’ Report on Labor & Benefits, Total Compensations, Special Requests No. 1 and 7.

1 operational justification have been provided, excluding this amount will prevent
2 ratepayers from subsidizing duplicative labor costs.

3 **D. Hardship Program Costs**

4 Cal Am’s Hardship Program provides one-time bill assistance for
5 customers experiencing temporary financial distress. Currently, Cal Am funds this
6 program on a 50/50 basis between shareholders and ratepayers. In this General
7 Rate Case, Cal Am proposes to change the funding ratio to 70 percent ratepayer /
8 30 percent shareholder, thereby increasing the portion of costs borne by customers
9 and raising total A&G expense by \$184,000 in TY 2027.³⁶

10 Cal Am provides no quantitative evidence that expanding the ratepayer-
11 funded share improves affordability outcomes, reduces arrearages, or mitigates
12 shutoffs. Instead, the utility asserts that “increased participation” and “greater
13 program stability” justify the cost shift.³⁷ However, those goals can be achieved
14 without burdening customers, because Cal Am’s shareholders already voluntarily
15 fund 50 percent of the program, and state and federal assistance programs—such
16 as the Low-Income Household Water Assistance Program (LIHWAP)—are
17 available to address the same need.³⁸

18 Moreover, the Hardship Program is not a mandated regulatory obligation. It
19 functions as a discretionary social responsibility initiative, which should remain
20 primarily shareholder funded. Increasing the ratepayer share from 50 to 70 percent
21 would improperly socialize what has historically been a voluntary corporate
22 contribution. Cal Am also has not demonstrated that administrative costs for the
23 program are tracked separately or efficiently managed.

³⁶ Direct Testimony of Patrick Pilz at 23.

³⁷ Cal Am’s Response to Public Advocates Office’s Data Request RK2-05, Questions 1–3.

³⁸ Low Income Household Water Assistance Program, California Department of Community Services and Development, available at: <https://www.csd.ca.gov/lihwap> [Accessed January 11, 2026]

1 The Commission should reject Cal Am’s proposed 70/30 cost-sharing
2 change and instead require Cal Am’s shareholders to fully fund the program, if Cal
3 Am wishes to continue the program. Ratepayers should not be burdened with the
4 program that primarily helps Cal Am’s corporate image. Because Cal Am failed to
5 substantiate any ratepayer benefit from the proposed shift, the \$184,000
6 incremental cost along with existing program cost, should be excluded, resulting
7 in a TY 2027 ratepayer-funded amount of \$0. This ensures that customers do not
8 subsidize a voluntary shareholder program absent demonstrated need or
9 measurable benefit.

10 **E. Dues & Memberships**

11 A review of a sample of Cal Am’s recorded 2024 expenses reveals that not
12 all expenses are reasonable. The following line items are non-recoverable under
13 the Commission’s policies against ratepayer funding of utility lobbying, political,
14 charitable and goodwill expenses and also to enforce the Commission’s General
15 Order (GO) 77-M³⁹ guidance about such expenses:

³⁹ General Order 77-M requires disclosure of all contributions, donations, and memberships to ensure transparency and to distinguish recoverable operational costs from discretionary corporate giving.

Table 1-6: Analysis of Cal Am's 2024 Dues & Memberships Expenses

Ref	Expense	Amount (\$)	Reason to Disallow
1	Trade association lobbying California Water Association (F1 lobbying portion). ⁴⁰	\$ 70,375	Non-deductible lobbying not recoverable.
2	Advocacy/policy California Foundation on the Environment & the Economy ⁴¹	\$ 21,000	Policy/political networking
3	Chambers / property owners associations Multiple chambers of commerce. ⁴²	\$ 12,070	Goodwill; not tied to operations.
4	Advocacy / affinity Sustainable Agriculture & Energy. ⁴³	\$ 2,964	Advocacy; no operational nexus
5	Affinity network Veterans in Business Network. ⁴⁴	\$ 1,500	Goodwill/affinity
	Total	\$ 107,908	

⁴⁰ Cal Am's Response to Public Advocates Office's Data Request RK2-03.

⁴¹ Cal Am's Response to Public Advocates Office's Data Request RK2-03.

⁴² Cal Am's Response to Public Advocates Office's Data Request RK2-03.

⁴³ Cal Am's Response to Public Advocates Office's Data Request RK2-03.

⁴⁴ Cal Am's Response to Public Advocates Office's Data Request RK2-03.

1 Cal Am's 2024 GO 77-M filing reported \$465,493 in total dues.⁴⁵ As
2 shown above, the total dues excluded for 2024 as unreasonable is \$107,908. This
3 results in a 23.1 % exclusion rate.⁴⁶

4 For 2027, Cal Am's forecasts dues & memberships of \$615,000. Applying
5 the 23.1 % exclusion rate removes \$142,680 from rates as shown in the table
6 below.

7 **Table 2-7: Dues & Memberships Exclusion Calculations**

Ref	Item	Amount (\$)
1	2027 projected dues (Cal Am)	\$615,000
2	Exclusion @ 23.1 %	\$142,680
3	Net Allowable	\$472,320

8 Cal Am's dues and memberships accounts include significant non-
9 recoverable costs—lobbying, chambers of commerce, and advocacy/affinity
10 memberships—contrary to Commission policy. The 2024 GO 77-M demonstrates
11 that at least \$107,908.62 (23.1 %) is non-recoverable. Applying this factor to the
12 2027 projection of \$615,000 results in an \$142,680 exclusion, leaving a net
13 allowable of \$472,320. The Commission should exclude the specific 2024 line-
14 items listed above totaling \$107,908.62; reduce Cal Am's 2027 dues &
15 memberships projection by 23.1 %, absent additional justification; and require Cal
16 Am to file a full reconciliation between its GO 77-M, general ledger, and
17 workpapers before using these projections for ratemaking.

⁴⁵ 2024 GO 77-M Filing, California American Water, June 20, 2025 (Cal Am GO 77-M Filing) at p.9; Cal Am RO Model file “ALL_CH04_O&M_RO.xlsx,” tab: “Sum Costs Before GO Alloc WS9A,” columns N, Q, filtered by SAP accounts “52524000” and “52524000.” Cal Am’s workpapers show a discrepancy with its GO-77 filing, which Cal Am discusses in response to Cal Advocates Data Request RK2-03 (Co Dues Memberships 1). Cal Advocates relies on amounts Cal Am references in the Cal Am GO 77-M Filing. .

⁴⁶ \$107,08 / \$465,493 = 23.1%

1 **F. Community Partnership/Relationship Expenses**

2 Cal Am recorded and forecasted its Community Partnerships /
3 Relationships expenses under Account 799 (Corporate A&G). Workpapers and
4 invoices reviewed by Cal Advocates show these costs include:

5

- 6 1. Sponsorships for community events (e.g., local chambers of commerce,
7 business alliances, and civic groups);
- 8 2. Donations to nonprofit or advocacy organizations;
- 9 3. Paid “partnerships” and advertising placements under corporate branding
10 initiatives such as “California American Water in the Community”; and
- 11 4. Staff time and promotional materials related to community outreach.⁴⁷

12

13 None of these items are required by Commission order or statute, nor are
14 they essential to the provision of water service. They primarily serve public
15 relations and goodwill functions that enhance Cal Am’s corporate image.

16 Cal Am’s workpapers show a recorded 2024 expense of approximately
17 \$129,840, with no documented cost allocations or measurable deliverables linking
18 these expenditures to ratepayer benefit.⁴⁸ The company applied a flat escalation to
19 project the same amount for TY 2027, without substantiation or activity-based
20 forecasting.

21 In response to data requests, Cal Am indicated that these partnerships “help
22 improve public awareness and brand perception,” confirming that the purpose is
23 reputation management, not service reliability or compliance.⁴⁹

24 The Commission should exclude promotional and charitable spending when
25 the utility cannot show a direct operational nexus. - In keeping in line with the

⁴⁷ Cal Am’s Response to Public Advocates Office’s Data Request RK2-04.

⁴⁸ Cal Am’s Response to Public Advocates Office’s Data Request RK2-04.

⁴⁹ Cal Am’s Response to Public Advocates Office’s Data Request RK2-04.

1 Commission's requirement for expenses to be reasonable and prudent,⁵⁰ such
2 expenses are voluntary and should be funded by shareholders.

3 Additionally, many of Cal Am's listed "partnerships" overlap with other
4 A&G categories already reviewed in this testimony, such as Dues & Memberships
5 (Account 798) and Books & Publications, resulting in potential double counting of
6 the same promotional costs.

7 Given these factors, Cal Am's TY 2027 proposed budget of \$129,840
8 should be excluded from rates.

9 **G. Customer Education Expenses**

10 Cal Am requests \$513,167 for Customer Education in TY 2027, a
11 continuation of its 2024 recorded amount escalated for inflation.⁵¹ The workpapers
12 and data responses show spending categories that include:

13

- 14 1. Printing and translation of outreach materials;
- 15 2. Paid advertising in community newsletters and online media;
- 16 3. Sponsorship of community "education" booths at local events; and
- 17 4. Design and distribution of corporate-branded informational materials.⁵²

19 While Cal Am labels these activities "customer education," the descriptions
20 and invoices reveal that most are brand-marketing and public-relations efforts,
21 such as materials highlighting Cal Am's community partnerships and sponsorships
22 rather than providing actionable customer instruction.

23 Cal Advocates' review of representative invoices shows that the majority
24 costs relate to advertisements about company initiatives, not required notices or

⁵⁰ Pub. Util. Code Section 451.

⁵¹ Direct Testimony of Joey Chen at 22.

⁵² Cal Am's Response to Public Advocates Office's Data Request RK2-06.

1 safety communications.⁵³ For example, one invoice shows payments to the
2 California Water Association, a lobby group⁵⁴ A review of transactions also
3 uncovered unrelated transactions such as employee perks (mugs and Yeti
4 Tumblers) and random sales and use tax entries.⁵⁵

5 Theses misclassifications inflate recoverable A&G costs. Cal Am did not
6 provide evidence that any of the materials were mandated by a Commission
7 decision, state regulation, or compliance order.⁵⁶

8 True customer education—such as mandatory water-quality notices,
9 conservation program instructions, or emergency alerts—is recoverable because it
10 directly benefits ratepayers. However, Cal Am’s materials focus on general public
11 awareness, image enhancement, and goodwill, which should be shareholder
12 responsibilities.

13 Applying the same standards used in prior cases, Cal Advocates finds that
14 none of Cal Am’s claimed expenses meet the criteria for recoverable customer
15 education.

16 Cal Am’s TY 2027 Customer Education forecast represents corporate
17 image and marketing expenses rather than required educational activities. Because
18 Cal Am did not demonstrate that the spending is necessary, the Commission
19 should:

20 1. Exclude 100 percent of the \$513,167 TY 2027 Customer Education forecast;
21 2. Require Cal Am to fund future advertising and promotional activities from
22 shareholder resources; and

⁵³ Cal Am’s Response to Public Advocates Office’s Data Request RK2-06.

⁵⁴ Cal Am’s Response to Public Advocates Office’s Data Request RK2-06, Attachment 1.

⁵⁵ Cal Am’s Response to Public Advocates Office’s Data Request RK2-06, Attachment 1.

⁵⁶ Cal Am’s Response to Public Advocates Office’s Data Request RK2-06.

1 3. Direct Cal Am, in future rate cases, to separately identify mandatory regulatory
2 communications (e.g., water-quality or emergency notices) from discretionary
3 outreach to prevent future misclassification.

4 These recommendations ensure that ratepayers pay only for genuine
5 educational programs that support safety, reliability, or compliance—not for
6 advertising or goodwill campaigns.

7 **H. Discounts Available**

8 Cal Am’s “Discounts Available” account records credits to expense when
9 the company receives vendor discounts for paying invoices early. In 2024, Cal Am
10 realized -\$210,356 in discounts, reducing total A&G expense. In its TY 2027
11 forecast, Cal Am assumes only -\$122,490 in discounts, thereby reducing the offset
12 by \$87,866 and increasing ratepayer cost.⁵⁷

13 Cal Am’s response to Data Request RK2-07 (Discounts Available 1)
14 confirms that these discounts arise from early-payment terms offered by vendors,
15 and that the company provided sample documentation verifying the credit entries.
16 However, Cal Am did not identify any change in vendor terms, system constraints,
17 or policy modifications that would justify capturing substantially fewer discounts
18 in the test year.

19 Industry trends show that electronic invoicing and automated payment
20 systems generally increase the frequency and value of early-payment discounts
21 over time. Reducing this credit therefore appears inconsistent with prudent
22 purchasing management and does not reflect the efficiencies normally expected of
23 a well-run utility.

24 Cal Am has verified that Discounts Available represents realized early-
25 payment savings that reduce expense. Because no evidence supports the
26 assumption that such discounts will decline, the Commission should:

⁵⁷ Cal Am RO file “ALL_CH04_O&M_RO.xlsb,” tab: “Sum Costs Before GO Alloc WS9A,” filtered for account “799;” Cal Am RO file “ALL_CH04_O&M_RO.xlsb,” tab: “Discounts Available,” column Q.

1

2 1. Adopt the 2024 recorded credit of -\$229,862 for TY 2027 instead of Cal Am's

3 proposed -\$122,490;⁵⁸

4 2. Recognize this as an additional \$87,866 reduction to A&G expense relative to

5 the company's forecast; and

6 3. Direct Cal Am to maintain detailed discount-tracking data (invoices offered,

7 taken, and missed) in its next GRC to verify continued capture of vendor-

8 payment savings.

9 This adjustment ensures A&G expenses reflect achievable offsets.

10 **I. Employee Expenses**

11 Cal Advocates issued a data request seeking (1) a list of transactions

12 booked to the Employee Expense account and (2) a few representative invoices to

13 verify the nature of the costs. Cal Am provided both.⁵⁹

14 The company's 2023 transaction list revealed numerous charges for out-of-

15 state hotels, sporting events, and high-end accommodations, none of which were

16 justified as business-critical or required for operations.

17 Table 1-8 summarizes the ten largest and most egregious Employee

18 Expense transactions provided by Cal Am in its response:

⁵⁸ Recorded -\$210,356 escalated to 2027 by 3% annually from 2024 to 2027 that results in -\$229,862.

⁵⁹ Cal Am Response to Cal Advocates Data Request RK2-08 (799 Employee Expenses 1), Question 1.

Table 3-8: Examples of Unreasonable Employee Expenses.

Ref	Date	Amount (\$)	Description
1	5/31/2023	4,565	San Diego Padres (baseball tickets)
2	5/31/2023	2,633	Marriott Monterey Bay
3	8/31/2023	1,330	The Citizen Marriott
4	10/31/2023	530	The Ritz-Carlton, Laguna Niguel
5	5/10/2023	1,319	Marriott Marquis, Houston
6	12/11/2023	370	Treasure Island Hotel, Las Vegas
7	4/24/2023	572	Hilton Garden Inn, Camden (out-of-state)
8	3/20/2023	582	Marriott Chicago M
9	2/16/2023	484	Hawaiian Airlines
10	9/9/2023	499	WBS B15-01-8011 (non-descript corporate expense)

(Source: Cal Am Response to Data Request RK2-08 (799 Employee Expenses 1),
Transaction Listing and Sample Invoices, April 2025.)

These transactions demonstrate that Account 799 includes entertainment and luxury travel well beyond what is necessary for safe and reliable water service. Examples include baseball tickets, resort accommodations, and out-of-state hotels in Hawaii, Illinois, and Texas. None of these charges provide measurable or direct benefits to California ratepayers.

Ratepayers already fund employee salaries, benefits, and essential training. Requiring them to also subsidize discretionary travel, sporting events, and premium hotel stays violates the Commission's standards for prudence and cost causation.

Further, Cal Am's TY 2027 forecast was developed by escalating its 2024 spending without reviewing transaction content or removing non-operational costs. Maintaining these types of charges in the forecast would embed unreasonable and unrelated costs into rates for years to come.

Cal Am's Employee Expenses account contains costs that are non-operational, out-of-state, and recreational in nature, making them unreasonable for inclusion in customer rates.

1 The Commission should:

2 1. Exclude 100% of the \$463,952 Test Year 2027 Employee Expense
3 forecast;

4 2. Require Cal Am to fund discretionary employee entertainment,
5 recognition, and travel from shareholder resources; and

6 3. Direct Cal Am to maintain detailed transaction records identifying the
7 purpose, location, and necessity of future employee reimbursements to
8 ensure recoverability is limited to legitimate operational needs.

9 This adjustment ensures ratepayers pay only for expenses directly tied to
10 the provision of regulated water service and not for discretionary or out-of-state
11 employee spending.

12 **J. Vehicle Insurance**

13 Cal Am's recorded Vehicle Insurance expenses averaged approximately
14 \$79,000 annually between 2020 and 2024, with a last recorded year (2024) of
15 \$78,972.⁶⁰

16 The company's TY 2027 forecast of \$249,360 reflects a 217% increase
17 over the recorded average and an increase over the most recent actual cost (2024).

⁶⁰ Cal Am RO Model file "ALL_CH04_O&M_RO.xlsb," tab: "Sum Costs Before GO Alloc WS9A," filtered for account "799;" Cal Am RO Model file "ALL_CH04_O&M_RO.xlsb," tab: "Vehicle Insurance," columns J through Q.

Table 4-9: Recorded v. Projected Vehicle Insurance Expense.

Ref	Year	Recorded/Forecast	Amount (\$)
1	2020	Recorded	\$ 64,215
2	2021	Recorded	\$ 88,215
3	2022	Recorded	\$ 79,061
4	2023	Recorded	\$ 86,952
5	2024	Recorded	\$ 78,972
6		5Y Recorded Average	\$79,483
7	2027	Forecast (Cal Am)	\$249,360
8	2027	Escalated Recorded (3%/yr)	\$ 86,295

(Source: Cal Am 2025 GRC Workpapers – Expense, Account 55110000
“Insurance Vehicle”.)

Cal Am provided no actuarial or insurer documentation demonstrating higher premiums, expanded fleet coverage, or material changes in risk exposure.⁶¹⁶² The utility’s explanation that “increases reflect expected market trends” lacks quantification or evidence.⁶³

Cal Am provides no indication of vehicle fleet growth or material insurance market volatility that would justify such a steep increase. Insurance market data indicate modest or flat commercial auto premium growth (generally 2–5% per year), not the over 200% escalation Cal Am proposes.⁶⁴

Applying a reasonable 3% annual inflation factor to the 2024 recorded level yields a TY 2027 projection of \$86,295, which represents current market trends while maintaining ratepayer protection from speculative cost expansion. The

⁶¹ Cal Am RO Model file “ALL_CH04_O&M_WP_IOTG”

⁶² Cal Am’s Response to Public Advocates Office’s Data Request SLM-03.

⁶³ Cal Am’s Response to Public Advocates Office’s Data Request SLM-03.

⁶⁴ PPI Industry Data for Direct Property and Casualty Insurers, Not Seasonally Adjusted, U.S. Bureau of Labor Statistics, available at: <https://data.bls.gov/timeseries/PCU524126524126> [accessed January 3, 2025]

1 difference between Cal Am’s forecast and this adjusted value—\$163,065—should
2 be excluded because it is unsupported.

3 **Table 5-10: Vehicle Insurance Exclusion**

Ref	Description	Amount (\$)
1	Cal Am TY 2027 Request	249,360
2	Cal Advocates Recommended	86,295
3	Exclusion	163,065

4
5 Cal Am’s Vehicle Insurance forecast triples historical spending without any
6 supporting evidence. Maintaining a 3% annual escalation of the 2024 recorded
7 level provides a reasonable and evidence-based forecast.

8 The Commission should:

9 1. Adopt \$86,295 as the reasonable TY 2027 Vehicle Insurance expense;
10 2. Exclude \$163,065 of Cal Am’s unsupported forecast; and
11 3. Direct Cal Am to include renewal documents, actuarial summaries, and
12 fleet data in its next GRC to substantiate any future insurance increases.

13 These recommendations ensure rates reflect verifiable costs, not speculative
14 forecasts.

15 **K. Meals Expense**

16 Cal Am’s workpapers show a recorded 2024 Meals Expense of \$117,917 and a TY
17 2027 forecast of \$121,475, reflecting general escalation (reflecting 1% escalation
18 annually) with no supporting analysis.⁶⁵ Cal Am states the account “includes employee
19 meals incurred during meetings, trainings, and business travel,” but it provided no policy
20 guidance or documentation showing controls that distinguish recoverable from non-
21 recoverable meal costs.

⁶⁵ Cal Am RO Model file “ALL_CH04_O&M_RO.xlsb,” tab: “Sum Costs Before GO Alloc WS9A,” columns J through Q, filtered for account “799” and “Meals”

1
2 Cal Advocates issued a data request seeking Cal Am's transaction listing
3 and the three largest invoices supporting this account.⁶⁶ Cal Am provided both.

4 The results show multiple transactions inconsistent with just and reasonable
5 ratemaking standards, including out-of-state restaurants, high-end venues, and
6 charges that appear unrelated to utility business.

7 Representative examples include:

8 **Table 6-11: Examples of egregious Meals expenses.**

Ref	Date	Vendor / Location	Amount (\$)	Observation
1	3/22/2024	Halani Restaurant – Hawaii	\$ 253	Out-of-state resort meal
2	12/18/2024	Callie	\$ 2,517	4 Luxury Restaurant;
3	2/12/2024	Four Points Hotel – San Diego, CA	\$ 136	Hotel bar/restaurant charge. No business reason provided.
4	11/6/2024	Kona Steak and Seafood	\$ 111	High-end restaurant
5	5/17/2024	Yard House	\$ 107	No agenda or meeting purpose listed

9 (Source: Cal Am Response to Data Request RK2-09 (799 Meals) April, 2025.)

10
11 The invoices and transaction list contain no notations, attendee lists, or
12 stated business purposes to establish that these meals were connected to utility
13 operations. Several are explicitly stated to be “team gatherings” or “employee
14 appreciation,” which are shareholder—not ratepayer—responsibilities.⁶⁷

15 Meals purchased outside California (e.g., Hawaii) cannot reasonably be
16 considered necessary for California water operations. Similarly, charges at hotels,

⁶⁶ Cal Am's Response to Public Advocates Office's Data Request RK2-09.

⁶⁷ Cal Am's Response to Public Advocates Office's Data Request RK2-09.

1 airports, and sports venues represent convenience or entertainment spending rather
2 than operational requirements.

3 Cal Am did not provide any justification, policy documentation, or
4 evidence of internal controls ensuring that meal charges meet Commission
5 standards for recoverability.

6 Because Cal Am failed to substantiate the operational necessity of any of
7 these expenses, and because the nature of the transactions indicates discretionary
8 or non-business use, Cal Advocates recommends excluding the entire TY 2027
9 forecast of \$121,475. The company should continue to fund employee and
10 hospitality meals from shareholder resources.

11 Cal Am's Meals Expense account contains out-of-state, entertainment, and
12 employee-appreciation spending inconsistent with prudent ratemaking. Ratepayers
13 already fund salaries, benefits, and travel allowances; they should not subsidize
14 discretionary meals and hospitality events that provide no direct benefit to water
15 service.

16 The Commission should:

- 17 1. Exclude 100 percent of Cal Am's TY 2027 Meals Expense (\$121,475);
- 18 2. Require Cal Am to fund employee and entertainment meals from
19 shareholder resources; and
- 20 3. Direct Cal Am, in its next GRC, to provide a documented meals policy,
21 expense-reporting guidelines, and itemized evidence of business necessity
22 for any claimed meal expenses.

23 This adjustment ensures that only legitimate operational costs are recovered
24 in customer rates.

1 **L. Relocation Expenses**

2 Cal Am recorded \$122,797 in relocation costs in 2020.⁶⁸ There are a few
3 sporadic entries in addition to the \$122K in subsequent years but with no
4 discernable pattern. Based on these data, Cal Am includes \$30,205 in its TY 2027
5 A&G forecast without documentation identifying any planned relocations during
6 the test year.

7 Relocation costs are inherently non-recurring, arising only when specific
8 employees are transferred or newly hired from outside the area. Once those moves
9 are complete, there is no ongoing or recurring expense.

10 Cal Am's own workpapers do not identify any upcoming relocations or
11 hiring plans that would trigger future expenses. The utility merely carried forward
12 the 2024 recorded amount, which contradicts the Class A rate case requirement to
13 remove one-time costs from the forecast.⁶⁹

14 These expenses do not represent an ongoing cost of service and can distort
15 the future revenue requirement if left unadjusted.- Additionally, relocation costs
16 primarily benefit the company and employees, not ratepayers. Such discretionary
17 expenditures are the responsibility of shareholders, unless Cal Am can show that
18 the transfer directly enhances system reliability or regulatory compliance—which
19 it has not.

20 Cal Am provides no evidence of planned relocations, signed employment
21 agreements, or corporate policy documents indicating that such costs will
22 continue.

⁶⁸ Cal Am RO Model file “ALL_CH04_O&M_RO.xlsb,” tab: “Sum Costs Before GO Alloc WS9A,” columns J through Q, filtered for account “799” and “Relocation.”

⁶⁹ Cal Am RO Model file “ALL_CH04_O&M_RO.xlsb,” tab: “Sum Costs Before GO Alloc WS9A,” columns J through Q, filtered for account “799” and “Relocation” *See also*, Direct Testimony of Joey Chenat 22.

1 Because the relocation expense is a one-time, non-recurring charge without
2 continuing impact on operations, it should be removed entirely from the forecast.
3 Adopting this adjustment reduces Cal Am's TY 2027 A&G expense by \$30,205.

4 Cal Am's relocation expense is non-recurring and unrelated to ongoing
5 utility operations. Under the Class A Rate Case Plan, one-time costs are not to be
6 included in test year forecasts absent evidence of recurrence.

7 The Commission should:

- 8 1. Exclude the full \$30,205 TY 2027 relocation expense;
- 9 2. Direct Cal Am to exclude all non-recurring relocation and severance costs from
10 future forecasts; an
- 11 3. Require the company to separately track and identify any future relocation costs
12 for individual employees for audit and transparency purposes.

13 This adjustment aligns with established CPUC forecasting standards and
14 ensures that ratepayers pay only for recurring operational expenses necessary to
15 provide safe and reliable water service.

16 **M. Rent Expense**

17 Cal Am forecasts total TY 2027 rent expense of \$3,889,670, an 18%
18 increase over the 2024 recorded level of \$3,296,243.70 Cal Advocates reviewed
19 the company's rent forecast by location and identified several areas where the
20 projection exceeds known and measurable lease costs or includes non-recurring
21 items.

22 **a. San Francisco – 550 California Street (Commences 2025)**

- 23 1) Replaces prior lease at 555 Montgomery Street.
- 24 2) New lease results in an estimated monthly savings of approximately
25 \$6,898 (or \$82,776 annually).

⁷⁰ Cal Am RO Model file "ALL_CH04_O&M_RO.xlsb," tab: "Sum Costs Before GO Alloc WS9A," columns J through Q, filtered for account "811" and "Relocation" *See also*, Direct Testimony of Joey Chen at 24.

1 The TY forecast should reflect this known cost reduction rather than apply
2 a generic escalation.

3 **b. Sacramento Headquarters – 700 Riverpoint Drive (Commences
4 2026)**

5 1) Cal's Am's current San Diego HQ lease does not expire until 2030.
6 2) Cal Am's current Sacramento location lease does not expire until 2028.

7 The new space would not be used and useful for the entire three-year GRC
8 period so expenses related to the new office space should be excluded from rates.
9 Cal Am forecasts \$2,585,784 in rent for its CAW Corporate, San Diego and
10 Sacramento districts but removing Cal Am's proposed expenses related to non-
11 used and useful/duplicative assets reduces this amount to \$1,238,295 in TY2027.⁷¹

12 **c. Monterey – 511 Forest Lodge Road (Lease expires 2027)**

13 1) TY 2027 expense is more than 10 times attrition year amounts meaning
14 a ratemaking adjustment is needed to ensure Cal Am does not over-
15 collect in attrition years
16 2) If Cal Am executes its bargain purchase option meaning that,
17 conditional upon Commission approval of project, if purchase is
18 approved then, rent cost must be capitalized and removed from
19 expenses.

20 If Cal Am purchases the facility, rent expense for this location will be
21 unnecessary (the facility should be capitalized instead). Even though rent may not
22 be necessary, Cal Am still forecasts the full expense in TY 2027 but reduces the
23 rent in attrition years 2028 and 2029. To ensure that Cal Am does not over collect
24 its forecasted rent expense, Cal Advocates levels out Cal Am's forecast to ensure
25 expenses are not over collected in attrition years. This adjustment reduces Cal
26 Am's forecast from \$758,140 to \$297,879.

⁷¹ Cal Am's recorded 2024 expense for the CAW Corporate, San Diego and Sacramento districts was \$1,136,050. Cal Advocates escalates this amount by 3% annually to estimate a reasonable TY 2027 expense. $\$1,136,050 * 1 + (.03)^3 = \$1,238,295$.

1 Cal Am applied generic escalation factors to rent expense subaccounts. For
 2 consistency, Cal Advocates applies market index escalation (3%) to known
 3 contractual amounts and removes duplicate or non-recurring rent entries recorded
 4 for vacated spaces. Cal Advocates' adjustments by major rent component are
 5 summarized below:

6 **Table 7-12: Rent Adjustments**

Category	Company Forecast (TY 2027)	Cal Advocates Recommended (TY 2027)	Adjustment (\$)	Basis
San Francisco (550 California St.)	\$ 350,000	\$ 267,000	\$ -83,000	Reflects \$82,776 annual savings from new lease
Sacramento HQ (700 Riverpoint Dr.)	\$ 2,585,784	\$ 1,238,295	\$ -1,347,489	Removes capitalized build-out and purchase-option costs
Monterey (511 Forest Lodge vs. Ryan Ranch)	\$ 758,140	\$ 279,879	\$ -478,261	Excludes speculative Ryan Ranch relocation costs
Other District Rents	\$ 353,886	\$ 326,876	\$ -27,010	Caps escalation at market index; removes duplicates
Total Rent Expense	\$ 3,889,670	\$ 2,112,050	\$ -1,777,620	—

7 (Source: A.25-07-003, "ALL_CH04_O&M_RO.xlsb," Tab "Sum Costs

8 Before GO Alloc WS9A" filtered for account "811" and "Relocation" at Columns
 9 J through Q; see also the Direct Testimony of Joey Chen, California-American
 10 Water Company 2025 GRC Final Application, p. 24.").⁷²

11 Cal Advocates' recommended TY 2027 rent expense of \$3,367,000 reflects
 12 known and measurable contractual obligations, excludes speculative and

⁷² Cal Am RO Model file "ALL_CH04_O&M_RO.xlsb," tab: "Sum Costs Before GO Alloc WS9A," columns J through Q, filtered for account "811" and "Relocation;" *See also*, Direct Testimony of Joey Chen at 24.

1 capitalized items, and conforms to the Class A Water Rate Case Plan forecasting
2 principles.

3 The Commission should:

- 4 1. Adopt \$3,367,000 as the reasonable TY rent expense;
- 5 2. Exclude purchase-option payments, move/build-out costs, and speculative
6 leases from operating expense recovery; and
- 7 3. Direct Cal Am to document lease renewals and any new space acquisitions in its
8 next general rate case to ensure consistency and transparency.

9 This recommendation ensures ratepayers fund only actual, recurring rent
10 obligations necessary to maintain utility operations.

11 **IV. CONCLUSION**

12 The evidence presented in this testimony demonstrates that Cal Am's proposed
13 A&G expenses for TY 2027 are excessive, unsupported, and inconsistent with
14 Commission standards of prudence and reasonableness.

15 Cal Advocates' review identified numerous forecast errors, non-recurring items,
16 and discretionary expenses that do not represent legitimate costs of providing safe and
17 reliable water service. Many of the company's projections were based on escalation or
18 corporate-level assumptions rather than known and measurable changes required under
19 the Class A Water Rate Case Plan.

20 Across all reviewed categories, including property insurance, regulatory expenses,
21 dues and memberships, community outreach, meals, employee reimbursements, vehicle
22 and rent expenses, Cal Advocates' recommendations apply a consistent, evidence-based
23 approach rooted in Commission precedent, recorded data, and statutory ratemaking
24 principles under Public Utilities Code Section 451.

25 These adjustments collectively:

- 26 1. Remove non-recurring and speculative items (e.g., relocation, hardship
27 program expansions, and capitalized build-out costs);

- 1 2. Exclude entertainment, hospitality, and employee benefit expenses that are
- 2 properly borne by shareholders;
- 3 3. Normalize insurance, rent, and membership costs using verifiable recorded
- 4 data and modest inflationary escalation; and
- 5 4. Preserve ratepayer protection while ensuring Cal Am retains sufficient funding
- 6 to maintain safe and reliable operations.

7 Cal Advocates' recommended adjustments reduce total A&G expenses to a level
8 that is reasonable, evidence-based, and consistent with Commission policy. Adopting
9 these recommendations will prevent unjustified rate increases, promote accountability,
10 and align Cal Am's cost recovery with prudent utility management practices.

11 Accordingly, the Commission should adopt Cal Advocates' TY 2027
12 recommendations in full.

Attachment 1-1: Qualifications of Witness

QUALIFICATIONS AND PREPARED TESTIMONY
of
Roy Keowen

Q.1 Please state your name and address.

A.1 My name is Roy Keowen. My business address is 505 Van Ness Avenue, San Francisco, California 94102.

Q.2 By whom are you employed and what is your job title?

A.2 I am employed by the California Public Utilities Commission's Public Advocates Office, in the Water Branch, as a Regulatory Analyst.

Q.3 Please describe your educational and professional experience.

A.3 I hold a Bachelor of Arts in Political Science with coursework in public policy and economics. I have more than eleven years of experience in utility regulation and rate analysis. My work includes auditing and evaluating Class A and B water utilities' general rate case applications, analyzing administrative and general (A&G) expenses, and preparing testimony and recommendations before the California Public Utilities Commission.

Before joining the Public Advocates Office, I worked in construction management, retail operations, and nonprofit administration. This broad experience provides practical insight into cost allocation, operational efficiency, and consumer protection.

Q.4 What is your area of responsibility in this proceeding?

A.4 In Application A.25-07-003, I am responsible for reviewing California-American Water Company's Administrative and General (A&G) expenses, including property insurance, regulatory affairs, dues and memberships, community partnerships, meals, relocation, and rent. My analysis evaluates whether Cal Am's proposed expenses are

just, reasonable, and consistent with Commission policy and the Public Utilities Code.

Q.5 Does that complete your prepared testimony?

A.5 Yes, it does.

Attachment 1-2: Cal Am Response to Data Request SLM-03

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 \$63,090,981 or 17.20% in the year 2027, by \$22,067,361 or 5.13% in the year 2028, and by \$26,014,600 or 5.75% in the year 2029.

A.25-07-003
(Filed July 1, 2025)

**CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST SLM-03**

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Attorneys for California-American Water Company

Dated: August 7, 2025

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 SLM-03 ("Data Requests" or "RPD"), propounded on July 24, 2025, in A.25-07-003.

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.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Manager Regulatory Services
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento
Cal Adv Request: A2507003 Public Advocates DR SLM-03
Company Number: Cal Adv SLM-03 Q001
Date Received: July 24, 2025
Date Response Provided: August 7, 2025
Subject Area: Insurance and Benefits

DATA REQUEST:

Referring to the Direct Testimony of Joey Chen (Chen Testimony) on Insurance Other Than Group (IOTG) Expenses.²

1. Explain if Cal Am's test year forecast includes coverage for the following insurance policy categories only: Property, Auto Liability, General Liability, Excess Liability, Workers Compensation, Directors and Officers, Employment Practices, and Cyber Liability.³

CAL-AM'S RESPONSE

Please refer to RO Model file "ALL_CH04_O&M_WP_IOTG", tab, "IOTG WS-01", for a full list of insurance policy categories.

² Chen Testimony at 15.

³ Chen Testimony at 15.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Manager Regulatory Services
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento
Cal Adv Request: A2507003 Public Advocates DR SLM-03
Company Number: Cal Adv SLM-03 Q002
Date Received: July 24, 2025
Date Response Provided: August 7, 2025
Subject Area: Insurance and Benefits

DATA REQUEST:

Referring to the Direct Testimony of Joey Chen (Chen Testimony) on Insurance Other Than Group (IOTG) Expenses.²

2. Explain if additional insurance policies are included in the test year forecast, provide supporting documentation and the test year expense budget.

CAL-AM'S RESPONSE

Please refer to RO Model file "ALL_CH04_O&M_WP_IOTG", tab, "IOTG WS-01", for a full list of insurance policy categories.

² Chen Testimony at 15.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Tom Cocci
Title: Principal Regulatory Analyst
Address: 1 Water Street
Camden New Jersey
Cal Adv Request: A2507003 Public Advocates DR SLM-03
Company Number: Cal Adv SLM-03 Q003
Date Received: July 24, 2025
Date Response Provided: August 7, 2025
Subject Area: Insurance and Benefits

DATA REQUEST:

Referring to the Direct Testimony of Joey Chen (Chen Testimony) on Insurance Other Than Group (IOTG) Expenses.²

3. Provide a breakdown of the test year IOTG expenses forecast, separated by each insurance policy category. Provide supporting documentation for each cost item.

CAL-AM'S RESPONSE

Please refer to California American Water's RO Model file "ALL_CH04_O&M_WP_IOTG" tab, "IOTG WS-01" for the breakdown of the test year IOTG expenses forecast.

For supporting documentation for each cost item please see attachment CAW Response Cal Adv SLM-03 Q003 Attachment 1 CONFIDENTIAL.

² Chen Testimony at 15.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Tom Cocci
Title: Principal Regulatory Analyst
Address: 1 Water Street
Camden New Jersey
Cal Adv Request: A2507003 Public Advocates DR SLM-03
Company Number: Cal Adv SLM-03 Q004
Date Received: July 24, 2025
Date Response Provided: August 7, 2025
Subject Area: Insurance and Benefits

DATA REQUEST:

Referring to the statement,

"[the] calculation of the projected IOTG expense is based on starting with the most current actual premiums in the amount of \$4,220,452. These premiums were then escalated for 2025 – 2029 based on information provided to the [Cal Am] by [the] insurance brokers, reflecting the prevailing market conditions. Projected increases for 2025, 2026, 2027, 2028, and 2029 are between 0% and 35% depending on the policy."⁴

4. Provide a breakdown of the annual projected increase for each policy from 2025 to 2029.
 - a. Provide supporting documentations used for forecasting and calculations.

CAL-AM'S RESPONSE

Please refer to California American Water's RO Model file "ALL_CH04_O&M_WP_IOTG" tab, "IOTG Escalation WS-02C" for the breakdown of the annual projected increase for each policy from 2025 to 2029.

- a. Projections for AW's insurance policies are derived using several internal and external inputs, in addition to forecast indicators of broader macroeconomic

⁴ Chen Testimony at 14.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

environment (such as inflation factors, the insurance industry cycle, and other trends). These factors include, but are not limited to:

- Meetings and discussions with insurance marketplace experts such as brokers and consultants in advance of policy renewals
- Meetings and discussions with insurance carriers across a variety of forums such as conferences and confidential underwriting meetings
- Meetings or discussions forecasting costs of insurance based on historical industry losses
- Broader insurance industry trends impacting cost of insurance (e.g., wildfire, litigation landscape, etc.)
- Macroeconomic factors such as inflationary trends
- Meetings discussing insurance-industry specific trends tied to various lines of insurance

All of the above factors play a role in determining our forecasts. No formal documentation outlining these forecast(s) exist(s), due to variability of factors involved, including the nature of these meetings (informal, verbal and confidential).

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Tom Cocci
Title: Principal Regulatory Analyst
Address: 1 Water Street
Camden New Jersey
Cal Adv Request: A2507003 Public Advocates DR SLM-03
Company Number: Cal Adv SLM-03 Q005
Date Received: July 24, 2025
Date Response Provided: August 7, 2025
Subject Area: Insurance and Benefits

DATA REQUEST:

Referring to the statement,

"[the] calculation of the projected IOTG expense is based on starting with the most current actual premiums in the amount of \$4,220,452. These premiums were then escalated for 2025 – 2029 based on information provided to the [Cal Am] by [the] insurance brokers, reflecting the prevailing market conditions. Projected increases for 2025, 2026, 2027, 2028, and 2029 are between 0% and 35% depending on the policy."⁴

5. Provide all applicable information (e.g. reports) used for forecasting purposes in this GRC provided to Cal Am by the insurance brokers.

CAL-AM'S RESPONSE

Projections for AW's insurance policies are derived using several internal and external inputs, in addition to forecast indicators of broader macroeconomic environment (such as inflation factors, the insurance industry cycle, and other economic factors). These factors include, but are not limited to:

- Meetings and discussions with insurance marketplace experts such as brokers and consultants in advance of policy renewals
- Meetings and discussions with insurance carriers across a variety of forums such as conferences and confidential underwriting meetings

⁴ Chen Testimony at 14.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

- Meetings or discussions forecasting costs of insurance based on historical industry losses
- Broader insurance industry trends impacting cost of insurance (e.g., wildfire, litigation landscape, etc.)
- Macroeconomic factors such as inflationary trends
- Meetings discussing insurance-industry specific trends tied to various lines of insurance

All of the above factors play a role in determining our forecasts. No formal documentation outlining these forecast(s) exist(s), due to variability of factors involved, including the nature of these meetings (informal, verbal and confidential).

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Manager Regulatory Services
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento
Cal Adv Request: A2507003 Public Advocates DR SLM-03
Company Number: Cal Adv SLM-03 Q006
Date Received: July 24, 2025
Date Response Provided: August 7, 2025
Subject Area: Insurance and Benefits

DATA REQUEST:

Referring to the statement,

"[the] calculation of the projected IOTG expense is based on starting with the most current actual premiums in the amount of \$4,220,452. These premiums were then escalated for 2025 – 2029 based on information provided to the [Cal Am] by [the] insurance brokers, reflecting the prevailing market conditions. Projected increases for 2025, 2026, 2027, 2028, and 2029 are between 0% and 35% depending on the policy."⁴

6. Confirm if 2024 is the most current actual premiums in the amount of \$4,220,452.

CAL-AM'S RESPONSE

Please refer to RO Model file "ALL_CH04_O&M_WP_IOTG", tab, "IOTG WS-01", for more information on the \$4,220,542 premiums at the time of filing.

⁴ Chen Testimony at 14.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Manager Regulatory Services
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento
Cal Adv Request: A2507003 Public Advocates DR SLM-03
Company Number: Cal Adv SLM-03 Q007
Date Received: July 24, 2025
Date Response Provided: August 7, 2025
Subject Area: Insurance and Benefits

DATA REQUEST:

Referring to the statement,

"[the] calculation of the projected IOTG expense is based on starting with the most current actual premiums in the amount of \$4,220,452. These premiums were then escalated for 2025 – 2029 based on information provided to the [Cal Am] by [the] insurance brokers, reflecting the prevailing market conditions. Projected increases for 2025, 2026, 2027, 2028, and 2029 are between 0% and 35% depending on the policy."⁴

7. Identify where the related budget forecast can be found in the RO Model.

CAL-AM'S RESPONSE

Please refer to RO Model file "ALL_CH04_O&M_WP_IOTG" for more information on IOTG expenses.

⁴ Chen Testimony at 14.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: **John Watkins**
Title: **Sr. Director Regulatory Services**
Address: **1 Water Street**
Camden New Jersey
Cal Adv Request: **A2507003 Public Advocates DR SLM-03**
Company Number: **Cal Adv SLM-03 Q008**
Date Received: **July 24, 2025**
Date Response Provided: **August 7, 2025**
Subject Area: **Insurance and Benefits**

DATA REQUEST:

Referring to Chen Testimony on Employees Pensions and Benefits.⁵

8. Provide all applicable information (e.g. reports) used for forecasting purposes in this GRC from the actuarial projection performed on behalf of all American Water.

CAL-AM'S RESPONSE

Please see attachment CAW Response Cal Adv SLM-03 Q008 Attachment 1 for the pension and OPEB schedules provided to the company by WTW, the Company's actuary. Please note there are two schedules for pension, the first provides the accrual methodology which provides the Service Cost amount. The second pension schedule shows the cash contribution or the ERISA amounts.

⁵ Chen Testimony at 16.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Manager Regulatory Services
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento
Cal Adv Request: A2507003 Public Advocates DR SLM-03
Company Number: Cal Adv SLM-03 Q009
Date Received: July 24, 2025
Date Response Provided: August 7, 2025
Subject Area: Insurance and Benefits

DATA REQUEST:

Referring to Chen Testimony on Employees Pensions and Benefits.⁵

9. What is Cal Am's test year forecast for the following expenses, in dollar amounts.
 - a. Pension.
 - b. Other Post Employment Benefits (OPEB).
 - c. Identify where the related budget forecast can be found in the RO Model.

CAL-AM'S RESPONSE

- a. Please refer to RO Model file "ALL_CH04_O&M_WP_Labor", tab, "INP - Labor Benefits" cell P7 and P14 for California American Water's test year forecast for Pension. Please refer to tab "Pension WS-A-14" cell U25-U75 for the forecast Pension including Service Cost Capitalization.
- b. Please refer to RO Model file "ALL_CH04_O&M_WP_Labor", tab, "INP - Labor Benefits" cell W7 and W14 for California American Water's test year forecast for OPEB. Please refer to tab "OPEB WS-A-15" cell U25-U75 for the forecast OPEB including Service Cost Capitalization.
- c. Please refer to RO Model file "ALL_CH04_O&M_WP_Labor", tab, "Pension WS-A-14" and tab "OPEB WS-A-15".

⁵ Chen Testimony at 16.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: **John Watkins**
Title: **Sr. Director Regulatory Services**
Address: **1 Water Street**
Camden New Jersey
Cal Adv Request: **A2507003 Public Advocates DR SLM-03**
Company Number: **Cal Adv SLM-03 Q010**
Date Received: **July 24, 2025**
Date Response Provided: **August 7, 2025**
Subject Area: **Insurance and Benefits**

DATA REQUEST:

Referring to Chen Testimony on Employees Pensions and Benefits.⁵

10. Explain the calculation (i.e. the factors and methodology used) behind "the current actual allocation received in 2025. For pension expense, this was 5.18% and for OPEB 3.55%."

CAL-AM'S RESPONSE

Please see attachment CAW Response Cal Adv SLM-03 Q008 Attachment 1. The attachment shows the percentage for the Company under the column entitled 2025 Allocation Percentage for pension and FAS 106 Cost Allocation % for OPEBs. For pensions, WTW, the Company's actuary, calculated the 5.18% (\$6,108,439/\$117,880,521) by taking California American Water's 2024 Valuation Earnings and dividing it by the total. For OPEBs, WTW, calculated the 3.55% (218/6,142) by taking California American Water's Allocation Count and dividing it by the total.

⁵ Chen Testimony at 16.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: **John Watkins**
Title: **Sr. Director Regulatory Services**
Address: **1 Water Street**
Camden New Jersey
Cal Adv Request: **A2507003 Public Advocates DR SLM-03**
Company Number: **Cal Adv SLM-03 Q011**
Date Received: **July 24, 2025**
Date Response Provided: **August 7, 2025**
Subject Area: **Insurance and Benefits**

DATA REQUEST:

Referring to Chen Testimony on Employees Pensions and Benefits.⁵

11. Provide the actual allocation percentages and recorded dollar amounts for the following expenses, using the table format provided below. Provide the data from years 2015 to 2024.
 - a. Pension.
 - b. OPEB.

Year	2015	2016	...
Expense allocation percentage.			
Recorded total dollars.			

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 of providing that information. California American Water further objects to this request on the grounds it is overbroad and unduly

⁵ Chen Testimony at 16.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

burdensome. Subject to, but without waiving, those objections, California American Water responds as follows.

a. & b.

WTW Allocation to California-American					
	2020	2021	2022	2023	2024
Pension	5.11%	5.31%	5.52%	5.51%	5.00%
OPEBs	3.59%	3.50%	3.59%	3.53%	3.53%

	2020	2021	2022	2023	2024
OPEB Expense	\$1,488,716	\$509,966	\$519,666	(\$232,289)	\$192,827
Capitalized Credits	(61,499)	(54,252)	(50,614)	(32,435)	(32,087)
Non-service Cost	(1,343,172)	(1,497,000)	(1,516,644)	(962,256)	(1,055,196)
	\$84,045	(\$1,041,286)	(\$1,047,593)	(\$1,226,980)	(\$894,457)

	2020	2021	2022	2023	2024
Pension Expense	1,459,358.47	\$1,619,702	\$1,272,253	\$424,336	\$8,608
Capitalized Credits	(352,715)	(422,925)	(383,309)	(221,448)	(230,576)
ERISA	808,236	2,130,444	2,687,136	1,192,224	1,114,974
Non-service Cost	(445,224)	(1,995,264)	(2,224,308)	69,852	358,224
	1,469,655.60	\$1,331,957	\$1,351,772	\$1,464,964	\$1,251,230

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: **John Watkins**
Title: **Sr. Director Regulatory Services**
Address: **1 Water Street
Camden New Jersey**
Response Provided By: **Joey Chen**
Title: **Senior Manager Regulatory Services**
Address: **California American Water
520 Capitol Mall, Suite 630
Sacramento**
Cal Adv Request: **A2507003 Public Advocates DR SLM-03**
Company Number: **Cal Adv SLM-03 Q012 a-b**
Date Received: **July 24, 2025**
Date Response Provided: **August 7, 2025**
Subject Area: **Insurance and Benefits**

DATA REQUEST:

Referring to Chen Testimony on Employees Pensions and Benefits.⁵

12. Regarding the total pension cost of \$2,279,200.⁷
 - a. Provide a cost breakdown on the Service Cost amount of \$782,264, with supporting documentation.
 - b. Provide a cost breakdown on the Non-Service Cost amount of \$1,496,936, with supporting documentation.

CAL-AM'S RESPONSE

- a. Please see attachment CAW Response Cal Adv SLM-03 Q008 Attachment 1, the Allocation Percentages for 2025 Pension Expense schedule from WTW, the Company's actuary, provided the information for the Service Cost amount.
- b. Please see attachment CAW Response Cal Adv SLM-03 Q008 Attachment 1, the qualified pension plan schedule from WTW, the Company's actuary, provided the information for the total Plan funding for 2025 for the pension plan and the Company's expense amount. Taking the Company's funding amount of \$2,279,200 less the Service Cost

⁵ Chen Testimony at 16.

⁷ Chen Testimony at 15.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

amount equals the Non-Service Cost amount of \$1,496,936 (\$2,279,200-\$782,264).

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Manager Regulatory Services
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento
Cal Adv Request: A2507003 Public Advocates DR SLM-03
Company Number: Cal Adv SLM-03 Q012 c-d
Date Received: July 24, 2025
Date Response Provided: August 7, 2025
Subject Area: Insurance and Benefits

DATA REQUEST:

Referring to Chen Testimony on Employees Pensions and Benefits.⁵

12. Regarding the total pension cost of \$2,279,200.⁷
 - c. Confirm if this is Cal Am's test year forecast.
 - d. What portion of this expense is being capitalized by the RO Model in the test year?⁸
 - i. Identify where the related budget forecast can be found in the RO Model.

CAL-AM'S RESPONSE

- c. Yes.
- d. The Service Cost (\$782,264) portion of this expense is being capitalized.
 - i. Please refer to RO Model file "ALL_CH04_O&M_WP_Labor", tab, "Pension WS-A-14".

⁵ Chen Testimony at 16.

⁷ Chen Testimony at 15.

⁸ Chen Testimony at 15.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: **John Watkins**
Title: **Sr. Director Regulatory Services**
Address: **1 Water Street**
Camden New Jersey
Cal Adv Request: **A2507003 Public Advocates DR SLM-03**
Company Number: **Cal Adv SLM-03 Q013**
Date Received: **July 24, 2025**
Date Response Provided: **August 7, 2025**
Subject Area: **Insurance and Benefits**

DATA REQUEST:

Referring to Chen Testimony on Employees Pensions and Benefits.⁵

13. Regarding the OPEB cost of \$1,036,683.⁹

- a. Provide a cost breakdown on the Service Cost amount of \$51,935, with supporting documentation.
- b. Provide a cost breakdown on the Non-Service Cost amount \$1,088,618, with supporting documentation.

CAL-AM'S RESPONSE

- a. Please see attachment CAW Response Cal Adv SLM-03 Q008 Attachment 1, the OPEB schedule from WTW, the Company's actuary, provided the information for the Service Cost amount.
- b. Please see attachment CAW Response Cal Adv SLM-03 Q008 Attachment 1, the OPEB schedule from WTW, the Company's actuary, provided the information for the total expense amount less the Service cost amount which calculates the Non-Service Cost amount of (\$1,088,618).

⁵ Chen Testimony at 16.

⁹ Chen Testimony at 15.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Manager Regulatory Services
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento
Cal Adv Request: A2507003 Public Advocates DR SLM-03
Company Number: Cal Adv SLM-03 Q013
Date Received: July 24, 2025
Date Response Provided: August 7, 2025
Subject Area: Insurance and Benefits

DATA REQUEST:

Referring to Chen Testimony on Employees Pensions and Benefits.⁵

13. Regarding the OPEB cost of \$1,036,683.⁹
 - c. Confirm if this is Cal Am's test year forecast.
 - d. What portion of this expense is being capitalized by the RO Model in the test year?
 - e. Identify where the related budget forecast can be found in the RO Model.

CAL-AM'S RESPONSE

- c. Yes.
- d. The Service Cost (\$51,935) portion of this expense is being capitalized.
- e. Please refer to RO Model file "ALL_CH04_O&M_WP_Labor", tab, " OPEB WS-A-15".

⁵ Chen Testimony at 16.

⁹ Chen Testimony at 15.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Manager Regulatory Services
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento
Cal Adv Request: A2507003 Public Advocates DR SLM-03
Company Number: Cal Adv SLM-03 Q014
Date Received: July 24, 2025
Date Response Provided: August 7, 2025
Subject Area: Insurance and Benefits

DATA REQUEST:

Referring to Chen Testimony on Employees Pensions and Benefits.⁵

14. Regarding other employee benefits.¹⁰
 - a. Explain the following on how Cal Am forecasts the test year budget.
 - i. What is the base year(s) used for forecasting.
 - ii. Provide a breakdown on Cal Am's application of labor escalation factors to forecast the test year expense.
 - b. For new hire employees.
 - i. Explain if the average employee benefit is based on the current authorized levels or if it is based on a test year forecast.
 - ii. What is the "average employee benefit" for each of Cal Am's new position requested?
 - c. Identify where the related budget forecast can be found in the RO Model

CAL-AM'S RESPONSE

- a.
 - i. The base year used for forecasting is the most current 2025 data at the time of filing.
 - ii. Please refer to RO Model file "ALL_CH04_O&M_WP_Labor", tab, "INP - Labor Benefits"

⁵ Chen Testimony at 16.

¹⁰ Chen Testimony at 15.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

b.

- i. The average employee benefit is based on the current employee cost.
- ii. Please refer to RO Model file "ALL_CH04_O&M_WP_Labor", tab, "Vacancy-New Empl WS-A-5", Cell E17

c. Please refer to RO Model file "ALL_CH04_O&M_WP_Labor", tab, "Vacancy-New Empl WS-A-5", Cell E17

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Manager Regulatory Services
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento
Cal Adv Request: A2507003 Public Advocates DR SLM-03
Company Number: Cal Adv SLM-03 Q015
Date Received: July 24, 2025
Date Response Provided: August 7, 2025
Subject Area: Insurance and Benefits

DATA REQUEST:

Referring to Chen Testimony on Employees Pensions and Benefits.⁵

15. Regarding Group Insurance.¹¹
 - a. What is the baseline year of the actual group insurance cost data used?
 - b. Provide supporting documents.
 - c. What is the recorded cost for this expense in the baseline year?
 - d. What years did Cal Am use for the “3-year recorded average percentage increase” for escalation purposes?
 - i. Provide the source dataset used, in Excel format.
 - ii. Provide relevant general ledger records in Excel format and corresponding receipts.
 - e. What is Cal Am's test year forecast for this expense?
 - i. Identify where the related budget forecast can be found in the RO Model.

CAL-AM'S RESPONSE

- a. The baseline year of the actual group insurance cost data was the most current 2025 employee election data at the time of filing.
- b. Please refer to RO Model file “ALL_CH04_O&M_WP_Labor”, tab, “Y_Grp Ins Data WS-C”.

⁵ Chen Testimony at 16.

¹¹ Chen Testimony at 16.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

- c. Please refer to RO Model file "ALL_CH04_O&M_WP_Labor", tab, "Grp Ins Cost WS-A-3" cell L25-L3000.
- d. California American Water utilized the actual group insurance cost data from 2023, 2024, and 2025 to calculate the weighted 3-year recorded average percentage increase.
 - i. Please refer to California American Water attachment [CAW Response Cal Adv SLM-03 Q015 Attachment 1](#).
 - ii. Please refer to California American Water attachment [CAW Response Cal Adv SLM-03 Q015 Attachment 1](#).
- e. Please refer to RO Model file "ALL_CH04_O&M_WP_Labor", tab, "Sum Labor - Benefit \$ WS-A-10", cell AT78.

Attachment 1-3: Cal Am Response to Data Request RK2-02

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 \$63,090,981 or 17.20% in the year 2027, by \$22,067,361 or 5.13% in the year 2028, and by \$26,014,600 or 5.75% in the year 2029.

A.25-07-003
(Filed July 1, 2025)

**CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST RK2-02**

Cathy Hongola-Baptista
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California American Water
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Attorneys for California-American Water Company

Dated: September 8, 2025

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 RK2-02 ("Data Requests" or "RPD"), propounded on August 25, 2025, in A.25-07-003.

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.25-07-003
DATA REQUEST RESPONSE

Response Provided By: **Evan Jacobs**
Title: **Director Corporate Communications & External Affairs**
Address: **California American Water
520 Capitol Mall, Suite 630
Sacramento**
Cal Adv Request: **A2507003 Public Advocates DR RK2-02**
Company Number: **Cal Adv RK2-02 Q001**
Date Received: **August 25, 2025**
Date Response Provided: **September 8, 2024**
Subject Area: **799 Books & Publications 1**

DATA REQUEST:

1. Please refer to tab "Sum Costs Before GO Alloc WS9A" in the RO Model file "ALL_CH04_O&M_RO.xlsb" that was provided in Cal Am's July 1, 2025 Application 25-07-003.
 - a. What is Cal Am's justification for the expense category "Books & Publications" under column G titled "SAP Account # Description"?
 - b. Provide transactional data for each transaction that totals \$16,305 shown in Cell N102.
 - c. Provide invoice support for the top three largest purchase transactions from the transactional data provided in response to question 1(b) above.

CAL-AM'S RESPONSE

- a. Consistent with GO-77, advertising costs related to outreach to diverse businesses fall into this category. Advertisements were placed in trade publications for LGBTQ+, US Veterans and women-owned business to educate businesses about the program with the goal of increasing certification and participation with eligible businesses.

The Monterey Herald is the local daily newspaper serving the Monterey peninsula. Their reporting frequently includes subjects of interest to company employees including CPUC proceedings, water resources and other local subjects. The company maintains digital and hard copy subscriptions.

Other charges to this account include books and publications related to the professional development of employees in topics including electrical safety,

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

inclusion, and working styles. Employee training and development benefits our customers by improving the knowledge and productivity of our workforce.

- b. Please refer to California American Water attachment CAW Response Cal Adv RK2-02 Q001.b Attachment 1.
- c. Please refer to California American Water attachment CAW Response Cal Adv RK2-02 Q001.c Attachment 1.

Attachment 1-4: Cal Am Response to Data Request RK2-03

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 \$63,090,981 or 17.20% in the year 2027, by \$22,067,361 or 5.13% in the year 2028, and by \$26,014,600 or 5.75% in the year 2029.

A.25-07-003
(Filed July 1, 2025)

**CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST RK2-03**

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555 Montgomery Street, Suite 816
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(415) 293-3023
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Alex Van Roekel
Nossaman LLP
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34th Floor
San Francisco, CA 94111
(415) 398-3600
ldolqueist@nossaman.com

Attorneys for California-American Water Company

Dated: September 8, 2025

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 RK2-03 ("Data Requests" or "RPD"), propounded on August 25, 2025, in A.25-07-003.

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.25-07-003
DATA REQUEST RESPONSE

Response Provided By: **Evan Jacobs**
Title: **Director Corporate Communications & External Affairs**
Address: **California American Water
520 Capitol Mall, Suite 630
Sacramento**
Response Provided By: **Joey Chen**
Title: **Senior Manager Regulatory Services**
Address: **California American Water
520 Capitol Mall, Suite 630
Sacramento**
Cal Adv Request: **A2507003 Public Advocates DR RK2-03**
Company Number: **Cal Adv RK2-03 Q001**
Date Received: **August 25, 2025**
Date Response Provided: **September 8, 2024**
Subject Area: **799 Co. Dues & Memberships 1**

DATA REQUEST:

1. Refer to "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" filtered by NARUC # 799 and by SAP Account # 52524000 (Co Dues/Membership Deductible) and SAP Account # 52524100 (Co Dues/Membership Nondeductible) totaling \$484,316 in 2024.
 - a. In 2024, Cal Am shows a non-deductible amount of \$70,375.
 - i. Explain how Cal Am decides which Co. Dues and Donation are non-deductible.
 - ii. Provide copies of invoices and other supporting documents for Cal Am's recorded \$70,375 expense.

CAL-AM'S RESPONSE

- i. The amount recorded under the 'Co Dues/Membership Nondeductible' account represents the portion of the California Water Association dues that were spent on lobbying activities. Per Internal Revenue Code 162, funds spent by the Association to influence legislation or regulation are not deductible as a business expense.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

California American Water determines the non-deductible amount by applying the percentage provided by the California Water Association against the total annual dues.

- ii. Please refer to California American Water's attachment CAW Response Cal Adv RK2-03 Q001 Attachment 1.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Kristina Remelius
Title: Senior Principal Financial Analyst
Address: California American Water
655 West Broadway #1410
San Diego
Response Provided By: Joey Chen
Title: Senior Manager Regulatory Services
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento
Cal Adv Request: A2507003 Public Advocates DR RK2-03
Company Number: Cal Adv RK2-03 Q002
Date Received: August 25, 2025
Date Response Provided: September 8, 2024
Subject Area: 799 Co. Dues & Memberships 1

DATA REQUEST:

2. Refer to Cal Am's "RE: Annual CONDITIONAL ACCESS Report Under General Order No. 77-M"¹ at p.9. At the bottom of "Table 3. Account 52524000 – Dues/Memberships" shows a total of \$465,493. Cal Am's workpaper for account 52524000 shows \$413,941.
 - a. Explain why there is a discrepancy in the amounts for the same in the different documents.

CAL-AM'S RESPONSE

- a. The \$465,493 amount in California American Water's "Annual CONDITIONAL ACCESS Report Under General Order No. 77-M" at p.9. At the bottom of "Table 3. Account 52524000 – Dues/Memberships" includes numbers from Account 52514000 Charitb Contr Deduct, and Account 52522000 Community Relations. The GO-77

¹ [https://files.cpuc.ca.gov/WaterAnnualReports/Water%20Division/General%20Order%20No.%2077-M%20Report/2024/California-American%20Water%20Company%20-%202024%20GO%2077-M%20Report%20\(Redacted\).pdf](https://files.cpuc.ca.gov/WaterAnnualReports/Water%20Division/General%20Order%20No.%2077-M%20Report/2024/California-American%20Water%20Company%20-%202024%20GO%2077-M%20Report%20(Redacted).pdf)

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Reporting classified these categories based on payee historical classification. A correction to the GO-77-M to show these balances accurately by General Ledger account numbers will be submitted. Please note, there will be a difference of \$4,773 between the report and California American Water's workpaper due to amortization of prepaid dues and accruals not invoiced in the reporting year 2024 of the GO-77-M.

Attachment 1-5: Cal Am Response to Data Request RK2-04

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 \$63,090,981 or 17.20% in the year 2027, by \$22,067,361 or 5.13% in the year 2028, and by \$26,014,600 or 5.75% in the year 2029.

A.25-07-003
(Filed July 1, 2025)

**CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST RK2-04**

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50 California Street
34th Floor
San Francisco, CA 94111
(415) 398-3600
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Attorneys for California-American Water Company

Dated: September 11, 2025

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 RK2-04 ("Data Requests" or "RPD"), propounded on August 28, 2025, in A.25-07-003.

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.25-07-003
DATA REQUEST RESPONSE

Response Provided By: **Evan Jacobs**
Title: **Director Corporate Communications & External Affairs**
Address: **California American Water
520 Capitol Mall, Suite 630
Sacramento**
Cal Adv Request: **A2507003 Public Advocates DR RK2-04**
Company Number: **Cal Adv RK2-04 Q001.a**
Date Received: **August 28, 2025**
Date Response Provided: **September 11, 2025**
Subject Area: **799 Community Relationship Expenses 1**

DATA REQUEST:

1. Refer to "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 108.

- a. What are Community Partnership expenses?

CAL-AM'S RESPONSE

Community Partnership expenses are related to our GO-77 outreach to diverse suppliers to increase awareness and participation in the program. Charges include a sponsorship for a technical training workshop conducted by the Council for Supplier Diversity San Diego and a table for employees at the Asian Business Association of LA's awards banquet.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Manager Regulatory Services
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento
Cal Adv Request: A2507003 Public Advocates DR RK2-04
Company Number: Cal Adv RK2-04 Q001.b
Date Received: August 28, 2025
Date Response Provided: September 11, 2025
Subject Area: 799 Community Relationship Expenses 1

DATA REQUEST:

1. Refer to "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 108.
 - b. Cell M108 shows community partnership expenses were \$6,118 in 2023.
 - i. Provide transactional data for the expenses that total \$6,118.
 - ii. Provide copies of invoices for the \$6,118 expense.

CAL-AM'S RESPONSE

- i. The \$6,118 expense in "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 108 was the recorded amount escalated. Please refer to California American Water attachment CAW Response Cal Adv RK2-04 Q001.b Attachment 1 for the transaction data that correspond with the un-escalated amount in "ALL_CH04_O&M_RO.xlsb" tab "Y_OM Data Rec WS1".
- ii. Please refer to California American Water attachment CAW Response Cal Adv RK2-04 Q001.b Attachment 2.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: **Evan Jacobs**
Title: **Director Corporate Communications & External Affairs**
Address: **California American Water
520 Capitol Mall, Suite 630
Sacramento**
Cal Adv Request: **A2507003 Public Advocates DR RK2-04**
Company Number: **Cal Adv RK2-04 Q002.a-b**
Date Received: **August 28, 2025**
Date Response Provided: **September 11, 2025**
Subject Area: **799 Community Relationship Expenses 1**

DATA REQUEST:

2. Refer to "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 836 (as an example of a community relations expense entry).
 - a. What are community relation expenses?
 - b. What are the benefits of the expense to ratepayers?

CAL-AM'S RESPONSE

Seaside Basin Watermaster Dinner is an annual event that brings together the various interests involved in the adjudicated Seaside Groundwater Basin Watermaster for a social evening with a goal of creating stronger interpersonal relationships for participants in an often thorny process. As a large user of the basin (and original party to the adjudication of the groundwater basin) California American Water helps support the annual event.

MNM costs are related to the production of a reusable "blank" check to present donations from the American Water Charitable Foundation to community non-profits supporting STEM Education, Workforce Development and Environmental work in our service areas.

These efforts benefit customers by creating stronger community connections and helping increase educational opportunities, workforce development and environmental protections in our service areas.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Manager Regulatory Services
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento
Cal Adv Request: A2507003 Public Advocates DR RK2-04
Company Number: Cal Adv RK2-04 Q002.c
Date Received: August 28, 2025
Date Response Provided: September 11, 2025
Subject Area: 799 Community Relationship Expenses 1

DATA REQUEST:

2. Refer to "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 836 (as an example of a community relations expense entry).
 - c. In cell N836 it shows \$16,174 for community relationship expenses.
 - i. Provide transactional data for the expenses that total \$16,174.
 - ii. Provide invoice support for the three largest expense transactions.

CAL-AM'S RESPONSE

- i. Please refer to California American Water attachment CAW Response Cal Adv RK2-04 Q002.c Attachment 1.
- ii. Please refer to California American Water attachment CAW Response Cal Adv RK2-04 Q002.c Attachment 2.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: **Evan Jacobs**
Title: **Director Corporate Communications & External Affairs**
Address: **California American Water
520 Capitol Mall, Suite 630
Sacramento**
Cal Adv Request: **A2507003 Public Advocates DR RK2-04**
Company Number: **Cal Adv RK2-04 Q003.a-c**
Date Received: **August 28, 2025**
Date Response Provided: **September 11, 2025**
Subject Area: **799 Community Relationship Expenses 1**

DATA REQUEST:

3. Refer to "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 121 for community relations - events expense.
 - a. What are community relation – event expenses?
 - b. What are the benefits of the expense to ratepayers?
 - c. How is this category different from expenses categorized as community relations expenses?

CAL-AM'S RESPONSE

Consistent with GO-77, California American Water placed an ad to educate and raise awareness of the supplier diversity program in the San Diego Equality Business Association after LGBTQ+ businesses were added to the program

The company also sponsored the Council for Supplier Diversity's San Diego technical training workshop to help raise awareness of the program and ensure that we have the opportunity to work with diverse suppliers in our service areas.

These programs are a component of our community relations program and the advertising and participation help establish relationships. Differences in coding this activity was made at the discretion of the employee and do not necessarily reflect a material difference.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Manager Regulatory Services
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento
Cal Adv Request: A2507003 Public Advocates DR RK2-04
Company Number: Cal Adv RK2-04 Q003.d
Date Received: August 28, 2025
Date Response Provided: September 11, 2025
Subject Area: 799 Community Relationship Expenses 1

DATA REQUEST:

3. Refer to "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 121 for community relations - events expense.
 - d. In cell L121 it shows \$6,056 for community relationship expenses.
 - i. Provide transactional data for the expenses that total \$6,056.
 - ii. Provide copies of invoices for the \$6,056 expense.

CAL-AM'S RESPONSE

- i. The \$6,056 expense in "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 121 was the recorded amount escalated. Please refer to California American Water attachment CAW Response Cal Adv RK2-04 Q003.d Attachment 1 for the transaction data that correspond with the un-escalated amount in "ALL_CH04_O&M_RO.xlsb" tab "Y_OM Data Rec WS1".
- ii. Please refer to California American Water attachment CAW Response Cal Adv RK2-04 Q003.d Attachment 2.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: **Evan Jacobs**
Title: **Director Corporate Communications & External Affairs**
Address: **California American Water
520 Capitol Mall, Suite 630
Sacramento**
Cal Adv Request: **A2507003 Public Advocates DR RK2-04**
Company Number: **Cal Adv RK2-04 Q004.a-c**
Date Received: **August 28, 2025**
Date Response Provided: **September 11, 2025**
Subject Area: **799 Community Relationship Expenses 1**

DATA REQUEST:

4. Refer to "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 122 for community relations - specialty expense.
 - a. What are community relation – specialty expenses?
 - b. What are the benefits of the expense to ratepayers?
 - c. How is this category different from expenses categorized as community relations expenses?

CAL-AM'S RESPONSE

In support of GO-77 Cetera Marketing supplied our team with Supplier Diversity marketing items for use at exhibition halls during contractor events. In crowded conference center floors effective presentation of these items helps ensure that possible diverse suppliers interact with and remember our team, building lasting relationships. These items helped further our program, becoming one of the leaders in diverse spend year after year across all utility sectors regulated by the CPUC.

The CPUC recognizes that GO-77 and our supplier diversity programs encourage California American Water to do business with the diverse businesses in communities we serve across California and provide economic benefits to historically marginalized groups who are ratepayers within our service areas.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Manager Regulatory Services
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento
Cal Adv Request: A2507003 Public Advocates DR RK2-04
Company Number: Cal Adv RK2-04 Q004.d
Date Received: August 28, 2025
Date Response Provided: September 11, 2025
Subject Area: 799 Community Relationship Expenses 1

DATA REQUEST:

4. Refer to "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 122 for community relations - specialty expense.
 - d. In cell L122 it shows \$ 4,420 for community relationship expenses.
 - i. Provide transactional data for the expenses that total \$4,420.
 - ii. Provide invoices for the \$4,420 expense.

CAL-AM'S RESPONSE

- i. The \$4,420 expense in "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 122 was the recorded amount escalated. Please refer to California American Water attachment CAW Response Cal Adv RK2-04 Q004.d Attachment 1 for the transaction data that correspond with the un-escalated amount in "ALL_CH04_O&M_RO.xlsb" tab "Y_OM Da+ta Rec WS1".
- ii. Please refer to California American Water attachment CAW Response Cal Adv RK2-04 Q004.d Attachment 2.

Attachment 1-6: Cal Am Response to Data Request RK2-05

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 \$63,090,981 or 17.20% in the year 2027, by \$22,067,361 or 5.13% in the year 2028, and by \$26,014,600 or 5.75% in the year 2029.

A.25-07-003
(Filed July 1, 2025)

**CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST RK2-05**

Cathy Hongola-Baptista
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San Francisco, CA 94111
(415) 398-3600
ldolqueist@nossaman.com

Attorneys for California-American Water Company

Dated: September 16, 2025

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 RK2-05 ("Data Requests" or "RPD"), propounded on September 2, 2025, in A.25-07-003.

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.

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 \$63,090,981 or 17.20% in the year 2027, by \$22,067,361 or 5.13% in the year 2028, and by \$26,014,600 or 5.75% in the year 2029.

A.25-07-003
(Filed July 1, 2025)

**CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST RK2-06**

Cathy Hongola-Baptista
Nicholas A. Subias
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Lori Anne Dolqueist
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Nossaman LLP
50 California Street
34th Floor
San Francisco, CA 94111
(415) 398-3600
ldolqueist@nossaman.com

Attorneys for California-American Water Company

Dated: September 19, 2025

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 RK2-06 ("Data Requests" or "RPD"), propounded on September 5, 2025, in A.25-07-003.

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.25-07-003
DATA REQUEST RESPONSE

Response Provided By: **Evan Jacobs**
Title: **Director Corporate Communications & External Affairs**
Address: **California American Water
520 Capitol Mall, Suite 630
Sacramento**
Response Provided By: **Joey Chen**
Title: **Senior Manager Regulatory Services**
Address: **California American Water
520 Capitol Mall, Suite 630
Sacramento**
Cal Adv Request: **A2507003 Public Advocates DR RK2-06**
Company Number: **Cal Adv RK2-06 Q001**
Date Received: **September 5, 2025**
Date Response Provided: **September 19, 2025**
Subject Area: **799 Customer Education Expenses 1**

DATA REQUEST:

1. Refer to "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A"
 - a. Refer to cell N110. Cell N110 shows \$227,818 in Customer Education expenses in year 2024.
 - i. What are customer education expenses?
 - ii. What is Cal Am's justification for the expense?
 - iii. Provide the transactions which total up to \$227,818 in MS Excel format.
 - iv. Provide all transaction data for transactions listed in response to Q.1a(ii) in MS Excel format.
 - v. Provide the three largest invoices which support Cal Am's claimed \$227,818.
 - b. Refer to cell Line 111 for Customer Education Communication – Reg expenses.
 - i. What are Customer Education Communication – Reg expenses?
 - ii. What is Cal Am's justification for the expense?
 - iii. What does it mean when the expense is negative as shown in Cell N111.
 - iv. Provide the transactions which total up to \$90,830 in 2022.
 - v. Provide all transaction data for transactions listed in response to Q.1b(ii).
 - vi. Provide the three largest invoices that support Cal Am's claimed \$90,830.
 - c. Refer to cell Line 115 for Customer Education Communication – Printed expenses.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

- i. What are Customer Education Communication - Printed expenses?
- ii. What is Cal Am's justification for the expense?
- iii. Provide the transactions which total up to \$512,350 in MS Excel format.
- iv. Provide all transaction data for transactions listed in response to Q.1c(ii) in MS Excel format.
- v. Provide the three largest invoices which support Cal Am's claimed \$512,350.
- d. Refer to cell Line 117 for Customer Education - Press Releases expenses.
 - i. What are Customer Education - Press Releases expenses?
 - ii. What is Cal Am's justification for the expense?
 - iii. Provide the transactions which total up to \$23,839 in 2024 in MS Excel format.
 - iv. Provide all transaction data for transactions listed in response to Q.1d(ii) in MS Excel format.
 - v. Provide the three largest invoices which support Cal Am's claimed \$23,839.
- e. Refer to cell Line 119 for Customer Education - Video & Photo expenses.
 - i. What are Customer Education - Video & Photo expenses?
 - ii. What is Cal Am's justification for the expense?
 - iii. Provide the transactions which total up to \$2,785 in 2024 in MS Excel format.
 - iv. Provide all transaction data for transactions listed in response to Q.1e(ii) in MS Excel format.
 - v. Provide the three largest invoices which support Cal Am's claimed \$2,785.

CAL-AM'S RESPONSE

a.

i-ii. California American Water communicates with customers about a variety of subjects related to their water service throughout the year. The company uses a variety of communication tactics and platforms including bill messages and onserts, emails, direct mail, earned media, broadcast media, digital and social media. Common subjects include informing customers about regulatory proceedings and rate changes; conservation, water efficiency and water use restrictions; Infrastructure projects; customer service and billing; affordability programs and water quality.

Customers benefit from learning about our programs, services and projects that may impact them and a portion of these costs relate to legal and regulatory requirements for customer communications. Some expenses in this category include a California

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Water Association public education campaign on ratemaking proceedings, the Spanish translation of federally required water quality reports (Consumer confidence reports or CCR's) and required notification related to the state's Extended Arrearage Program to pay down uncollected customer balances related to COVID.

- iii. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001 Attachment 1.
- iv. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001 Attachment 1.
- v. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001.a Attachment 1.

b.

i-ii. The CPUC and Public Utilities code requires customers to be notified of certain proceedings and public participation hearing through bills, direct mail and legal notices placed in newspapers. Specific costs in this category notices related to a water system acquisition, notification of public participation hearings for the 2002 GRC, and implementation of new rates pursuant to the 2019 GRC decision.

- iii. The negative balance shown in Cell N111 is related to the reclassification of Bass Lake Transaction Costs.
- iv. The \$90,830 expense in "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 111 was the recorded amount escalated. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001 Attachment 1 for the transaction data that correspond with the un-escalated amount in "ALL_CH04_O&M_RO.xlsb" tab "Y_OM Data Rec WS1".
- v. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001 Attachment 1.
- vi. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001.b Attachment 1.

c.

i-ii. California American Water has used public radio sponsorships as a customer education tool to deliver information about conservation programs and services, drought restrictions as well as customer assistance programs in the Sacramento, Ventura and Monterey regions.

- iii. The \$512,350 expense in "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 115 was the recorded amount escalated. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Attachment 1 for the transaction data that correspond with the un-escalated amount in "ALL_CH04_O&M_RO.xlsb" tab "Y_OM Data Rec WS1".

- iii. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001 Attachment 1.
- iv. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001.c Attachment 1.

d.

i-ii. California American Water uses the BusinessWire service to disseminate press releases on a timely basis to journalists in the areas we serve. Examples of press release subjects include water quality emergencies, key milestones in CPUC proceedings and infrastructure projects. These news releases are catalogued on the company website to help inform customers about important information related to their water and wastewater services in a timely manner and often generate news stories related to the subject of the press release.

- iii. The \$23,839 expense in "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 117 was the recorded amount escalated. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001 Attachment 1 for the transaction data that correspond with the un-escalated amount in "ALL_CH04_O&M_RO.xlsb" tab "Y_OM Data Rec WS1".
- iv. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001 Attachment 1.
- v. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001.d Attachment 1.

e.

i-ii. California American Water maintains in-house video and photography equipment to use to create images and videos used in our external communications including social and digital media channels, website and printed materials. In addition, the equipment is used to document key milestones for internal communications to employees. These costs are related to replacing and upgrading equipment used by employees to create videos and images. Customers benefit from timely, easily digestible communications from their water company on important subjects and videos and images help engage customers and illustrate these communications. Internal communications strengthen the knowledge and morale of our employees to help ensure that we are providing excellent service.

- iii. The \$2,785 expense in "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 119 was the recorded amount escalated. Please refer to

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

California American Water's attachment CAW Response Cal Adv RK2-06 Q001 Attachment 1 for the transaction data that correspond with the un-escalated amount in "ALL_CH04_O&M_RO.xlsb" tab "Y_OM Data Rec WS1".

- iv. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001 Attachment 1.
- v. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001.e Attachment 1.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Manager Regulatory Services
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento
Cal Adv Request: A2507003 Public Advocates DR RK2-05
Company Number: Cal Adv RK2-05 Q001
Date Received: September 2, 2025
Date Response Provided: September 16, 2025
Subject Area: 799 Conferences & Registration Expenses 1

DATA REQUEST:

1. Refer to "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A"
 - a. Refer to cell L140. The amount shown in this cell is (\$999,942). Expenses are not usually negative, but this one is negative.
 - i. Give the reasons why the expense is negative.
 - ii. Provide invoices related to this amount.
 - b. Refer to cell N140 which shows conference & registration expenses were \$33,968 in 2024.
 - i. Provide transactional data for the expenses that total \$33,968.
 - ii. Provide invoice support for the three largest expenses.

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 as overbroad and unduly burdensome. Subject to, but without waiving, those objections, California American Water responds as follows.

- a.
 - i. The negative entry in this account is an accounting entry related to Covid cost. This amount should not be included in the RO model. California American Water will make the correction in the 100-Day update. The (\$999,942) expense in "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" in cell L140 was the recorded amount escalated. Please

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

refer to CAW Response Cal Adv RK2-05 Q001.a Attachment 1 for the transaction data that correspond with the un-escalated amount in "ALL_CH04_O&M_RO.xlsb" tab "Y_OM Data Rec WS1".

- ii. This account is made up of invoices and credit card transactions. Please refer to CAW Response Cal Adv RK2-05 Q001.a Attachment 2 for the invoices in this account. Additionally, given the significant effort and burdensome process required to manually pull each credit card receipt, California American Water is providing the three largest credit card receipts in CAW Response Cal Adv RK2-05 Q001.a Attachment 2.
- b.
 - i. Please refer to California American Water's attachment CAW Response Cal Adv RK2-05 Q001.b Attachment 1.
 - ii. Please refer to California American Water's attachment CAW Response Cal Adv RK2-05 Q001.b Attachment 2.

Attachment 1-7: Cal Am Response to Data Request RK2-06

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 \$63,090,981 or 17.20% in the year 2027, by \$22,067,361 or 5.13% in the year 2028, and by \$26,014,600 or 5.75% in the year 2029.

A.25-07-003
(Filed July 1, 2025)

**CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST RK2-06**

Cathy Hongola-Baptista
Nicholas A. Subias
California American Water
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San Francisco, CA 94111
(415) 293-3023
cathy.hongola-baptista@amwater.com

Lori Anne Dolqueist
Alex Van Roekel
Nossaman LLP
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34th Floor
San Francisco, CA 94111
(415) 398-3600
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Attorneys for California-American Water Company

Dated: September 19, 2025

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 RK2-06 ("Data Requests" or "RPD"), propounded on September 5, 2025, in A.25-07-003.

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.

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California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Response Provided By: **Evan Jacobs**
Title: **Director Corporate Communications & External Affairs**
Address: **California American Water
520 Capitol Mall, Suite 630
Sacramento**
Response Provided By: **Joey Chen**
Title: **Senior Manager Regulatory Services**
Address: **California American Water
520 Capitol Mall, Suite 630
Sacramento**
Cal Adv Request: **A2507003 Public Advocates DR RK2-06**
Company Number: **Cal Adv RK2-06 Q001**
Date Received: **September 5, 2025**
Date Response Provided: **September 19, 2025**
Subject Area: **799 Customer Education Expenses 1**

DATA REQUEST:

1. Refer to "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A"
 - a. Refer to cell N110. Cell N110 shows \$227,818 in Customer Education expenses in year 2024.
 - i. What are customer education expenses?
 - ii. What is Cal Am's justification for the expense?
 - iii. Provide the transactions which total up to \$227,818 in MS Excel format.
 - iv. Provide all transaction data for transactions listed in response to Q.1a(ii) in MS Excel format.
 - v. Provide the three largest invoices which support Cal Am's claimed \$227,818.
 - b. Refer to cell Line 111 for Customer Education Communication – Reg expenses.
 - i. What are Customer Education Communication – Reg expenses?
 - ii. What is Cal Am's justification for the expense?
 - iii. What does it mean when the expense is negative as shown in Cell N111.
 - iv. Provide the transactions which total up to \$90,830 in 2022.
 - v. Provide all transaction data for transactions listed in response to Q.1b(ii).
 - vi. Provide the three largest invoices that support Cal Am's claimed \$90,830.
 - c. Refer to cell Line 115 for Customer Education Communication – Printed expenses.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

- i. What are Customer Education Communication - Printed expenses?
- ii. What is Cal Am's justification for the expense?
- iii. Provide the transactions which total up to \$512,350 in MS Excel format.
- iv. Provide all transaction data for transactions listed in response to Q.1c(ii) in MS Excel format.
- v. Provide the three largest invoices which support Cal Am's claimed \$512,350.
- d. Refer to cell Line 117 for Customer Education - Press Releases expenses.
 - i. What are Customer Education - Press Releases expenses?
 - ii. What is Cal Am's justification for the expense?
 - iii. Provide the transactions which total up to \$23,839 in 2024 in MS Excel format.
 - iv. Provide all transaction data for transactions listed in response to Q.1d(ii) in MS Excel format.
 - v. Provide the three largest invoices which support Cal Am's claimed \$23,839.
- e. Refer to cell Line 119 for Customer Education - Video & Photo expenses.
 - i. What are Customer Education - Video & Photo expenses?
 - ii. What is Cal Am's justification for the expense?
 - iii. Provide the transactions which total up to \$2,785 in 2024 in MS Excel format.
 - iv. Provide all transaction data for transactions listed in response to Q.1e(ii) in MS Excel format.
 - v. Provide the three largest invoices which support Cal Am's claimed \$2,785.

CAL-AM'S RESPONSE

a.

i-ii. California American Water communicates with customers about a variety of subjects related to their water service throughout the year. The company uses a variety of communication tactics and platforms including bill messages and onserts, emails, direct mail, earned media, broadcast media, digital and social media. Common subjects include informing customers about regulatory proceedings and rate changes; conservation, water efficiency and water use restrictions; Infrastructure projects; customer service and billing; affordability programs and water quality.

Customers benefit from learning about our programs, services and projects that may impact them and a portion of these costs relate to legal and regulatory requirements for customer communications. Some expenses in this category include a California

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Water Association public education campaign on ratemaking proceedings, the Spanish translation of federally required water quality reports (Consumer confidence reports or CCR's) and required notification related to the state's Extended Arrearage Program to pay down uncollected customer balances related to COVID.

- iii. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001 Attachment 1.
- iv. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001 Attachment 1.
- v. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001.a Attachment 1.

b.

i-ii. The CPUC and Public Utilities code requires customers to be notified of certain proceedings and public participation hearing through bills, direct mail and legal notices placed in newspapers. Specific costs in this category notices related to a water system acquisition, notification of public participation hearings for the 2002 GRC, and implementation of new rates pursuant to the 2019 GRC decision.

- iii. The negative balance shown in Cell N111 is related to the reclassification of Bass Lake Transaction Costs.
- iv. The \$90,830 expense in "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 111 was the recorded amount escalated. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001 Attachment 1 for the transaction data that correspond with the un-escalated amount in "ALL_CH04_O&M_RO.xlsb" tab "Y_OM Data Rec WS1".
- v. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001 Attachment 1.
- vi. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001.b Attachment 1.

c.

i-ii. California American Water has used public radio sponsorships as a customer education tool to deliver information about conservation programs and services, drought restrictions as well as customer assistance programs in the Sacramento, Ventura and Monterey regions.

- iii. The \$512,350 expense in "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 115 was the recorded amount escalated. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

Attachment 1 for the transaction data that correspond with the un-escalated amount in "ALL_CH04_O&M_RO.xlsb" tab "Y_OM Data Rec WS1".

- iii. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001 Attachment 1.
- iv. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001.c Attachment 1.

d.

i-ii. California American Water uses the BusinessWire service to disseminate press releases on a timely basis to journalists in the areas we serve. Examples of press release subjects include water quality emergencies, key milestones in CPUC proceedings and infrastructure projects. These news releases are catalogued on the company website to help inform customers about important information related to their water and wastewater services in a timely manner and often generate news stories related to the subject of the press release.

- iii. The \$23,839 expense in "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 117 was the recorded amount escalated. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001 Attachment 1 for the transaction data that correspond with the un-escalated amount in "ALL_CH04_O&M_RO.xlsb" tab "Y_OM Data Rec WS1".
- iv. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001 Attachment 1.
- v. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001.d Attachment 1.

e.

i-ii. California American Water maintains in-house video and photography equipment to use to create images and videos used in our external communications including social and digital media channels, website and printed materials. In addition, the equipment is used to document key milestones for internal communications to employees. These costs are related to replacing and upgrading equipment used by employees to create videos and images. Customers benefit from timely, easily digestible communications from their water company on important subjects and videos and images help engage customers and illustrate these communications. Internal communications strengthen the knowledge and morale of our employees to help ensure that we are providing excellent service.

- iii. The \$2,785 expense in "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" at line 119 was the recorded amount escalated. Please refer to

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

California American Water's attachment CAW Response Cal Adv RK2-06 Q001 Attachment 1 for the transaction data that correspond with the un-escalated amount in "ALL_CH04_O&M_RO.xlsb" tab "Y_OM Data Rec WS1".

- iv. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001 Attachment 1.
- v. Please refer to California American Water's attachment CAW Response Cal Adv RK2-06 Q001.e Attachment 1.

Attachment 1-8: Cal Am Response to Data Request RK2-07

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 \$63,090,981 or 17.20% in the year 2027, by \$22,067,361 or 5.13% in the year 2028, and by \$26,014,600 or 5.75% in the year 2029.

A.25-07-003
(Filed July 1, 2025)

**CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST RK2-07**

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Attorneys for California-American Water Company

Dated: September 19, 2025

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 RK2-07 ("Data Requests" or "RPD"), propounded on September 5, 2025, in A.25-07-003.

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.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Manager Regulatory Services
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento
Cal Adv Request: A2507003 Public Advocates DR RK2-07
Company Number: Cal Adv RK2-07 Q001
Date Received: September 5, 2025
Date Response Provided: September 19, 2025
Subject Area: 799 Discounts Available 1

DATA REQUEST:

1. Refer to "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A"
 - a. Refer to cell N235. Cell N235 shows negative \$199,745 in Discounts Available expense in year 2024.
 - i. What are Discounts Available expenses?
 - ii. What is Cal Am's justification for the expense?
 - iii. Why is the expense negative?
 - iv. Provide the transactions which total up to negative \$119,745 in MS Excel format.
 - v. Provide all transaction data for transactions listed in response to Q.1a(iv) in MS Excel format.
 - vi. Provide support for the three largest discounts which support Cal Am's claimed -\$119,745.

CAL-AM'S RESPONSE

- a.
 - i. Discounts Available expenses are discount credits the company receives from suppliers for early payments.
 - ii. Any early payment discounts the company receives should be passed on to California American Water's customers.
 - iii. Discounts Available expense are discount credits.
 - iv. The number in Cell N235 is -\$210,356 for 2024. The -\$199,745 number referenced in the question is the number for year 2023. Please refer to California American Water's attachment CAW Response Cal Adv RK2-07 Q001 Attachment 1 for the transactions total up to -\$210,356.

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

- v. Please refer to California American Water's attachment CAW Response
Cal Adv RK2-07 Q001 Attachment 1.
- vi. Please refer to California American Water's attachment CAW Response
Cal Adv RK2-07 Q001 Attachment 1.

Attachment 1-9: Cal Am Response to Data Request RK2-08

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 \$63,090,981 or 17.20% in the year 2027, by \$22,067,361 or 5.13% in the year 2028, and by \$26,014,600 or 5.75% in the year 2029.

A.25-07-003
(Filed July 1, 2025)

**CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST RK2-08**

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Attorneys for California-American Water Company

Dated: September 23, 2025

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 RK2-08 ("Data Requests" or "RPD"), propounded on September 9, 2025, in A.25-07-003.

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.25-07-003
DATA REQUEST RESPONSE

Response Provided By: **Evan Jacobs**
Title: **Director Corporate Communications & External Affairs**
Address: **California American Water
520 Capitol Mall, Suite 630
Sacramento**
Response Provided By: **Joey Chen**
Title: **Senior Manager Regulatory Services**
Address: **California American Water
520 Capitol Mall, Suite 630
Sacramento**
Cal Adv Request: **A2507003 Public Advocates DR RK2-08**
Company Number: **Cal Adv RK2-08 Q001**
Date Received: **September 9, 2025**
Date Response Provided: **September 23, 2025**
Subject Area: **799 Employee Expenses 1**

DATA REQUEST:

1. Refer to "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A"
 - a. Refer to cell M139. Cell M139 shows \$292,160 in Employee Expenses in year 2023.
 - i. What are Employee Expenses?
 - ii. What is Cal Am's justification for the expense?
 - iii. Provide the transactions which total up to \$292,160 in MS Excel format.
 - iv. Provide all transaction data for transactions listed in response to Q.1a(iii) in MS Excel format.
 - v. Provide support for the three largest transactions which support Cal Am's claimed \$292,160.

CAL-AM'S RESPONSE

- i. Employee expenses are costs incurred by employees in the course of their duties. Costs include lodging, meal and transportation costs for employees conducting business travel at locations outside their home offices to attend

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

trainings, conferences and meetings, and celebrations to acknowledge safety-related milestones are also included.

- ii. Business travel occurs regularly for management personnel who supervise employees in other offices around the state. Employees also occasionally travel for team meetings and trainings in other parts of the state and throughout American Water. Safety milestone celebrations provide opportunities to recognize our teams for their commitment to working safely and ensuring the well-being of themselves, their fellow employees and the customers we serve.
- i. The \$292,160 expense in "ALL_CH04_O&M_RO.xlsx" at tab "Sum Costs Before GO Alloc WS9A" in cell M139 was the recorded amount escalated. Please refer to California American Water's attachment CAW Response Cal Adv RK2-08 Q001 Attachment 1 for the transaction data that correspond with the un-escalated amount in "ALL_CH04_O&M_RO.xlsx" tab "Y_OM Data Rec WS1".
- ii. Please refer to California American Water's attachment CAW Response Cal Adv RK2-08 Q001 Attachment 1. The three largest transactions in this account are accruals. Please refer to California American Water's attachment, Cal Adv RK2-08 Q001 Attachment 2 for the top three actual invoices/receipts.

Attachment 1-10: Cal Am Response to Data Request RK2-09

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 \$63,090,981 or 17.20% in the year 2027, by \$22,067,361 or 5.13% in the year 2028, and by \$26,014,600 or 5.75% in the year 2029.

A.25-07-003
(Filed July 1, 2025)

**CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST RK2-09**

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Attorneys for California-American Water Company

Dated: September 24, 2025

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 RK2-09 ("Data Requests" or "RPD"), propounded on September 10, 2025, in A.25-07-003.

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.25-07-003
DATA REQUEST RESPONSE

Response Provided By: **Evan Jacobs**
Title: **Director Corporate Communications & External Affairs**
Address: **California American Water
520 Capitol Mall, Suite 630
Sacramento**
Response Provided By: **Joey Chen**
Title: **Senior Manager Regulatory Services**
Address: **California American Water
520 Capitol Mall, Suite 630
Sacramento**
Cal Adv Request: **A2507003 Public Advocates DR RK2-09**
Company Number: **Cal Adv RK2-09 Q001**
Date Received: **September 10, 2025**
Date Response Provided: **September 24, 2025**
Subject Area: **799 Employee Expenses 1**

DATA REQUEST:

1. Refer to "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A."
 - a. Refer to cell N141. Cell N141 shows \$55,497 in Meals expenses in year 2024.
 - i. What are Meals expenses?
 - ii. What is Cal Am's justification for the expense?
 - iii. Provide the transactions which total up to \$55,497 in MS Excel format.
 - iv. Provide all transaction data for transactions listed in response to Q.1a(iii) in MS Excel format.
 - v. Provide support for the three largest transactions which support Cal Am's claimed \$55,497.

CAL-AM'S RESPONSE

- i. Meals expenses category are primarily expenses incurred for breakfast, lunch and dinner by employees engaged in business travel. Expenses also include the provision of meals for employee safety milestone celebrations and

California-American Water Company

APPLICATION NO. A.25-07-003
DATA REQUEST RESPONSE

instances where staff are working on emergency responses to main breaks, water quality events and natural disasters.

- ii. Business travel occurs regularly for management personnel who supervise employees in other offices around the state. Employees also occasionally travel for team meetings and trainings in other parts of the state and throughout American Water. Safety milestone celebrations provide opportunities to recognize our teams for their commitment to working safely and ensuring the well-being of themselves, their fellow employees and the customers we serve.
- iii. Please refer to California American Water's attachment CAW Response Cal Adv RK2-09 Q001 Attachment 1.
- iv. Please refer to California American Water's attachment CAW Response Cal Adv RK2-09 Q001 Attachment 1.
- v. Please refer to California American Water's attachment CAW Response Cal Adv RK2-09 Q001 Attachment 2.

Attachment 1-11: Cal Am Response to Data Request RK2-010

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 \$63,090,981 or 17.20% in the year 2027, by \$22,067,361 or 5.13% in the year 2028, and by \$26,014,600 or 5.75% in the year 2029.

A.25-07-003
(Filed July 1, 2025)

**CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST RK2-10**

Cathy Hongola-Baptista
Nicholas A. Subias
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Alex Van Roekel
Nossaman LLP
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34th Floor
San Francisco, CA 94111
(415) 398-3600
ldolqueist@nossaman.com

Attorneys for California-American Water Company

Dated: September 24, 2025

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 RK2-10 ("Data Requests" or "RPD"), propounded on September 10, 2025, in A.25-07-003.

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.25-07-003
DATA REQUEST RESPONSE

Response Provided By: Joey Chen
Title: Senior Manager Regulatory Services
Address: California American Water
520 Capitol Mall, Suite 630
Sacramento
Cal Adv Request: A2507003 Public Advocates DR RK2-10
Company Number: Cal Adv RK2-10 Q001
Date Received: September 10, 2025
Date Response Provided: September 24, 2025
Subject Area: 799 Misc Oper – Admin & General expenses 1

DATA REQUEST:

1. Refer to "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A."
 - a. Refer to cell N4725. Cell N4725 shows \$101,117 in Misc Oper - Admin & General expenses in year 2024.
 - i. What are Misc Oper - Admin & General expenses?
 - ii. What is Cal Am's justification for the expense?
 - iii. Provide the transactions which total up to \$101,117 in MS Excel format.
 - iv. Provide all transaction data for transactions listed in response to Q.1a(iii) in MS Excel format.
 - v. Provide support for the three largest transactions which support Cal Am's claimed \$101,117.
 - b. Refer to cell N97, Cell N97 shows negative \$46,786.
 - i. Why is the expense negative?

CAL-AM'S RESPONSE

- 1.a
 - i. Misc Oper- Admin & General account serves as a catch-all account for administration and general expenses.
 - ii. Misc Oper- Admin & General expense are necessary for utility operations but cannot be directly assigned to a more specific account. Expenses charged to this account include but are not limited to Sacramento Air Quality Management District annual permit fee, Sample Room Air Conditioner service fee, Annual Fire Extinguisher Certification, and Environmental Health fees.

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- iii. Please refer to California American Water's attachment CAW Response Cal Adv RK2-10 Q001 Attachment 1
- iv. Please refer to California American Water's attachment CAW Response Cal Adv RK2-10 Q001 Attachment 1
- v. Please refer to California American Water's attachment CAW Response Cal Adv RK2-10 Q001 Attachment 2

b.

- i. The negative number is a result of accrual postings.

Attachment 1-12: Cal Am Response to Data Request RK2-011

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 \$63,090,981 or 17.20% in the year 2027, by \$22,067,361 or 5.13% in the year 2028, and by \$26,014,600 or 5.75% in the year 2029.

A.25-07-003
(Filed July 1, 2025)

**CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO
PUBLIC ADVOCATES OFFICE'S DATA REQUEST RK2-11**

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Attorneys for California-American Water Company

Dated: September 25, 2025

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 RK2-11 ("Data Requests" or "RPD"), propounded on September 11, 2025, in A.25-07-003.

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.

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Response Provided By: **Evan Jacobs**
Title: **Director Corporate Communications & External Affairs**
Address: **California American Water
520 Capitol Mall, Suite 630
Sacramento**
Response Provided By: **Joey Chen**
Title: **Senior Manager Regulatory Services**
Address: **California American Water
520 Capitol Mall, Suite 630
Sacramento**
Cal Adv Request: **A2507003 Public Advocates DR RK2-11**
Company Number: **Cal Adv RK2-11 Q001**
Date Received: **September 11, 2025**
Date Response Provided: **September 25, 2025**
Subject Area: **799 Relocation expenses 1**

DATA REQUEST:

1. Refer to "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A."
 - a. Refer to cell J187. Cell J187 shows \$122,797 Relocation expenses in year 2020.
 - i. What are Relocation expenses?
 - ii. What is Cal Am's justification for the expense?
 - iii. Provide the transactions which total up to \$122,797 in MS Excel format.
 - iv. Provide all transaction data for transactions listed in response to Q.1a(iii) in MS Excel format.
 - v. Provide support for the three largest transactions which support Cal Am's claimed \$122,797.

CAL-AM'S RESPONSE

- i. Relocation expenses are the costs a company incurs to move employees from one location to another for business purposes. These expenses typically

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include transportation of household goods, temporary housing, travel for the employee and family, and relocation service fees.

- ii. Relocation costs help attract and retain qualified employees, which is essential for providing reliable and safe drinking water. Many utility positions require specialized technical skills and regulatory expertise that are not always available locally. Offering relocation assistance ensures the company can fill essential positions promptly, avoiding operational delays and compliance risks.
- iii. The \$122,797 expense in "ALL_CH04_O&M_RO.xlsb" at tab "Sum Costs Before GO Alloc WS9A" in cell J187 was the recorded amount escalated. Please refer to California American Water's attachment CAW Response Cal Adv RK2-11 Q001 Attachment 1 for the transaction data that correspond with the un-escalated amount in "ALL_CH04_O&M_RO.xlsb" tab "Y_OM Data Rec WS1.
- iv. Please refer to California American Water's attachment CAW Response Cal Adv RK2-11 Q001 Attachment 1.
- v. Please refer to California American Water's attachment CAW Response Cal Adv RK2-11 Q001 Attachment 2.