

Docket	: <u>A.25-07-003</u>
Exhibit Number	: <u>Cal Adv - #</u>
Commissioner	: <u>Matthew Baker</u>
Administrative Law Judge	: <u>Rafael L. Lirag</u>
Public Advocates Office	
Witness(es)	: <u>Sari Ibrahim</u>



**PUBLIC ADVOCATES OFFICE**  
**CALIFORNIA PUBLIC UTILITIES COMMISSION**

# **REPORT ON THE CONSTRUCTION WORK IN PROGRESS SOUTHERN DISTRICTS AND CORPORATE CAPITAL**

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

San Francisco, California  
January 23, 2026

## TABLE OF CONTENTS

1	<b>MEMORANDUM</b> .....	<b>V</b>
2	<b>CHAPTER 1 CONSTRUCTION WORK IN PROGRESS</b> .....	<b>1</b>
3	<b>I. INTRODUCTION</b> .....	<b>1</b>
4	<b>II. SUMMARY OF RECOMMENDATIONS</b> .....	<b>1</b>
5	<b>III. ANALYSIS</b> .....	<b>1</b>
6	<b>IV. CONCLUSION</b> .....	<b>4</b>
7	<b>CHAPTER 2 SAN DIEGO COUNTY DISTRICT</b> .....	<b>5</b>
8	<b>I. INTRODUCTION</b> .....	<b>5</b>
9	<b>II. SUMMARY OF RECOMMENDATIONS</b> .....	<b>6</b>
10	<b>III. ANALYSIS</b> .....	<b>6</b>
11	A. 2029 Specific Capital Project Budgets.....	6
12	B. Project Code I15-300010 Replace 52,000 Ft of 16" Main- The	
13	Strand - Ph II Coronado.....	7
14	C. Project Code 134 - I15-300020 New Coronado Storage Tank	
15	and Pump Station.....	11
16	D. Recurring Projects .....	12
17	<b>IV. CONCLUSION</b> .....	<b>13</b>
18	<b>CHAPTER 3 VENTURA COUNTY DISTRICT</b> .....	<b>14</b>
19	<b>I. INTRODUCTION</b> .....	<b>14</b>
20	<b>II. SUMMARY OF RECOMMENDATIONS</b> .....	<b>14</b>
21	<b>III. ANALYSIS</b> .....	<b>15</b>

1	A.	2029 Specific Capital Project Budgets.....	15
2	B.	Project Code I15-510066 VEN-Main Replacement Program (2027-2029).....	16
3	C.	Project Code I15-510063 VEN-Las Posas BPS Improvement Project.....	20
4	D.	Project Code I15-510053 Ventura Freeway Crossing .....	21
5	E.	Project Code I15-510057 Integrated Water Supply Project.....	22
6	F.	Recurring Projects .....	23
7	<b>IV.</b>	<b>CONCLUSION</b> .....	<b>24</b>
8	<b>CHAPTER 4 LOS ANGELES COUNTY DISTRICT</b> .....	<b>25</b>	
9	<b>I.</b>	<b>INTRODUCTION</b> .....	<b>25</b>
10	<b>II.</b>	<b>SUMMARY OF RECOMMENDATIONS</b> .....	<b>25</b>
11	<b>III.</b>	<b>ANALYSIS</b> .....	<b>26</b>
12	A.	2029 Specific Capital Project Budgets.....	26
13	B.	Project Code I15-500060 Reconstruct Rosemead Operations Ctr .....	27
14	C.	Project Code I15-500082 LA-Chromium-VI Water Treatment 2024 .....	30
15	D.	Project Code I15-500054 Chromium-VI Water Treatment .....	38
16	E.	Project Code I15-500078 (500067) Well Installation and Replacement Program (2024-2026) .....	40
17	F.	Project Code I15-500087 LA-Well Installation and Replacement Program 2027-2029 .....	41
18	G.	Project Code I15-500084 Energy Storage GRIP.....	41

1	<b>H.</b>	Project Code I15-560001 EP-East Pasadena Well #8 Treatment.....	42
3	<b>I.</b>	Project Code I15-570005 Rio Plaza (El Rio) Well 2 Nitrate Treatment.....	43
5	<b>J.</b>	Project Code I15-570002 Rio Plaza (El Rio) Supply Project .....	44
6	<b>K.</b>	Project Code I15-500086 LA-Main Replacement Program.....	47
7	<b>L.</b>	Recurring Projects .....	49
8	<b>IV.</b>	<b>CONCLUSION</b> .....	<b>50</b>
9	<b>CHAPTER 5 CORPORATE DISTRICT</b> .....		<b>51</b>
10	<b>I.</b>	<b>INTRODUCTION</b> .....	<b>51</b>
11	<b>II.</b>	<b>SUMMARY OF RECOMMENDATIONS</b> .....	<b>51</b>
12	<b>III.</b>	<b>ANALYSIS</b> .....	<b>52</b>
13	<b>A.</b>	2029 Specific Capital Project Budgets.....	52
14	<b>B.</b>	Project Code I15-010003, Corporate Headquarters Relocation and New Sacramento Operations Center .....	53
16	<b>C.</b>	Recurring Projects .....	56
17	<b>IV.</b>	<b>CONCLUSION</b> .....	<b>59</b>

1	ATTACHMENT 1: WITNESS QUALIFICATIONS .....	A-1
2	ATTACHMENT 2: AMERICAN WATER JUNE 2025 INVESTOR	
3	PRESENTATION.....	A-2
4	ATTACHMENT 3: AMERICAN WATER AMERICAN WATER Q3 2025	
5	EARNINGS PRESENTATION.....	A-3
6	ATTACHMENT 4: DR SIH-01 (CWIP PROJECTS).....	A-4
7	ATTACHMENT 5: DR SIH-02 (SOUTHERN DISTRICT	
8	GEOTECHNICAL STUDIES).....	A-5
9	ATTACHMENT 6: DR SIH-03 (HEADQUARTERS RELOCATION) .....	A-6
10	ATTACHMENT 7: DR SIH-04 (PIPELINE REPLACEMENTS) .....	A-7
11	ATTACHMENT 8: DR SIH-05 (CWIP PROJECTS II) .....	A-8
12	ATTACHMENT 9: DR SIH-06 (HEADQUARTERS RELOCATION II) .....	A-9
13	ATTACHMENT 10: DR SIH-07 (PIPELINE REPLACEMENTS II) .....	A-10
14	ATTACHMENT 11: DR SIH-08 (STORAGE TANKS) .....	A-11
15	ATTACHMENT 12: DR SIH-09 (PIPELINE AND REPLACEMENTS III).....	A-12
16	ATTACHMENT 13: DR SIH-10 (SOFTWARE AND IT PROJECTS).....	A-13

## 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. Sari Ibrahim. Mr. Mukunda Dawadi is the oversight supervisor. Mr. Niki  
8 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	Construction Work In Progress	Sari Ibrahim
2	San Diego District	Sari Ibrahim
3	Ventura District	Sari Ibrahim
4	Los Angeles District	Sari Ibrahim
5	Corporate and General Office Capital	Sari Ibrahim

## CHAPTER 1 Construction Work In Progress

## INTRODUCTION

. Receiving a profit on construction work in progress (CWIP) gives a utility an unfair profit on projects that are providing no service. Receiving a profit on CWIP also shifts the risk of project planning wholly onto ratepayers.

## II. SUMMARY OF RECOMMENDATIONS

7 The Commission should exclude CWIP balances from rate base and prevent  
8 shareholder profit from being included in customer rate for incomplete projects. Instead,  
9 the Commission should permit Cal Am to capitalize the actual interest cost used to  
10 finance construction and permit recovery when a project is complete and providing  
11 service.

### III. ANALYSIS

13 In a competitive environment, a business could not earn a profit on a capital  
14 investment until the investment is complete and in service. As an example, a hotel that is  
15 under construction will not see a profit or income until it is built and able to provide a  
16 service to customers. This is a standard across all competitive environments. As a  
17 substitute for competition, the Commission should not indulge Cal Am in deviating from  
18 this business axiom. It is unreasonable for Cal Am to include shareholder profit in rates  
19 for projects that provide no service.

20 CWIP, as a rate making tool, is meant as an alternative for the Allowance for  
21 Funds Used During Construction (AFUDC).<sup>1</sup> CWIP departs from the standard regulatory  
22 construct of “used and useful,” as it allows a utility to include in customer rates a

<sup>1</sup> California Public Utilities Commission Utility General Rate Case – A Manual for Regulatory Analysts at 27.

1 shareholder profit on a capital investment before the asset is placed into service.<sup>2</sup> The  
2 allowance for CWIP is justified, in theory, because it reduces the rate shock from the  
3 one-time addition of interest accrued on a capital project.<sup>3</sup> But the harm to ratepayers  
4 from Cal Am’s misuse of CWIP is greater than the harm caused by the potential rate  
5 shock. The balances generated by CWIP outweigh the potential rate shock from the one-  
6 time additional cost of adding interest borne during construction.

7 Including CWIP in rate base wholly shifts the risk of a capital project’s  
8 construction from the utility to ratepayers. When a utility receives profit on projects  
9 booked as CWIP, it loses incentive to complete projects in a timely fashion. In a  
10 competitive environment, a company cannot begin earning profit on capital assets before  
11 the assets go into service. To address this issue, the Commission should remove Cal  
12 Am’s proposed CWIP balance from rates.

13 As discussed in The Hidden Tax on Your Power Bill: Construction Work in  
14 Progress, CWIP was initially allowed by the United States Congress to aid utilities facing  
15 “severe financial difficulty”.<sup>4</sup> As shown in American Water’s investor presentations, it is  
16 not currently facing financial difficulties. In fact, American Water dividends have grown  
17 year after year.<sup>5</sup> And American Water has a credit rating of A (stable outlook) with the  
18 S&P and Baa1 (stable outlook) with Moody’s.<sup>6</sup> As discussed below, CWIP in this case is  
19 being utilized as an additional and unnecessary profit stream for Cal Am on projects  
20 providing no service to ratepayers.

---

<sup>2</sup> California Public Utilities Commission Utility General Rate Case – A Manual for Regulatory Analysts at 27.

<sup>3</sup> California Public Utilities Commission Utility General Rate Case – A Manual for Regulatory Analysts at 27.

<sup>4</sup> Rudolph G. Penner, “Financial Condition of the U.S. Electric Utility Industry,” Congressional Budget Office, March 1986.

<sup>5</sup> Attachment 2: American Water June 2025 Investor Presentation at 7.

<sup>6</sup> Attachment 2: American Water June 2025 Investor Presentation at 13.

1        By July 2025, Cal Am had a combined CWIP balance of approximately \$159  
2 million across all districts, excluding projects funded by others.<sup>7</sup> Of the total balance, \$33  
3 million of projects had been in CWIP since 2020 or longer.<sup>8</sup> Over five years, Cal Am  
4 included in customer rates profit of nearly \$13 million on projects that have provided  
5 zero benefit or service to ratepayers.<sup>9</sup>

6        One example, the chromium six treatment plant at the Grand Well in Rosemead  
7 has been in CWIP since July 2016.<sup>10</sup> Cal Am has recorded \$1,958,789.92 for this  
8 project.<sup>11</sup> As discussed in chapter 4, Cal Am claims the project is complete and is only  
9 missing permitting. For nearly 10 years, Cal Am has been charging ratepayers profit on a  
10 plant that has never once provided a service to ratepayers. Cal Am has no incentive to put  
11 the plant into service because it is already collecting the same profit percentage it would  
12 collect if the plant was in service. If the plant remains in CWIP and never goes into  
13 service, Cal Am can continue to collect a profit indefinitely as the plant will not reach full  
14 depreciation.

15        Not only has Cal Am been profiting from the chromium treatment plant for nearly  
16 a decade without it providing any service, Cal Am has been collecting a return on its  
17 perceived debt and equity investment while the plant was being built. Cal Am has  
18 recorded \$21,657.28 for AFUDC on Equity in the plant and \$12,773.27 for AFUDC on

---

<sup>7</sup> Attachment 4: Cal Am’s Response to Public Advocates Office’s Data Request SIH-01 Q001, Attachment 1 (CWIP Projects). Projects funded by others are funded directly by parties other than the ratepayers and should not affect rate base.

<sup>8</sup> Attachment 4: Cal Am’s Response to Public Advocates Office’s Data Request SIH-01 Q001, Attachment 1 (CWIP Projects).

<sup>9</sup> Attachment 4: Cal Am’s Response to Public Advocates Office’s Data Request SIH-01 Q001, Attachment 1 (CWIP Projects). The balance of projects that went into CWIP in 2020 or older is \$33,318,305.78. \$33,318,305.78 multiplied by a rate of return of 7.68% is \$2,558,845.88 annually or \$12,794,229.42 over five years.

<sup>10</sup> Attachment 4: Cal Am’s Response to Public Advocates Office’s Data Request SIH-01 Q001, Attachment 1 (CWIP Projects), cell J350.

<sup>11</sup> Attachment 4: Cal Am’s Response to Public Advocates Office’s Data Request SIH-01 Q001, Attachment 1 (CWIP Projects), cell M350.

1      Debt in the CWIP balances.<sup>12</sup> Cal Am proposes to receive CWIP and collect CWIP profit  
2      on AFUDC for a project that hasn't provided any benefit to ratepayers.

3              By Test Year 2027, Cal Am claims that a significant portion of its CWIP balance  
4      projects will go into service and the updated balance will be \$52,829,010.<sup>13</sup> Even if this  
5      forecast proved accurate, it would still provide Cal Am \$4,057,267 of profit for  
6      incomplete plant projects that do not benefit ratepayers.<sup>14</sup>

7              The Commission has consistently held that in a regulated market of natural  
8      monopolies, regulation acts as the substitute for competition and the Commission acts as  
9      the substitute for the market.<sup>15</sup> Therefore, the Commission should fulfill its role as a  
10     substitute for competition and exclude the CWIP balance from rates.

#### 11     **IV. CONCLUSION**

12              Allowing CWIP in rate base creates a disincentive for timely completion of  
13      projects because it allows utilities to receive shareholder profit on projects still under  
14      construction. Further, allowing CWIP in rate base places ratepayers at risk for funding  
15      projects that may never provide commensurate benefit. The Commission should ensure  
16      that only used and useful capital projects that provide benefit to ratepayers are included in  
17      rate base.

---

<sup>12</sup> Attachment 4: Cal Am's Response to Public Advocates Office's Data Request SIH-01 Q001, Attachment 1 (CWIP Projects), rows 351 and 352.

<sup>13</sup> Cal Am RO Model file "ALL\_CH07\_PLT\_RO\_Summary," tab: "IN\_F\_CWIP Bal-WS-5," cell R78.

<sup>14</sup> The 2027 CWIP balance multiplied by the 7.68% rate of return.

<sup>15</sup> D.24-12-007 at 14 and D.10-10-035 at 27, "In a closely regulated market, regulation substitutes for competition and the regulator, acting as a substitute for the market, provides investors an opportunity to earn a fair and reasonable return for accepting the degree of risk presented by the regulated business."

## CHAPTER 2 San Diego County District

## INTRODUCTION

The San Diego district is made up of six zones across the city of San Diego, Imperial Beach and Coronado.<sup>16</sup>

Cal Am sources all the water serving the San Diego district from purchased water supplies.<sup>17</sup> Sourcing all water from purchased supplies reduces the complexity of a water system. Purchased water typically eliminates the need for treatment and groundwater pumping facilities. Consequently, the San Diego system should be less complex to operate and require less over all capital projects.

. The more Cal Am invests in plant in service, the higher the returns and profits it receives. American Water, Cal Am's parent company, emphasizes rate base growth to investors.<sup>18</sup> American Water even has target growth rates for plant in service.<sup>19</sup> This goes against the construct of plant in service matching system needs which should not have a preconceived growth rate. American Water's rate base growth rate also closely matches Cal Am's desired earnings per share growth rate.<sup>20</sup> This reflects that utilities' earnings per share are directly driven by its rate base and plant in service.

The Commission should approach Cal Am's capital requests with a critical lens and ensure that capital growth is based on system needs, not investor desires.

16 Application of California-American Water Company (U210W) to Increase Revenues in Each of its Districts Statewide, Cal Am Engineering Workpaper 2025 San Diego County District CPS REDACTED at ES-iv.

<sup>17</sup> Cal Am Engineering Workpaper San Diego County District CPS REDACTED at ES-ii.

**18** Attachment 2: American Water June 2025 Investor Presentation at 17.

**19** Attachment 2: American Water June 2025 Investor Presentation at 17.

<sup>20</sup> Attachment 2: American Water June 2025 Investor Presentation at 6,17. Page 6 shows a target earnings per share growth of 7-9% and page 17 shows a rate base target growth of 8-9%.

1      **II. SUMMARY OF RECOMMENDATIONS**

2            • The Commission should exclude \$1,803,423 in 2027 and \$3,660,825 in 2028  
3            in capital budget related to the Strand Main Replacement project from rates.  
4            • The Commission should exclude \$1,527,864 in 2027 and \$2,598,648 in 2028  
5            for the New Coronado Storage tank and Pump Station from rates.  
6            • The Commission should exclude \$40,445 in 2025, \$40,417 in 2026, \$129,138  
7            in 2027, and \$135,229 in 2028 forecast under the umbrella of the Project Code  
8            R15-xxQ1 –Plant – Replacements/Additions in the San Diego district from  
9            rates.

10     **III. ANALYSIS**

11        **A. 2029 Specific Capital Project Budgets**

12        The Commission should not authorize any specific project budgets for 2029  
13        in the current rate case. Capital project budgets in 2029 are not part of the purview  
14        of the current GRC and would be examined for reasonableness in the subsequent  
15        GRC filing. In the current GRC, the capital budget for 2029 is calculated  
16        formulaically as an attrition year increase and is not affected by 2029 specific  
17        project budgets.<sup>21</sup>

18        Cal Am has several specific budgets forecast in year 2029. It would be  
19        inappropriate to authorize the 2029 specific budget requests in the current GRC for  
20        multiple reasons. First, as per the Rate Case Plan and the Revised Rate Case Plan,  
21        the rate base forecast, including capital additions, will consist of two test years,  
22        2027 and 2028, and an attrition year, 2029.<sup>22</sup> The capital budget for the attrition  
23        year 2029 should be calculated according to the Rate Case Plan. The budget for

---

<sup>21</sup> Cal Am RO model file “ALL\_CH02\_SE\_RO,: tab: “SOU\_RevReq,” cell L164.

<sup>22</sup> Rate Case Plan (D.04-06-018) and the Revised Rate Case Plan (D.07-05-062). D.07-05-062 at A-19 states, “All rate base items, including capital additions and depreciation, shall not be escalated but rather shall be subject to two test years and an attrition year, consistent with D.04-06-018.”

1 attrition year 2029 is calculated based on the difference of the first and second test  
2 years rate base and is unaffected by the proposed specific budgets.<sup>23</sup>

3 Second, since Cal Am's proposed 2029 capital budgets do not affect the  
4 revenue requirement the projects cannot be reviewed for reasonableness in the  
5 current GRC cycle. The revenue requirement for 2029 is forecast only on the  
6 difference in rate base additions from the two test years. The effects of the  
7 proposed 2029 project budgets would be calculated in the next GRC cycle as with  
8 the 2026 project budgets in the current GRC. As such the reasonableness of the  
9 2029 budget is more appropriate for review in the next GRC filing.

10 The Commission should not approve any specific capital budgets for the  
11 attrition year 2029. The Commission should adopt a rate base for attrition year  
12 2029 based on the method described in the Rate Case Plan

13 **B. Project Code I15-300010 Replace 52,000 Ft of 16" Main-  
14 The Strand - Ph II Coronado**

15 In the current GRC, Cal Am requests \$1,803,423 in 2027 and \$3,660,825 in  
16 2028 in capital budget related to the Strand Main Replacement project.<sup>24</sup>

17 The Strand Transmission Main Replacement Project is an ongoing main  
18 replacement project that was first proposed in Cal Am's 2013 GRC.<sup>25</sup> In the 2013  
19 GRC, Cal Am requested \$232,000 to complete design work on replacing 52,000

---

<sup>23</sup> D.04-06-018 at 15. The attrition allowance methodology estimates the rate base additions for the third year of the rate case cycle (2029 in this rate case cycle) based on the difference between the first and second test year rate base.

<sup>24</sup> Cal Am RO Model file "ALL\_CH07\_PLT\_RO\_Forecast," tab: "Total CAPEX by Project WS-9," cells W29 and X29.

<sup>25</sup> A.13-07-002, *Application of California-American Water Company to Increase Revenues in Each of its Districts Statewide*, Direct Testimony of Mark Schubert at 96.

1       feet of main.<sup>26</sup> At the time, the main had eleven breaks totaling approximately  
2       \$50,000 to repair.<sup>27</sup>

3           In the 2016 GRC, Cal Am updated the project with a total estimated cost of  
4       \$23.3 million.<sup>28</sup> In the 2016 GRC update, Cal Am proposed separating the project  
5       into two phases.<sup>29</sup> The first phase to be complete during that GRC cycle and the  
6       second phase in the next GRC. Cal Am also provided a cost estimate of \$232,000  
7       in 2017 for the design, \$2.4 million in 2018, \$5.5 million in 2019, and \$6.5 million  
8       in 2020 for the construction of the first phase. Cal Am proposed to replace 30,000  
9       feet in the first phase.<sup>30</sup> Cal Am stated the estimated cost of the second phase was  
10       \$8.4 million and the project construction timing as, “specifically 2021 to 2023”.<sup>31</sup>

11           In the 2019 GRC, Cal Am further updated the estimated cost of the project  
12       (phase I) to \$26.5 million.<sup>32</sup> Cal Am also deferred the project time frame with  
13       design in 2018 and construction starting in 2019 through 2024 for both phases.<sup>33</sup>

14           By the 2022 GRC, Cal Am had replaced 14,350 feet<sup>34</sup> of main which was  
15       less than half of what was initially proposed to be complete by that time.<sup>35</sup> Cal Am

---

<sup>26</sup> A.13-07-002, Direct Testimony of Mark Schubert, Table 4B at 93.

<sup>27</sup> A.13-07-002 Direct Testimony of Mark Schubert at 96, Line 13.

<sup>28</sup> A.16-07-002, *Application of California-American Water Company (U210W) to Increase Revenues in Each of its Districts Statewide*, Direct Testimony of Mark Schubert at 108, Line 24.

<sup>29</sup> A.16-07-002, Direct Testimony of Mark Schubert at 108, Line 28, 109, Line 12.

<sup>30</sup> A.16-07-002, Direct Testimony of Mark Schubert at 108, Line 21.

<sup>31</sup> A.16-07-002, Direct Testimony of Mark Schubert at 109, Line 13.

<sup>32</sup> A.19-07-004, *Application of California-American Water Company (U210W) to Increase Revenues in Each of its Districts Statewide*, Direct Testimony of Ian Crooks at 111, Line 16.

<sup>33</sup> A.19-07-004, Direct Testimony of Ian Crooks at 111, 112.

<sup>34</sup> A.22-07-001, *Application of California-American Water Company (U210w) to Increase Revenues in Each of its Districts Statewide*, Direct Testimony of Ian Crooks at 49 line 9.

<sup>35</sup> Phase A was supposed to be complete by 2022 which should have included replacing 30,000 feet of main.

1 had also spent around \$8.4 million to complete the replacements.<sup>36</sup> In the 2022  
2 GRC, Cal Am updated the timeline of the project to estimate completing the  
3 remaining 16,500 feet of the first phase by 2026.<sup>37</sup>

4 In the current GRC, Cal Am updated the remaining cost of the project to  
5 \$39.7 million.<sup>38</sup> Bringing the total estimated cost of the project to \$48.2 million,  
6 which is more than double the initial \$23.3 million estimate.<sup>39</sup> Cal Am claims it  
7 has completed a total of 14,407 feet of main replacement on the Strand main  
8 replacement project so far.<sup>40</sup> This is only progress of 57 feet since the last GRC.  
9 Furthermore, the 57 feet of main replacement was the result of emergency repairs  
10 to a main break in February 2024.<sup>41</sup> Cal Am states the remaining 16,500 feet of  
11 main replacement is still scheduled to be completed despite having no one  
12 contracted to complete the project as of September 2025.<sup>42</sup>

13 Also, in the current GRC, Cal Am requests a budget of \$3,010,800 in 2027  
14 and \$5,159,340 in 2028 for main replacements in the San Diego district.<sup>43</sup> The San  
15 Diego District has 174 miles of pipe in total.<sup>44</sup> The Strand Main Replacement

---

<sup>36</sup> A.22-07-001, Direct Testimony of Ian Crooks at 22, Line 27.

<sup>37</sup> A.22-07-001, Direct Testimony of Ian Crooks at 49, Line 10.

<sup>38</sup> *Application of California-American Water Company (U210W) to Increase Revenues in Each of its Districts Statewide*, Cal Am Engineering Workpaper I15-300010 at 1-16.

<sup>39</sup> \$8.5 million in completed work and \$39.7 million in remaining work.

<sup>40</sup> *Application of California-American Water Company (U210W) to Increase Revenues in Each of its Districts Statewide*, Direct Testimony of Lacy Carothers at 53, Line 23.

<sup>41</sup> Direct Testimony of Lacy Carothers at 53, Lines 1-2.

<sup>42</sup> Attachment 12: Cal Am's Response to Public Advocates Office's Data Request SIH-09 Q001, Attachment 1, cell N6.

<sup>43</sup> Cal Am RO Model file "ALL\_CH07\_PLT\_RO\_Forecast," tab: "Total CAPEX by Project WS-9," cells W210, X210.

<sup>44</sup> *Application of California-American Water Company (U210W) to Increase Revenues in Each of its Districts Statewide*, Cal Am Engineering Workpaper I15-300024, I15-300026 at 1-50.

1 project with the proposed 10 miles of replacement represents a significant portion  
2 of the total distribution system. In fact, the Strand pipelines represent over five  
3 percent of all San Diego distributions mains.<sup>45</sup> Cal Am's goal is to replace one  
4 percent annually of the total pipelines.<sup>46</sup>

5 Ratepayers have funded the Strand Main Replacement project through  
6 multiple GRCs. Since the 2013 GRC, over \$30 million has been included in rates  
7 by Cal Am for the Strand Main Replacement Project.<sup>47</sup> While at best ratepayers  
8 have received approximately \$8.5 million worth of benefit.<sup>48</sup> Cal Am continues to  
9 delay the timeline of the project while increasing the estimated budget, for a  
10 project that Cal Am claimed was necessary in 2013 to fix leaks that had cost  
11 \$50,000.

12 Ratepayers should not continue to fund a project that they have funded  
13 multiple times over without seeing it come to fruition. Through its constant delays  
14 and inaction, Cal Am has proved that the project is not truly necessary or it is  
15 mismanaging a project which has ultimately become a burden for ratepayers. Cal  
16 Am already has a separate programmatic budget that covers main replacements for  
17 the San Diego District. The budget related to the Strand Main Replacement project  
18 should not be included in the rates forecast. The Commission should exclude  
19 \$1,803,423 in 2027 and \$3,660,825 in 2028 in capital budget related to the Strand  
20 Main Replacement project. If and when, the project is complete and funds  
21 actually spent, Cal Am can request this additional funding to be included in  
22 customer rates.

---

<sup>45</sup> 10 divided by 174 is 5.75%

<sup>46</sup> Direct Testimony of Lacy Carothers at 152, Line 7.

<sup>47</sup> The sum of the budgets forecast by Cal Am for this project since the 2013 GRC is approximately \$30.5mil.

<sup>48</sup> Cal Am has only completed approximately \$8.5 million of work in plant in service related to this project.

1           **C. Project Code 134 - I15-300020 New Coronado Storage**  
2           **Tank and Pump Station**

3           In the current GRC, Cal Am forecasts \$1,527,864 in 2027 and \$2,598,648  
4           in 2028 for the New Coronado Storage tank and Pump Station.<sup>49</sup>

5           In this project, Cal Am proposes to construct a new storage tank in the  
6           Coronado system to serve the Highland Tank pressure zone (Highland Zone).<sup>50</sup>  
7           This project was identified in the 2018 San Diego district capital planning study  
8           (CPS)<sup>51</sup> and proposed in the 2019 GRC.<sup>52</sup> Cal Am claims that there could be a  
9           deficiency maintaining adequate operational and fire flow storage at the Highland  
10           Zone during an emergency event.<sup>53</sup> But the Highland Zone has several interties  
11           that are sufficient to meet the demands of the system, even without local  
12           storage.<sup>54</sup> The Highland Zone currently has a 2.27 million gallon (MG) tank.<sup>55</sup>

13           Cal Am also claims part of the need for local storage was projected  
14           increases in demand by 2030.<sup>56</sup> Cal Am bases this increase in demand following  
15           the San Diego Association of Governments projected population growth.<sup>57</sup> But, as  
16           Cal Am also states, “Locating a suitable pumped storage tank site in Coronado is

---

<sup>49</sup> Cal Am RO Model file “ALL\_CH07\_PLT\_RO\_Forecast,” tab: “Total CAPEX by Project WS-9,” cells W210, X210.

<sup>50</sup> Direct Testimony of Lacy Carothers at 55, Line 18.

<sup>51</sup> Direct Testimony of Lacy Carothers at 55, Line 15.

<sup>52</sup> A2207001, *Application of California-American Water Company (U210w) to Increase Revenues in Each of its Districts Statewide*, Cal Am Engineering Workpaper I15-300020.

<sup>53</sup> Direct Testimony of Lacy Carothers at 55, Line 13.

<sup>54</sup> Cal Am Engineering Workpaper 2025 San Diego County District CPS REDACTED at 5-23.

<sup>55</sup> Cal Am Engineering Workpaper 2025 San Diego County District CPS REDACTED at ES-iii.

<sup>56</sup> 2030 was the target year of the storage analysis performed in the capital planning study.

<sup>57</sup> Cal Am Engineering Workpaper 2025 San Diego County District CPS REDACTED at 3-6, 3-7.

expected to be a challenge as the city is fully developed.”<sup>58</sup> The Coronado portion of San Diego is built out and cannot be expected to experience the same growth as the rest of the district. The analysis does not support the expected growth or the need for additional storage.

The zone can be adequately served using existing interties. Storage as a supply source is not necessary.<sup>59</sup> Cal Am is concurrently working on the Strand Two-Way pump station, which ratepayers will be funding through rates. The pump station should increase water flow within the Highland Zone and provide resilience during emergency events.<sup>60</sup> So, Cal Am has layers of redundancies built in for the zone including existing storage, proposed storage, interties, and pump stations.

Cal Am has claimed that a new tank is necessary for service in the Highland Zone since 2018. Ratepayers have funded a new tank in the Coronado system multiple times and should not continue to do so. \$1,527,864 in 2027 and \$2,598,648 in 2028 for the New Coronado Storage tank and Pump Station should not be included in rates.

## D. Recurring Projects

## 1. Project Code R15-xxQ1 –Plant – Replacements/Additions

Cal Am requests \$40,445 in 2025, \$40,417 in 2026, \$129,138 in 2027, and \$135,229 in 2028 under the umbrella of the Project Code R15-xxQ1 –Plant – Replacements/Additions in the San Diego district.<sup>61</sup>

**58** Direct Testimony of Lacy Carothers at 55, Lines 24-25.

59 Cal Am Engineering Workpaper 2025 San Diego County District CPS REDACTED at 5-23.

**60** Engineering Workpaper I15-300021 at 1-41.

<sup>61</sup> Cal Am RO Model file “ALL\_CH07\_PLT\_RO\_Forecast,” tab: “Total CAPEX by Project WS-9,” cells T321, U322, W323, X324.

The recurring project code of R15-30Q1 covers scheduled or unscheduled plant replacements or additions.<sup>62</sup> Cal Am's description of what activities are included in this recurring project is vague and Cal Am provides no justification for the requested increase in budget. Cal Am states that the recurring project budget is based on a five-year historical average or operationally planned needs. <sup>63</sup>

In the last five years Cal Am spent \$33,126 on recurring plant replacements or additions.<sup>64</sup> The five-year historical average does not justify the forecast. Cal Am does not provide any reasoning as to why the budget should increase to over \$100,000 in the test year.

The \$40,445 in 2025, \$40,417 in 2026, \$129,138 in 2027, and \$135,229 in 2028 forecast under the Project Code R15-xxQ1 –Plant – Replacements/Additions in the San Diego district should be excluded from rates.

## IV. CONCLUSION

16 Several projects in the San Diego District forecast are unnecessary. Cal Am's  
17 continued request to include these projects into forecasts and failure to deliver the level of  
18 investment that it forecast reflects that these projects are truly unnecessary. Cal Am has  
19 an incentive to invest as much as possible in capital expenditure to increase its profits.  
20 The Commission should hold Cal Am accountable for its investments and proposals and  
21 ensure that rates only include projects that are used and useful and necessary for service.

62 Direct Testimony of Lacy Carothers at 18, Lines 24-25.

**63** Direct Testimony of Lacy Carothers at 13, Lines 24-25.

<sup>64</sup> \$30,456 in 2022 and \$2,670 in 2023. Cal Am's Response to Public Advocates Office's Data Request JMI-01, Q002, Attachment 1 (RPs Completed) CORRECTED, cells G578, G579, and G580. A copy of the data request is included in Justin Menda's testimony.

## CHAPTER 3 Ventura County District

## 2 I. INTRODUCTION

3 American Water, Cal Am's parent company, advertises a rate base growth  
4 approach to its investors. Cal Am secures this rate base growth by attempting to increase  
5 its plant in service, regardless of efficacy to the ratepayer.<sup>65</sup> American Water even has  
6 target growth rates for plant in service.<sup>66</sup> This goes against the construct of plant in  
7 service matching system needs which should not have a preconceived growth rate.  
8 American Water's rate base growth rate also closely matches their desired earnings per  
9 share growth rate.<sup>67</sup> This reflects that utilities earnings per share are directly driven by its  
10 rate base and plant in service.

11 The Commission should approach Cal Am's capital requests with a critical lens  
12 and ensure that capital growth matches system needs, not investor desires.

## 13 II. SUMMARY OF RECOMMENDATIONS

- 14     • The Commission should exclude \$2,551,526 in 2027 and \$7,292,417 in 2028  
15        in capital budget related to Ventura County district main replacement program  
16        from rates.
- 17     • The Commission should exclude \$219,744 in 2027 and \$2,291,631 in 2028 for  
18        the Las Posas Booster Pump Station (BPS) Improvement Project from rates.
- 19     • The Commission should exclude \$209,087 in 2025, \$407,178 in 2026, and  
20        \$3,478,029 in 2027 related to the Ventura Freeway Crossing project from rates
- 21     • The Commission should exclude \$586,973 in 2025, \$571,538 in 2026, and  
22        \$1,723,045 in 2027 for the Integrated Water Supply Project from rates.
- 23     • The Commission should adopt a forecast of \$71,696 annually for the plant  
24        replacements and additions recurring projects.

**65** Attachment 2: American Water June 2025 Investor Presentation at 17.

**66** Attachment 2: American Water June 2025 Investor Presentation at 17.

<sup>67</sup> Attachment 2: American Water June 2025 Investor Presentation at 6, 17. Page 6 shows a target earnings per share growth of 7-9% and page 17 shows a rate base target growth of 8-9%.

1      **III. ANALYSIS**

2      **A. 2029 Specific Capital Project Budgets**

3              As discussed in the previous chapter, The Commission should not authorize  
4              any specific project budgets for 2029 in the current rate case. Capital project  
5              budgets in 2029 are not part of the purview of the current GRC and would be  
6              examined for reasonableness in the subsequent GRC filing. In the current GRC,  
7              the capital budget for 2029 is calculated formulaically as an attrition year increase  
8              and is not affected by 2029 specific project budgets.<sup>68</sup>

9              Cal Am has several specific budgets forecast in year 2029. It is  
10              inappropriate to authorize the 2029 specific budget requests in the current GRC for  
11              multiple reasons. First, as per the Rate Case Plan and the Revised Rate Case Plan,  
12              the rate base forecast, including capital additions, will consist of two test years,  
13              2027 and 2028, and an attrition year, 2029.<sup>69</sup> The capital budget for the attrition  
14              year 2029 should be calculated according to the Rate Case Plan. The budget for  
15              attrition year 2029 is calculated based on the difference of the first and second test  
16              years rate base and is unaffected by the proposed specific budgets.<sup>70</sup>

17              Second, because Cal Am's proposed 2029 budgets do not affect the revenue  
18              requirement, the projects cannot be reviewed for reasonableness in the current  
19              GRC cycle. The revenue requirement for 2029 is forecast only on the difference in  
20              rate base additions from the two test years. The effects of the proposed 2029  
21              project budgets would be calculated in the next GRC cycle as with the 2026

---

<sup>68</sup> Cal Am RO model file "ALL\_CH02\_SE\_RO," tab: "SOU\_RevReq," cell L164

<sup>69</sup> D.07-05-062 at A-19 states, "All rate base items, including capital additions and depreciation, shall not be escalated but rather shall be subject to two test years and an attrition year, consistent with D.04-06-018."

<sup>70</sup> Plan (D.04-06-018) and the Revised Rate Case Plan (D.07-05-062). .04-06-018 at 15. The attrition allowance methodology estimates the rate base additions for the third year of the rate case cycle (2029 in this rate case cycle) based on the difference between the first and second test year rate base.

1 project budgets in the current GRC. As such the reasonableness of the 2029  
2 budgets is more appropriate for review in the next GRC filing.

3 The Commission should not approve any specific capital budgets for the  
4 attrition year 2029. The Commission should adopt a rate base for attrition year  
5 2029 based on the methodology described in the Rate Case Plan

6 **B. Project Code I15-510066 VEN-Main Replacement  
7 Program (2027-2029)**

8 In the current GRC, Cal Am forecasts \$2,551,526 in 2027 and \$7,292,417  
9 in 2028 in capital budget related to Ventura County district main replacement  
10 program.<sup>71</sup>

11 Cal Am states that “A proactive water main replacement program based  
12 upon a prioritized schedule is required to maintain and improve a water system’s  
13 level of service to its customers while avoiding unplanned, reactionary short-term  
14 spikes in infrastructure capital investment due to a large cohort of piping materials  
15 reaching the end of useful life.”<sup>72</sup> Yet Cal Am did not have a main replacement  
16 program in the Ventura County district.<sup>73</sup>

17 Cal Am states with the newly developed pipe prioritization model (PPM)  
18 that it “will not know which specific mains will be replaced until immediately  
19 prior to beginning the main replacement projects”.<sup>74</sup> In fact, in the current GRC  
20 application Cal Am did not provide the list of potential mains to be replaced as it  
21 did in previous rate cases. Because, as Cal Am states, its new software and

---

<sup>71</sup> Cal Am RO Model file “ALL\_CH07\_PLT\_RO\_Forecast,” tab: “Total CAPEX by Project WS-9,” cells W243, X243.

<sup>72</sup> Direct Testimony of Lacy Carothers at 164, Lines 4-7.

<sup>73</sup> Engineering Workpaper I15-510066 at 3.

<sup>74</sup> Cal Am’s Response to Public Advocates Office’s Data Request DKG-16 at 21.

1 approach cannot provide a list of pipelines to be replaced until they are about to  
2 begin the project.<sup>75</sup>

3 Main replacement programs are, as even Cal Am states, a preemptive  
4 approach to replacing pipelines as they age before reaching a catastrophic state.<sup>76</sup>  
5 Cal Am's current approach appears to be a reactive one. Cal Am states that  
6 oftentimes, their pipe projects generated by predictive modeling were replaced by  
7 more urgent projects.<sup>77</sup> The new PPM relies heavily on the same factors and risk  
8 analysis as the previous desktop model. The PPM modeling still relies on  
9 likelihood of failure and consequence of failure.<sup>78</sup> The difference between the  
10 PPM and the previous desktop prioritization is that the PPM is Graphics  
11 Information System (GIS) based.

12 In reality, Cal Am relies on operations staff to reactively identify pipelines  
13 that have experienced breaks or are candidates for replacement.<sup>79</sup> Cal Am's  
14 approach is reactive based on what field operations staff experiences.<sup>80</sup> Cal Am  
15 does state that “[I]f possible, replacement projects should focus on areas where  
16 there are a large number of high-risk mains for financial and efficiency  
17 benefits.”<sup>81</sup> However, Cal Am has not recently performed any cost benefit analysis  
18 related to both pipeline replacement and water loss.<sup>82</sup>

---

<sup>75</sup> Cal Am's Response to Public Advocates Office's Data Request DKG-16 at 21. A copy of the data request included in Daphne Goldberg's testimony.

<sup>76</sup> Direct Testimony of Lacy Carothers at 164, Lines 4-7.

<sup>77</sup> Cal Am's Response to Public Advocates Office's Data Request Cal Adv DKG-16 at 21. A copy of the data request included in Daphne Goldberg's testimony.

<sup>78</sup> Attachment 12: Cal Am's Response to Public Advocates Office's Data Request SIH-09, Question 2.c.

<sup>79</sup> Attachment 12: Cal Am's Response to Public Advocates Office's Data Request SIH-09, Question 2.a.

<sup>80</sup> Attachment 12: Cal Am's Response to Public Advocates Office's Data Request SIH-09, Question 2.a.

<sup>81</sup> Attachment 12: Cal Am's Response to Public Advocates Office's Data Request SIH-09, Question 2.a.

<sup>82</sup> Attachment 12: Cal Am's Response to Public Advocates Office's Data Request SIH-04, Question 2.

Revisiting Cal Am's statement that it cannot forecast which pipeline replacements are to be done until the project is about to immediately start, there's another issue with the statement.<sup>83</sup> This does not fit with a preemptive proactive approach. Pipeline replacements require coordination and permitting with multiple outside entities.<sup>84</sup> Pipeline replacements require permitting input from city, county, and state departments.<sup>85</sup> Right of ways need to be obtained if pipeline replacement projects interrupt building entryways.<sup>86</sup> Paving moratoriums prevent road works for years from the date of the moratorium. Programmatic pipeline replacements require a significant amount of planning and design.

In supporting testimony, Cal Am claims it will replace 14,500 feet of pipelines annually.<sup>87</sup> Cal Am estimates this will cost \$660 per linear foot for a total annual cost of \$9,570,000.<sup>88</sup> In Lacy Carother's direct testimony, Cal Am seeks \$2,660,000 in Test Year 2027, \$7,490,000 in 2028, and \$7,707,000 in 2029.<sup>89</sup> And yet again in the same application, in the Minimum Data Requirement (MDR) II.e.11, Cal Am states that it forecasts to replace only 885 feet of pipeline total in 2027.<sup>90</sup> Using Cal Am's estimate of \$660 per linear foot, 885 feet would cost \$584,100.

<sup>83</sup> Cal Am's Response to Public Advocates Office's Data Request DKG-16 at 21.

84 Engineering Workpaper I15-510066 at 4.

85 Engineering Workpaper I15-510066 at 4.

86 Engineering Workpaper I15-510066 at 4.

87 Engineering Workpaper I15-510066 at 5.

**88** Engineering Workpaper I15-510066 at 5.

89 Direct Testimony of Lacy Carothers at 16

**90** Application of California-American Water Company

*Districts Statewide*, Exhibit B, Vol. 1 of 3, Exhibit: B, Minimum Data Requirement (MDR) II.E.11 at 6.

1           Cal Am, within its own testimony, cannot produce a consistent number of  
2           feet of pipeline to replace let alone a consistent budget. Cal Am seeks Commission  
3           approval for an unsupported capital budget without any standards or accountability  
4           for Commission review. Cal Am only provides that a proactive pipeline  
5           replacement program is necessary, yet it never produces one.

6           The Commission should not require ratepayers to fund Cal Am's proposed  
7           pipeline replacement program as it is presented because Cal Am's request is not  
8           adequately supported. \$2,551,526 in 2027 and \$7,292,417 in 2028 in capital  
9           budget related to Ventura County district main replacement program should not be  
10           included in rates.

1           **C. Project Code I15-510063 VEN-Las Posas BPS**  
2           **Improvement Project**

3           Cal Am forecast \$219,744 in 2027 and \$2,291,631 in 2028 for the Las  
4           Posas Booster Pump Station (BPS) Improvement Project.

5           The Las Posas BPS Improvement project covers booster pump station  
6           improvements at the Las Posas BPS, Janss BPS, and Fordham BPS.<sup>21</sup> But Cal Am  
7           already has project codes covering the same scopes of work. The ongoing projects  
8           of I15-510056 and I15-510059 Ventura BPS Replacement and Rehabilitation  
9           program include scopes of work that include constructing a new BPS at both  
10           Fordham and Janss.<sup>22</sup> The below excerpt, Figure 3-1 is from the description of the  
11           Ventura BPS replacement and Rehabilitation program. The second excerpt, Figure  
12           3-2, is of the I15-510063 scope of work.

13           **Figure 3-1 I15-510056 Scope of Work Excerpt**

Ann-1-f Replace Fordham BPS: Construct a new BPS including an emergency generator  
and associated electrical improvements.

Ann-1-g Replace Janss BPS: Construct a new BPS including an emergency generator and  
associated electrical improvements.

Ann-1-h Las Posas BPS Generator Installation: Install an emergency generator and  
associated electrical improvements.

---

<sup>21</sup> Direct Testimony of Lacy Carothers at 162, Lines 7-14.

<sup>22</sup> Engineering Workpaper I15-510056, I15-510059 at 2.

Figure 3-2 I15-510063 Scope of Work Excerpt

Service Area	Station	Scope Summary	Cost
Thousand Oaks	Fordham Booster Pump Station	Station Replacement	\$2,000,000
Thousand Oaks	Janss Booster Pump Station	Station Replacement	\$2,000,000
Las Posas	Las Posas Booster Pump Station	Generator Installation Only	\$2,000,000
<b>Total Estimated Construction Cost</b>			<b>\$6,000,000</b>
<b>Soft Costs</b>			<b>\$1,500,000</b>
<b>Total Estimated Project Cost</b>			<b>\$7,500,000</b>

3 There is no reason to have two project budgets covering the same scope of  
 4 work. \$219,744 in 2027 and \$2,291,631 in 2028 for the Las Posas Booster Pump  
 5 Station (BPS) Improvement Project should not be included in rates.

6 **D. Project Code I15-510053 Ventura Freeway Crossing**

7 Cal Am forecasts \$209,087 in 2025, \$407,178 in 2026, and \$3,478,029 in  
 8 2027 related to the Ventura Freeway Crossing project.

9 The Ventura Freeway Crossing project was first identified in the 2018  
 10 Ventura County District CPS.<sup>93</sup> The project was deemed the lowest in the second  
 11 priority projects scale.<sup>94</sup> The project was also estimated at a total cost of  
 12 \$2,194,349.<sup>95</sup> Cal Am now forecasts \$4,094,294 to complete the project.

---

<sup>93</sup>A.22-07-001, Cal Am Engineering Workpaper 2019 Ventura County District CPS - Redacted at 1-38.

<sup>94</sup>A.22-07-001, Cal Am Engineering Workpaper 2019 Ventura County District CPS - Redacted at 1-2.

<sup>95</sup>A.22-07-001, Cal Am Engineering Workpaper I15-510053 – Redacted at 1.

1           The Ventura Freeway Crossing project's goal is to construct a third  
2 crossing point for water mains past Highway 101.<sup>96</sup> As Cal Am already has two  
3 crossing points, the project is redundant. The project is unnecessary as shown both  
4 by its initial ranking within the project prioritization was the lowest. Secondly, Cal  
5 Am's inaction on the project, when it was forecast to be complete by 2025, further  
6 proves this is a low priority project.<sup>97</sup>

7           In the current GRC, Cal Am forecast the project to be complete by 2027.<sup>98</sup>  
8 Cal Am states that it has yet to obtain an easement for the crossing.<sup>99</sup> At best, if  
9 Cal Am is able to complete the project with the updated project cost, Cal Am's  
10 inaction during the previous GRC cycle would have caused the project costs to  
11 double. At worst, Cal Am continues to delay this project, due to issues in  
12 obtaining easement, and divert funds elsewhere.

13           Ratepayers should not fund the Ventura Freeway Crossing project again  
14 until it is constructed and used and useful. Cal Am has shown that the project is  
15 not truly necessary for service. The forecast \$209,087 in 2025, \$407,178 in 2026,  
16 and \$3,478,029 in 2027 related to the Ventura Freeway Crossing project should  
17 not be included in rates.

18           **E. Project Code I15-510057 Integrated Water Supply Project**

19           In the current GRC, Cal Am forecasts \$586,973 in 2025, \$571,538 in 2026,  
20 and \$1,723,045 in 2027 for the Integrated Water Supply Project.

21           The Integrated Water Supply Project is to identify well test sites to  
22 determine groundwater quality and quantity availability within the Thousand Oaks

---

<sup>96</sup> Engineering Workpaper I15-510053 at 1.

<sup>97</sup> A.22-07-001, Direct Testimony of Ian Crooks at 194, Lines 1-2.

<sup>98</sup> Cal Am has the project forecast into service in 2027 in the RO model.

<sup>99</sup> Direct Testimony of Lacy Carothers at 73, Lines 24-25.

1 system.<sup>100</sup> Currently, Cal Am meets the demands of the Thousand Oaks service  
2 area solely through water purchased from the Calleguas Municipal Water District  
3 (CMWD).<sup>101</sup>

4 Water provided by CMWD is treated before being delivered to customers,  
5 thus Cal Am receives clean potable water it does not have to worry about the  
6 quality of.<sup>102</sup> Cal Am does not know if the well sites are candidates for pumping  
7 let alone if they would require treatment. Cal Am needs to establish the financial  
8 viability of the proposed wells before proceeding.

9 Ratepayers have already funded this project and have yet to receive a  
10 benefit. Ratepayers should not fund the Integrated Water Supply project again  
11 when Cal Am hasn't even established if it is financially optimal. The Commission  
12 should not include the forecast \$586,973 in 2025, \$571,538 in 2026, and  
13 \$1,723,045 in 2027 for the Integrated Water Supply Project in rates.

#### 14 F. Recurring Projects

##### 15 1. Project Code R15-xxQ1 –Plant – 16 Replacements/Additions

17 Cal Am forecasts \$92,597 in 2025, \$93,271 in 2026, \$185,376 in  
18 2027, and \$193,436 in 2028 for the recurring plant replacements and  
19 additions in the Ventura County District.

20 For each year from 2020 through 2024, Cal Am on average spent  
21 \$92,120 across the Ventura County district.<sup>103</sup> Most recorded transactions  
22 were below \$20,000 which would be sensible for unforeseen plant

---

<sup>100</sup> Direct Testimony of Lacy Carothers at 75, Lines 5-7.

<sup>101</sup> Engineering Work Paper I15-510057 at 1.

<sup>102</sup> You Water, Calleguas Municipal Water District, available at: <https://www.calleguas.com/your-water/overview/> [accessed January 2, 2025]

<sup>103</sup> Cal Am's Response to Public Advocates Office's Data Request JMI-01, Question 2, Attachment 1 (RPs Completed) CORRECTED.

1 maintenance issues that do not represent a significant capital investment<sup>104</sup>  
2 with the exception of a \$102,117 pump purchased in 2023.<sup>105</sup> As discussed  
3 above, Cal Am has multiple project codes covering pumps and pump  
4 replacement and rehabilitation. \$102,117 pump purchase is not a typical  
5 event and should be part of specific project code. The \$102,117 should be  
6 removed from the five-year average. Removing the pump purchase brings  
7 the five-year average down to \$71,696 a year.

8 Cal Am does not provide any reason for the increase in forecast  
9 budget between 2026 and the Test Year 2027. The Commission should  
10 adopt a budget that reflects the appropriate five-year average. The  
11 Commission should include a forecast of \$71,696 annually for the plant  
12 replacements and additions recurring projects.

#### 13 **IV. CONCLUSION**

14 As with the San Diego district, Cal Am continues to forecast the same projects  
15 over multiple GRCs and yet fails to complete these projects. Cal Am has an incentive to  
16 invest as much as possible in capital expenditures to increase their profits. The  
17 Commission should hold Cal Am accountable for its investments and proposals and  
18 ensure that rates only include projects that are used and useful and necessary for service.  
19 The Commission should not adopt Cal Am's forecast budgets and should make the  
20 adjustments listed in the above chapter.

---

<sup>104</sup> Cal Am's Response to Public Advocates Office's Data Request JMI-01, Question 2, Attachment 1 (RPs Completed) CORRECTED.

<sup>105</sup> Cal Am's Response to Public Advocates Office's Data Request JMI-01, Question 2, Attachment 1 (RPs Completed) CORRECTED, cell G2002.

## CHAPTER 4 Los Angeles County District

## INTRODUCTION

The Los Angeles County District has projects that have overlapping scopes of work with previously authorized projects, programmatic projects that haven't provided benefit to ratepayers over multiple GRCs, and projects not yet completed that have not provided benefit to ratepayers over multiple GRCs. The Commission should ensure that rates only include projects that provide service to ratepayers in the most cost-effective manner.

The more Cal Am invests into plant in service, the higher the returns and profits it receives. As a result of a strategy to pursue increases in their plant in service, regardless of necessity, American Water, Cal Am's parent company, has a rate base growth rate that correlates closely to their desired earnings per share growth rate.

The Commission should approach Cal Am's capital requests with a critical lens and ensure that capital growth matches system needs not investor desires.

## II. SUMMARY OF RECOMMENDATIONS

- The Commission should exclude \$4,586,385 in 2025, \$8,633,847 in 2026 and \$1,795,097 in 2027 related to the Rosemead Operations Center reconstruction from rates.
- The Commission should exclude the forecast \$11,174,829 in 2025 and \$16,321,470 in 2026 for chromium-vi (Cr VI) treatment facilities should not be included in rates.
- The Commission should exclude \$1,993,220 recorded in spent capital expenditures and \$85,066 in forecast for 2025 for the Grand Well chromium six treatment plant from rates.
- The Commission should exclude \$735,186 in 2025, \$3,221,343 in 2026, and \$3,237,183 in 2027 for the I15-500067/78 Well Installation and Replacement Program from rates.
- The Commission should exclude \$2,468,211 in 2027 and \$4,936,308 in 2028 for the I15-500087 Well Installation and Replacement Program from rates.

- 1     • The Commission should exclude \$980,248 in 2025 and \$954,472 in 2026 for  
2         the Los Angeles County District Energy Storage GRIP project from rates.
- 3     • The Commission should exclude \$745,871 in 2025, \$1,525,141 in 2026, and  
4         \$5,035,820 in 2027 for Well #8 treatment rates.
- 5     • The Commission should exclude the forecast capital budget of \$263,377 in  
6         2025, \$514,640 in 2026, and \$701,431 in 2027 for the Rio Plaza Well 2 nitrate  
7         treatment from rates.
- 8     • The Commission should exclude \$687,350 in 2025, \$602,348 in 2026, and  
9         \$2,084,957 in 2027 for the Rio Plaza supply project from rates.
- 10    • The Commission should adopt a main replacement budget of \$5,217,358  
11         annually for 2027 and 2028 in the Los Angeles County district.
- 12    • The Commission should exclude \$436,375 in 2025, \$809,384 in 2026,  
13         \$690,474 in 2027, and \$700,808 in 2028 for engineering studies in the Los  
14         Angeles County District from rates.

### 15    III. ANALYSIS

#### 16    A. 2029 Specific Capital Project Budgets

17         As discussed in the previous chapters, The Commission should not  
18         authorize any specific project budgets for 2029 in the current rate case. Capital  
19         project budgets in 2029 are not part of the purview of the current GRC and would  
20         be examined for reasonableness in the subsequent GRC filing. In the current GRC,  
21         the capital budget for 2029 is calculated formulaically as an attrition year increase  
22         and is not affected by 2029 specific project budgets.<sup>106</sup>

23         Cal Am has several specific budgets forecast in year 2029. It is  
24         inappropriate to authorize the 2029 specific budget requests in the current GRC for  
25         multiple reasons. First as per the Rate Case Plan (D.04-06-018) and the Revised  
26         Rate Case Plan (D.07-05-062) the rate base forecast, including capital additions,  
27         will consist of two test years (2027 and 2028) and an attrition year (2029).<sup>107</sup> The

---

<sup>106</sup> Cal Am RO model file “ALL\_CH02\_SE\_RO,” tab: “SOU\_RevReq,” cell L164.

<sup>107</sup> D.07-05-062 at A-19 states, “All rate base items, including capital additions and depreciation, shall not be escalated but rather shall be subject to two test years and an attrition year, consistent with D.04-06-

1 capital budget for the attrition year 2029 should be and is calculated according to  
2 the Rate Case Plan. The budget for attrition year 2029 is calculated based on the  
3 difference of the first and second test years rate base and is unaffected by the  
4 proposed specific budgets.<sup>108</sup>

5 Second, since Cal Am’s proposed 2029 budgets do not affect the revenue  
6 requirement the projects cannot be reviewed for reasonableness in the current  
7 GRC cycle. The revenue requirement for 2029 is forecast only on the difference in  
8 rate base additions from the two test years. The effects of the proposed 2029  
9 project budgets would be calculated in the next GRC cycle as with the 2026  
10 project budgets in the current GRC. As such the reasonableness of the 2029  
11 budgets is more appropriate for review in the next GRC filing.

12 The Commission should not approve any specific capital budgets for the  
13 attrition year 2029. The Commission should adopt a rate base for attrition year  
14 2029 based on the methodology described in the Rate Case Plan

15 **B. Project Code I15-500060 Reconstruct Rosemead  
16 Operations Ctr**

17 In the current GRC, Cal Am forecasts \$4,586,385 in 2025, \$8,633,847 in  
18 2026 and \$1,795,097 in 2027 for Rosemead Operations Center Reconstruction.<sup>109</sup>

19 The Rosemead Operations Center reconstruction was a project that Cal Am  
20 first identified as necessary in its 2016 GRC application.<sup>110</sup> At the time, Cal Am  
21 considered the facilities at its Rosemead operations center to be in a “severely

---

018.”

<sup>108</sup> D.04-06-018 at 15. The attrition allowance methodology estimates the rate base additions for the third year of the rate case cycle (2029 in this rate case cycle) based on the difference between the first and second test year rate base.

<sup>109</sup> Cal Am RO Model file “ALL\_CH07\_PLT\_RO\_Forecast,” tab: “Total CAPEX by Project WS-9,” cells U94, V94, X94.

<sup>110</sup> A.16-07-002 Direct Testimony of Mark Schubert at 157.

1 deteriorated condition".<sup>111</sup> Cal Am provided a multitude of reasons why the  
2 current space fails to meet operational needs. Reasons ranging from non-ADA-  
3 compliant restroom to insufficient space and inefficient HVAC.<sup>112</sup> Cal Am further  
4 stated that the project would deliver enhanced and a better product for  
5 ratepayers.<sup>113</sup> Cal Am estimated the renovations would be complete by the end of  
6 2020.<sup>114</sup> Cal Am provided an estimate of \$3.5 million to complete all necessary  
7 work.<sup>115</sup> Cal Am did not complete the project during 2016 GRC cycle.

8 In the 2019 GRC, Cal Am increased the cost estimate to \$3.7 million.<sup>116</sup>  
9 Cal Am even stated that by the time of the 100-day update of that GRC it would  
10 have the completed design plans and bids completed.<sup>117</sup> Cal Am also updated the  
11 estimated completion date to the end of 2021.<sup>118</sup>

12 By the 2022 GRC, Cal Am updated the completion date for "2024-2025"<sup>119</sup>  
13 and was still planning on conducting a value engineering analysis during the  
14 design phase.<sup>120</sup> Cal Am also updated the new estimated cost to \$13,600,000.<sup>121</sup>  
15 The 2022 GRC was the third rate case where Cal Am reiterates the necessity of  
16 this project and the project forecast cost has almost quadrupled.

---

<sup>111</sup> A.16-07-002 Direct Testimony of Mark Schubert at 158, Line 1.

<sup>112</sup> A.16-07-002 Direct Testimony of Mark Schubert at 157, Lines 2-8.

<sup>113</sup> A.16-07-002 Direct Testimony of Mark Schubert at 158, Lines 27-159, Line 1.

<sup>114</sup> A.16-07-002 Direct Testimony of Mark Schubert at 159, Lines 3.

<sup>115</sup> A.16-07-002 Direct Testimony of Mark Schubert at 150, Line 23.

<sup>116</sup> A.19-07-004 Direct Testimony of Ian Crooks at 105, Lines 21-22.

<sup>117</sup> A.19-07-004 Direct Testimony of Ian Crooks at 107, Lines 7-10.

<sup>118</sup> A.19-07-004 Direct Testimony of Ian Crooks at 107, Line 7.

<sup>119</sup> A.22-07-001 Direct Testimony of Ian Crooks at 69, Line 4.

<sup>120</sup> Direct Testimony of Ian Crooks at 70, Lines 7-8.

<sup>121</sup> A.22-07-001, Engineering Workpaper I15-500060 at 2.

1           In the current GRC, Cal Am has not completed the new operations  
2           center.<sup>122</sup> Cal Am now estimates the project will cost \$17 million, almost five  
3           times the original cost.<sup>123</sup> A project that Cal Am deemed necessary a decade ago  
4           still lingers and is incomplete. Cal Am's inaction has caused the estimated cost of  
5           completing the project to increase from \$3.5 million to \$17 million. And according  
6           to Cal Am's testimony, the current operations center has been inefficient for a  
7           decade, leading to further harm and cost to ratepayers.

8           The increased cost of completing the project is not a negative to Cal Am. A  
9           higher plant in service will lead to higher returns.<sup>124</sup> Including the increased cost  
10           in rate base would be a reward to Cal Am for mismanagement and inaction.  
11           According to Cal Am's logic, ratepayers would have suffered a decade of an  
12           inferior product due to an inadequate operations center and then would have to pay  
13           five times the cost because of Cal Am's negligence.

14           Cal Am's parent company, American Water, tout its rate base and planned  
15           rate base growth to shareholders.<sup>125</sup> Cal Am assumes since this project was  
16           previously approved the budget associated with it should automatically be  
17           included again in the forecast. This ignores the fact that ratepayers have funded  
18           this project multiple times over now and Cal Am has yet to complete it. It also  
19           ignores the fact that the project was initially presented as costing \$3.5million and  
20           increased to \$17million.

21           Ratepayers have funded this "necessary" project multiple times over and  
22           have yet to see any benefit. The budget associated with the Rosemead office  
23           reconstruction should not be included in rates. The \$4,586,385 in 2025,

---

<sup>122</sup> Direct Testimony of Lacy Carothers at 62.

<sup>123</sup> Engineering Workpaper I15-500060 at 1.

<sup>124</sup> The return is based on rate base which includes plant in service.

<sup>125</sup> Attachment 3: American Water Q3-2025-Earnings-Presentation-Final-10-29-25 at 8.

1       \$8,633,847 in 2026 and \$1,795,097 in 2027 should be excluded from the forecast.  
2       If Cal Am eventually completes the new Rosemead operations center, the actual  
3       costs should be reviewed for reasonableness in light of Cal Am's delays before  
4       considering to add to rate base.

5       **C.      Project Code I15-500082 LA-Chromium-VI Water  
6           Treatment 2024**

7       Cal Am forecasts \$11,174,829 in 2025 and \$16,321,470 in 2026 for  
8       chromium-6 (Cr(VI)) treatment facilities it states are necessary in the Los Angeles  
9       County district. Project I15-500082 already started by Cal Am between GRC  
10      cycles and was not included in the previous GRC.

11      The chromium-6 treatment project covers Cr(VI) treatment at six wells.  
12      Included are Wells 9 and 11 in the East Pasadena system, Hall, Mariposa, Mission  
13      View, and Richardson 3 wells in the San Marino system.<sup>126</sup> Cal Am states that  
14      Cr(VI) treatment was necessary at each well due to the "new" Cr(VI) maximum  
15      contaminant level (MCL).<sup>127</sup>

16      The Cr(VI) MCL was initially established in May 2014.<sup>128</sup> The 2014  
17      Cr(VI) MCL was set at 0.010 milligram per liter (mg/L).<sup>129</sup> In 2017, the Superior  
18      Court of Sacramento County invalidated the 2014 Cr(VI) MCL.<sup>130</sup> The Superior  
19      Court found that the regulation "failed to properly consider the economic

---

<sup>126</sup> Engineering Workpaper I15-500082 at 1.

<sup>127</sup> Engineering Workpaper I15-500082 at 1.

<sup>128</sup> Hexavalent Chromium MCL (DPH-11-005), State Water Resources Control Board, available at: [https://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/DPH-11-005HexavalentChromiumMCL.html](https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/DPH-11-005HexavalentChromiumMCL.html) [accessed January 2, 2025]

<sup>129</sup> Hexavalent Chromium MCL (DPH-11-005), State Water Resources Control Board, available at: [https://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/DPH-11-005HexavalentChromiumMCL.html](https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/DPH-11-005HexavalentChromiumMCL.html) [accessed January 2, 2025]

<sup>130</sup> Hexavalent Chromium MCL (DPH-11-005), State Water Resources Control Board, available at: [https://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/DPH-11-005HexavalentChromiumMCL.html](https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/DPH-11-005HexavalentChromiumMCL.html) [accessed January 2, 2025]

1 feasibility of complying with the MCL."<sup>131</sup> As such the State Water Resources  
2 Control Board (SWRCB) was tasked with completing with economic feasibility  
3 analysis and establishing the Cr(VI) MCL again. The SWRCB published its  
4 economic feasibility white paper in 2020.<sup>132</sup> The MCL was again set at 0.010  
5 mg/L. The economic feasibility was accepted and the MCL was again adopted and  
6 set at 0.010 mg/L, in October 1, 2024.<sup>133</sup>

7 The court never called into question whether the MCL adequately protected  
8 the public.<sup>134</sup> Nor did the court question the economic feasibility of the MCL.<sup>135</sup>  
9 The court found that the regulation did not adequately document why the MCL  
10 was economically feasible.<sup>136</sup> The Cr(VI) MCL was dropped due to a technicality.  
11 When the Cr(VI) MCL was adopted again in 2024, it did not come out of nowhere  
12 nor was it a surprise decision. Cal Am had operated these wells prior to 2017 when  
13 the Cr(VI) ML was in effect and should have known that the same Cr(VI) MCL  
14 would go back into effect since at least 2020.

---

<sup>131</sup> Hexavalent Chromium MCL (DPH-11-005), State Water Resources Control Board, available at: [https://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/DPH-11-005HexavalentChromiumMCL.html](https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/DPH-11-005HexavalentChromiumMCL.html) [accessed January 2, 2025]

<sup>132</sup> Hexavalent Chromium MCL (DPH-11-005), State Water Resources Control Board, available at: [https://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/DPH-11-005HexavalentChromiumMCL.html](https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/DPH-11-005HexavalentChromiumMCL.html) [accessed January 2, 2025]

<sup>133</sup> Hexavalent Chromium MCL (DPH-11-005), State Water Resources Control Board, available at: [https://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/DPH-11-005HexavalentChromiumMCL.html](https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/DPH-11-005HexavalentChromiumMCL.html) [accessed January 2, 2025]

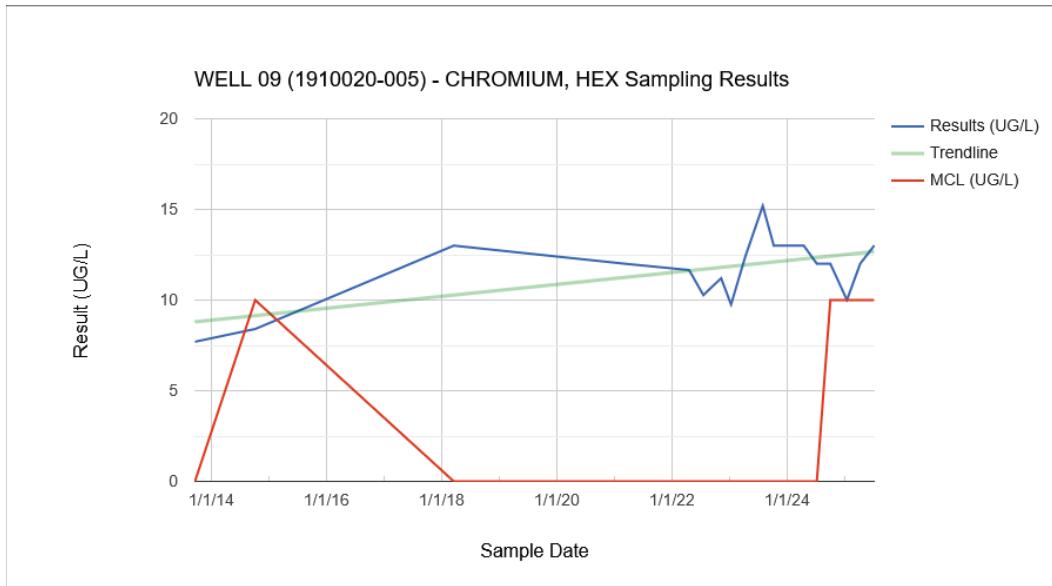
<sup>134</sup> Hexavalent Chromium MCL (DPH-11-005), State Water Resources Control Board, available at: [https://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/DPH-11-005HexavalentChromiumMCL.html](https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/DPH-11-005HexavalentChromiumMCL.html) [accessed January 2, 2025]

<sup>135</sup> Hexavalent Chromium MCL (DPH-11-005), State Water Resources Control Board, available at: [https://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/DPH-11-005HexavalentChromiumMCL.html](https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/DPH-11-005HexavalentChromiumMCL.html) [accessed January 2, 2025]

<sup>136</sup> Hexavalent Chromium MCL (DPH-11-005), State Water Resources Control Board, available at: [https://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/DPH-11-005HexavalentChromiumMCL.html](https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/DPH-11-005HexavalentChromiumMCL.html) [accessed January 2, 2025]

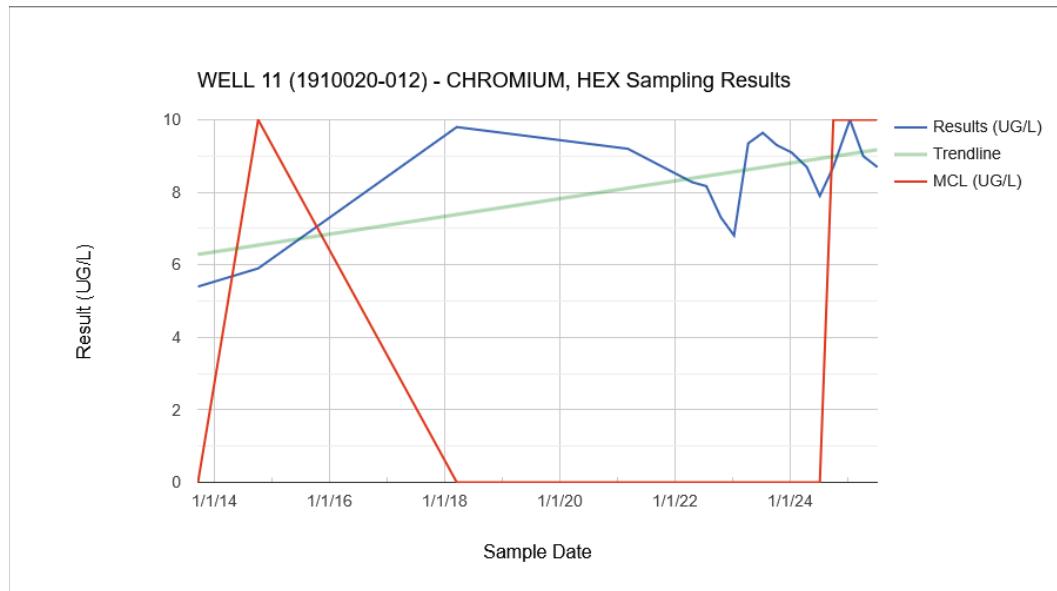
The following figures show the Cr(VI) levels at each of the wells. Each figure also includes a representation of the MCL and the Cr(VI) trend line. The information was pulled from the SWRCB CA Drinking Water Watch.

**Figure 4-1 Well 09 Cr VI Results<sup>137</sup>**



<sup>137</sup> Cal-Am Water Company - East Pasadena (1910020), Chromium, HEX Sampling Results, WELL 09 (CA1910020\_005\_005), California Drinking Water Watch, available at: [https://sdwis.waterboards.ca.gov/PDWW/JSP/WSamplingResultsByStoret.jsp?SystemNumber=1910020&SystemName=CAL-AM+WATER+COMPANY++EAST+PASADENA&tinwsys\\_is\\_number=2499&SamplingPointName=WELL+09&SamplingPointID=005-005-11532&mDWW=null&Analyte=1080&ChemicalName=CHROMIUM%2C+HEX&begin\\_date=&end\\_date=&Generate+Report=Generate+Report](https://sdwis.waterboards.ca.gov/PDWW/JSP/WSamplingResultsByStoret.jsp?SystemNumber=1910020&SystemName=CAL-AM+WATER+COMPANY++EAST+PASADENA&tinwsys_is_number=2499&SamplingPointName=WELL+09&SamplingPointID=005-005-11532&mDWW=null&Analyte=1080&ChemicalName=CHROMIUM%2C+HEX&begin_date=&end_date=&Generate+Report=Generate+Report) [accessed January 2, 2025] Graphs generated by the SDWIS online tool.

1

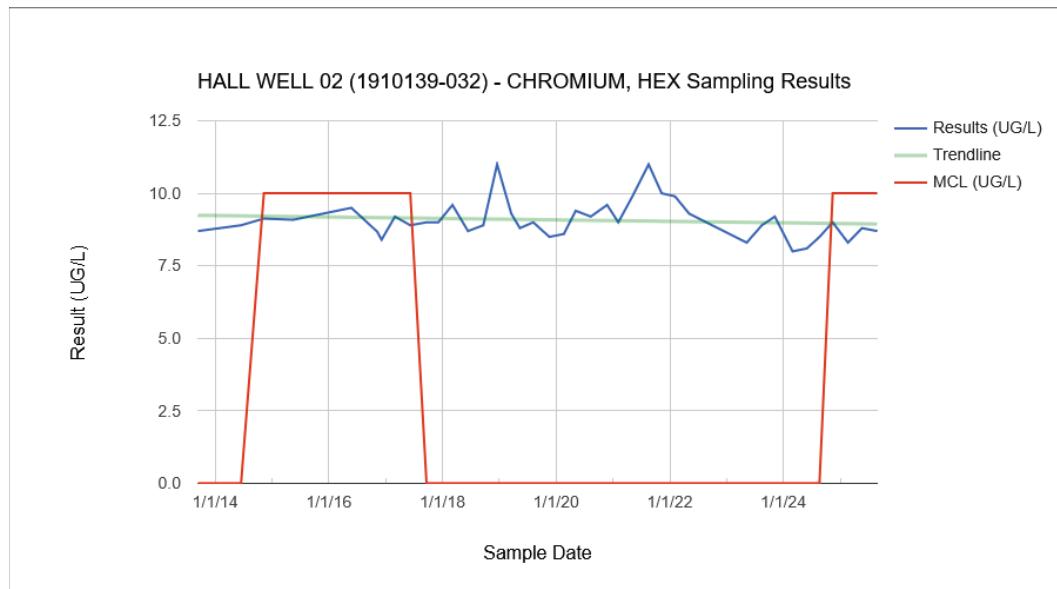
Figure 4-2 Well 11 Cr VI Results<sup>138</sup>

2

<sup>138</sup> Cal-Am Water Company - East Pasadena (1910020), Chromium, HEX Sampling Results, WELL 11 (CA1910020\_012\_012), California Drinking Water Watch, available at: [https://sdwis.waterboards.ca.gov/PDWW/JSP/WSamplingResultsByStoret.jsp?SystemNumber=1910020&SystemName=CAL-AM+WATER+COMPANY+-+EAST+PASADENA&tinwsys\\_is\\_number=2499&SamplingPointName=WELL+11&SamplingPointID=012-012-54007&mDWW=null&Analyte=1080&ChemicalName=CHROMIUM%2C+HEX&begin\\_date=&end\\_date=&Generate+Report=Generate+Report](https://sdwis.waterboards.ca.gov/PDWW/JSP/WSamplingResultsByStoret.jsp?SystemNumber=1910020&SystemName=CAL-AM+WATER+COMPANY+-+EAST+PASADENA&tinwsys_is_number=2499&SamplingPointName=WELL+11&SamplingPointID=012-012-54007&mDWW=null&Analyte=1080&ChemicalName=CHROMIUM%2C+HEX&begin_date=&end_date=&Generate+Report=Generate+Report) [accessed January 2, 2025]

1

**Figure 4-3 Hall Well Cr VI Results<sup>139</sup>**



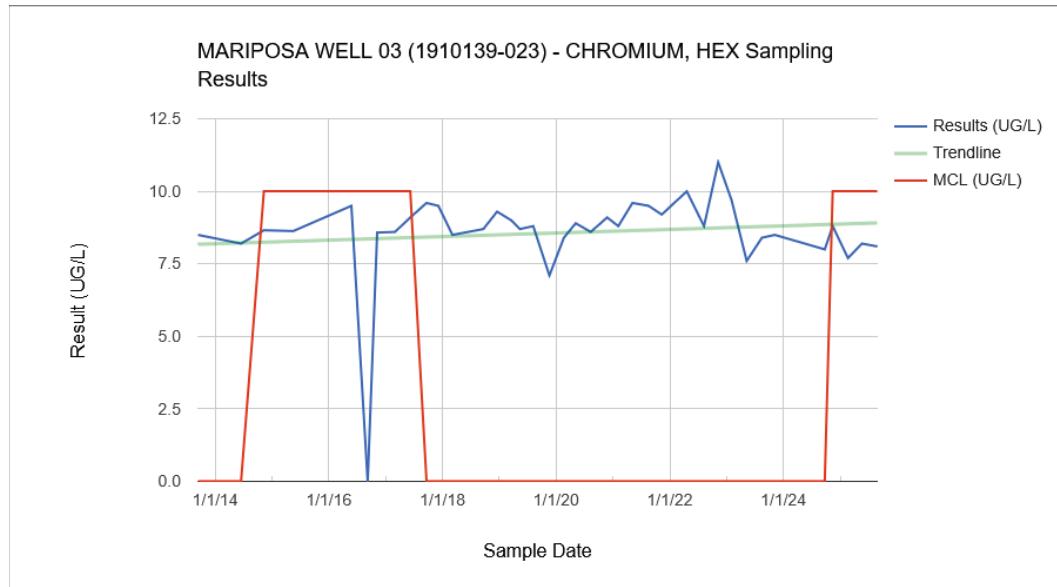
2

<sup>139</sup> Cal-Am Water Company – San Marino (1910139), Chromium, HEX Sampling Results, Hall Well 02 (CA1910139\_032\_032), California Drinking Water Watch, available at:

[https://sdwis.waterboards.ca.gov/PDWW/JSP/WSamplingResultsByStoret.jsp?SystemNumber=1910139&SystemName=CAL%2FAM+WATER+COMPANY+-+SAN+MARINO&tinwsys\\_is\\_number=2581&SamplingPointName=HALL+WELL+02&SamplingPointID=032-032-13257&mDWW=null&Analyte=1080&ChemicalName=CHROMIUM%2C+HEX&begin\\_date=&end\\_date=&Generate+Report=Generate+Report](https://sdwis.waterboards.ca.gov/PDWW/JSP/WSamplingResultsByStoret.jsp?SystemNumber=1910139&SystemName=CAL%2FAM+WATER+COMPANY+-+SAN+MARINO&tinwsys_is_number=2581&SamplingPointName=HALL+WELL+02&SamplingPointID=032-032-13257&mDWW=null&Analyte=1080&ChemicalName=CHROMIUM%2C+HEX&begin_date=&end_date=&Generate+Report=Generate+Report) [accessed January 2, 2025]

1

**Figure 4-4 Mariposa Well Cr VI Results<sup>140</sup>**

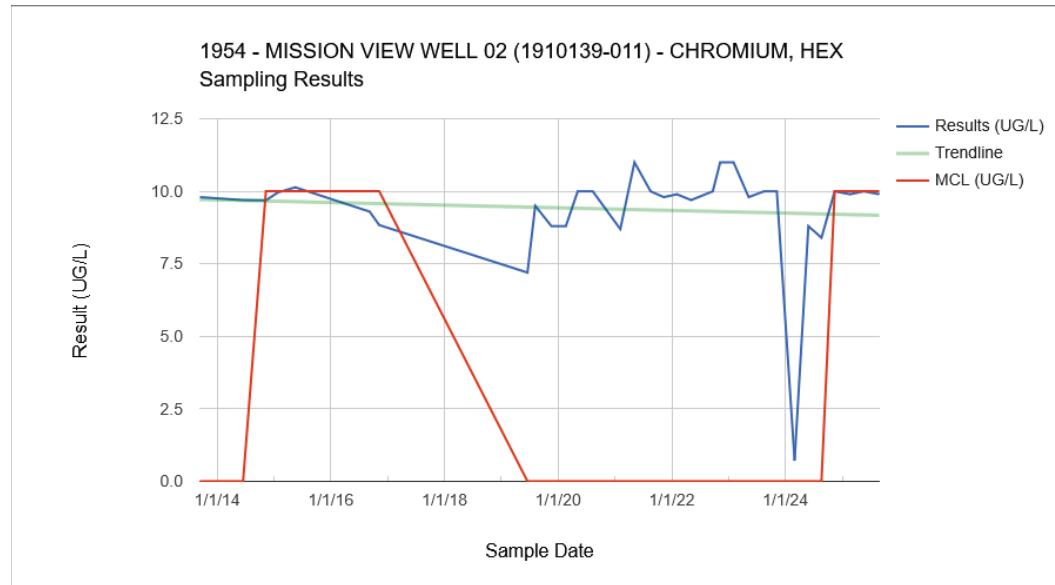


2

<sup>140</sup> Cal-Am Water Company – San Marino (1910139), Chromium, HEX Sampling Results, Mariposa Well 03 (CA1910139\_023\_023), California Drinking Water Watch, available at: [https://sdwis.waterboards.ca.gov/PDWW/JSP/WSamplingResultsByStoret.jsp?SystemNumber=1910139&SystemName=CAL%2FAM+WATER+COMPANY+-+SAN+MARINO&tinwsys\\_is\\_number=2581&SamplingPointName=MARIPOSA+WELL+03&SamplingPointID=023-023-13234&mDWW=null&Analyte=1080&ChemicalName=CHROMIUM%2C+HEX&begin\\_date=&end\\_date=&Generate+Report=Generate+Report](https://sdwis.waterboards.ca.gov/PDWW/JSP/WSamplingResultsByStoret.jsp?SystemNumber=1910139&SystemName=CAL%2FAM+WATER+COMPANY+-+SAN+MARINO&tinwsys_is_number=2581&SamplingPointName=MARIPOSA+WELL+03&SamplingPointID=023-023-13234&mDWW=null&Analyte=1080&ChemicalName=CHROMIUM%2C+HEX&begin_date=&end_date=&Generate+Report=Generate+Report) [accessed January 2, 2025]

1

**Figure 4-5 Mission View Well Cr VI Results<sup>141</sup>**

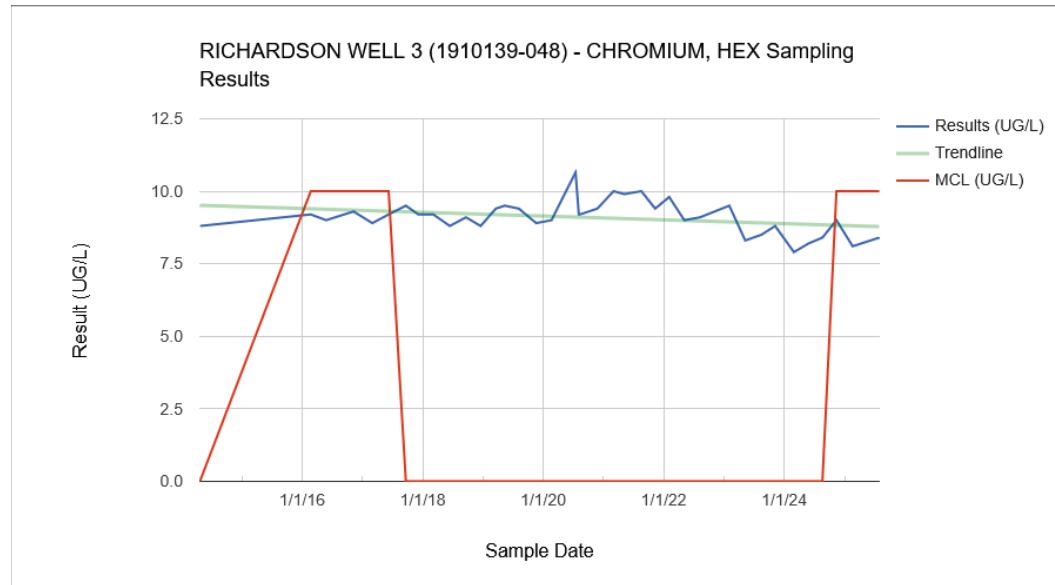


2

<sup>141</sup> Cal-Am Water Company – San Marino (1910139), Chromium, HEX Sampling Results, 1954 - Mission View Well 02 (CA1910139\_011\_011), California Drinking Water Watch, available at: [https://sdwis.waterboards.ca.gov/PDWW/JSP/WSamplingResultsByStoret.jsp?SystemNumber=1910139&SystemName=CAL%2FAM+WATER+COMPANY+-+SAN+MARINO&tinwsys\\_is\\_number=2581&SamplingPointName=1954+-+MISSION+VIEW+WELL+02&SamplingPointID=011-011-13267&mDWW=null&Analyte=1080&ChemicalName=CHROMIUM%2C+HEX&begin\\_date=&end\\_date=&Generate+Report=Generate+Report](https://sdwis.waterboards.ca.gov/PDWW/JSP/WSamplingResultsByStoret.jsp?SystemNumber=1910139&SystemName=CAL%2FAM+WATER+COMPANY+-+SAN+MARINO&tinwsys_is_number=2581&SamplingPointName=1954+-+MISSION+VIEW+WELL+02&SamplingPointID=011-011-13267&mDWW=null&Analyte=1080&ChemicalName=CHROMIUM%2C+HEX&begin_date=&end_date=&Generate+Report=Generate+Report) [accessed January 2, 2025]

1

**Figure 4-6 Richardson Well 03 Cr VI Results<sup>142</sup>**



2

3 As the figures above show, only Well 09 exceeded the MCL. But Well 09  
 4 and Well 11 are in the East Pasadena system and are both under the purview of the  
 5 Main San Gabriel Basin Water Master (MSGB).<sup>143</sup> The MSGB restricts the  
 6 simultaneous use of Wells 09 and 11.<sup>144</sup> So in reality the system relies only on  
 7 Well 11 which is also reflected in the Los Angeles County CPS. Well 09 is  
 8 minimally used.<sup>145</sup> In case of emergency needs at the East Pasadena system, the  
 9 system also has four emergency intertie connections.

---

<sup>142</sup> Cal-Am Water Company – San Marino (1910139), Chromium, HEX Sampling Results, Richardson Well 3 (CA1910139\_048\_048), California Drinking Water Watch, available at: [https://sdwis.waterboards.ca.gov/PDWW/JSP/WSamplingResultsByStoret.jsp?SystemNumber=1910139&SystemName=CAL%2FAM+WATER+COMPANY++SAN+MARINO&tinwsys\\_is\\_number=2581&SamplingPointName=RICHARDSON+WELL+3&SamplingPointID=048-048-54555&mDWW=null&Analyte=1080&ChemicalName=CHROMIUM%2C+HEX&begin\\_date=&end\\_date=&Generate+Report=Generate+Report](https://sdwis.waterboards.ca.gov/PDWW/JSP/WSamplingResultsByStoret.jsp?SystemNumber=1910139&SystemName=CAL%2FAM+WATER+COMPANY++SAN+MARINO&tinwsys_is_number=2581&SamplingPointName=RICHARDSON+WELL+3&SamplingPointID=048-048-54555&mDWW=null&Analyte=1080&ChemicalName=CHROMIUM%2C+HEX&begin_date=&end_date=&Generate+Report=Generate+Report) [accessed January 2, 2025]

<sup>143</sup> Cal Am Engineering Workpaper 2025 Los Angeles County District CPS REDACTED at 6.2-11.

<sup>144</sup> Cal Am Engineering Workpaper 2025 Los Angeles County District CPS REDACTED at 6.2-11.

<sup>145</sup> Cal Am Engineering Workpaper 2025 Los Angeles County District CPS REDACTED at 6.2-13.

1           As shown in the figures above, all the Wells covered under I15-500082  
2 have experienced similar levels of Cr(VI) since the MCL was introduced in 2014.  
3 And all the Wells except for Well 11 are below the MCL. Well 09 is used  
4 sparingly and ratepayers do not benefit from Cal Am installing treatment there.

5           MCL levels are set by the SWRCB at a conservative level to minimize  
6 public health risks. Commission Decision states: “this is a level that corresponds  
7 to a lifetime cancer risk of up to one excess case of cancer per million people  
8 exposed by drinking two liters of water per day for 70 years.”<sup>146</sup> If Cal Am  
9 chooses to exceed the state requirements it cannot expect ratepayers to fund this  
10 choice without justification. Especially when the wells were operated previously  
11 with similar Cr(VI) levels and the same Cr(VI) MCL without the need for  
12 treatment then. Furthermore, the Commission did not have the chance to review  
13 whether the investment and expenditure was prudent.

14           Ratepayers should not have to fund projects that are not necessary for  
15 service and go beyond the statutory requirements without justification. The  
16 forecast \$11,174,829 in 2025 and \$16,321,470 in 2026 for chromium-6 (Cr(VI))  
17 treatment facilities should not be included in rates.

18           **D. Project Code I15-500054 Chromium-VI Water Treatment**

19           Cal Am has \$1,993,220 in spent capital and \$85,066 forecast for 2025 related to  
20 the I15-500054 Chromium-VI Water Treatment plant.

21           I15-500054 is a Cr VI treatment plant at the Grand Well in the San Marino system.  
22 Cal Am first sought approval for the Cr VI treatment in December 2013 through Memo  
23 Account 1020-A.<sup>147</sup> Cal Am completed construction of the treatment facility in 2018.<sup>148</sup>

---

<sup>146</sup> D.00-11-014 at 19.

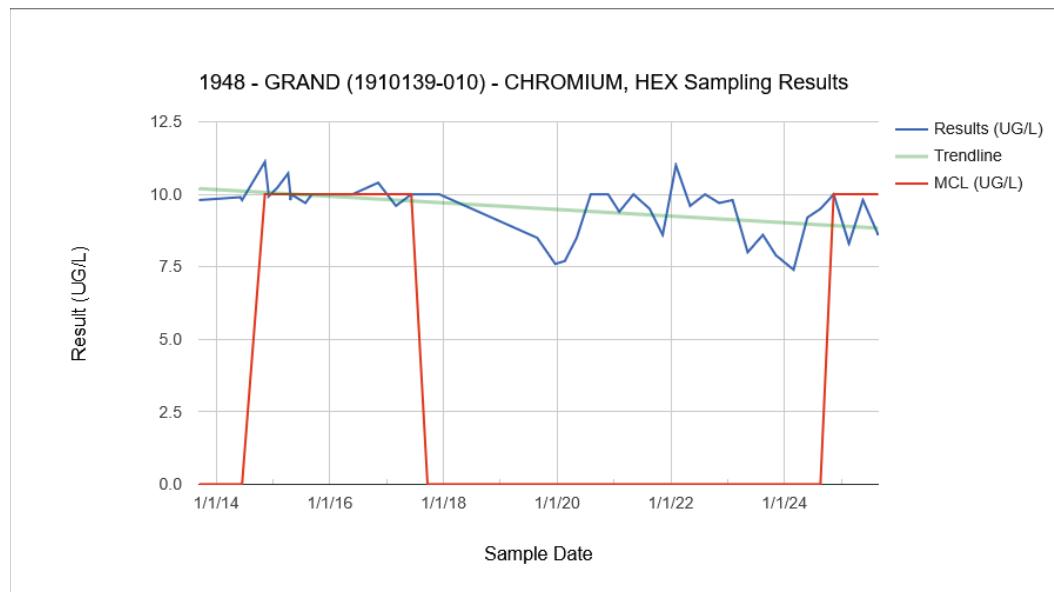
<sup>147</sup> A.190-70-04, Direct Testimony of Ian Crooks at 71, Lines 1-2.

<sup>148</sup> A.19-07-004, Direct Testimony of Ian Crooks at 71, Lines 13-14.

1 However the Department of Drinking Water (DDW) did not approve the permitting for  
2 the facility to go into operation.<sup>149</sup>

3 Since 2018, ratepayers have continued to fund a treatment facility that has never  
4 been used. Grand Well is active and is being utilized without the Cr VI treatment plant.<sup>150</sup>  
5 Figure 4-7 below also shows that the Grand Well Cr VI levels are generally below the  
6 MCL and the trendline shows a decline in levels.

7 **Figure 4-7 Grand Well Cr VI Results<sup>151</sup>**



8

<sup>149</sup> Direct Testimony of Lacy Carothers at 62, Lines 10-12.

<sup>150</sup> Cal Am Engineering Workpaper 2025 Los Angeles County District CPS REDACTED, Table 8.2-4 at 8.2-16. San Marino Summary of Well Characteristics lists Grand Well as active.

<sup>151</sup> Cal-Am Water Company – San Marino (1910139), Chromium, HEX Sampling Results, 1948 - Grand (CA1910139\_010\_010), California Drinking Water Watch, available at:

[https://sdwis.waterboards.ca.gov/PDWW/JSP/WSamplingResultsByStoret.jsp?SystemNumber=1910139&SystemName=CAL%2FAM+WATER+COMPANY+-+SAN+MARINO&tinwsys\\_is\\_number=2581&SamplingPointName=1948+-+GRAND&SamplingPointID=010-010-13266&mDWW=null&Analyte=1080&ChemicalName=CHROMIUM%2C+HEX&begin\\_date=&end\\_date=&Generate+Report=Generate+Report](https://sdwis.waterboards.ca.gov/PDWW/JSP/WSamplingResultsByStoret.jsp?SystemNumber=1910139&SystemName=CAL%2FAM+WATER+COMPANY+-+SAN+MARINO&tinwsys_is_number=2581&SamplingPointName=1948+-+GRAND&SamplingPointID=010-010-13266&mDWW=null&Analyte=1080&ChemicalName=CHROMIUM%2C+HEX&begin_date=&end_date=&Generate+Report=Generate+Report) [accessed January 2, 2025]

1                   Ratepayers should not continue to fund and pay for equipment that is not in  
2                   service nor necessary for service. The budget of \$1,993,220 in spent capital and  
3                   \$85,066 in forecast for 2025 should be excluded from rates.

4                   **E. Project Code I15-500078 (500067) Well Installation and  
5                   Replacement Program (2024-2026)**

6                   Cal Am has \$735,186 in 2025, \$3,221,343 in 2026, and \$3,237,183 in 2027 for the  
7                   I15-500067/78 Well Installation and Replacement Program.

8                   Cal Am first proposed the I15-500067 Well Installation and Replacement program  
9                   in the 2019 GRC.<sup>152</sup> To justify the request, Cal Am stresses the need for more ground  
10                  water sources to be able to operate safely and without interruption.<sup>153</sup> However, since the  
11                  initial request in 2019, Cal Am has continued to emphasize the need for more ground  
12                  water sources but has yet to install a new well or spend funding associated with this  
13                  program.<sup>154</sup>

14                  In the current GRC, Cal Am proposes a land purchase and a new design and  
15                  permitting for wells and new treatment facilities.<sup>155</sup> All new activities under the umbrella  
16                  of an “ongoing project” that Cal Am has had for two GRC cycles and has yet to deliver a  
17                  single result or spend any budget on. All the while Cal Am proposes a second new budget  
18                  under the same program for the current GRC cycle. Cal Am also forecasts \$2,468,211 in  
19                  2027 and \$4,936,308 in 2028 for the 2027-2029 Well Installation and Replacement  
20                  Program.<sup>156</sup>

---

<sup>152</sup> A.19-07-004 Direct Testimony of Ian Crooks at 169.

<sup>153</sup> A.19-07-004 Direct Testimony of Ian Crooks at 169.

<sup>154</sup> Cal Am RO Model file “ALL\_CH07\_PLT\_RO\_Forecast,” tab: “Total CAPEX by Project WS-9,” cell T104.

<sup>155</sup> Direct Testimony of Lacy Carothers at 68, Lines 1-5.

<sup>156</sup> Cal Am RO Model file “ALL\_CH07\_PLT\_RO\_Forecast,” tab: “Total CAPEX by Project WS-9,” cells X218, W218.

1       Cal Am cannot continue to claim the need for a Well installation and replacement  
2 program while not delivering any work related to the project. Cal Am also assumes that  
3 the budget for the program will roll over into the next GRC because it was previously  
4 “approved.” Ratepayers should not continue to fund this program while seeing zero  
5 results. Ratepayers should not be made to fund multi-step projects until it is actually  
6 providing benefit.

7       The \$735,186 in 2025, \$3,221,343 in 2026, and \$3,237,183 in 2027 for the I15-  
8 500067/78 Well Installation and Replacement Program should not be included in rates.

9           **F. Project Code I15-500087 LA-Well Installation and  
10           Replacement Program 2027-2029**

11       Cal Am forecast \$2,468,211 in 2027 and \$4,936,308 in 2028 for the Los Angeles  
12 County District Well installation and replacement program.

13       I15-500087 is a continuation of the proposed well installation and replacement  
14 program from above and originally discussed in the 2019 GRC. Cal Am has yet to deliver  
15 anything from the program. Ratepayers should not continue to fund this program while  
16 receiving no benefit.

17       The \$2,468,211 in 2027 and \$4,936,308 in 2028 for the I15-500087 Well  
18 Installation and Replacement Program should not be included in rates.

19           **G. Project Code I15-500084 Energy Storage GRIP**

20       Cal Am forecasts \$980,248 in 2025 and \$954,472 in 2026 for the Los Angeles  
21 County District Energy Storage GRIP project.

22       The energy storage grip project was supposed to be a battery installation project  
23 that was partially funded through the Department of Energy grants.<sup>157</sup> The current  
24 administration has rolled back funding for such projects. As such Cal Am will no longer  
25 pursue them.<sup>158</sup>

---

<sup>157</sup> Direct Testimony of Lacy Carothers at 137, Line 7.

<sup>158</sup> Cal Am response to Cal Advocates data request JMI-10 (GRIP Projects), and .Cal Advocates’ Justin

1           The \$980,248 in 2025 and \$954,472 in 2026 for the Los Angeles County District  
2 Energy Storage GRIP project should be removed from the rates forecast.

3           **H. Project Code I15-560001 EP-East Pasadena Well #8**  
4           **Treatment**

5           Cal Am forecast \$745,871 in 2025, \$1,525,141 in 2026, and \$5,035,820 in 2027  
6 for the treatment system at Well #8.<sup>159</sup>

7           Well #8 is part of the East Pasadena system that Cal Am acquired in 2021.<sup>160</sup> Cal  
8 Am has operated the system without Well #8 since then. Cal Am stated the need for  
9 treatment at Well #8 in the last GRC.<sup>161</sup> But since the last GRC, Cal Am has not begun  
10 work on the treatment facility. Cal Am alleges that Well #8 needs to be rehabilitated and  
11 resampled due to age.<sup>162</sup>

12           Cal Am states that Well #8 being offline leads to potential issues in complying  
13 with Commission General Order 103-A.<sup>163</sup> Cal Am points to a deficiency meeting  
14 maximum day demand as indicated the SWRCB.<sup>164</sup> Cal Am states that it is “critical” to  
15 bring Well #8 online.<sup>165</sup> SWRCB issued its compliance order in August 2020.<sup>166</sup> None of  
16 the information regarding the supply at the East Pasadena system is new and Cal Am has  
17 known of these issues for 5 years now.

---

Menda Testimony, Report on Northern Division Plant at 11.

<sup>159</sup> Cal Am RO Model file “ALL\_CH07\_PLT\_RO\_Forecast,” tab: “Total CAPEX by Project WS-9,” cells U127, V127, W127.

<sup>160</sup> Cal Am Engineering Workpaper 2025 Los Angeles County District CPS REDACTED at 6.1-1

<sup>161</sup> A.22-07-001, Direct Testimony of Ian Crooks at 179.

<sup>162</sup> Direct Testimony of Lacy Carothers at 70, Lines 1-2.

<sup>163</sup> Direct Testimony of Lacy Carothers at 11.

<sup>164</sup> Direct Testimony of Lacy Carothers at 11, Lines 18-24.

<sup>165</sup> Direct Testimony of Lacy Carothers at 11, Line 23.

<sup>166</sup> Engineering Workpaper I15-560001 at 1.

1       Cal Am stresses the urgency of installing treatment at Well #8 but has yet to take  
2 any action. Cal Am had not sampled the well for Title 22 characterization.<sup>167</sup> Nor has Cal  
3 Am rehabilitated the well to determine if it is even useable. Instead, it plans “on bidding  
4 treatment separately from rehabilitation to allow site-specific design to be completed for  
5 the selected vendor.”<sup>168</sup>

6       Ratepayers have already funded this project from the previous GRC and have yet  
7 to see any benefit. Cal Am continues to stress the need to bring Well #8 online but its  
8 inaction does not support their claims of immediacy. The forecast of \$745,871 in 2025,  
9 \$1,525,141 in 2026, and \$5,035,820 in 2027 for Well #8 treatment should be excluded  
10 from rates. If and when it completes a used and useful project it can present all  
11 reasonable costs for recovery in a subsequent rate case.

12       **I. Project Code I15-570005 Rio Plaza (El Rio) Well 2 Nitrate  
13 Treatment**

14       Cal Am forecasts \$263,377 in 2025, \$514,640 in 2026, and \$701,431 in 2027 for a  
15 nitrate treatment system at Rio Plaza Well 2.<sup>169</sup>

16       Cal Am requested and received ratepayer funding for this project in the last  
17 GRC.<sup>170</sup> Nitrate treatment was not necessary then as levels were below the MCL.<sup>171</sup>  
18 Nitrate levels have since gone down and continue to remain below the MCL.<sup>172</sup> Figure 4-  
19 8 shows the nitrate levels at Well 2 as well as the nitrate MCL.

---

<sup>167</sup> Direct Testimony of Lacy Carothers at 70, Line 2.

<sup>168</sup> Direct Testimony of Lacy Carothers at 70, Lines 3-5.

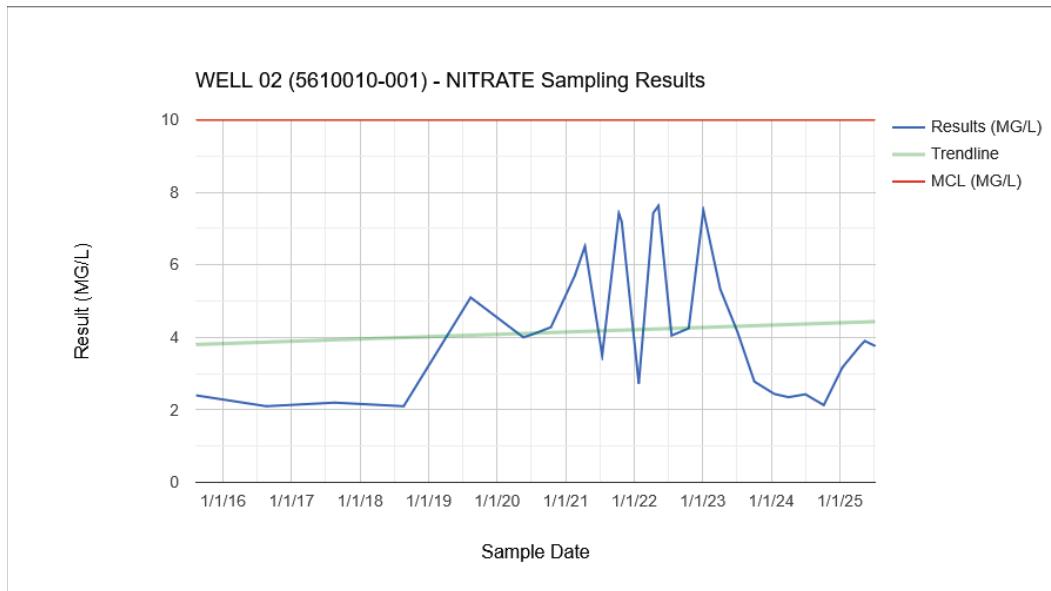
<sup>169</sup> Cal Am RO Model file “ALL\_CH07\_PLT\_RO\_Forecast,” tab: “Total CAPEX by Project WS-9,”  
cells V136, W136, X136.

<sup>170</sup> A.22-07-001, Direct Testimony of Ian Crooks at 187.

<sup>171</sup> Direct Testimony of Lacy Carothers at 80, Lines 1-2.

<sup>172</sup> Direct Testimony of Lacy Carothers at 80, Lines 3-4.

1

**Figure 4-8 Well 2 Nitrate Levels**<sup>173</sup>

2

3 Cal Am claims that nitrate treatment is needed but the water at Well 2 has  
 4 never exceeded the MCL. The fact that treatment is not necessary is evidenced by  
 5 Cal Am's inaction on the project. Ratepayers have already funded this unnecessary  
 6 project once and should not have to fund it a second time.

7 The Commission should exclude the forecast capital budget of \$263,377 in  
 8 2025, \$514,640 in 2026, and \$701,431 in 2027 from rates.

9       **J. Project Code I15-570002 Rio Plaza (El Rio) Supply**  
 10      **Project**

11      Cal Am forecasts \$687,350 in 2025, \$602,348 in 2026, and \$2,084,957 in  
 12 2027 for the Rio Plaza Supply Project.<sup>174</sup>

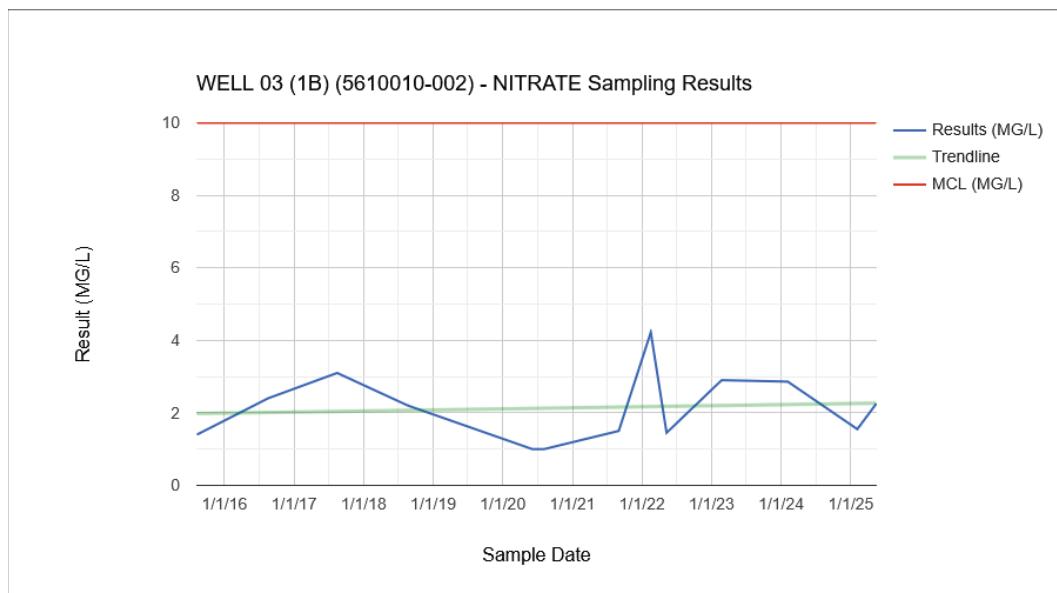
---

<sup>173</sup> Cal American WC - Rio Plaza (5610010), Nitrate Sampling, Well 02 (CA5610010\_001\_001), California Drinking Water Watch, available at: [https://sdwis.waterboards.ca.gov/PDWW/JSP/WSamplingResultsByStoret.jsp?SystemNumber=5610010&SystemName=CAL+AMERICAN+WC++RIO+PLAZA&tinwsys\\_is\\_number=6158&SamplingPointName=WELL+02&SamplingPointID=001-001-13119&mDWW=null&Analyte=1040&ChemicalName=NITRATE&begin\\_date=&end\\_date=&Generate+Report=Generate+Report](https://sdwis.waterboards.ca.gov/PDWW/JSP/WSamplingResultsByStoret.jsp?SystemNumber=5610010&SystemName=CAL+AMERICAN+WC++RIO+PLAZA&tinwsys_is_number=6158&SamplingPointName=WELL+02&SamplingPointID=001-001-13119&mDWW=null&Analyte=1040&ChemicalName=NITRATE&begin_date=&end_date=&Generate+Report=Generate+Report) [accessed January 2, 2025]

<sup>174</sup> Cal Am RO Model file “ALL\_CH07\_PLT\_RO\_Forecast,” tab: “Total CAPEX by Project WS-9,”

1 Cal Am proposed and received ratepayer funding for this supply project in  
2 the previous GRC.<sup>175</sup> The goal of the project was to develop new ground water  
3 wells in the Rio Plaza system for redundancy.<sup>176</sup> Rio Plaza needs are currently  
4 met with Wells 2 and 3.<sup>177</sup> Cal Am states that Wells 2 and 3 could potentially  
5 require nitrate treatment leading to the wells being taken offline.<sup>178</sup> But as  
6 discussed above Well 2 has never exceeded the MCL. Well 3 has even lower  
7 nitrate levels are shown in figure 4-9.

8 **Figure 4-9 Well 3 Nitrate Levels<sup>179</sup>**



cells U134, V134, W134.

<sup>175</sup> A.22-07-001, Direct Testimony of Ian Crooks at 184.

<sup>176</sup> Engineering Workpaper I15-570002 at 1.

<sup>177</sup> Cal Am Engineering Workpaper 2025 Los Angeles County District CPS REDACTED at 7.2-1.

<sup>178</sup> Engineering Workpaper I15-570002 at 1.

<sup>179</sup> Cal American WC - Rio Plaza (5610010), Nitrate Sampling, Well 03 (1B) (CA5610010\_002\_002), California Drinking Water Watch, available at:

[https://sdwis.waterboards.ca.gov/PDWW/JSP/WSamplingResultsByStoret.jsp?SystemNumber=5610010&SystemName=CAL+AMERICAN+WC++RIO+PLAZA&tinwsys\\_is\\_number=6158&SamplingPointName=WELL+03+%281B%29&SamplingPointID=002-002-](https://sdwis.waterboards.ca.gov/PDWW/JSP/WSamplingResultsByStoret.jsp?SystemNumber=5610010&SystemName=CAL+AMERICAN+WC++RIO+PLAZA&tinwsys_is_number=6158&SamplingPointName=WELL+03+%281B%29&SamplingPointID=002-002-)

1 Cal Am estimates in total adding the new well source of supply would cost  
2 \$4,219,000.<sup>180</sup> The cost breakdown is provided in figure 4-10 below. Included in  
3 the cost is \$844,000 in “implementation costs”. It is unclear what “implementation  
4 costs” entail other than a 25% markup on an already unneeded project.

5 **Figure 4-10 El Rio Supply Cost Breakdown Excerpt<sup>181</sup>**

PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST					
ITEM No.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	COST OPINION
1	Well Drilling	1	LS	\$1,500,000	\$1,500,000
2	Well Treatment	1	LS	\$1,000,000	\$1,000,000
3	Site Acquisition	1	LS	\$500,000	\$500,000
4	Emergency Generator	1	LS	\$275,000	\$275,000
5	Well Pump & Motor	1	LS	100,000	100,000
Construction Costs					\$3,375,000
Implementation Costs					\$844,000
Total Project Cost					\$4,219,000

6  
7 Ratepayers have already funded this unneeded project once. Ratepayers  
8 should not have to continue to fund this project. The Commission should exclude  
9 \$687,350 in 2025, \$602,348 in 2026, and \$2,084,957 in 2027 for the Rio Plaza  
10 supply project from rates.

---

[13114&mDWW=null&Analyte=1040&ChemicalName=NITRATE&begin\\_date=&end\\_date=&Generate+Report=Generate+Report](http://13114&mDWW=null&Analyte=1040&ChemicalName=NITRATE&begin_date=&end_date=&Generate+Report=Generate+Report) [accessed January 2, 2025]

<sup>180</sup> Engineering Workpaper I15-570002 at 4.

<sup>181</sup> Engineering Workpaper I15-570002 at 4.

1                   **K. Project Code I15-500086 LA-Main Replacement Program**

2                   Cal Am forecasts \$5,837,266 in 2027 and \$10,003,686 in 2028 for the Los  
3                   Angeles County district main replacement program.<sup>182</sup>

4                   Cal Am states that “A proactive water main replacement program based  
5                   upon a prioritized schedule is required to maintain and improve a water system’s  
6                   level of service to its customers while avoiding unplanned, reactionary short-term  
7                   spikes in infrastructure capital investment due to a large cohort of piping materials  
8                   reaching the end of useful life.”<sup>183</sup>

9                   Cal Am states a prioritized schedule is a necessity for a main replacement  
10                  program.<sup>184</sup> But Cal Am also states with the newly developed pipe prioritization  
11                  model (PPM) that it “will not know which specific mains will be replaced until  
12                  immediately prior to beginning the main replacement projects”.<sup>185</sup> In fact, in the  
13                  current GRC application Cal Am did not provide the list of potential mains to be  
14                  replaced as it did with previous filings. Because as Cal Am states its new software  
15                  and approach cannot provide a list of pipelines to be replaced until they are about  
16                  to begin the project.<sup>186</sup>

17                  Main replacement programs are, as even Cal Am states, a preemptive  
18                  approach to replacing pipelines as they age before reaching a catastrophic state.<sup>187</sup>  
19                  Cal Am’s current approach is reactive. Cal Am states that often using their

---

<sup>182</sup> Cal Am RO Model file “ALL\_CH07\_PLT\_RO\_Forecast,” tab: “Total CAPEX by Project WS-9,” cells W217, X217.

<sup>183</sup> Direct Testimony of Lacy Carothers at 164, Lines 4-7.

<sup>184</sup> Direct Testimony of Lacy Carothers at 164, Lines 4-7.

<sup>185</sup> Cal Am’s Response to Public Advocates Office’s Data Request DKG-16 at 21.

<sup>186</sup> Cal Am’s Response to Public Advocates Office’s Data Request DKG-16 at 21.

<sup>187</sup> Direct Testimony of Lacy Carothers at 164, Lines 4-7.

1 predictive modeling pipe projects were replaced by more urgent projects.<sup>188</sup> The  
2 new PPM relies heavily on the same factors and risk analysis as the previous  
3 desktop model. The PPM modeling still relies on likelihood of failure and  
4 consequence of failure.<sup>189</sup> The difference between the PPM and the previous  
5 desktop prioritization is that the PPM is Graphics Information System (GIS)  
6 based.

7 In reality, Cal Am relies on operations staff to reactively identify pipelines  
8 that have experienced breaks or are candidates for replacement.<sup>190</sup> Cal Am's  
9 approach is reactive based on what field operations staff experiences.<sup>191</sup> Cal Am  
10 states "if possible, replacement projects should focus on areas where there are a  
11 large number of high-risk mains for financial and efficiency benefits."<sup>192</sup> Though  
12 Cal Am has not recently performed any cost benefit analysis related to both  
13 pipeline replacement and water loss.<sup>193</sup>

14 Cal Am states that with the current approach it cannot know which pipeline  
15 project should be done until immediately before starting the project.<sup>194</sup> This does  
16 not fit with a preemptive proactive approach. Pipeline replacements require  
17 coordination and permitting with multiple outside entities.<sup>195</sup> Pipeline  
18 replacements require permitting input from city, county, and state departments.<sup>196</sup>

---

<sup>188</sup> Cal Am's Response to Public Advocates Office's Data Request DKG-16 at 21.

<sup>189</sup> Attachment 12: Cal Am's Response to Public Advocates Office's Data Request SIH-09, Question 2.c.

<sup>190</sup> Attachment 12: Cal Am's Response to Public Advocates Office's Data Request SIH-09, Question 2.a.

<sup>191</sup> Attachment 12: Cal Am's Response to Public Advocates Office's Data Request SIH-09, Question 2.a.

<sup>192</sup> Attachment 12: Cal Am's Response to Public Advocates Office's Data Request SIH-09, Question 2.a.

<sup>193</sup> Attachment 12: Cal Am's Response to Public Advocates Office's Data Request SIH-04, Question 2.

<sup>194</sup> Attachment 12: Cal Am's Response to Public Advocates Office's Data Request DKG-16 at 21.

<sup>195</sup> Engineering Workpaper I15-500086 at 4.

<sup>196</sup> Engineering Workpaper I15-500086 at 4.

1 Right of ways need to be obtained if pipeline replacement projects interrupt  
2 building entryways.<sup>197</sup> Paving moratoriums prevent road works for years from the  
3 date of the moratorium. Programmatic pipeline replacements require a significant  
4 amount of planning and design.

5 Cal Am's testimony and performance record do not support its increased  
6 main replacement budget request. Cal Am's pipeline replacement budget should  
7 be based on what Cal Am has demonstrated it can complete in its historical  
8 performance. The main replacement budget should be adjusted to reflect the  
9 historical average since the last GRC. The main replacement budget should be  
10 adjusted to \$5,217,358 annually.

11 The Commission should adopt a main replacement budget of \$5,217,358  
12 annually for 2027 and 2028 in the Los Angeles County district.

13 **L. Recurring Projects**

14 **1. Project Code R15-xxS1 –Engineering Studies.**

15 Cal Am forecasts \$436,375 in 2025, \$809,384 in 2026, \$690,474 in  
16 2027, and \$700,808 in 2028 for engineering studies in the Los Angeles  
17 County district.<sup>198</sup>

18 Cal Am claims that this project code is used for scheduled and  
19 unscheduled Engineering Planning studies.<sup>199</sup> Cal Am also claims that the  
20 budget is based on an escalation adjusted five-year historical average or  
21 operational needs.<sup>200</sup> Cal Am has not recorded any expenditures in between

---

<sup>197</sup> Engineering Workpaper I15-500086 at 4.

<sup>198</sup> Cal Am RO Model file “ALL\_CH07\_PLT\_RO\_Forecast,” tab: “Total CAPEX by Project WS-9,” cells U447, V448, W449, and X450.

<sup>199</sup> Direct Testimony of Lacy Carothers at 19, Lines 17-18.

<sup>200</sup> Direct Testimony of Lacy Carothers at 13, Lines 23-25.

2019 and 2024.<sup>201</sup> Cal Am has also not provided any testimony supporting its budget request nor any justification as to how it derived the budgets.

Without any support or justification, the budget for the Los Angeles County engineering studies should not be included in rates. The Commission should remove \$436,375 in 2025, \$809,384 in 2026, \$690,474 in 2027, and \$700,808 in 2028 for engineering studies from rates.

## IV. CONCLUSION

8 Cal Am has numerous projects in the LA district that it has failed to complete over  
9 several rate cases. Cal Am also has projects that it claims it completed, yet the projects  
10 are not permitted for operation and provide no service to ratepayers. Cal Am has an  
11 incentive to invest as much as possible in capital expenditure to increase its profits. The  
12 Commission should hold Cal Am accountable for its investments and proposals and  
13 ensure that rates only include projects that are used and useful and necessary for service.  
14 The Commission should adjust Cal Am's forecast as described in this chapter.

201 Cal Am's Response to Public Advocates Office's Data Request JMI-01, Question 2, Attachment 1 (RPs Completed) CORRECTED.

## CHAPTER 5 Corporate District

## INTRODUCTION

The Corporate District serves to aid the other districts in administrative tasks. The Corporate District provides centralized assistance and the business end of the water utility to the remaining districts. Projects in the corporate district should be either necessary for service, or the benefits of those projects should outweigh the costs. Otherwise, projects should not be funded by ratepayers.

8       Cal Am has an incentive to increase their plant in service, thus rate base, as much  
9    as possible. The more Cal Am invests in plant in service, the higher the returns and  
10    profits it receives. American Water, Cal Am's parent company, emphasizes rate base  
11    growth to investors.<sup>202</sup> American Water even have target growth rates for plant in  
12    service.<sup>203</sup> This goes against the construct of plant in service matching system needs  
13    which should not have a preconceived growth rate. American Water's rate base growth  
14    rate also closely matches its desired earnings per share growth rate.<sup>204</sup> This reflects that  
15    its earnings per share are directly driven by its rate base and plant in service.

16 The Commission should approach Cal Am's capital requests with a critical lens  
17 and ensure that capital growth matches systems need, not investor desires.

## II. SUMMARY OF RECOMMENDATIONS

- The \$931,000 in 2025, \$1,889,000 in 2026, and \$8,460,000 in 2027 in capital budget related to the corporate office relocation project should be excluded from rates.

202 Attachment 2: American Water June-2025-Investor-Presentation at 17.

203 Attachment 2: American Water June-2025-Investor-Presentation at 17

<sup>204</sup> Attachment 2: American Water June-2025-Investor-Presentation at 6, 17. Page 6 shows a target earnings per share growth of 7-9% and page 17 shows a rate base target growth of 8-9%.

1           • The Commission should adopt a total \$3,977,796 annual budget for  
2           corporate recurring budgets for each year 2025 through 2028

3           **III. ANALYSIS**

4           **A. 2029 Specific Capital Project Budgets**

5           As with the previous capital budget chapters, The Commission should not  
6           authorize any specific project budgets for 2029 in the current rate case. Capital  
7           project budgets in 2029 are not part of the purview of the current GRC and would  
8           be examined for reasonableness in the subsequent GRC filing. In the current GRC,  
9           the capital budget for 2029 is calculated formulaically as an attrition year increase  
10           and is not affected by 2029 specific project budgets.<sup>205</sup>

11           Cal Am has several specific budgets forecast in year 2029. It would be  
12           inappropriate to authorize the 2029 specific budget requests in the current GRC for  
13           multiple reasons. First, as per the Rate Case Plan and the Revised Rate Case Plan,  
14           the rate base forecast, including capital additions, will consist of two test  
15           years, 2027 and 2028 and an attrition year, 2029.<sup>206</sup> The capital budget for the  
16           attrition year 2029 should be calculated according to the Rate Case Plan. The  
17           budget for attrition year 2029 is calculated based on the difference of the first and  
18           second test years rate base and is unaffected by the proposed specific budgets.<sup>207</sup>

19           Second, since Cal Am's proposed 2029 budgets do not affect the revenue  
20           requirement the projects cannot be reviewed for reasonableness in the current  
21           GRC cycle. The revenue requirement for 2029 is forecast only on the difference in

---

<sup>205</sup> Cal Am RO model file "ALL\_CH02\_SE\_RO," tab: "SOU\_RevReq," cell L164.

<sup>206</sup> Rate Case Plan (D.04-06-018) and the Revised Rate Case Plan (D.07-05-062). .07-05-062 at A-19 states, "All rate base items, including capital additions and depreciation, shall not be escalated but rather shall be subject to two test years and an attrition year, consistent with D.04-06-018."

<sup>207</sup> D.04-06-018 at 15. The attrition allowance methodology estimates the rate base additions for the third year of the rate case cycle (2029 in this rate case cycle) based on the difference between the first and second test year rate base.

1 rate base additions from the two test years. The effects of the proposed 2029  
2 project budgets would be calculated in the next GRC cycle as with the 2026  
3 project budgets in the current GRC. As such the reasonableness of the 2029  
4 budgets is more appropriate for review in the next GRC filing.

5 The Commission should not approve any specific capital budgets for the  
6 attrition year 2029. The Commission should adopt a rate base for attrition year  
7 2029 based on the methodology described in the Rate Case Plan  
8

9 **B. Project Code I15-010003, Corporate Headquarters  
10 Relocation and New Sacramento Operations Center**

11 In the current GRC, Cal Am forecasts \$931,000 in 2025, \$1,889,000 in  
12 2026, and \$8,460,000 in 2027 in capital budget related to the corporate office  
13 relocation project.<sup>208</sup>

14 Cal Am first proposed the corporate relocation to Sacramento in the 2022  
15 GRC.<sup>209</sup> Cal Am states that relocation to Sacramento benefits ratepayers as it is  
16 “within California’s capitol region [and] provides enhanced accessibility for  
17 regulatory engagement and stakeholder interactions.”<sup>210</sup> Cal Am proposes  
18 ratepayers fund a relocation project to make lobbying easier for Cal Am and make  
19 it easier to further increase rates and profits. It is a fundamental regulatory  
20 principle that utilities cannot include costs that do not benefit ratepayers into rates.  
21 Assembly Bill 1167 prevents political and lobbying activity from being included  
22 in rates.<sup>211</sup> A move that would only benefit shareholders should only be funded by  
23 shareholders.

---

<sup>208</sup> Cal Am RO Model file “ALL\_CH07\_PLT\_RO\_Forecast,” tab: “Total CAPEX by Project WS-9,” cells W29, X29.

<sup>209</sup> A.22-07-001, Direct Testimony of Ian Crooks at 157.

<sup>210</sup> Direct Testimony of Lacy Carothers at 49, Lines 21-22.

<sup>211</sup> Assembly Bill (AB) 1167, (Berman, 2025-2026 Reg. Sess.). Electrical Corporations and Gas

1           Cal Am proposes to merge the San Diego Corporate headquarters with the  
2           Sacramento operations office.<sup>212</sup> The lease on the San Diego headquarters expires  
3           in 2030.<sup>213</sup> While the lease on the current Sacramento operations center expires at  
4           the end of 2028.<sup>214</sup> The new space would not be used and useful during this GRC.  
5           Current ratepayers should not have to fund duplicative office locations because  
6           shareholders would rather be closer to regulators.

---

Corporations: Rate Recovery: Political Activities and Promotional Advertising, codified as Public Utilities Code Sections 748.3.

<sup>212</sup> Direct Testimony of Lacy Carothers at 48, Lines 13-14.

<sup>213</sup> Direct Testimony of Lacy Carothers at 52, Line 20.

<sup>214</sup> Direct Testimony of Lacy Carothers at 52, Line 22.

1 Cal Am also states that crime is a significant issue at their current  
2 Sacramento operations center.<sup>215</sup> Cal Am supports this claim with a grade from  
3 crimegrade.com. According to Cal Am, the current Sacramento operations center  
4 received a grade of D-.<sup>216</sup> But crimegrade.com shows very similar results for the  
5 zip code for the current operations center and the new proposed center, as figures  
6 5-1 and 5-2 below show.

7 **Figure 5-1 Crime Grade of 95838<sup>217</sup>**



8 **Figure 5-2 Crime Grade of 95605<sup>218</sup>**



9 Lastly, Cal Am proposes to include the purchase price of the building and  
10 land into rates despite not purchasing the building nor the land.<sup>219</sup> Cal Am cannot  
11

1 include the cost of an asset in rates and rate base if it does not own nor is it  
2 purchasing the asset.

3 As discussed above, there are a multitude of reasons the corporate  
4 headquarters relocation should not be paid for by ratepayers. Ratepayers should  
5 not be funding a project that not only provides no benefit but would also harm  
6 ratepayers. The \$931,000 in 2025, \$1,889,000 in 2026, and \$8,460,000 in 2027 in  
7 capital budget related to the corporate office relocation project should be excluded  
8 from rates.

9 **C. Recurring Projects**

10 In the current GRC, Cal Am forecast \$9,258,815 in 2025, \$10,370,914 in  
11 2026 \$10,992,787 in 2027, and \$11,406,595 in 2028 for recurring corporate  
12 projects.

13 The bulk of the recurring corporate projects fall under the CA-AW  
14 Enterprise solutions project umbrella. Table 5-1 below summarizes the budget  
15 request per project description.

---

<sup>215</sup> Direct Testimony of Lacy Carothers at 50.

<sup>216</sup> Direct Testimony of Lacy Carothers at 50, Lines 3-5.

<sup>217</sup> The Safest and Most Dangerous Places in 95838, CA: Crime Maps and Statistics, Crimegrade.org, available at: <https://crimegrade.org/safest-places-in-95838/> [accessed January 2, 2025]

<sup>218</sup> The Safest and Most Dangerous Places in 95605, CA: Crime Maps and Statistics, CrimeGrade.org, available at: <https://crimegrade.org/safest-places-in-95605/> [accessed January 2, 2025]

<sup>219</sup> Direct Testimony of Lacy Carothers at 49, Lines 23-24.

**Table 5-1 Corporate Recurring Projects Budget<sup>220</sup>**

	2025	2026	2027	2028
<b>CA-ITS Equipment and Systems</b>	\$ 792,926	\$ 902,655	\$ 437,404	\$ 575,022
<b>CA-AW Enterprise Solutions</b>	\$ 8,901,200	\$ 9,241,300	\$ 10,322,100	\$ 10,587,400
<b>CA-Security Equipment and Systems</b>	\$ 29,801	\$ 30,054	\$ 30,202	\$ 31,711
<b>CA-Offices and Operations Centers</b>	\$ 195,837	\$ 196,905	\$ 203,081	\$ 212,462
<b>CA-Engineering Studies</b>	\$ 131,977	\$ -	\$ -	\$ -

2                   Cal Am provides testimony for the CA-AW Enterprise Solutions in  
 3                   Michael Kurzeja's direct testimony. Cal Am does not provide any testimony for  
 4                   the remaining budgets including neither the CA-Office and Operations Centers nor  
 5                   the CA-ITS Equipment and Systems which total over \$3.5mil over the GRC  
 6                   period.

7                   In Micheal Kurzeja's testimony the enterprise solution software and  
 8                   updates are provided in attachment 1. The bulk of the forecast cost within the  
 9                   enterprise solutions is for application modernization. The forecast for Application  
 10                  Modernization is \$5,271,248 in 2025, \$7,045,897 in 2026, \$7,950,612 in 2027,  
 11                  and \$7,133,945 in 2028.<sup>221</sup> Cal Am states that it is still in the process of  
 12                  developing a comprehensive plan for the Application Modernization.<sup>222</sup> As such  
 13                  Cal Am states it cannot develop an exact cost estimate for the projects.<sup>223</sup> Yet Cal  
 14                  Am has precise estimates in the RO Model.

---

<sup>220</sup> Cal Am RO Model file “ALL\_CH07\_PLT\_RO\_Forecast,” tab: “Total CAPEX by Project WS-9,” filtered for projects in the corporate district.

<sup>221</sup> *Application of California-American Water Company (U210W) to Increase Revenues in Each of its Districts Statewide*, Direct Testimony of Micheal Kurzeja Attachment 1.

<sup>222</sup> Direct Testimony of Micheal Kurzeja at 6, Lines 1-4.

<sup>223</sup> Direct Testimony of Micheal Kurzeja at 6, Lines 7-10

1                   Cal Am states that the Application Modernization should have numerous  
2                   benefits to ratepayers.<sup>224</sup> Cal Am states that the Application Modernization will  
3                   improve the efficiency of multiple critical business function systems.<sup>225</sup> Yet Cal  
4                   Am does not project any savings or reduction in costs for ratepayers in the RO  
5                   Model related to the Application Modernization. Enhancing current business  
6                   functions would only make sense if the benefits to ratepayers out-weight the cost  
7                   to ratepayers.

8                   Cal Am's requested budget increases are not supported by its testimony.  
9                   Cal Am has not developed a plan of what software it will be implementing, what it  
10                  will cost, nor how it will benefit ratepayers. Because of a lack of supporting  
11                  detail, Cal Am's forecast should be based on historical performance. The budget  
12                  for enterprise solutions should be adjusted to reflect Cal Am's five-year average  
13                  spending.

14                  Cal Am spent \$21,088,35 on recurring corporate projects from 2020  
15                  through 2024.<sup>226</sup> This total includes \$1,199,365 spent on vehicles, this should be  
16                  removed from the average calculation. This brings the applicable total to  
17                  \$19,888,980. The corporate five-year average annual spending becomes  
18                  \$3,977,796.

19                  The Commission should adopt a total \$3,977,796 annual budget for  
20                  corporate recurring budgets for each year 2025 through 2028.

---

<sup>224</sup> Direct Testimony of Micheal Kurzeja at 5, Lines 13-24.

<sup>225</sup> Direct Testimony of Micheal Kurzeja at 5, Lines 14-15.

<sup>226</sup> Cal Am's Response to Public Advocates Office's Data Request JMI-01, Question 2, Attachment 1 (RPs Completed) CORRECTED.

1     **IV. CONCLUSION**

2         Corporate projects should make the operations of the customer serving districts  
3     more efficient. Customers should not pay for corporate projects that serve shareholders  
4     only, or where costs outweigh the benefits to ratepayers. Cal Am's requested budget is  
5     not supported by testimony or their performance. The Commission should adopt a budget  
6     that reflects Cal Am's historical performance and is not harmful to ratepayers.

7         Cal Am has incentives to invest as much as possible in capital expenditure to  
8     increase its profits. The Commission should hold Cal Am accountable for its investments  
9     and proposals and ensure rates only include projects that are used and useful and  
10    necessary for service.

## **Attachment 1: Witness Qualifications**

**QUALIFICATIONS AND PREPARED TESTIMONY  
OF  
Sari Ibrahim**

Q.1 Please state your name and address.

A.1 My name is Sari Ibrahim and my business address is 320 West 4th Street, Suite 500, Los Angeles, California 90013.

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

A.2 I am a Utilities Engineer in the Water Branch of the Public Advocates Office.

Q.3 Please describe your educational and professional experience.

A.3 I received a Bachelor of Science Degree in Civil Engineering from the Illinois Institute of Technology in 2013. I also earned a Master of Science Degree in Civil Engineering from California State University, Fullerton in 2019.

I have been with the Public Advocates Office – Water Branch since September 2019. I have served as an expert witness in multiple GRCs. Prior to joining the Public Advocates Office, I worked as an engineer primarily in the environmental remediation field for over six years.

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

A.4 My areas of responsibility are reviewing planned capital budgets for the San Diego, Ventura, Los Angeles, and Corporate Districts and Construction Work In Progress company wide.

Q.5 Does that complete your prepared testimony?

A.5 Yes.

## **Attachment 2: American Water June 2025 Investor Presentation**



# Investor Presentation

June 2025



# FORWARD-LOOKING STATEMENTS

---



## Safe Harbor

This presentation includes forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and the Federal securities laws. They are not guarantees or assurances of any outcomes, financial results, levels of activity, performance or achievements, and readers are cautioned not to place undue reliance upon them. The forward-looking statements are subject to a number of estimates and assumptions, and known and unknown risks, uncertainties and other factors. Actual results may differ materially from those discussed in the forward-looking statements included in this presentation. The factors that could cause actual results to differ are discussed in the Appendix to this presentation, and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, as filed with the SEC on April 30, 2025.

## Non-GAAP Financial Information

This presentation includes non-GAAP financial measures. Further information regarding these non-GAAP financial measures, including a reconciliation of each of these measures to the most directly comparable GAAP measure, is included in this presentation.

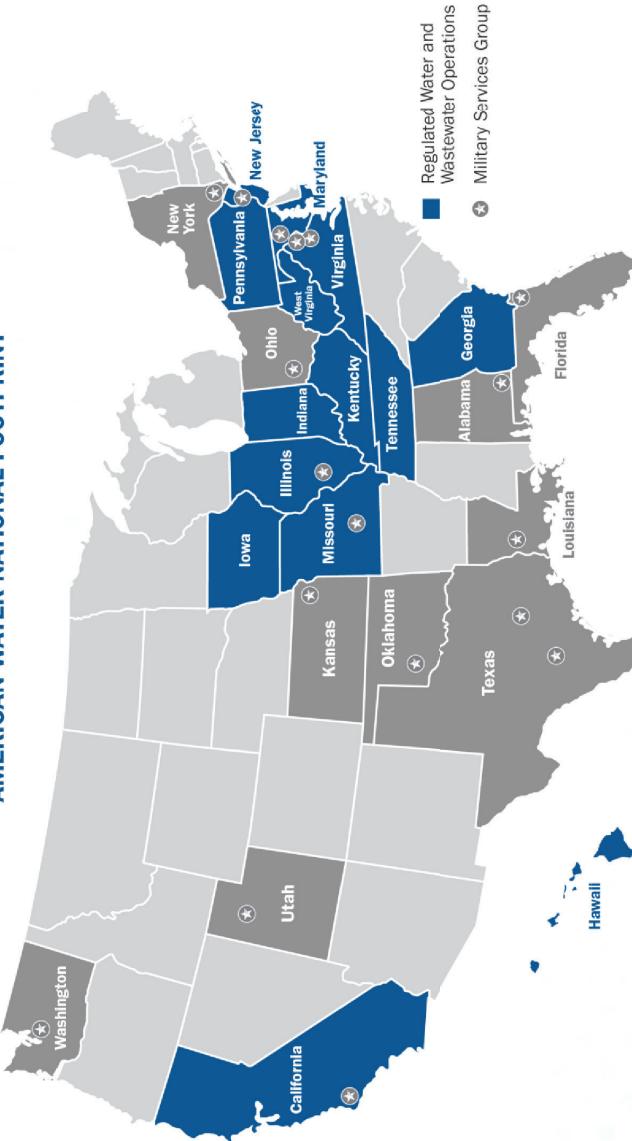


# Business Review



# Only Pure Play, Large-Cap Water Utility in the U.S.

## AMERICAN WATER NATIONAL FOOTPRINT



## Regulated Customer Count\*



\* As of December 31, 2024



## Military Services Group

- Regulated-like earnings
- Serves 18 military installations
  - 12 Army
  - 5 Air Force
  - 1 Navy



## Regulated Operations\*

- 54,500 miles of pipe
- 600 water treatment plants
- 190 wastewater treatment plants
- 1,200 wells and 75 dams

# Long-Term Targets

## Low Risk Capital Plan, Leading Earnings & Dividend Growth Outlook



### EPS GROWTH OUTLOOK

**7.9%**  
Long-Term EPS  
CAGR Target

**REGULATED  
ACQUISITIONS**  
2% Customer Additions

**DRIVERS**  
100% Regulated and  
Regulated-Like  
Earnings

MSG  
Maximize  
Revenue  
Opportunities

**RATE BASE  
GROWTH**  
8.9% (includes acquisitions)

### 2025 EPS Guidance

**2025 Guidance of \$5.65-5.75\***

**8% EPS Growth**  
at midpoint over weather-normalized  
2024 EPS of \$5.27

Higher revenues from investments  
in rate base while proactively  
managing operating costs

### LONG-TERM FINANCIAL TARGETS

#### Drivers of Sustainable Shareholder Return

EPS Growth <b>7.9%</b>	Dividend Per Share Growth <b>7.9%</b>	Customer Affordability + +	Sustainability Leadership + +
---------------------------	--	-------------------------------	----------------------------------

#### Additional Supportive Targets

Dividend Payout Ratio <b>55-60%</b>	Debt to Capital <b>&lt;60%</b>
--	-----------------------------------

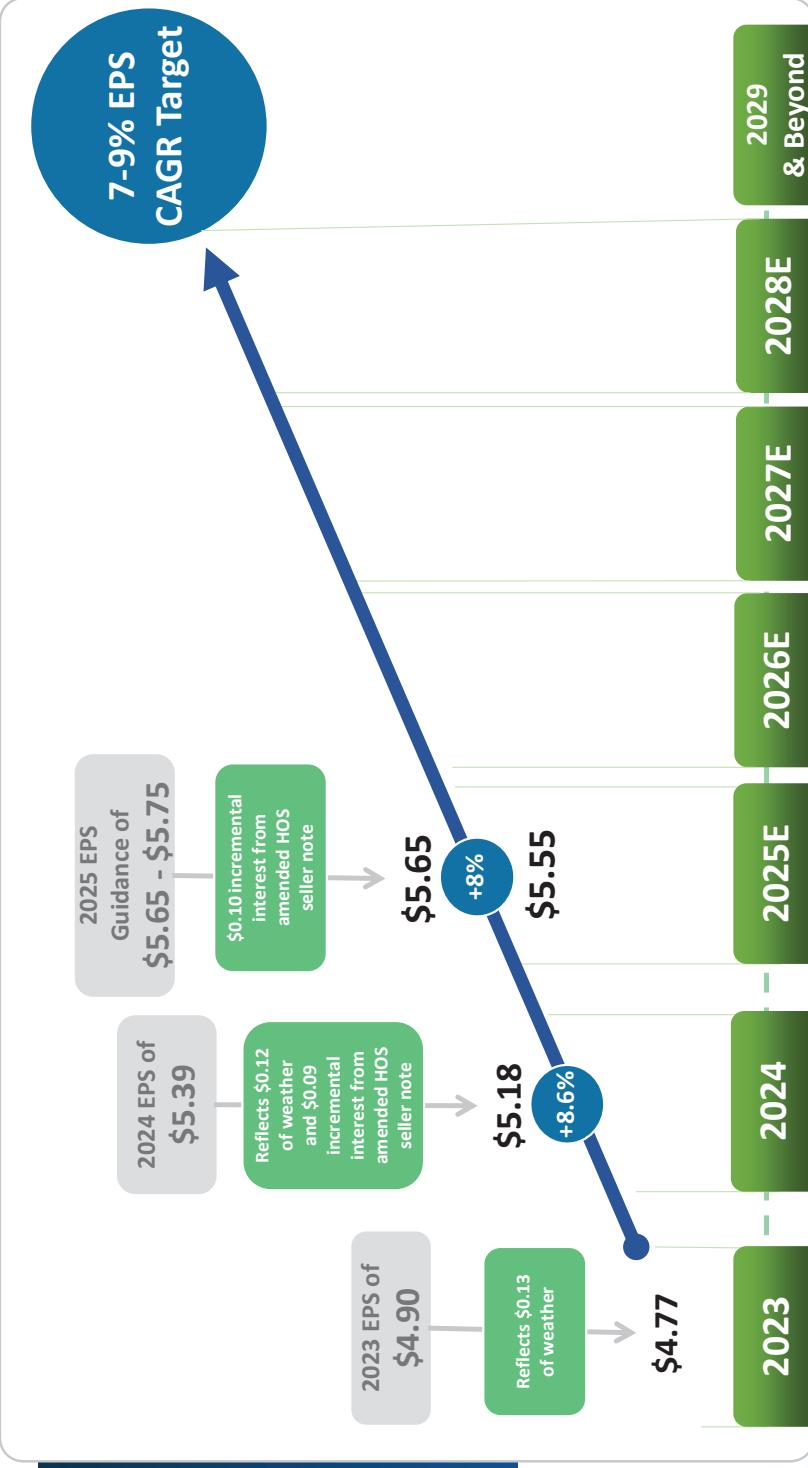
\* Includes \$0.10 per share of incremental interest income from the seller note resulting from the 2021 sale of Homeowner Services Group (HOS) that was amended in early 2024.

## EPS Guidance

*Consistent Future Earnings Growth Within 7-9% Range*



**2025 EPS Guidance**  
**\$5.65 - \$5.75**  
Includes \$0.10 incremental interest  
from amended HOS seller note

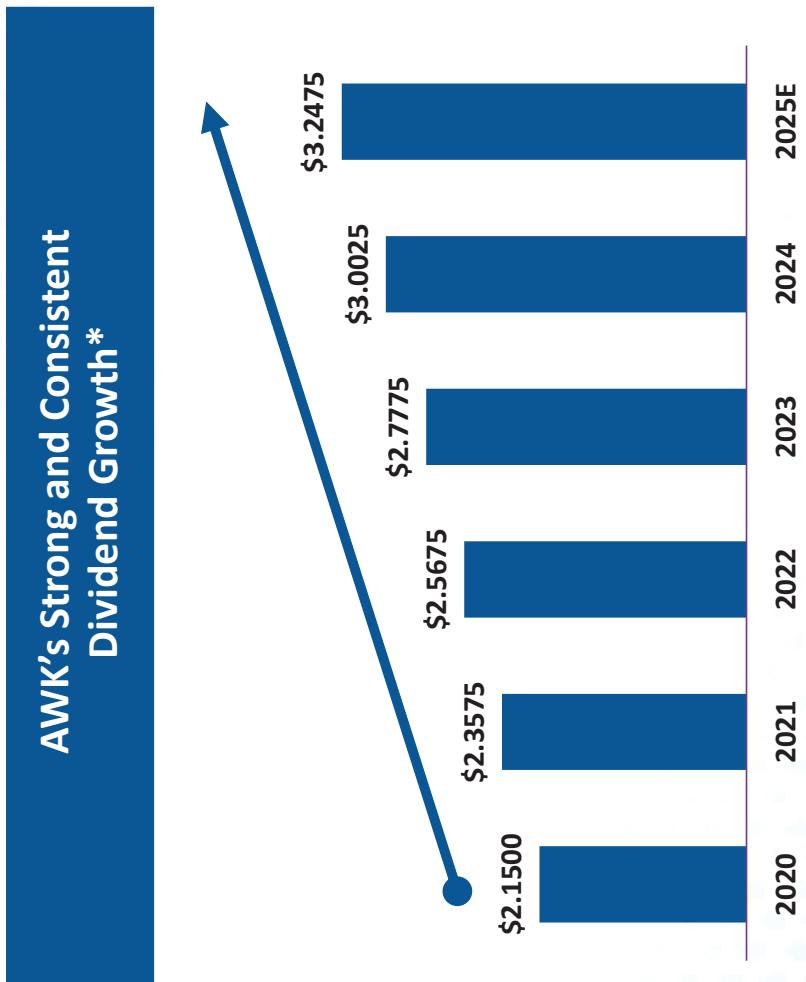


# Top Tier Dividend Growth Continues in 2025

## 8.2% Increase Aligns with Long-Term Target



AMERICAN WATER



AWK's Strong and Consistent  
Dividend Growth\*

Total Dividend Payout Ratio

Long-Term  
Target  
55-60%

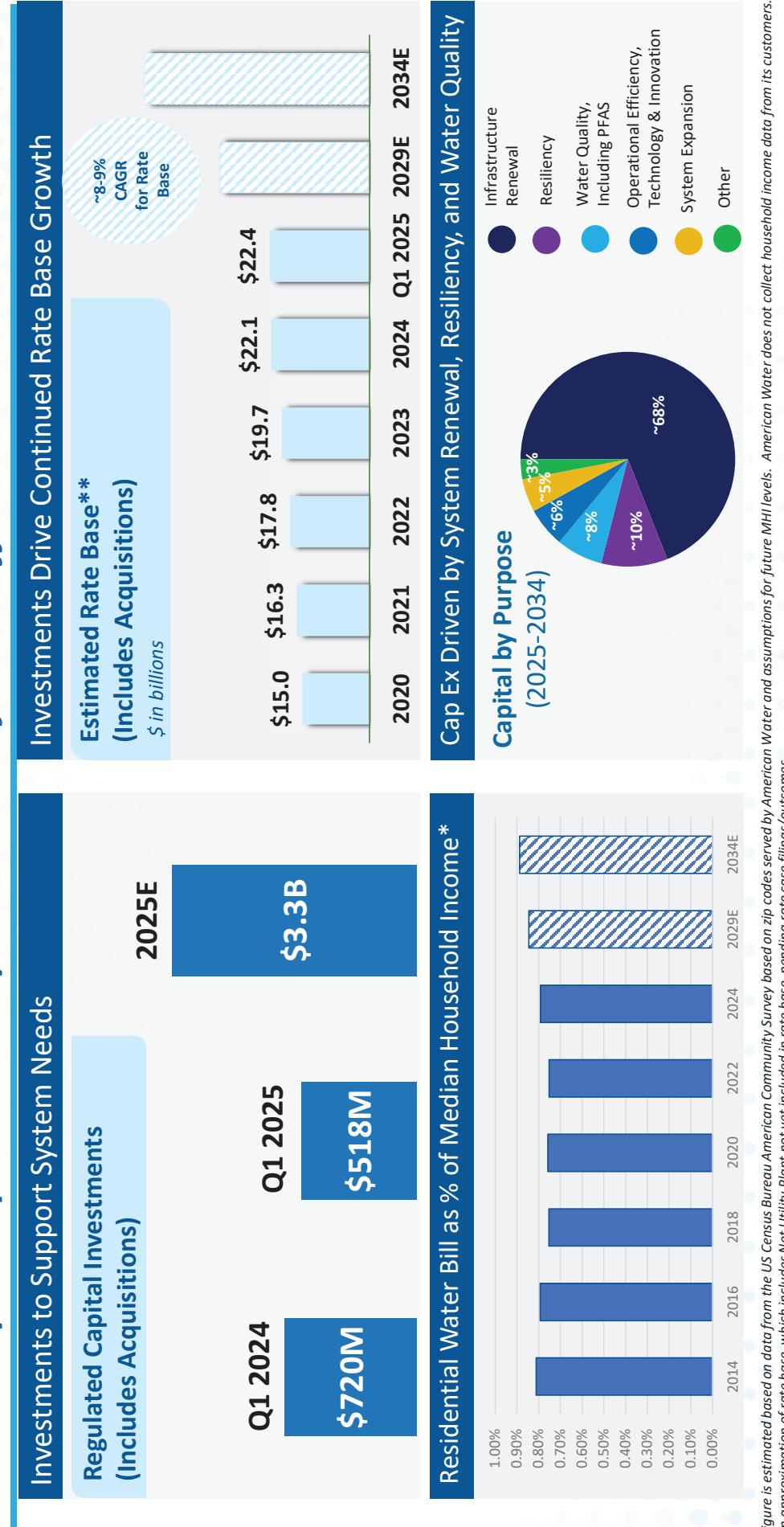
Projected as of  
December 31, 2025\*  
58%

\* Annual projected 2025 cash dividends per share of \$3.2475 over 2025 EPS guidance midpoint of \$5.60, which excludes the \$0.10 incremental interest from amended HOS seller note. Dividend payout ratio would be 57% including such incremental interest.

Note: Chart depicts dividends paid  
\* Future dividends are subject to approval of the American Water Board of Directors.

# Investments Drive Continued Rate Base Growth

## Minimal Impact Expected on CapEx and O&M from Tariffs



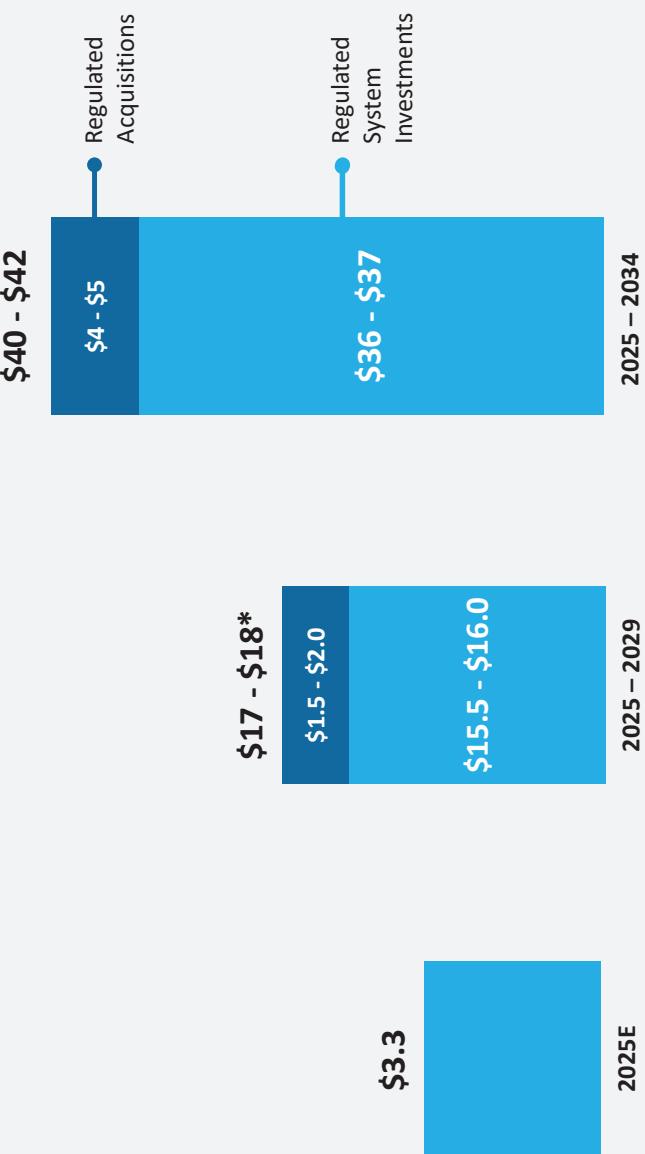
\* Figure is estimated based on data from the US Census Bureau American Community Survey based on zip codes served by American Water and assumptions for future MHI levels. American Water does not collect household income data from its customers.

\*\* An approximation of rate base, which includes Net Utility Plant not yet included in rate base, pending rate case filings/outcomes.

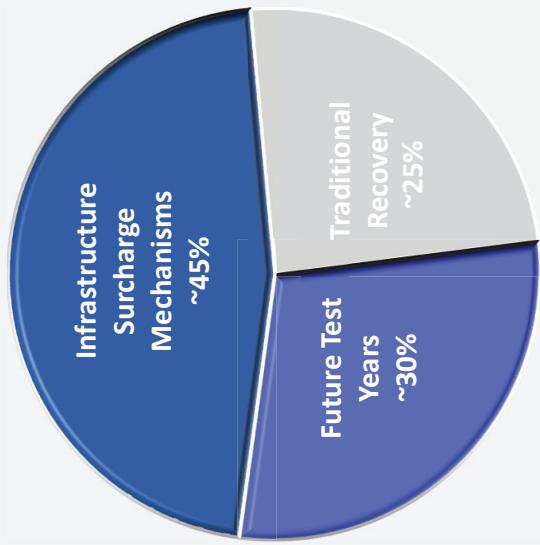
# Five- and Ten-Year Capital Plans: Investments to Support System Needs



Capital Plan (\$ in billions)

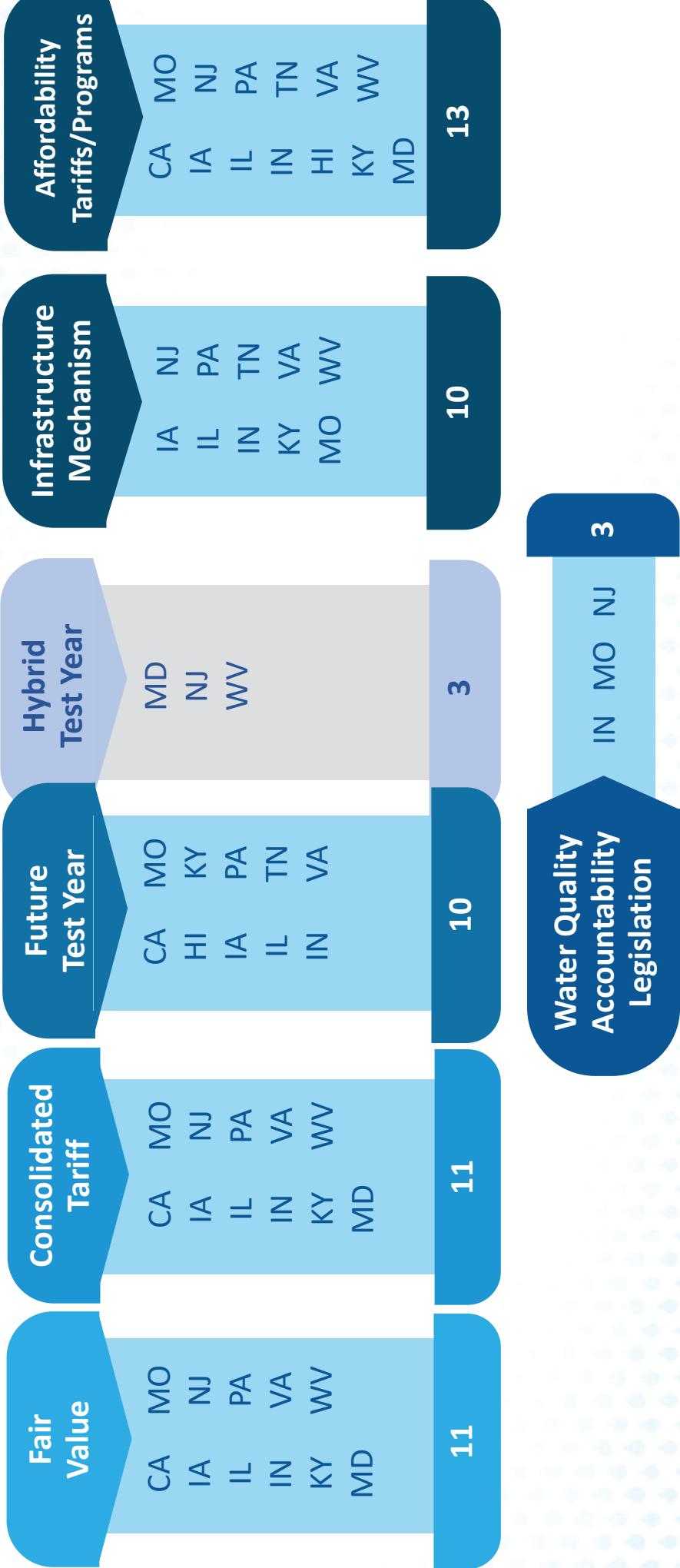


## Capital Recovery Outlook



\*Includes ~\$1 billion related to PFAS, primarily in 2026-2028; and ~\$1 billion related to LCR1.

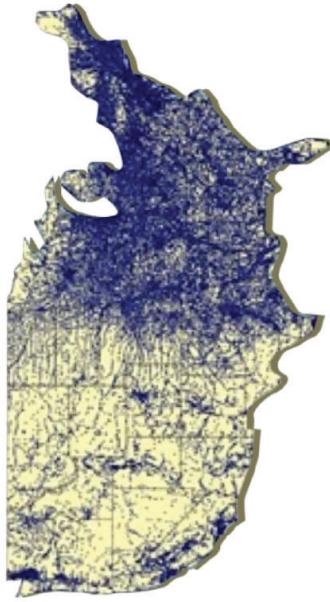
# State Legislation & Regulation Enable Growth



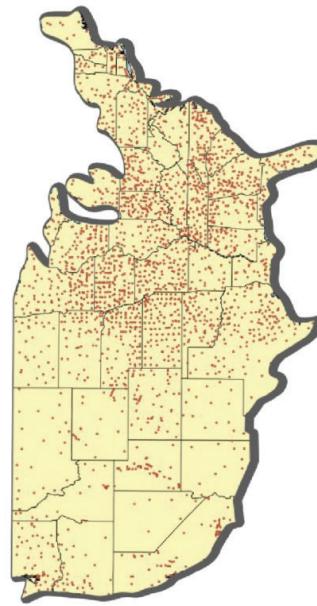
# Highly Fragmented Water/Wastewater Industry Creates Opportunity



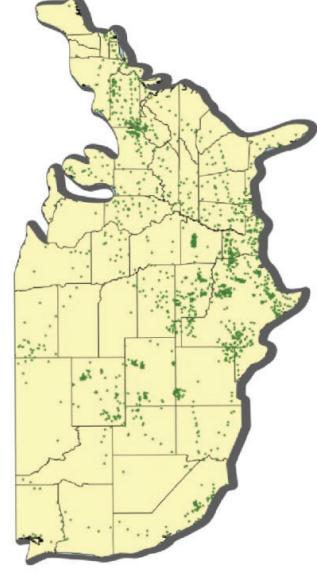
## Water Utilities



## Electric Utilities



## Natural Gas Utilities



## Industry Opportunity

**>50K Water Systems**

**16% Investor Owned**

**84% Public & Other**

Water Utilities Source: EPA SDWIS Federal Reports Search

Electric Utilities Source: Form EIA-861 detailed data files  
[www.eia.doe.gov/electricity/data/eia861](http://www.eia.doe.gov/electricity/data/eia861)

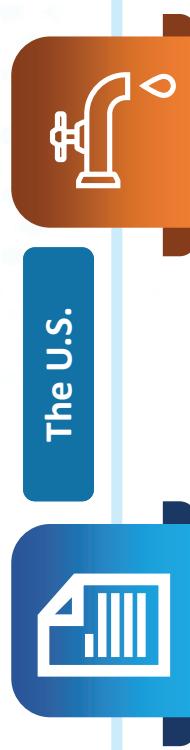
## American Water Footprint

- Ideal for industry consolidation opportunities
- Target 5,000-50,000 customer connections per acquisition
- Water and wastewater focus (AWK customer connections mix - 91% water & 9% wastewater)

Gas Utilities Source: EPA F.L.I.G.H.T. Greenhouse Gas Emissions from Large Facilities  
[Ghgpdata.epa.gov/ghgp/main.do#](http://ghgdata.epa.gov/ghgp/main.do#)

# ASCE 2025 Infrastructure Report Card (March 2025)

## American Society of Civil Engineers' Latest Study Highlights Investment Needs



### Drinking Water: C- Wastewater: D+

#### Report Card Shows No Progress in Four Years

- EPA determined that the U.S. water infrastructure needs stand at \$625 billion over 20 years. That exceeds EPA's 2018 assessment by more than \$150 billion.
- In 2024, the wastewater and stormwater annual capital needs were \$99 billion, with a funding gap of \$69 billion. The funding gap is estimated to grow to more than \$690 billion by 2044.
- Aging infrastructure is also a leading contributor to water loss. Approximately 33.3 trillion gallons is lost annually, resulting in more than \$187 billion in lost revenue.



#### Water Supply/Treatment, Pipe Replacement, Etc.

- Aging infrastructure, extreme weather events, and costs associated with regulatory compliance place increased strain on the nation's water systems.
- Aging infrastructure is also a leading contributor to water loss. Approximately 33.3 trillion gallons is lost annually, resulting in more than \$187 billion in lost revenue.



### United States' Vast Infrastructure Needs

#### AWK Must Continue to Invest in Current Systems

- 54,500 miles of pipe in our footprint; avg. age of 50-60 yrs.
- Methodical replacement of 400-450 miles of pipe/year; decades of pipe replacement needed
- Over the next ten years, we plan to invest \$36-37 billion in our systems to help ensure safe, clean, reliable and affordable water and wastewater service.
- >50k water systems and >17k wastewater systems in the U.S.; extreme fragmentation and poor state of infrastructure offers opportunity for us to grow
- Acquisition pipeline of more than 1.5 million connections
- Wastewater growth is a natural opportunity; our customer mix is currently 91% water, 9% wastewater



### Acquisition Opportunities Plentiful

#### Consolidation Promotes Efficiencies, Real Progress

- >50k water systems and >17k wastewater systems in the U.S.; extreme fragmentation and poor state of infrastructure offers opportunity for us to grow
- Acquisition pipeline of more than 1.5 million connections
- Wastewater growth is a natural opportunity; our customer mix is currently 91% water, 9% wastewater

## Critical Need for Multi-Decade Investment in Water/Wastewater Infrastructure

Source: <https://infrastructurereportcard.org/>



## Continued Strong Balance Sheet & Credit Ratings



**S&P**  
**A**  
*(Stable Outlook)*

**Moody's**  
**Baa1**  
*(Stable Outlook)*

Ratings and Stable Outlook affirmed at S&P / Moody's (Apr. '25/Jan. '25)

Low risk business profile  
✓ Strong regulatory jurisdictions  
✓ Supportive financial plans

### AWK Long-Term Senior Unsecured Ratings



Note: March 31, 2025 percentage shown is net of cash and cash equivalents of \$114 million.

### Consolidated Debt Maturity Profile as of March 31, 2025 (Rounded)



### Liquidity Profile (\$ in millions rounded)



✓ Credit Facility capacity of \$2.75 billion  
✓ Maturity date of October 2029

\*Proceeds of \$795 million from the note related to the sale of HOS are due to the Company in December 2026.

# Military Services Group Provides Strategic Value



AMERICAN WATER

## Military Services Group

- ◆ Regulated-like earnings
- ◆ Favorable ROI opportunity
- ◆ Capital light / cash flow positive
- ◆ Positive branding
- ◆ Leverage core competencies
- ◆ Dual wins for AWK & U.S.

Currently Serving  
18 Military Installations



12 Army



5 Air Force



1 Navy



0 Marine Corps

70 Additional Installation  
Opportunities



15 Army



23 Air Force



19 Navy



13 Marine Corps

# AWK's Steady Growth Drivers Serve Critical Needs



## Low-Risk Plan to Achieve 7-9% EPS/DPS Growth that is Affordable



### Aging Pipes, Meters, and Service Lines

#### Decades of Pipe Replacement Needed

- 54,500 miles of pipe in our footprint; avg. age of 50-60 yrs.
- Methodical replacement of 400-450 miles of pipe/year, equates to a replacement cycle that will last for multiple decades



### Increasing Water Quality and Resiliency Needs

#### Treatment Plant and System Upgrades Req'd

- Estimated ~\$1B of capital for PFAS compliance
- Mandatory **lead pipe replacement** by end of 2037 to comply with the Lead & Copper Rule Improvements
- ~10% of our capital plan allocated to hardening for resiliency, including for weather variability



### Acquisition Opportunities Plentiful

#### Consolidation Promotes Efficiencies, Best Practices

- >50k water systems and >17k wastewater systems in the U.S.; **extreme fragmentation offers opportunity for us to grow**
- Acquisition pipeline of more than 1.5 million connections
- Wastewater growth is a natural opportunity; our customer mix is currently 91% water, 9% ww



### Affordability of Water Remains Industry Best

#### Consistently Lowest Utility Bill for Customers

- Current 10-year outlook projects AW's water bills at **or below 1%** of median household income
- Rate recovery by customer class well-established, as opposed to data center-driven uncertainty
- Continually advocating for programs and tariffs to assist lower income customers

**Foundational Elements of our Low-Risk Plan to Achieve 7-9% EPS/DPS Growth**

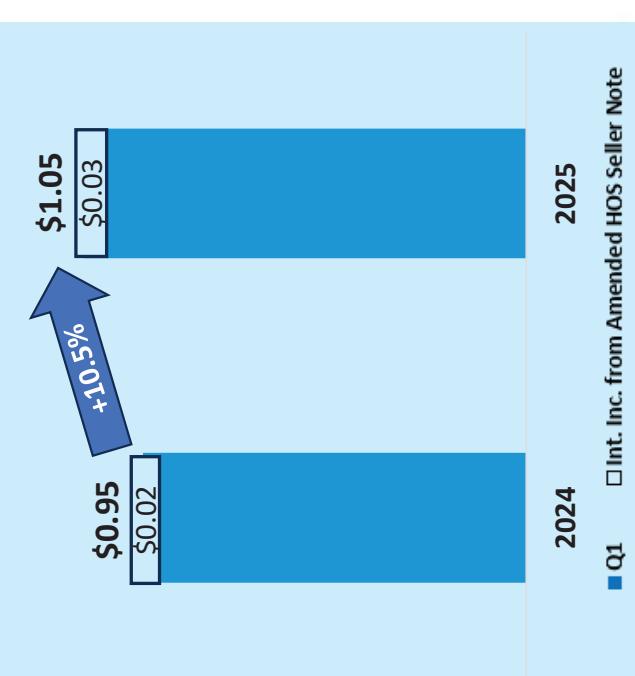


# First Quarter/YTD 2025 Results

# First Quarter 2025 Results On Track



## Earnings Per Share



## Q1/YTD Highlights

- ✓ 2025 Q1 EPS of \$1.05 driven by higher revenue on increased rate base and 2024 rate case outcomes
- ✓ Continued success in regulatory execution
  - New rates effective in MO, IL, TN, VA and CA; Constructive, settled outcome in MO rate case
- ✓ Invested \$518 million in infrastructure improvements and acquisitions in the first quarter
- ✓ Issued \$800 million in senior notes in February
- ✓ Announced a dividend increase of 8.2% in April
- ✓ Strong, investment grade credit ratings of A and Baa1 affirmed at S&P and Moody's, resp., in 2025

# General Rate Case Updates



## Rate Cases in Progress

State Subsidiary	Filed	Capital Investment	Rates Expected Effective Date
Kentucky	5/16/25	\$212 million	Interim Rates effective Dec. 2025
West Virginia	5/5/25	\$300 million	March 1, 2026 March 1, 2027
Hawaii	8/2/24	\$41 million	Mid-2025

On April 25, 2025, Hawaii American Water entered into a partial settlement agreement with the Division of Consumer Advocacy. Settlement reflects an annualized revenue increase of \$1 million, as compared to the request of \$2 million.

## 2025 Completed Rate Cases

State Subsidiary	Type	Additional Authorized Revenue	Rates Effective Date
Missouri	General	\$63 million	May 28, 2025
Virginia	General	\$15 million	February 24, 2025
Tennessee	General	\$1 million	January 21, 2025
Iowa	General	\$13 million	Mid-2025 <sup>(1)</sup>

<sup>(1)</sup> The effective date for new rates will be established by the Commission after Iowa American Water files for rates that reflect the Order and the Commission completes its review of that filing.

## Date of Previous GRC Filings by State

MD	CA	IN	VA	PA	NJ	IL	TN	IA	MO	HI*	WV*	KY*
June 28, 2018	July 1, 2022	March 31, 2023	Nov. 1, 2023	Nov. 8, 2023	Jan. 19, 2024	Jan. 25, 2024	May 1, 2024	May 1, 2024	July 1, 2024	Aug. 2, 2024	May 5, 2025	May 16, 2025

\*In progress

# 2025 YTD Legislative Updates



## Missouri - Future Test Year (SB4)

- Water and wastewater utilities may request the use of a Future Test Year in a general rate case beginning July 1, 2026
- Passed on March 13, 2025 - signed by the Governor on April 9, 2025
- Legislation becomes effective on August 28, 2025

## Indiana - Water Utility Infrastructure (DSIC, Acquisition Recovery, and Lawsuit Immunity) (SB426)

- Allows for deferred depreciation from in-service date and post in-service carrying costs. Authorizes IURC to approve mechanisms to allow utilities to invest in and earn on acquired utility assets. Amended to include language prohibiting lawsuits against a utility that is compliant with water quality standards
- Passed on March 24, 2025 - signed by the Governor on April 3, 2025
- Legislation becomes effective on July 1, 2025

## Virginia - Eligible Infrastructure Replacement and Enhancement (SB850)

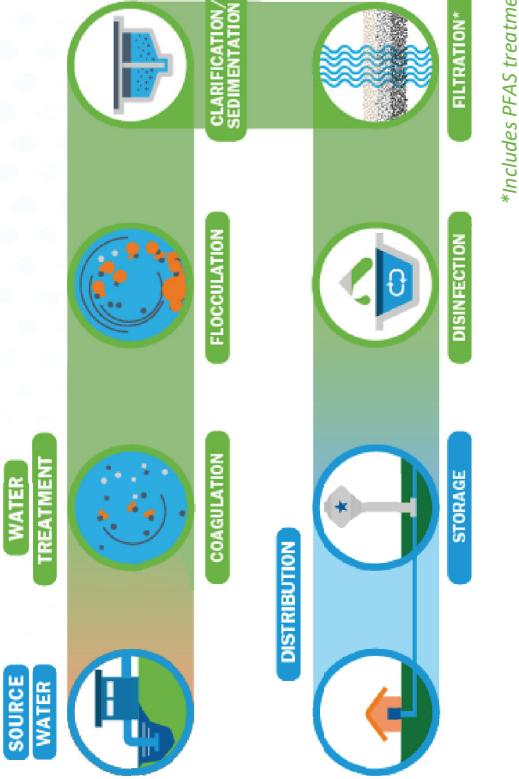
- Provides expanded eligibility for recovery of more types of infrastructure investments for water and wastewater utilities outside of a base rate case
- Passed on February 20, 2025 - signed by the Governor on March 24, 2025
  - Legislation becomes effective July 1, 2025

# PFAS Treatment Plans Remain on Track



## Implications of Final Federal PFAS Rule

- Drinking water limits of 4.0 parts per trillion for PFOA and PFOS affirmed by U.S. EPA on May 14, 2025.
- American Water's still estimates ~\$1B of capital and up to ~\$50M annually for operating expenses.
- American Water has entered into a nine-year supply contract with Calgon Carbon to supply granular activated carbon, equipment and reactivation services to >50 treatment sites across 10 states through 2033.
- U.S. EPA designated PFOA and PFOS as hazardous substances under CERCLA through a separate rulemaking in April 2024. The Company is actively advocating and supporting bipartisan legislation that would provide PFAS liability protections under CERCLA for water and wastewater systems, as passive receivers of PFAS.



## PFAS Litigation Recap

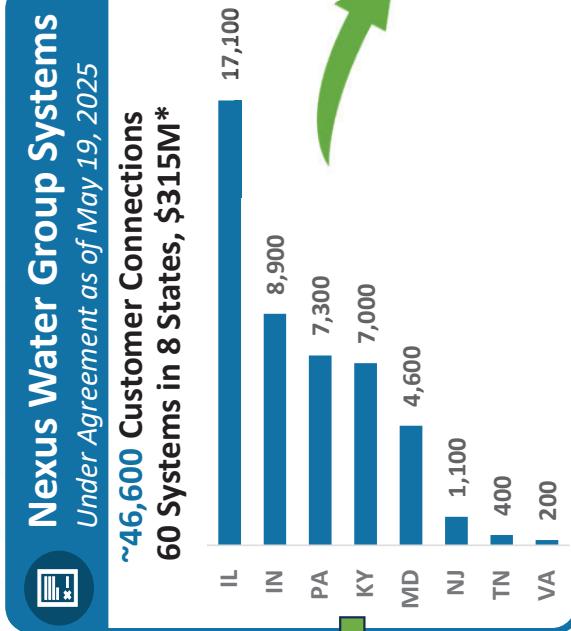
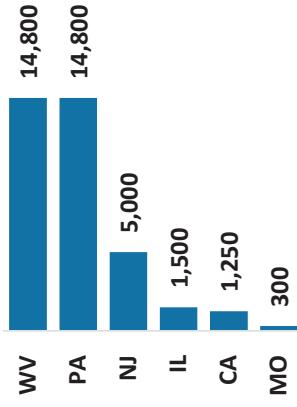
- American Water is a party to the Multi-District Litigation (MDL) lawsuit against several PFAS manufacturers.
- We remain a party to four settlements, which we believe is the best path for our customers.
  - In Feb. and Mar. 2024, the MDL court approved settlements with DuPont and 3M, respectively; the amount of proceeds to be received from each settlement is pending.
  - In Nov. 2024, the MDL court approved settlements with Tyco Fire Products LP and BASF Corporation; the amount of proceeds to be received from each settlement is pending.

# Strong Acquisition Outlook

*~84,000 Customer Connections Under Agreement Across Several States*



 **Under Agreement**  
As of May 31, 2025  
~**37,650 Customer Connections**  
**18 Acquisitions in 6 States, \$195M**



 **Closed**  
As of May 31, 2025  
~**5,100 Customer Connections**  
**5 Acquisitions in 3 States, \$13M**

 **Acquisition of Nexus Systems**  

- Closing expected by or before Aug. 2026
- Adds customers in existing states
- Expands in-state geographies for follow-on acquisitions
- Leverages existing state/corporate operations and support

\* Subject to adjustment following the closing of the agreement based on the calculations and criteria provided in the Purchase Agreement.

## More than 1.5 Million Customer Connections in Pipeline

# 2025 EPS Guidance of \$5.65 to \$5.75\*\*

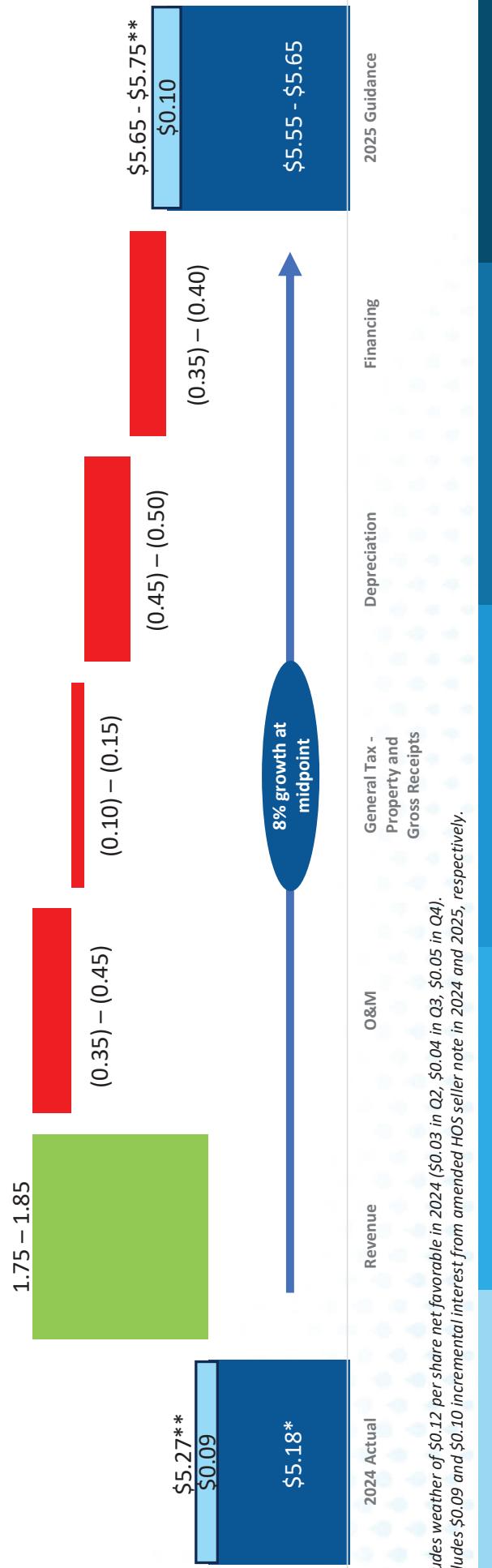


## 2025 Growth Drivers

- ✓ **8% EPS growth in 2025 (at midpoint) vs. 2024 on a weather-normalized basis**
  - Revenue growth in base rates and in infrastructure mechanisms from capital investment
  - Focus on customer affordability by continuing to drive effective and efficient cost management strategies
  - Deliver cost effective financing while maintaining balance sheet strength and credit profile

## 2025 Debt Financing Update

- ✓ Successfully executed \$800 million long-term note offering in February
  - 10-year, senior unsecured note at 5.25%, due 2035
- ✓ Expected remaining 2025 financing plan includes \$0.7-\$1.2B of long-term debt financing for a total of \$1.5-\$2.0B in 2025



\* Excludes weather of \$0.12 per share net favorable in 2024 (\$0.03 in Q2, \$0.04 in Q3, \$0.05 in Q4).

\*\* Includes \$0.09 and \$0.10 incremental interest from amended HOS seller note in 2024 and 2025, respectively.



# Appendix

# Forward Looking Statements



Certain statements made, referred to or relied upon in this presentation including, without limitation, 2025 earnings guidance, the Company's long-term financial growth and dividend targets, the ability to achieve the Company's strategies and goals, customer affordability and acquired customer growth, the outcome of the Company's pending acquisition activity, the amount and allocation of projected capital expenditures and its capital recovery outlook, and estimated revenues from rate cases and other government agency authorizations, are forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and the Federal Securities laws. In some cases, these forward-looking statements can be identified by words with prospective meanings such as "intend," "plan," "estimate," "believe," "anticipate," "expect," "predict," "project," "propose," "likely," "uncertain," "future," "outlook," "assume," "forecast," "likely," "potential," "objective," "potential," "continue," "seek to," "may," "can," "will," "should" and or the negative of such terms or other variations or similar expressions. These forward-looking statements are predictions based on American Water's current expectations and assumptions regarding future events. They are not guarantees or assurances of any outcome, financial results, levels of activity, performance or achievements, and readers are cautioned not to place undue reliance upon them. The forward-looking statements are subject to a number of estimates, assumptions, known and unknown risks, uncertainties and other factors. The Company's actual results may vary materially from those discussed in the forward-looking statements included in this presentation as a result of the factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, and subsequent filings with the SEC, and because of factors such as: the decisions of governmental and regulatory bodies, including decisions to raise or lower customer rates; the timelines and outcome of regulatory commissions' and other authorities' actions concerning rates, capital structure, authorized return on equity, capital investment, system acquisitions and dispositions, taxes, permitting, water supply and management, and other decisions; changes in customer demand for, and patterns of use of, water and energy; natural disasters, including drought or abnormal ice or freezing conditions, strong winds coastal and inland flooding, pandemics and epidemics, earthquakes, landslides, wildfires, electrical storms, sinkholes and solar flares; the outcome of litigation and similar governmental and regulatory proceedings, investigations or actions; the risks associated with the Company's aging infrastructure, and its ability to appropriately improve the resiliency of or maintain, update, redesign and/or replace, current or future infrastructure and systems, including its technology and other assets; and manage the expansion of its businesses; exposure or infiltration of the Company's technology and critical infrastructure systems, including the disclosure of sensitive, personal or confidential information contained therein, through physical or cyber attacks or other means, and impacts from required or voluntary public and other disclosures, as well as civil class action and other litigation or legal, regulatory or administrative proceedings related thereto; the Company's ability to obtain permits and other approvals for projects and construction; update, redesign and/or replacement of various water and policies, and impacts resulting from U.S., state and local elections and changes in federal, state and local executive administrations; the Company's ability to collect, distribute, use, secure and store consumer data in compliance with current or future governmental laws, regulations and policies with respect to data and consumer privacy, security and protection; weather conditions and events, climate variability patterns, and natural disasters, including drought or abnormal ice or freezing conditions, strong winds coastal and inland flooding, pandemics and epidemics, earthquakes, landslides, wildfires, electrical storms, sinkholes and solar flares; the outcome of litigation and similar governmental and regulatory proceedings, investigations or actions; the risks associated with the Company's aging infrastructure, and its ability to appropriately improve the resiliency of or maintain, update, redesign and/or replace, current or future infrastructure and systems, including its technology and other assets; and manage the expansion of its businesses; exposure or infiltration of the Company's technology and critical infrastructure systems, including the disclosure of sensitive, personal or confidential information contained therein, through physical or cyber attacks or other means, and impacts from required or voluntary public and other disclosures, as well as civil class action and other litigation or legal, regulatory or administrative proceedings related thereto; the Company's ability to control operating expenses and to achieve operating efficiencies; and the Company's ability to create, maintain and promote initiatives and programs that support the affordability of the Company's regulated utility services; the intentional or unintentional actions of a third party, including contamination of the Company's water supplies or the water provided to its customers; the Company's ability to obtain and have developed adequate and cost-effective supplies of pipe, equipment (including personal protective equipment), chemicals, power and other fuel, water and other raw materials, and to address or mitigate supply chain constraints that may result in delays or shortages in, as well as increased costs of, supplies, products and materials that are critical to or used in the Company's business operations; the Company's ability to successfully meet its operational growth projections, either individually or in the aggregate, and capitalize on growth opportunities, including, among other things, with respect to: acquiring, closing and successfully integrating regulated operations, including without limitation the Company's ability to (i) obtain required regulatory approvals for such acquisitions, (ii) prevail in litigation or other challenges related to such acquisitions, and (iii) recover in rates the fair value of assets of the acquired regulated operations; the Company's Military Services Group entering into new military installation contracts, price redeterminations, and other agreements and contracts, with the U.S. government; and realizing anticipated benefits and synergies from new acquisitions; risks and uncertainties following the completion of the sale of the Company's Homeowner Services Group ("HOS"), including the Company's ability to receive amounts due, payable to the Company under the amended secured seller note when due; and the ability of the Company to redeploy successfully and timely the net proceeds of this transaction into the Company's Regulated Businesses; risks and uncertainties associated with contracting with the U.S. government, including ongoing compliance with applicable government procurement, security and cybersecurity regulations; cost overruns relating to improvements in or the expansion of the Company's operations; the Company's ability to successfully develop and implement new technologies and to protect intellectual property; the Company's ability to maintain safe work sites; the Company's exposure to liabilities related to environmental laws and regulations, including those enacted or adopted and under consideration, and the substances related thereto, including without limitation copper, lead and galvanized steel, PFAS and other contaminants of emerging concern; and similar matters resulting from, among other things, water and wastewater service provided to customers; the ability of energy providers, state governments and other third parties to achieve or fulfill their greenhouse gas emission reduction goals, including without limitation through state renewable portfolio standards and carbon transition plans; changes in general economic, political, business and financial market conditions; access to sufficient debt and/or equity capital on satisfactory terms and as needed to support operations and capital expenditures; fluctuations in inflation or interest rates, and the Company's ability to address or mitigate the impacts thereof; the ability to comply with affirmative or negative covenants in the current or future indebtedness of the Company or any of its subsidiaries (or any current or future indebtedness thereof), which could increase financing costs or funding requirements and affect the Company's or its subsidiaries' ability to issue, repay or redeem debt, pay dividends or make distributions; fluctuations in the value of, or assumptions and estimates related to, its benefit plan assets and liabilities, including with respect to its pension and other post-retirement benefit plans, that could increase expenses and plan funding requirements; changes in federal or state general, income and other tax laws, including without limitation impacts related to the Corporate Alternative Minimum Tax); and (ii) the availability of, or the Company's compliance with, the terms of applicable tax credits and tax abatement programs; migration of customers into or out of the Company's service territories and changes in water and energy consumption resulting therefrom; the use by municipalities of the power of eminent domain or other authority to condemn the systems of one or more of the Company's utility subsidiaries, including without limitation litigation and other proceedings with respect to the water system assets of the Company's California subsidiary located in Monterey, California, or the assertion by private landowners of similar rights against such utility subsidiaries; any difficulty or inability to obtain insurance for the Company, its inability to obtain reimbursement under existing or future insurance programs and coverages for any losses sustained; the incurrence of impairment charges, changes in fair value and other adjustments related to the Company's goodwill or the value of its other assets; labor actions, including work stoppages and strikes; the Company's ability to retain and attract highly qualified and skilled employees and talent; civil disturbances or unrest, or terrorist threats or acts; or public apprehension about future disturbances, unrest, or terrorist threats or acts; and the impact of new, and changes to existing, accounting standards.

These forward-looking statements are qualified by, and should be read together with, the risks and uncertainties set forth above, and the risk factors included in American Water's annual, quarterly and other SEC filings, and readers should refer to such risks, uncertainties and risk factors in evaluating such forward-looking statements. Any forward-looking statements American Water makes shall speak only as of the date of this presentation. Except as required by the federal securities laws, American Water does not have any obligation, and it specifically disclaims, any undertaking or intention, to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or otherwise. New factors emerge from time to time, and it is not possible for the Company to predict all such factors. Furthermore, it may not be possible to assess the impact of any such factor on the Company's businesses, either viewed independently or together, or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. The foregoing factors should not be construed as exhaustive.

# 2025 Earnings and 2025 Earnings Guidance (Non-GAAP) AMERICAN WATER

This presentation includes a description of American Water's 2025 earnings per share guidance range, and its 2025 dividend payout ratio, excluding the incremental interest from the amendment in early 2024 of the HOS seller note. This information would constitute "non-GAAP financial measures" under SEC rules. They are derived from American Water's consolidated financial information but not presented in financial statements prepared in accordance with generally accepted accounting principles ("GAAP"). This information supplements American Water's GAAP disclosures and should be considered in addition to, and not in substitution of, measures of financial performance prepared in accordance with GAAP. Management believes this information is useful to American Water's investors because it excludes an item not reflective of its ongoing operating results, and the presentation will allow investors to understand better the operating performance of American Water's regulated businesses. Although management will use this information internally to evaluate American Water's results of operations and to facilitate a meaningful year-to-year comparison thereof, management does not intend this information to represent future results as defined by GAAP, and investors should not consider it as such. In addition, this information may not be comparable to similar presentations by other companies, and, accordingly, it may have significant limitations in its use.

## Details of First Quarter 2025 EPS



\* Results for the three months ended March 31, 2025 and 2024 include incremental interest income of \$0.03 and \$0.02 per share, respectively, resulting from the early 2024 amendment to the secured seller note from the sale of the former HOS business.

## Successfully Executed \$800M Note Offering *Closed this offering on February 27, 2025*



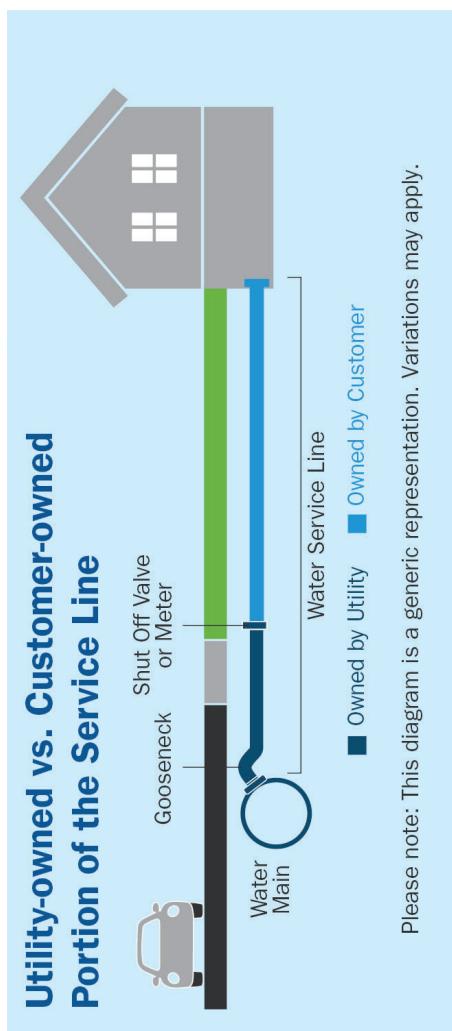
- 2025 financing plan includes \$1.5-2.0B of long-term debt financing
- Strong demand for issuance (3x over-subscribed) and successful execution helps fund growth while managing financing costs

Successfully Executed \$800 Million Senior Note Offering	
Issuer	American Water Capital Corp.
Pricing Date	February 24, 2025
Tenor	10yr Senior Unsecured
Size	\$800M
Annual Interest Rate	5.250%

# Lead Service Lines Remain in Focus

## Review of U.S. EPA's Lead and Copper Rule Improvements Rule

- On October 8, 2024, the United States Environmental Protection Agency (EPA) announced final Lead and Copper Rule Improvements (LCRI).
  - The LCRI includes requirements related to (1) achieving lead replacement by the end of 2037, 10 years from the Compliance Date; (2) locating legacy lead pipes; (3) improving tap water sampling; (4) lowering the lead action level; and (5) strengthening protections to reduce exposure.
  - American Water consistently meets water quality standards related to the lead and copper rules across our footprint and believes removing the risk of lead service lines over time is the right thing to do for the health and safety of our customers.
  - Developing an accurate, comprehensive inventory, including identifying the material of service lines where the material is currently unknown, is an important next step in eliminating lead service lines.
  - We believe all stakeholders must understand the costs associated with the proposed improvements to the Lead and Copper Rule and that the EPA estimates are likely understated. The cost to identify the material of all unknown service lines and replace all lead service lines and galvanized lines, where needed, by 2037 will require significant investment for all water systems.
  - American Water is in the process of developing an estimate of capital expenditures and operating costs needed to meet the specific requirements of the LCRI. Capital expenditures and operating costs associated with compliance with federal water quality regulations have been traditionally recognized by PUCs as appropriate for inclusion in establishing rates.



Please note: This diagram is a generic representation. Variations may apply.

# Reconciliation of Estimated Rate Base



Estimated Rate Base*	
	As of 3/31/2025
Net Utility Plant	\$28.3
<i>Less</i>	
Advances for Construction	\$0.4
CIAC – Contributions in Aid of Construction	\$1.6
Net Deferred Income Taxes	\$3.9
	\$5.9
<b>Total Estimated Rate Base</b>	<b>\$22.4</b>

\* An approximation of rate base, which includes Net Utility Plant not yet included in rate base, pending rate case filings/outcomes.

# Closed Acquisitions



 **May 31, 2025**

STATE	NUMBER OF SYSTEMS	WATER CUSTOMER CONNECTIONS	WASTEWATER CUSTOMER CONNECTIONS	TOTAL CUSTOMER CONNECTIONS
Pennsylvania	2	4,500	-	4,500
California	2	350	-	350
New Jersey	1	250	-	250
<b>Total</b>	<b>5</b>	<b>5,100</b>	<b>-</b>	<b>5,100</b>

# Acquisitions Under Agreement



May 31, 2025

+ Nexus Water Group Systems

STATE	NUMBER OF SYSTEMS	WATER CUSTOMER CONNECTIONS		WASTEWATER CUSTOMER CONNECTIONS	TOTAL CUSTOMER CONNECTIONS
		WATER CUSTOMER CONNECTIONS	WASTEWATER CUSTOMER CONNECTIONS		
West Virginia	3	2,500	-	12,300	14,800
Pennsylvania	8	6,000	8,800	-	14,800
New Jersey	1	5,000	-	-	5,000
Illinois	1	-	-	1,500	1,500
California	2	1,250	-	-	1,250
Missouri	2	300	-	-	300
Sub-Total	18	15,050	22,600	37,650	37,650

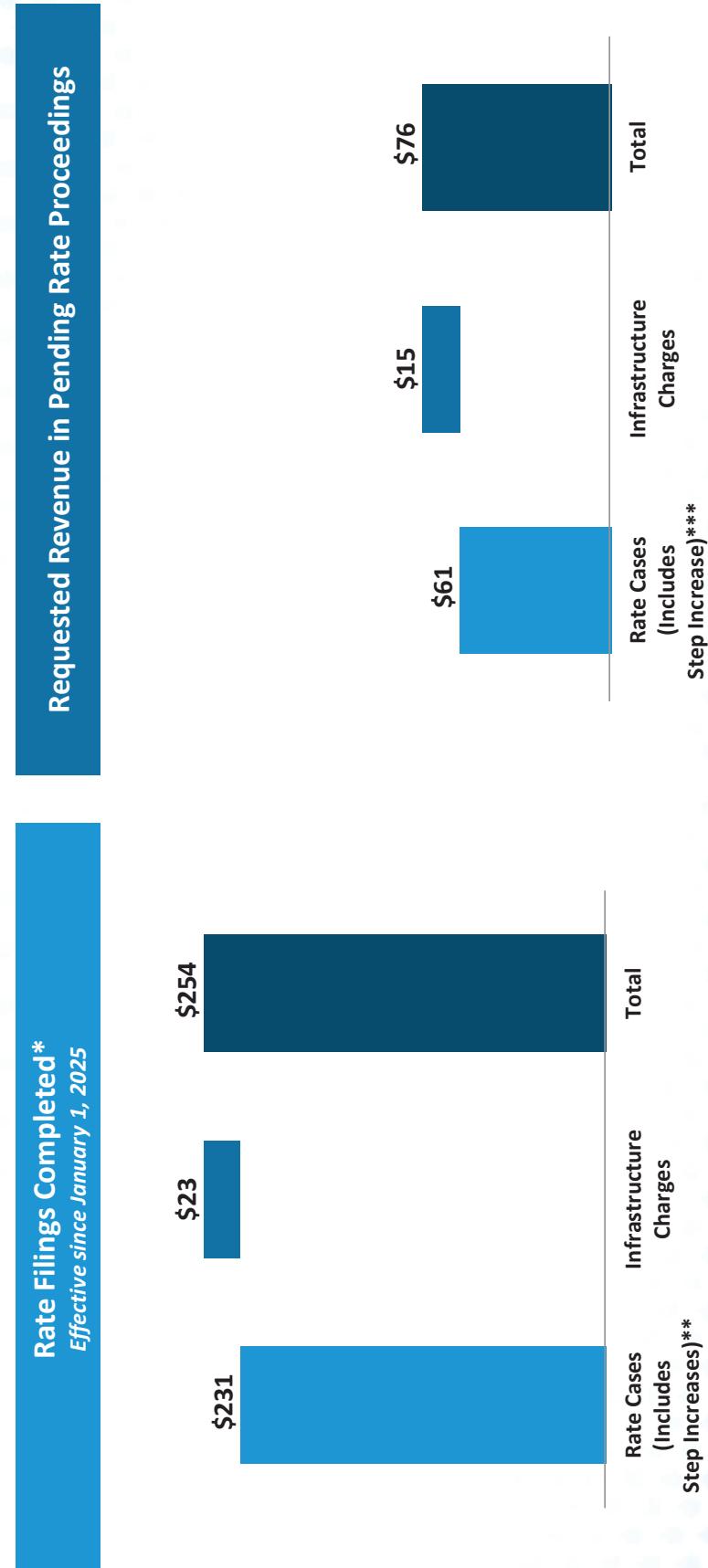
  

STATE	NUMBER OF SYSTEMS	WATER CUSTOMER CONNECTIONS		WASTEWATER CUSTOMER CONNECTIONS	TOTAL CUSTOMER CONNECTIONS
		WATER CUSTOMER CONNECTIONS	WASTEWATER CUSTOMER CONNECTIONS		
Illinois	37	13,300	3,800	-	17,100
Indiana	5	5,500	3,400	-	8,900
Pennsylvania	6	3,300	4,000	-	7,300
Kentucky	2	7,000	-	-	7,000
Maryland	6	3,550	1,050	-	4,600
New Jersey	2	900	200	-	1,100
Tennessee	1	400	-	-	400
Virginia	1	-	200	-	200
Sub-Total	60	33,950	12,650	46,600	46,600
Total	78	49,000	35,250	84,250	84,250

# Annualized Revenue from Rate Proceedings



(\$ in millions)



\* Annualized revenue increase for rates effective since January 1, 2025

\*\* Does not include certain step increases in California which have been approved, but not yet effective

\*\*\* Excludes revenue already approved through infrastructure mechanisms

# Rates Effective Since...



January 1, 2025					
Rate Cases & Step Increases		Date Effective	Annualized Revenue Increases	Infrastructure Charges	Date Effective
Illinois	1/1/2025	105 <sup>(a)</sup>		Kentucky (Q1P)	1/1/2025
California, Step Increase	1/1/2025	17		West Virginia (DSIC/WSIC)	1/1/2025
Tennessee	1/21/2025	1 <sup>(b)</sup>		Missouri (WSIRA)	2/7/2025
Virginia	2/24/2025	15 <sup>(c)</sup>			Sub-Total
Indiana, Step Increase	5/15/2025	17			Total
Missouri	5/28/2025	63 <sup>(d)</sup>			
Iowa	Mid-2025	13 <sup>(e)</sup>			
			Sub-Total	§231	

- a) The Company's Illinois subsidiary was authorized additional annualized revenues of \$105.2 million, excluding reductions in revenues for infrastructure surcharges in the amount of \$5.1 million.
- b) The Company's Tennessee subsidiary was authorized additional annualized revenues of \$1.0 million, this excludes the \$17.5 million for infrastructure surcharges.
- c) Interim rates were effective on May 1, 2024, and the difference between interim and final Commission approved rates are subject to refund. On September 20, 2024 the Company filed a stipulation of settlement which agreed upon a \$14.6 million annualized increase in revenues. On February 24, 2025 the Company received an Order approving the settlement.
- d) The Company's Missouri subsidiary was authorized additional annualized revenues of \$63.1 million, excluding reductions in revenues for infrastructure surcharges in the amount of \$63.3 million.
- e) The Company's Iowa subsidiary was authorized additional annualized revenues of \$12.7 million, excluding reductions in revenues for infrastructure surcharges in the amount of \$0.9 million. Interim rates were effective on May 11, 2024. The effective date for new rates will be established by the Commission after the Company's Iowa subsidiary files for rates that reflect the Order and the Commission completes its review of that filing.

# Pending Rate Case Filings



Rate Cases Filed					
	Docket/Case Number	Date Filed	Requested Revenue Increase	ROE Requested	Rate Base
West Virginia (b)	Docket No. 25-0426-W-42T and 25-0428-S-42T	5/5/2025	\$33	10.75%	1,071
Kentucky (c)	Docket No. 2025-00122	5/16/2025	27	10.75%	674
			\$60		\$1,745

Rate Cases Awaiting Regulatory Approval					
	Docket No.	Date Filed	Requested Revenue Increase	ROE Requested	Rate Base
Hawaii	2024-0038	8/2/2024	\$1		
			\$1		

Infrastructure Surcharges Filed					
	Docket/Case Number	Date Filed	Requested Revenue Increase	ROE Requested	Rate Base
New Jersey (DSJC, WSIC and RESIC)		4/15/2025	\$15		\$126
			\$15		\$126
			<b>Total</b>	<b>\$76</b>	<b>\$1,871</b>

- a) The Company's West Virginia subsidiary has requested additional annualized revenues of \$32.5 million, this excludes the \$12.7 million for infrastructure surcharges. This also excludes a Step two proposed increase of \$15.2 million which is proposed to be effective 1 year after Step 1. The total revenue requirement request for the two step rate case cycle is \$47.7 million.
- b) The Company's Kentucky subsidiary has requested additional annualized revenues of \$26.9 million; this excludes the \$10.1 million for infrastructure surcharges.

# Regulatory Information – Top 10 States



	CALIFORNIA	ILLINOIS	INDIANA	KENTUCKY	MISSOURI
<b>Authorized Rate Base*</b>	\$882,554 <sup>b</sup>	\$2,185,956	\$1,723,927	\$489,426	\$3,152,200 <sup>c</sup>
<b>ROE</b>	10.20% <sup>(a)</sup>	9.84%	9.65%	9.70%	9.75% <sup>(d)</sup>
<b>Equity</b>	57.04% <sup>(a)</sup>	49.00%	56.15% <sup>(b)</sup>	52.22%	50.00% <sup>(e)</sup>
<b>Effective Date of Rate Case</b>	1/1/2024 <sup>(f)</sup>	1/1/2025	5/10/2024	5/3/2024	5/28/2025
	NEW JERSEY	PENNSYLVANIA	TENNESSEE	VIRGINIA	WEST VIRGINIA
<b>Authorized Rate Base*</b>	\$5,050,637	\$5,823,752	\$300,742	\$360,287 <sup>(c)</sup>	\$886,313
<b>ROE</b>	9.60%	9.45%	9.70%	9.70%	9.80%
<b>Equity</b>	55.00%	55.30%	44.19%	45.67%	50.12%
<b>Effective Date of Rate Case</b>	9/15/2024	8/7/2024	1/21/2025	2/24/2025 <sup>(f)</sup>	2/25/2024

\*Rate Base stated in \$000s

- On June 29, 2023, Decision 23-06-025 set the authorized cost of capital through 2024. CA has a separate Cost of Capital case which sets the rate of return outside of a general rate proceeding. The decision established an ROE of 8.98% effective 30-days after the decision date. On June 30, 2023, the Company filed to implement an automatic ROE adjustment to 9.50% for 2023 based on the Commission approved Water Cost of Capital Adjustment Mechanism (WCCM), which was approved on July 25, 2023, increasing the return on equity to 9.50%, effective July 31, 2023. On October 16, the Company filed a request to increase the ROE to 10.2% for 2024, which was approved on November 15, 2023, effective January 1, 2024.
- The Authorized Equity excludes cost-free items or tax credit balances at the overall rate of return which lowers the equity percentage as an alternative to the common practice of deducting such items from rate base.
- The Authorized Rate Base listed is the Company's view of the Rate Base allowed in the case; the Rate Base was not disclosed in the Order or the applicable settlement agreement.
- The listed ROE is the Company's view of the ROE allowed in the case; the ROE was not disclosed in the Order or the applicable settlement agreement.
- The equity ratio listed is the Company's view of the equity ratio allowed in the case; the actual equity ratio was not disclosed in the Order or the applicable settlement agreement.
- Interim rates were effective May 1, 2024 and received final Order February 24, 2025.
- The Rate Base and Effective date are based off of Year 1 of the rate case. Annual adjustments are made for Year 2 and 3 which reflect authorized capital improvements for Rate Bases and inflationary adjustments for O&M.

## INVESTOR RELATIONS CONTACTS



### **Aaron Musgrave, CPA**

Vice President, Investor Relations

[aaron.musgrave@amwater.com](mailto:aaron.musgrave@amwater.com)

### **Jack Quinn, CPA**

Senior Manager, Investor Relations

[jack.quinn@amwater.com](mailto:jack.quinn@amwater.com)

### **Janelle McNally**

Director, Sustainability

[janelle.mcnamally@amwater.com](mailto:janelle.mcnamally@amwater.com)

### **Kelley Uyeda**

Analyst, Investor Relations & ESG

[kelley.uyeda@amwater.com](mailto:kelley.uyeda@amwater.com)

## UPCOMING EVENTS

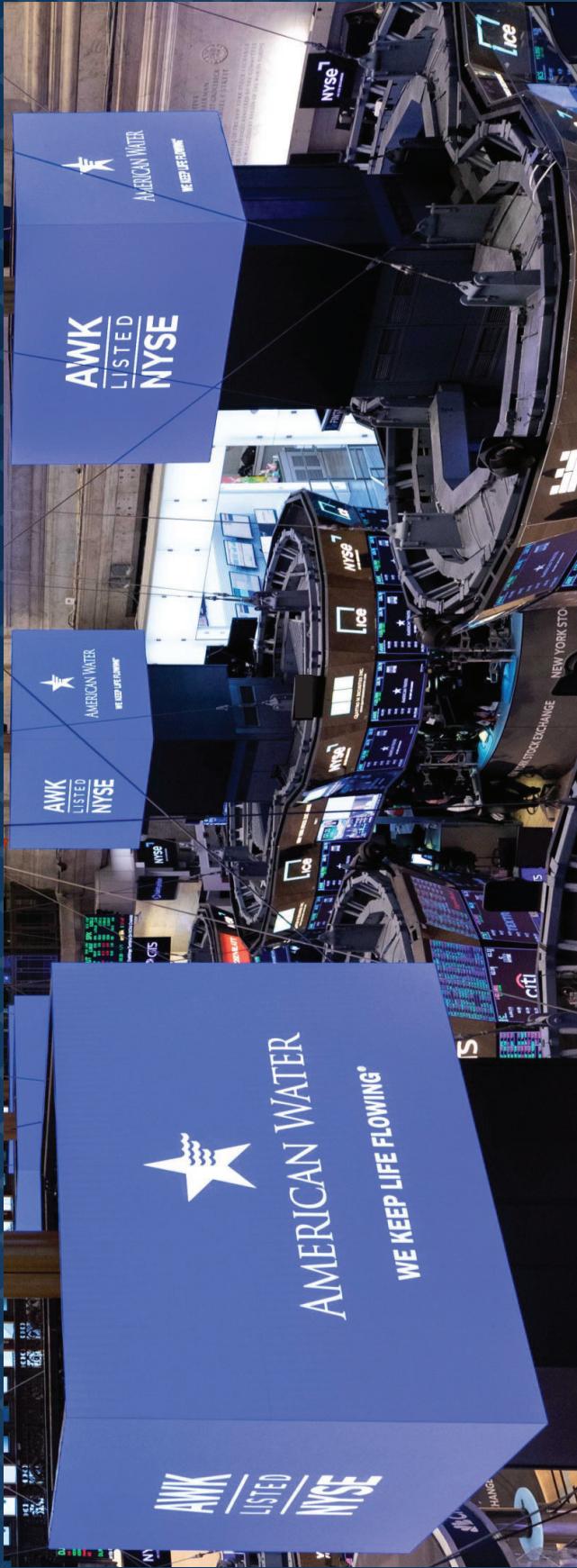
Q2 2025 Earnings Call

Q3 2025 Earnings Call

July 31, 2025 (projected)

October 30, 2025 (projected)

## **Attachment 3: American Water American Water Q3 2025 Earnings Presentation**



# 2025 Third Quarter Earnings & 2026 Outlook Investor Presentation

October 29, 2025





# Aaron Musgrave

## Vice President, Investor Relations



# FORWARD-LOOKING STATEMENTS

---



## **Safe Harbor**

This presentation includes forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and the Federal securities laws. They are not guarantees or assurances of any outcomes, financial results, levels of activity, performance or achievements, and readers are cautioned not to place undue reliance upon them. The forward-looking statements are subject to a number of estimates and assumptions, and known and unknown risks, uncertainties and other factors. Actual results may differ materially from those discussed in the forward-looking statements included in this presentation. The factors that could cause actual results to differ are discussed in the Appendix to this presentation, and in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2025, as filed with the SEC on October 29, 2025.

## **Non-GAAP Financial Information**

This presentation includes non-GAAP financial measures. Further information regarding these non-GAAP financial measures, including a reconciliation of each of these measures to the most directly comparable GAAP measure, is included in this presentation.



# John Griffith

## President & Chief Executive Officer



# Strong Third Quarter and YTD 2025 Results

## 2025 EPS Guidance of \$5.70 to \$5.75 Affirmed\*



### Earnings Per Share \*\*



### Q3/YTD Highlights

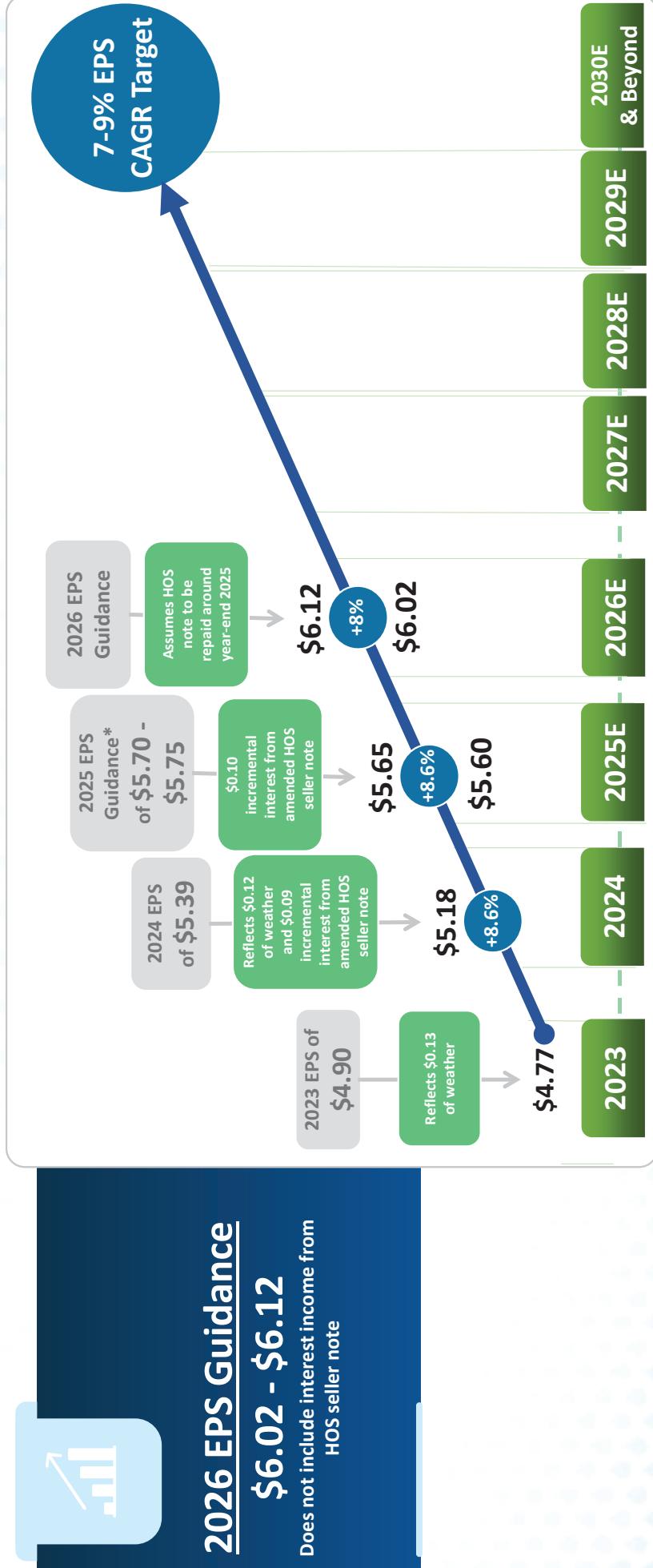
- ✓ 2025 YTD EPS of \$4.47 driven by higher revenue on increased rate base and rate case outcomes
  - YTD 2025 results up 9.0% vs. 2024 on a weather-normalized basis
  - Net unfavorable impact of weather of \$0.07 per share, including \$0.01 unfavorable in Q3 2025
- ✓ Continued success in regulatory execution
  - Completed cases in 2025 in TN, VA, MO, IA and HI; General cases filed in KY, WV, CA and MD
- ✓ Entered into equity forward agreements for ~\$1 billion; assuming settlement mid-year 2026 to fully satisfy 2026 equity needs
- ✓ Issued \$900 million in senior notes in August
- ✓ \$600M+ of acquisitions currently under agreement representing ~107,000 customer connections
- ✓ Announced merger with Essential Utilities
  - Goal to make all Public Utility Commission filings within 60 days

\* Includes \$0.10 per share of incremental interest income from the seller note resulting from the 2021 sale of Homeowner Services Group (HOS) that was amended in early 2024. Will exclude transaction costs and expenses associated with the recently announced merger with Essential Utilities.

\*\* Results for the three and nine months ended September 30, 2025 include incremental interest income of \$0.03 and \$0.08 per share, respectively, compared to \$0.03 and \$0.07 per share in the same periods in 2024 resulting from the early 2024 amendment to the secured seller note from the sale of the former HOS business.

# Initiating 2026 EPS Guidance

## Consistent Future Earnings Growth Within 7-9% Range

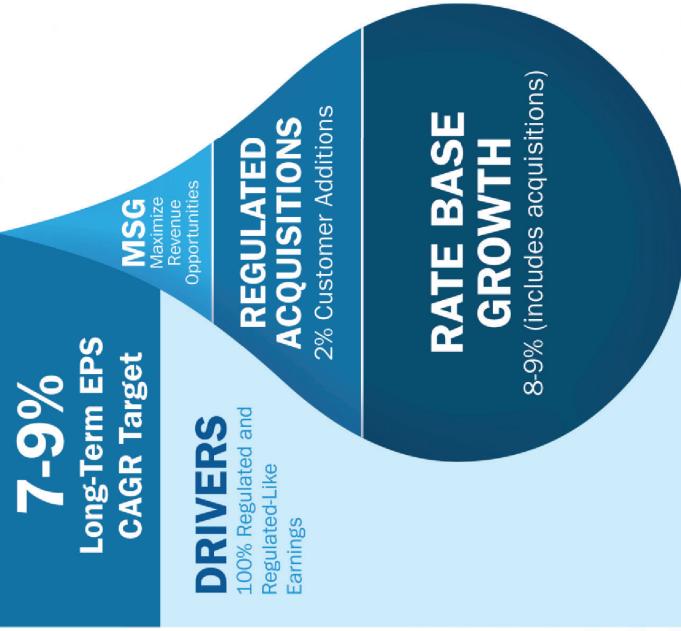


\* On a weather-normalized basis; net weather of \$0.00 per share through 9/30/2025.



## Long-Term Targets Affirmed Strong and Sustainable Growth Outlook for the Future

### EPS GROWTH OUTLOOK



### LONG-TERM FINANCIAL TARGETS

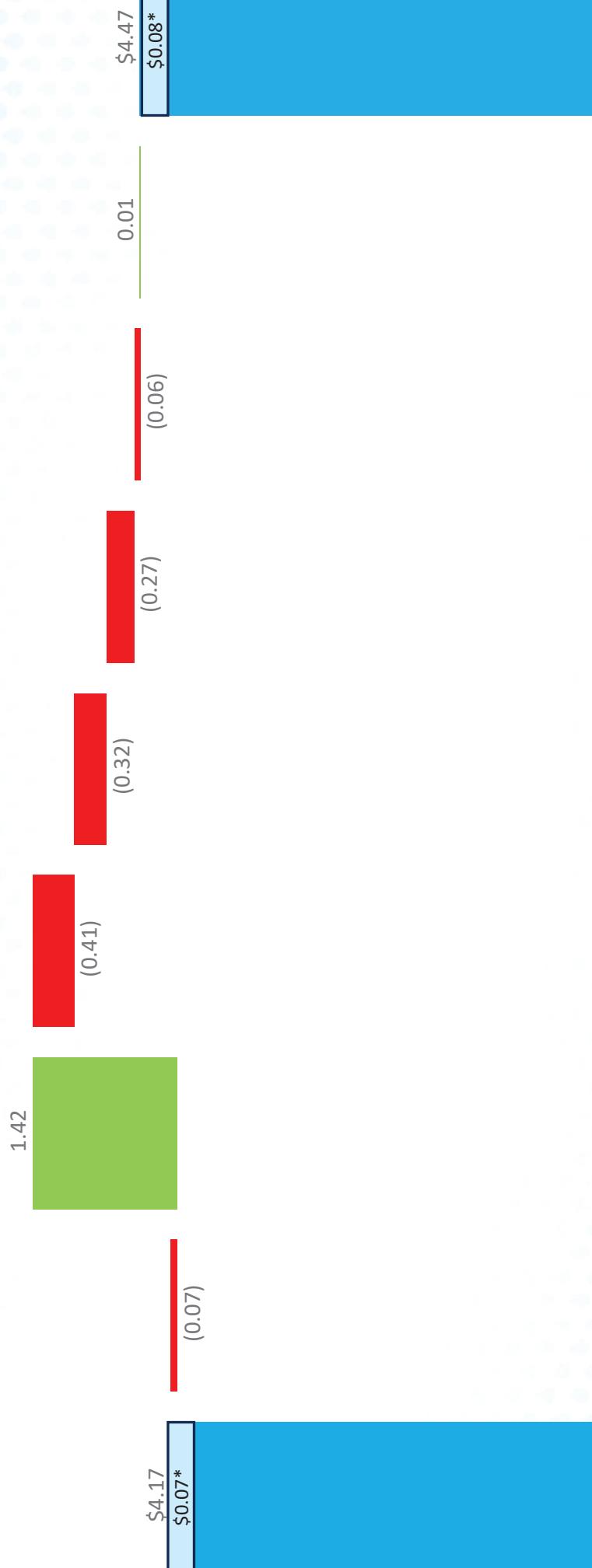




**David Bowler**  
Executive Vice President &  
Chief Financial Officer



## Details of Year-To-Date 2025 EPS



\* Results for the nine months ended September 30, 2025 and 2024 include incremental interest income of \$0.08 and \$0.07 per share, respectively, resulting from the early 2024 amendment to the secured seller note from the sale of the former HOS business.  
 \*\* Includes estimated weather of \$0.00 per share in 2025 and \$0.07 per share favorable in 2024.

# General Rate Case Updates



## Rate Cases in Progress

State Subsidiary	Filed	Capital Investment	Rates Expected Effective Date
Maryland	August 1, 2025	\$22 million	March 2026
California	July 1, 2025	\$750 million	January 1, 2027
Kentucky	May 16, 2025	\$212 million	Interim Rates effective Dec. 2025
West Virginia	May 5, 2025	\$300 million	March 1, 2026 March 1, 2027

## 2025 Completed Rate Cases

State Subsidiary	Type	Additional Authorized Revenue	Rates Effective Date
Hawaii	General	\$1 million	August 1, 2025
Iowa	General	\$13 million	August 1, 2025
Missouri	General	\$63 million	May 28, 2025
Virginia	General	\$15 million	February 24, 2025
Tennessee	General	\$1 million	January 21, 2025

## Date of Previous GRC Filings by State

IN	VA	PA	NJ	IL	TN	IA	MO	HI	WV*	KY*	CA*	MD*
Mar. 31, 2023	Nov. 1, 2023	Nov. 8, 2023	Jan. 19, 2024	Jan. 25, 2024	May 1, 2024	May 1, 2024	July 1, 2024	Aug. 2, 2024	May 5, 2025	May 16, 2025	July 1, 2025	Aug. 1, 2025

\*In progress

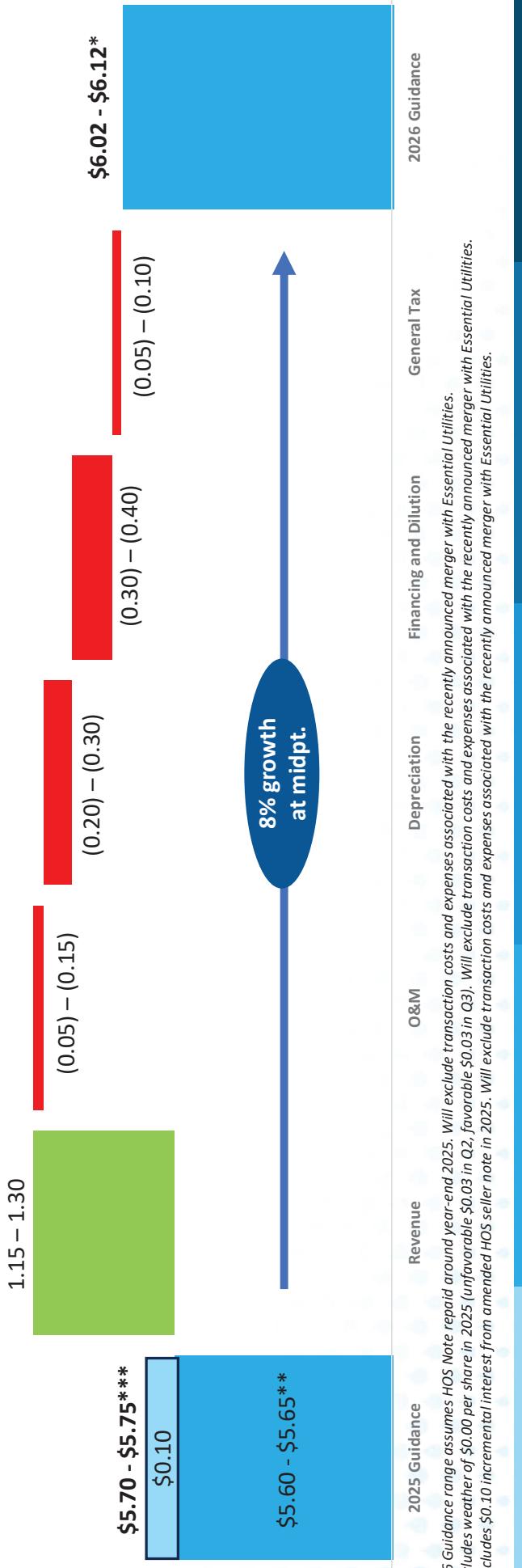
# Considerations for 2026 Outlook

## Initiating 2026 EPS Guidance of \$6.02 to \$6.12\*



### 2026 Growth Drivers

- ✓ 8% EPS growth in 2026 (at midpoint) vs. 2025 on a weather-normalized basis
- ✓ Revenue growth in base rates and in infrastructure mechanisms from capital investment
- ✓ Focus on customer affordability and driving effective and efficient cost management strategies
- ✓ De-risked 2026 financing via strategic forward equity contract at strong pricing; assumes settlement mid-year 2026
- ✓ Plan assumes repayment of \$795 million HOS note around year-end 2025



\* 2026 Guidance range assumes HOS Note repaid around year-end 2025. Will exclude transaction costs and expenses associated with the recently announced merger with Essential Utilities.  
 \*\* Excludes weather of \$0.00 per share in 2025 (unfavorable \$0.03 in Q2, favorable \$0.03 in Q3). Will exclude transaction costs and expenses associated with the recently announced merger with Essential Utilities.  
 \*\*\* Includes \$0.10 incremental interest from amended HOS seller note in 2025. Will exclude transaction costs and expenses associated with the recently announced merger with Essential Utilities.

# Continued Strong Balance Sheet & Credit Ratings



**S&P**  
**A**  
*(Stable Outlook)*

**Moody's**

**Baa1**

*(Stable Outlook)*

- ✓ Low risk business profile
- ✓ Strong regulatory jurisdictions
- ✓ Supportive financial plans

Ratings and Stable Outlook  
affirmed at S&P / Moody's  
(June 25/Jan. '25)

## AWK Long-Term Senior Unsecured Ratings

## Total Debt to Total Capital



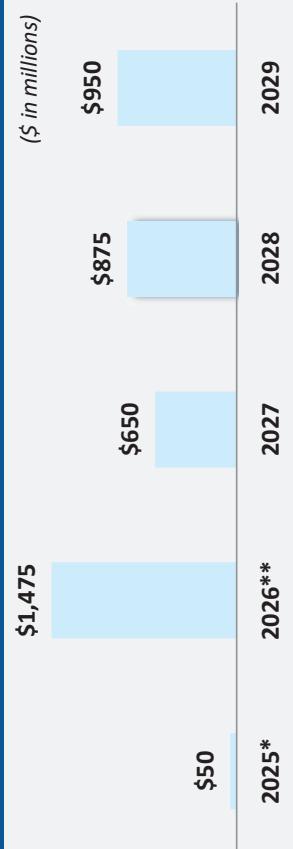
Long-Term Target  
**<60%**

*Note: September 30, 2025 percentage shown is net of cash and cash equivalents of \$166 million.*

## Liquidity Profile *(\$ in millions)*



## Consolidated Debt Maturity Profile *as of September 30, 2025 (Rounded)*



\*Proceeds of \$795 million from the note related to the sale of HOS are due to the Company in December 2026. Current plan assumes repayment of \$795 million HOS note around year-end 2025.  
\*\*Proceeds of ~\$1 billion from the equity forward agreements is assumed to be settled mid-year 2026.

# Funding the 2026-2030 Capital Investment Plan



(\$ in millions)

## Financing Plan: 2026-2030

Operating Cash Flows	\$14,000
Debt Financing	\$12,500
Equity Issuances	\$2,500
Sale Proceeds (HOS)*	\$0
<b>Total Sources:</b>	<b>~\$29 Billion</b>

\* Plan assumes repayment of \$795 million HOS note around year-end 2025.

- **\$2.5B of equity issuances in 2026-2030, driven by capital investment needs and consistently achieving <60% debt to cap target**
  - Includes ~\$1 billion equity financing in 2026, which is covered by the equity forward agreements entered into in August 2025, assumes proceeds are received in mid-2026, plus an additional ~\$1.5 billion in 2029, to support growth in the business; issuances are subject to market conditions
    - Uses of funds: primarily ~\$19-20 billion of capital investments, ~\$4.5 billion of LTD maturities, and dividends
  - **Current 2026 financing plan includes \$1.5-2.0B of long-term debt financing**
  - Investors should expect equity financing to occur consistent with a traditional regulated utility financing strategy and to maintain our strong balance sheet and credit metrics, with timing and sizing in alignment with our investment program and rate case cycle



# Cheryl Norton

## Executive Vice President & Chief Operating Officer

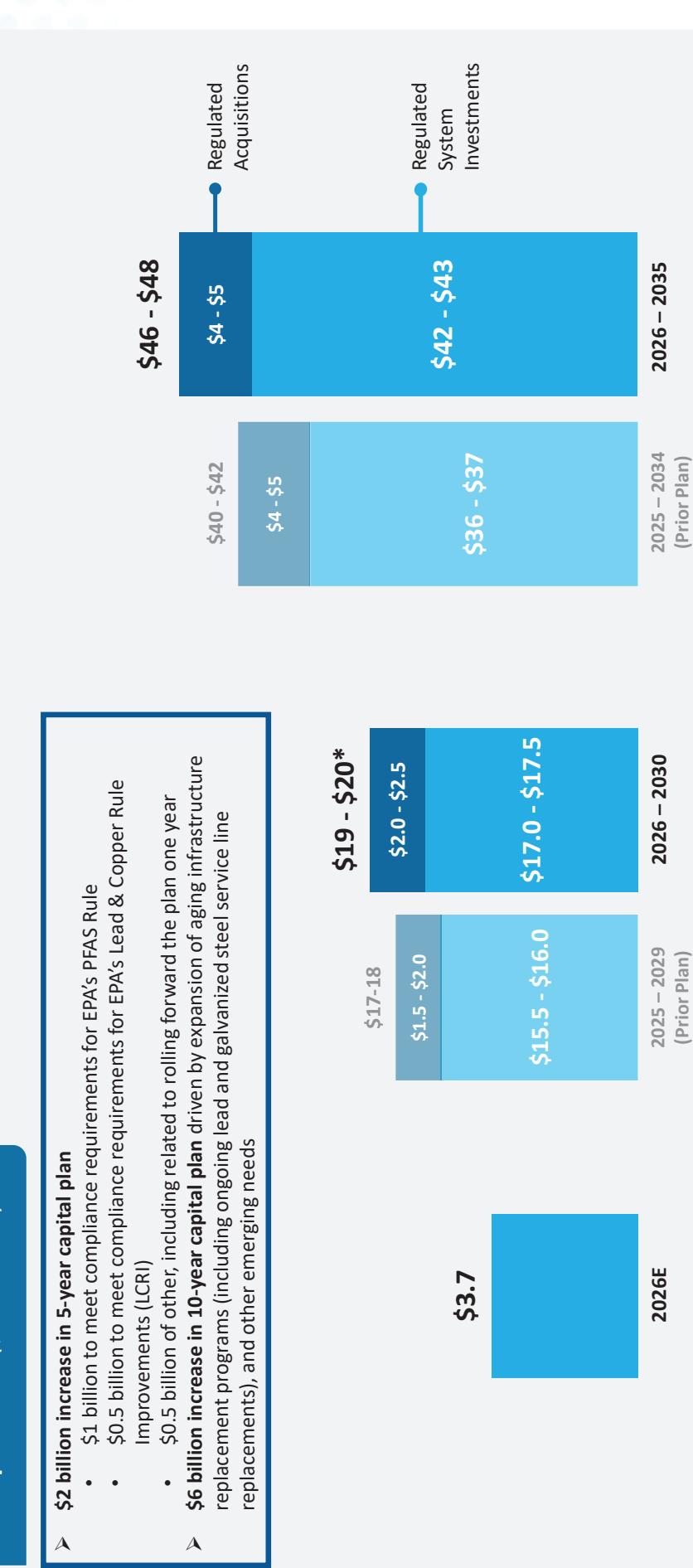


# Five- and Ten-Year Capital Plans: Investments to Support System Needs



## Capital Plan (\$ in billions)

- **\$2 billion increase in 5-year capital plan**
  - \$1 billion to meet compliance requirements for EPA's PFAS Rule
  - \$0.5 billion to meet compliance requirements for EPA's Lead & Copper Rule Improvements (LCRI)
  - \$0.5 billion of other, including related to rolling forward the plan one year
- **\$6 billion increase in 10-year capital plan** driven by expansion of aging infrastructure replacement programs (including ongoing lead and galvanized steel service line replacements), and other emerging needs

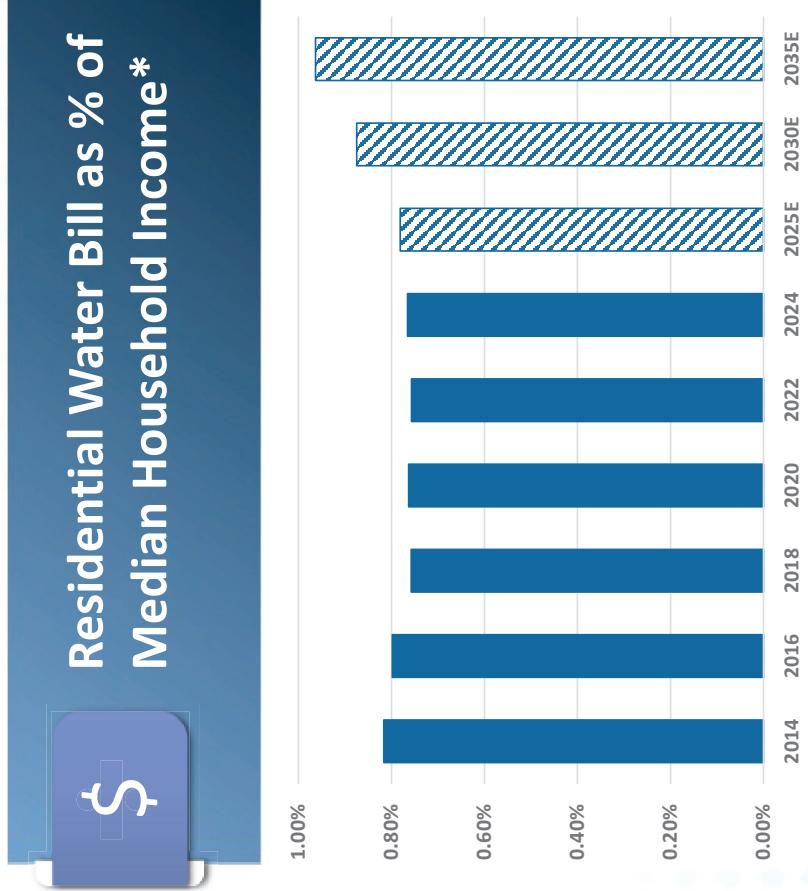


\*Includes \$2 billion related to PFAS, primarily in 2026-2028; and \$1.5 billion related to LCR.

## Continued Focus on Customer Affordability



## Median Household Income\*



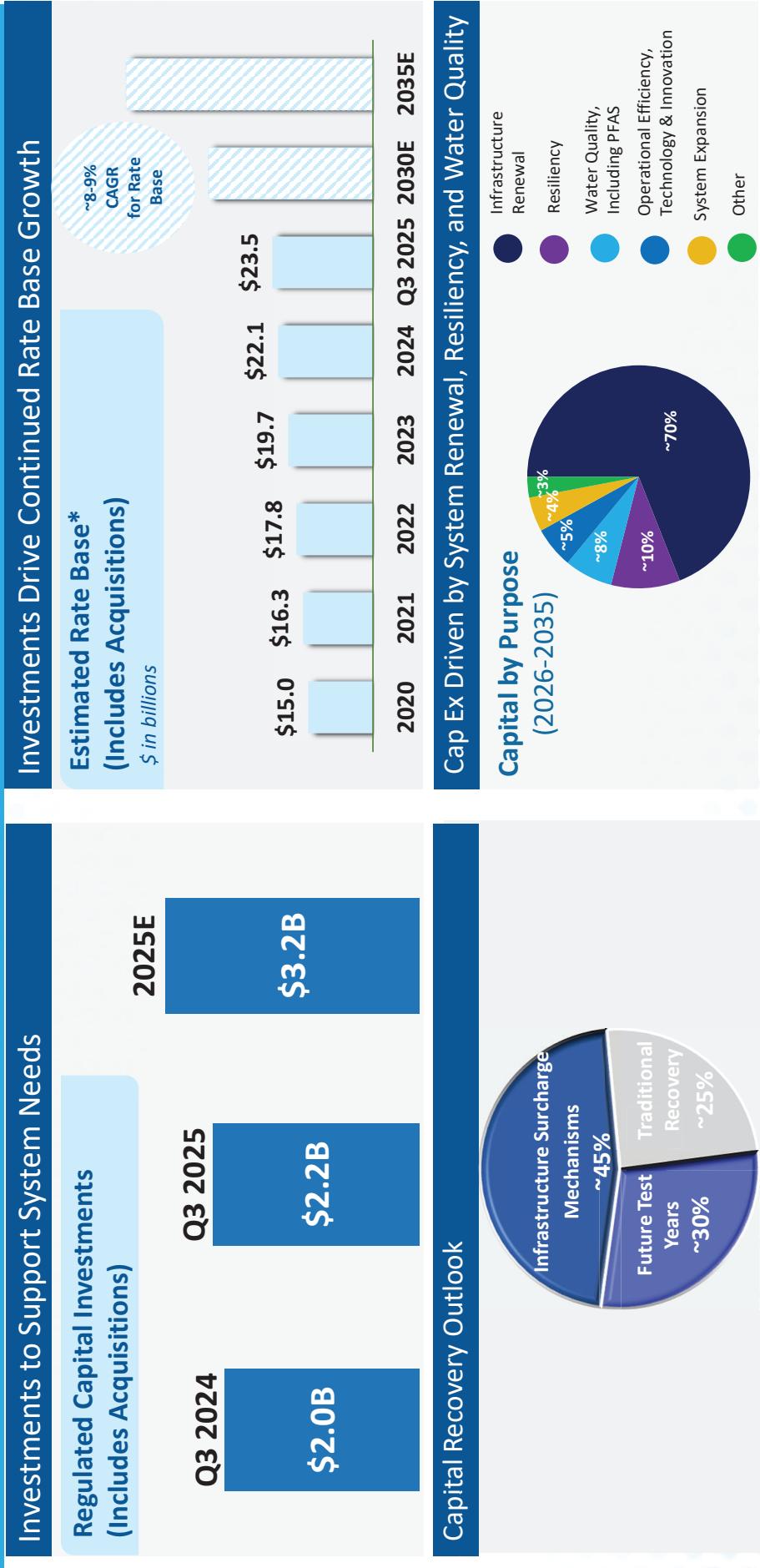
## Values Around Affordability

- ▶ Focused on keeping customer bills affordable compared to income (wallet share)
  - Goal for AW **average** residential water customer bills: 1% or less of median household income
- ▶ Continue to promote and advocate for low-income customer assistance rates and programs
- ▶ Supportive of consolidated rates in each State that allow customers to benefit from efficiencies of scale
- ▶ On average, over the last five years American Water is approximately 10 times better than the industry average for meeting health-based limits for drinking water, according to U.S. EPA data.

# Investments Drive Continued Rate Base Growth Supports Water Quality, Reliability, and Earnings Growth

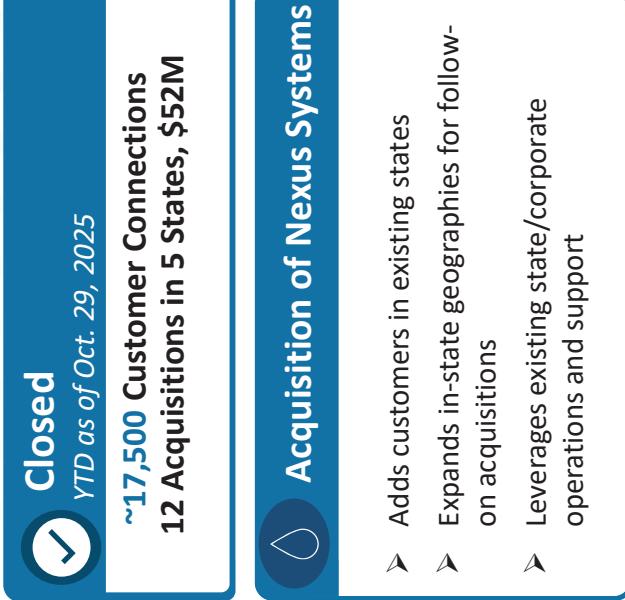
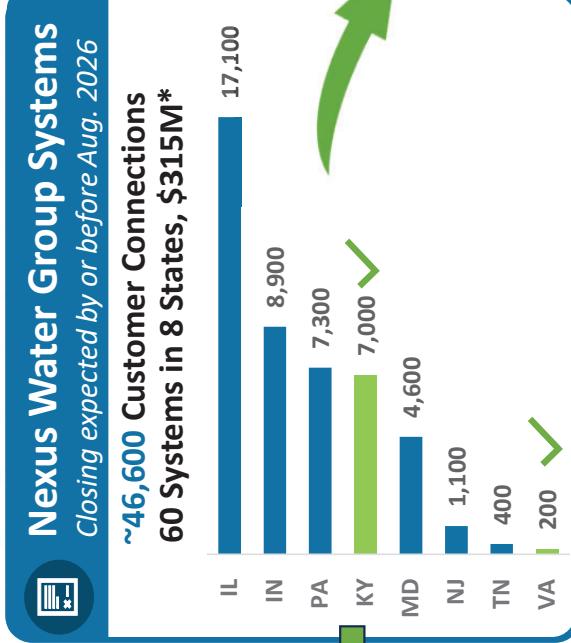
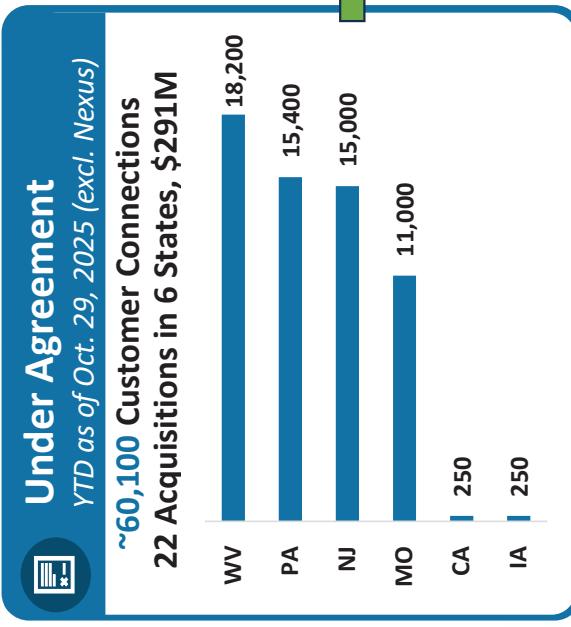


AMERICAN WATER



\*An approximation of rate base, which includes Net Utility Plant not yet included in rate base, pending rate case filings/outcomes.

# ~107,000 Customer Connections Under Agreement Totaling Over \$600 Million



✓ Regulatory approval received from state commission

\* Subject to adjustment following the closing of the agreement based on the calculations and criteria provided in the Purchase Agreement.

## More than 1.5 Million Customer Connections in Pipeline

Note: Amounts on slide do not include customer connections related to the recently announced merger with Essential Utilities.

## INVESTOR RELATIONS CONTACTS



**Aaron Musgrave, CPA**

Vice President, Investor Relations

[aaron.musgrave@amwater.com](mailto:aaron.musgrave@amwater.com)



**Jack Quinn, CPA**

Director, Investor Relations

[jack.quinn@amwater.com](mailto:jack.quinn@amwater.com)



**Janelle McNally**

Director, Sustainability

[janelle.mcnamally@amwater.com](mailto:janelle.mcnamally@amwater.com)



**Kelley Uyeda**

Analyst, Investor Relations & ESG

[kelley.uyeda@amwater.com](mailto:kelley.uyeda@amwater.com)

## UPCOMING EVENTS

EEI Financial Conference

Q4 2025 & Year-End Earnings Call

November 9-11, 2025

February 19, 2026 (projected)



# Appendix

Forward Looking Statements



These forward-looking statements are qualified by, and should be read together with, the risks and uncertainties set forth above, and the risk factors included in American Water's annual, quarterly and other SEC filings, and readers should refer to such risks, uncertainties and risk factors in evaluating such forward-looking statements. Any forward-looking statements American Water makes shall speak only as of the date of this presentation. Except as required by the federal securities laws, American Water does not have any obligation, and it specifically disclaims, any undertaking or intention, to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or otherwise. New factors emerge from time to time, and it is not possible for the Company to predict all such factors. Furthermore, it may not be possible to assess the impact of any such factor on the Company's businesses, either viewed independently or together, or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. The foregoing factors should not be construed as exhaustive.

# 2025 Earnings and 2026 Earnings Guidance (Non-GAAP) AMERICAN WATER

This presentation includes a description of American Water's 2025 and 2026 earnings per share guidance ranges, excluding (i) the \$0.10 per share of incremental interest to be recognized from the amended HOS seller note and (ii) transaction costs and expenses associated with the announced merger with Essential Utilities. This information would constitute "non-GAAP financial measures" under SEC rules. They are derived from American Water's consolidated financial information but not presented in financial statements prepared in accordance with generally accepted accounting principles ("GAAP"). This information supplements American Water's GAAP disclosures and should be considered in addition to, and not in substitution of, measures of financial performance prepared in accordance with GAAP. Management believes this information is useful to American Water's investors because they exclude items not reflective of American Water's ongoing operating results, and the presentation will allow investors to understand better the operating performance of American Water's regulated businesses. Although management will use this information internally to evaluate American Water's results of operations and to facilitate a meaningful year-to-year comparison thereof, management does not intend this information to represent future results as defined by GAAP, and investors should not consider it as such. In addition, this information may not be comparable to similar presentations by other companies, and, accordingly, it may have significant limitations in its use. Also, management is unable to present a reconciliation of the amount of transaction expenses noted above without unreasonable effort because management cannot reliably predict the nature, amount or probable significance of all of such expenses for future periods; these adjustments may, individually or in the aggregate, cause the forward-looking non-GAAP financial measure to differ significantly from the most directly comparable GAAP financial measure.

## Details of Third Quarter 2025 EPS



\* \* \* \* \*

200

Dominati

210

2025

\* Results for the three months ended September 30, 2025 and 2024 include incremental interest income of \$0.03 and \$0.03 per share, respectively, resulting from the early 2024 amendment to the secured seller note from

the sale of the former HOS business.

\*\*\* Includes estimated weather of \$0

share favorable in 2024

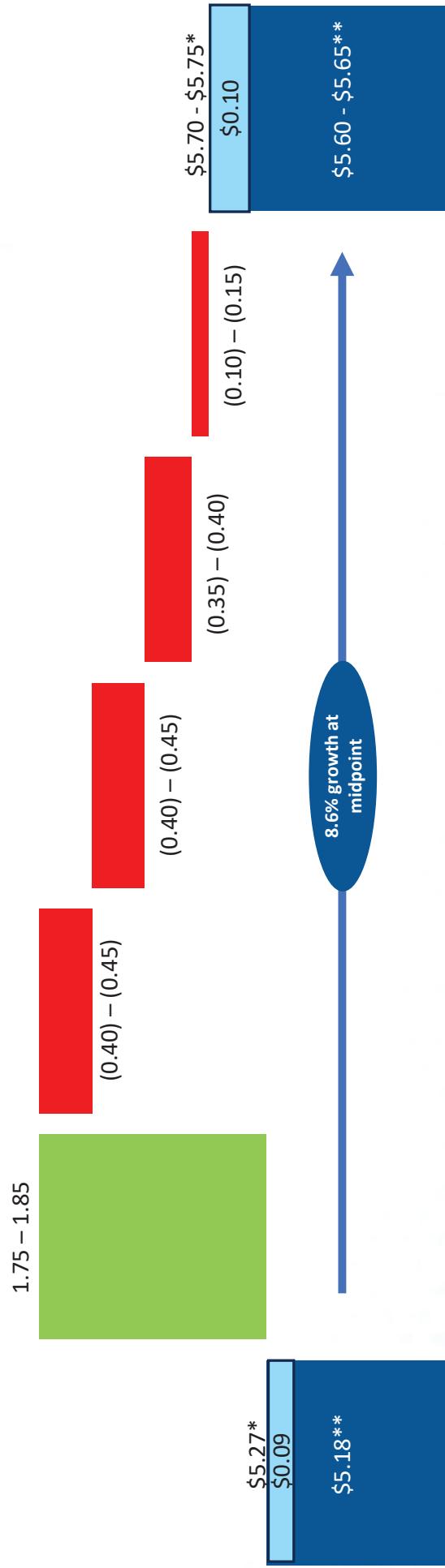
26

# 2025 EPS Guidance of \$5.70 to \$5.75 Affirmed at Top Half of Previous Range\*



## 2025 Outlook

- ✓ Continue to expect 8.6% EPS growth in 2025 (at midpoint) vs. 2024 on a weather-normalized basis
  - Revenue growth in base rates and in infrastructure mechanisms from capital investment
  - Focus on customer affordability and effective cost management strategies
  - Deliver cost effective financing while maintaining balance sheet strength and credit profile



\* Includes \$0.09 and \$0.10 incremental interest from amended HOS seller note in 2024 and 2025, respectively. Will exclude transaction costs and expenses associated with the announced merger with Essential Utilities.

\*\* Excludes weather of \$0.12 per share favorable in 2024 (\$0.03 in Q2, \$0.04 in Q3, \$0.05 in Q4) and \$0.00 per share in 2025 (unfavorable \$0.03 in Q2, favorable \$0.03 in Q3).

# Successfully Completed 2025 Financing Plan



Successfully Executed \$800 Million Senior Note Offering	
Issuer	American Water Capital Corp.
Pricing Date	February 24, 2025
Tenor	10yr Senior Unsecured
Size	\$800M
Annual Interest Rate	5.250%

Successfully Executed \$900 Million Senior Note Offering	
Issuer	American Water Capital Corp.
Pricing Date	August 6, 2025
Tenor	30yr Senior Unsecured
Size	\$900M
Annual Interest Rate	5.700%

- ☒ Successfully completed our long-term debt financing for the year with issuance of Senior Notes
- ☒ Strong demand for issuances (3x over-subscribed) and successful execution helps fund growth while managing financing costs

# PFAS Treatment Plans



## Implications of Final Federal PFAS Rule

- U.S. EPA announced on May 14, 2025 its intent to maintain drinking water limits of 4.0 parts per trillion for PFOA and PFOS.
- American Water estimates \$2B of capital and up to \$50M annually for operating expenses in its 2026-2030 plan.
- American Water has entered into a nine-year supply contract with Calgon Carbon to supply granular activated carbon, equipment and reactivation services to >50 treatment sites across 10 states through 2033.
- U.S. EPA designated PFOA and PFOS as hazardous substances under CERCLA in April 2024. The Company is actively advocating and supporting bipartisan legislation that would provide PFAS liability protections under CERCLA for water and wastewater systems, as passive receivers of PFAS.

## PFAS Litigation Recap

- American Water is a party to the Multi-District Litigation (MDL) lawsuit against several PFAS manufacturers.
- In 2024, the MDL court approved settlements with DuPont, 3M, Tyco Fire Products LP and BASF Corporation respectively; the amount of proceeds to be received from each settlement is pending.
- As of September 30, 2025, the Company's utility subsidiaries received settlement payments from defendant 3M of ~\$135 million, collectively, net of legal fees and administrative costs. The Company intends to seek regulatory approval from its respective public utility commissions to apply the net proceeds for the benefit of customers. The Company anticipates that, during the remainder of 2025, it may receive one or more additional settlement payments from the defendants named above.

\*Includes PFAS treatment

# Military Services Group Provides Strategic Value



AMERICAN WATER

## Military Services Group

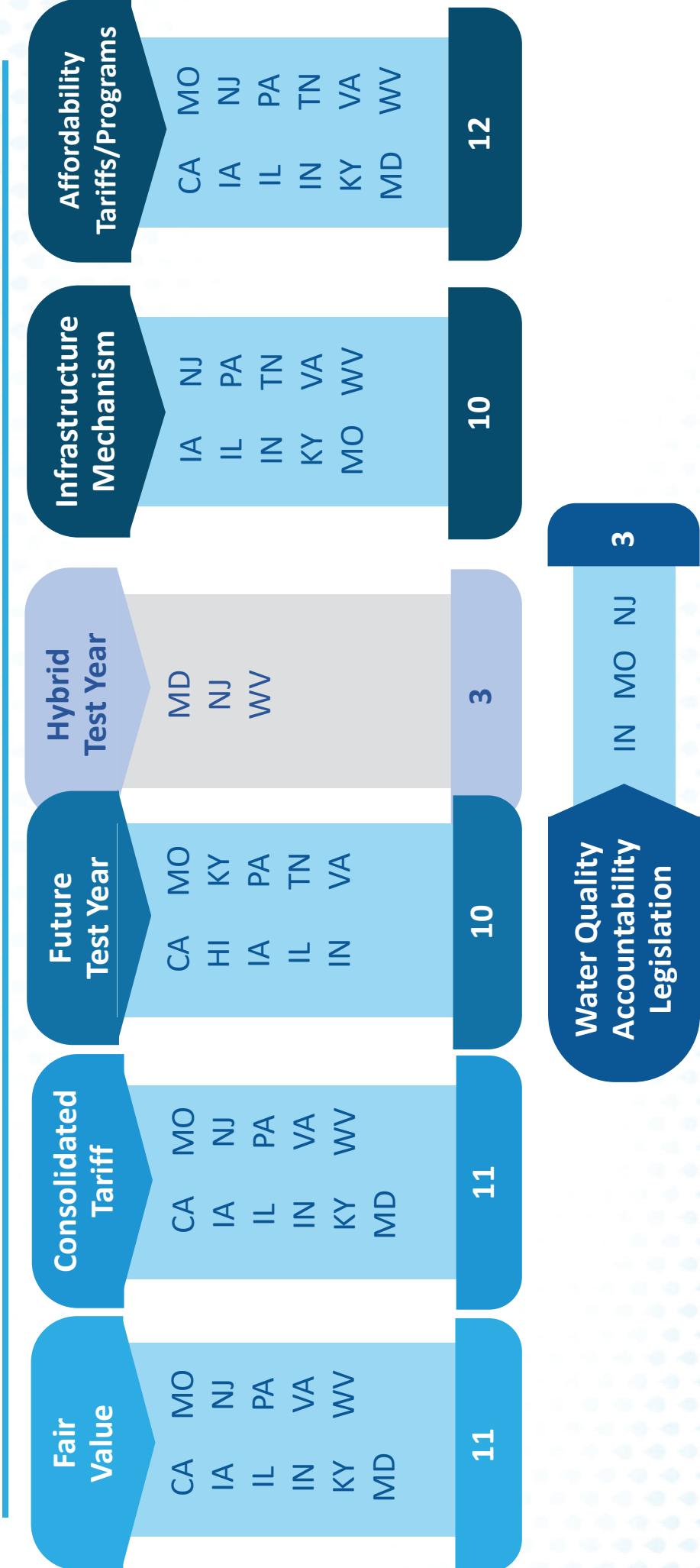
- ◆ Regulated-like earnings
- ◆ Favorable ROI opportunity
- ◆ Capital light / cash flow positive
- ◆ Positive branding
- ◆ Leverage core competencies
- ◆ Dual wins for AWK & U.S.



## State Legislation & Regulation Enable Growth



# AMERICAN WATER



## Reconciliation of Estimated Rate Base

Estimated Rate Base* (\$ in billions)	
	As of 9/30/2025
Net Utility Plant	\$29.5
<i>Less</i>	
Advances for Construction	\$0.4
CIAC – Contributions in Aid of Construction	\$1.6
Net Deferred Income Taxes	\$4.0
	\$6.0
<b>Total Estimated Rate Base</b>	<b>\$23.5</b>

\* An approximation of rate base, which includes Net Utility Plant not yet included in rate base, pending rate case filings/outcomes.

# Closed Acquisitions



 *October 29, 2025*

STATE	NUMBER OF SYSTEMS	WATER CUSTOMER CONNECTIONS	WASTEWATER CUSTOMER CONNECTIONS	TOTAL CUSTOMER CONNECTIONS
Pennsylvania	5	7,200	1,300	8,500
New Jersey	2	5,250	-	5,250
California	3	1,350	-	1,350
Illinois	1	-	1,500	1,500
West Virginia	1	900	-	900
<b>Total</b>	<b>12</b>	<b>14,700</b>	<b>2,800</b>	<b>17,500</b>

# Acquisitions Under Agreement



Oct. 29, 2025

+ Nexus Water Group Systems

STATE	NUMBER OF SYSTEMS	WATER CUSTOMER CONNECTIONS	WASTEWATER CUSTOMER CONNECTIONS	TOTAL CUSTOMER CONNECTIONS
West Virginia	7	3,500	14,700	18,200
Pennsylvania	7	3,300	12,100	15,400
Missouri	4	5,600	5,400	11,000
New Jersey	1	15,000	-	15,000
California	1	250	-	250
Iowa	2	125	125	250
<b>Sub-Total</b>	<b>22</b>	<b>27,475</b>	<b>32,325</b>	<b>60,100</b>

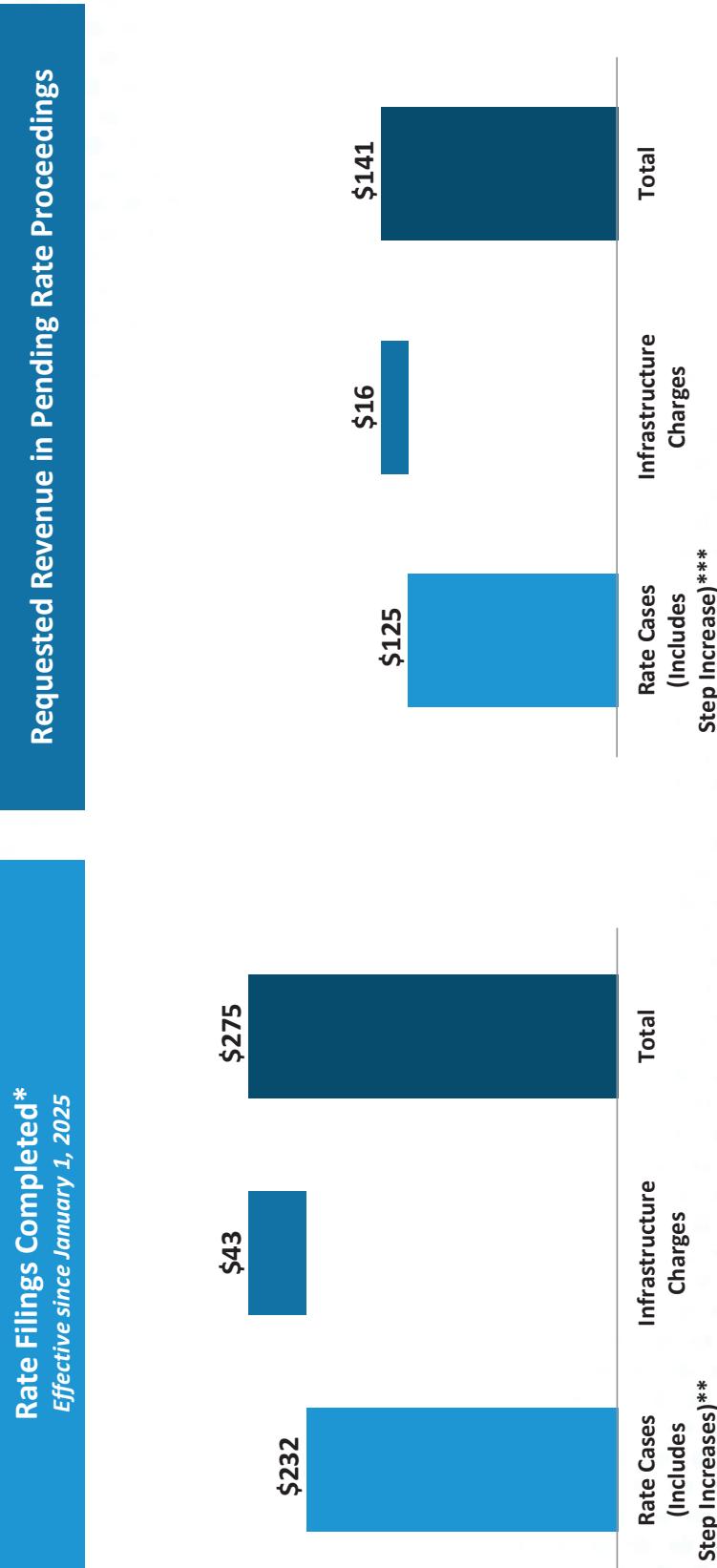
  

STATE	NUMBER OF SYSTEMS	WATER CUSTOMER CONNECTIONS	WASTEWATER CUSTOMER CONNECTIONS	TOTAL CUSTOMER CONNECTIONS
Illinois	37	13,400	3,700	17,100
Indiana	5	5,500	3,400	8,900
Pennsylvania	6	3,300	4,000	7,300
Kentucky	2	7,000	-	7,000
Maryland	6	3,550	1,050	4,600
New Jersey	2	800	300	1,100
Tennessee	1	400	-	400
Virginia	1	-	200	200
<b>Sub-Total</b>	<b>60</b>	<b>33,950</b>	<b>12,650</b>	<b>46,600</b>
<b>Total</b>	<b>82</b>	<b>61,725</b>	<b>44,975</b>	<b>106,700</b>

# Annualized Revenue from Rate Proceedings



(\$ in millions)



\* Annualized revenue increase for rates effective since January 1, 2025  
\*\* Does not include certain step increases in California which have been approved, but not yet effective  
\*\*\* Excludes revenue already approved through infrastructure mechanisms

# Rates Effective Since...



**January 1, 2025**

(\$ in millions)		Date Effective	Annualized Revenue Increases	Infrastructure Charges	Date Effective	Annualized Revenue Increases
Rate Cases & Step Increases						

Illinois	1/1/2025	105 <sup>(a)</sup>		Kentucky (QIP)	1/1/2025	\$2
California, Step Increase	1/1/2025	17		West Virginia (DSIC/WSIC)	1/1/2025	4
Tennessee	1/21/2025	1 <sup>(b)</sup>		Missouri (WSIRA)	2/7/2025	17
Virginia	2/24/2025	15 <sup>(c)</sup>		New Jersey (DSIC, WSIC, & RESIC)	5/30/2025	15
Indiana, Step Increase	5/14/2025	17		Pennsylvania (DSIC)	10/1/2025	5
Missouri	5/28/2025	63 <sup>(d)</sup>			<b>Sub-Total</b>	<b>\$43</b>
Iowa	8/1/2025	13 <sup>(e)</sup>			<b>Total</b>	<b>\$275</b>
Hawaii	8/1/2025	1 <sup>(f)</sup>				
			<b>Sub-Total</b>	<b>\$232</b>		

- a) The Company's Illinois subsidiary was authorized additional annualized revenues of \$105.2 million, excluding reductions in revenues for infrastructure surcharges in the amount of \$5.1 million.
- b) The Company's Tennessee subsidiary was authorized additional annualized revenues of \$1.0 million, this excludes the \$17.5 million for infrastructure surcharges.
- c) Interim rates were effective on May 1, 2024, and the difference between interim and final Commission approved rates are subject to refund. On September 20, 2024 the Company filed a stipulation of settlement which agreed upon a \$14.6 million annualized increase in revenues. On February 24, 2025 the Company received an Order approving the settlement.
- d) The Company's Missouri subsidiary was authorized additional annualized revenues of \$63.1 million, excluding reductions in revenues for infrastructure surcharges in the amount of \$63.3 million.
- e) The Company's Iowa subsidiary was authorized additional annualized revenues of \$12.7 million, excluding reductions in revenues for infrastructure surcharges in the amount of \$0.9 million. Interim rates were effective on May 11, 2024, in the amount of \$5.1 million.
- f) The Company's Hawaii subsidiary was authorized additional annualized revenues of \$1.46 million.

# Pending Rate Case Filings



Rate Cases Filed					
	Docket/Case Number	Date Filed	Requested Revenue Increase	ROE Requested	Rate Base
West Virginia <sup>(a)</sup>	Docket No. 25-0426-W-42T and 25-0428-S-42T	5/5/2025	\$33	10.75%	\$1,071
Kentucky <sup>(b)</sup>	Docket No. 2025-00122	5/16/2025	27	10.75%	674
California <sup>(c)</sup>	Case No. A.25-07-003	7/1/2025	62	N/A	1,242
Maryland	Docket No. 9808	8/1/2025	3	10.64%	44
			<b>\$125</b>	<b>\$3,031</b>	
Infrastructure Surcharges Filed					
West Virginia (DSIC and WSIC)		6/30/2025	\$3		\$23
Missouri (WSIRA)		9/3/2025	13		118
			<b>\$16</b>	<b>\$141</b>	
<b>Total</b>			<b>\$141</b>	<b>\$3,172</b>	

- a) The Company's West Virginia subsidiary has requested additional annualized revenues of \$32.6 million, this excludes the \$12.7 million for infrastructure surcharges. This also excludes a Step two proposed increase of \$15.2 million which is proposed to be effective 1 year after Step 1. The total revenue requirement request for the two step rate case cycle is \$47.8 million.
- b) The Company's Kentucky subsidiary has requested additional annualized revenues of \$26.9 million; this excludes the \$10.1 million for infrastructure surcharges.
- c) The Company's California subsidiary submitted its 100 Day Update on October 13, 2025, with the revised request of additional annualized revenues of \$62.1 million for the test year 2027. This excludes the proposed step rate and attrition rate increase for 2028 and 2029 of \$21.5 million and \$26.4 million, respectively. The total revenue requirement request for the three year rate case cycle is \$110.0 million. The Company originally requested additional annualized revenues of \$63.1 million for test year 2027. This excluded the proposed step rate and attrition rate increase for 2028 and 2029 of \$22.1 million and \$26.0 million, respectively. The Company's originally requested total revenue requirement request for the three year rate case cycle was \$111.2 million.

# Regulatory Information



*\*Rate Base stated in \$000s*

		PENNSYLVANIA	NEW JERSEY	MISSOURI	ILLINOIS	INDIANA
<b>Authorized Rate Base*</b>	\$5,823,752	\$5,050,637		\$3,152,205 <sup>(c)</sup>	\$2,185,956	\$1,835,553
<b>ROE</b>	9.45%	9.60%		9.75% <sup>(d)</sup>	9.84%	9.65%
<b>Equity</b>	55.30%	55.00%		50.00% <sup>(e)</sup>	49.00%	56.30% <sup>(b)</sup>
<b>Effective Date of Rate Case</b>	8/7/2024	9/15/2024		5/28/2025	1/1/2025	5/14/2025
		WEST VIRGINIA	CALIFORNIA	KENTUCKY	VIRGINIA	TENNESSEE
<b>Authorized Rate Base*</b>	\$886,313	\$882,554 <sup>(g)</sup>		\$489,426	\$369,287 <sup>(c)</sup>	\$300,742
<b>ROE</b>	9.80%	10.20% <sup>(a)</sup>		9.70%	9.70%	9.70%
<b>Equity</b>	50.12%	57.04% <sup>(a)</sup>		52.22%	45.67%	44.19%
<b>Effective Date of Rate Case</b>	2/25/2024	1/1/2024 <sup>(h)</sup>		5/3/2024 <sup>(h)</sup>	2/24/2025 <sup>(f)</sup>	1/21/2025
		IAWA	HAWAII	MARYLAND		
<b>Authorized Rate Base*</b>	\$262,080		\$51,831		\$27,553 <sup>(c)</sup>	
<b>ROE</b>	9.60%		9.75%		9.90% <sup>(d)</sup>	
<b>Equity</b>	52.28%		52.11%		48.66% <sup>(e)</sup>	
<b>Effective Date of Rate Case</b>	8/1/2025		8/1/2025		2/5/2019	

a) On June 29, 2023, Decision 23-06-025 set the authorized cost of capital through 2024. CA has a separate Cost of Capital case which sets the rate of return outside of a general rate proceeding. The decision established an ROE of 8.98% effective 30-days after the decision date. On June 30, 2023, the Company filed to implement an automatic ROE adjustment to 9.50% for 2023 based on the Commission approved Water Cost of Capital Adjustment Mechanism (WCCM), which was approved on July 25, 2023, increasing the return on equity to 9.50%, effective July 31, 2023. On October 16, the Company filed a request to increase the ROE to 10.20% for 2024, which was approved on November 15, 2023, effective January 1, 2024.

b) The Authorized Equity excludes cost-free items or tax credit balances at the overall rate of return which lowers the equity percentage as an alternative to the common practice of deducting such items from rate base.

c) The Authorized Rate Base listed is the Company's view of the Rate Base allowed in the case; the Rate Base was not disclosed in the Order or the applicable settlement agreement.

d) The listed ROE is the Company's view of the ROE allowed in the case; the ROE was not disclosed in the Order or the applicable settlement agreement.

e) The equity ratio listed is the Company's view of the equity ratio allowed in the case; the actual equity ratio was not disclosed in the Order or the applicable settlement agreement.

f) Interim rates were effective May 1, 2024 and received final Order February 24, 2025.

g) The Rate Base and Effective date are based off of Year 1 of the rate case. Annual adjustments are made for Year 2 and 3 which reflect authorized capital improvements for Rate Base and inflationary adjustments for O&M.

h) Interim rates were effective February 6, 2024, and final order was received May 3, 2024. The Company submitted a rehearing request, and a subsequent order on this request was issued increasing rates effective November 6, 2024.

## **Attachment 4: DR SIH-01 (CWIP Projects)**

**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.

Application 25-07-003  
(Filed July 1, 2025)

**CALIFORNIA-AMERICAN WATER COMPANY'S RESPONSE TO  
PUBLIC ADVOCATES OFFICE'S DATA REQUEST SIH-01**

Cathy Hongola-Baptista  
Nicholas A. Subias  
California American Water  
555 Montgomery Street, Suite 816  
San Francisco, CA 94111  
(415) 293-3023  
[cathy.hongola-baptista@amwater.com](mailto:cathy.hongola-baptista@amwater.com)

Lori Anne Dolqueist  
Alex Van Roekel  
Nossaman LLP  
50 California Street  
34<sup>th</sup> Floor  
San Francisco, CA 94111  
(415) 398-3600  
[ldolqueist@nossaman.com](mailto:ldolqueist@nossaman.com)

Attorneys for California-American Water Company

Dated: July 22, 2025

California-American Water Company

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

California-American Water Company (U-210- W; “California American Water,” “CAW” or the “Company”) hereby sets forth the following objections and responses to Public Advocates Office’s (“Cal Advocates”) Data Request SIH-01 (“Data Requests” or “RPD”), propounded on July 8, 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

California-American Water Company

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

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

California-American Water Company

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

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:** **Lakhjit S Thind**  
**Title:** **Sr Rates & Regulatory Analyst**  
**Address:** **California American Water  
520 Capitol Mall, Suite 630  
Sacramento**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-01**  
**Company Number:** **Cal Adv SIH-01 Q001**  
**Date Received:** **July 8, 2025**  
**Date Response Provided:** **July 22, 2025**  
**Subject Area:** **CWIP Projects**

---

**DATA REQUEST:**

1. Please refer to the file ALL\_CH07\_PLT\_RO\_Forecast file of the Results of Operations Model (RO Model). For the construction work in progress (CWIP) balances listed in sheet IN\_R\_CWIP Balance columns R and S for December 2023 and December 2024 respectively, please provide a breakdown of the assets or projects that make up the balances. Please provide the following information in an Excel format, with each year on a separate sheet.
  - a. Description of the asset
  - b. District to which the asset belongs
  - c. Power plant subaccount number
  - d. NARUC account
  - e. Unique Identifier
  - f. The date (month and year) the asset was added into CWIP
  - g. The date (month and year) the asset is projected to be put into service and removed from CWIP
  - h. Dollar value associated with the asset in CWIP

California-American Water Company

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

**CAL-AM'S RESPONSE**

Please see CAW Response Cal Adv SIH-01 Q001 – Attachment 1.

California-American Water Company

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

**Response Provided By:** **Lakhjit S Thind**  
**Title:** **Sr Rates & Regulatory Analyst**  
**Address:** **California American Water  
520 Capitol Mall, Suite 630  
Sacramento**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-01**  
**Company Number:** **Cal Adv SIH-01 Q002**  
**Date Received:** **July 8, 2025**  
**Date Response Provided:** **July 22, 2025**  
**Subject Area:** **CWIP Projects**

---

**DATA REQUEST:**

2. Please refer to the ALL\_CH07\_PLT\_RO\_Forecast file of the Results of Operations Model (RO Model). Regarding CWIP balances listed in sheet OUT\_F\_CWIP Bal columns R, please provide a breakdown of the assets or projects that make up the balances. Please provide the following information in an Excel format, with each year on a separate sheet.
  - a. Description of the asset
  - b. District to which the asset belongs
  - c. Power plant subaccount number
  - d. NARUC account
  - e. Unique Identifier
  - f. The date (month and year) the asset was added into CWIP
  - g. The date (month and year) the asset is projected to be put into service and removed from CWIP
  - h. Dollar value associated with the asset in CWIP

**CAL-AM'S RESPONSE**

Please see attachment "CAW Response Cal Adv SIH-01 Q002 Attachment 1".

Answer to question can be found tracing back source of data in "ALL\_CH07\_PLT\_RO\_Forecast" tab "OUT\_F\_CWIP Bal". CWIP calculation in forecast

California-American Water Company

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

years that incorporate forecasted capital expenditure minus gross additions to get ending CWIP balance in forecast years.

**Due to size constraints data request attachments are available upon request.**

## **Attachment 5: DR SIH-02 (Southern District Geotechnical Studies)**

**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.

Application 25-07-003  
(Filed July 1, 2025)

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

Cathy Hongola-Baptista  
Nicholas A. Subias  
California American Water  
555 Montgomery Street, Suite 816  
San Francisco, CA 94111  
(415) 293-3023  
[cathy.hongola-baptista@amwater.com](mailto:cathy.hongola-baptista@amwater.com)

Lori Anne Dolqueist  
Alex Van Roekel  
Nossaman LLP  
50 California Street  
34<sup>th</sup> Floor  
San Francisco, CA 94111  
(415) 398-3600  
[ldolqueist@nossaman.com](mailto:ldolqueist@nossaman.com)

Attorneys for California-American Water Company

Dated: July 22, 2025

California-American Water Company

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

California-American Water Company (U-210- W; “California American Water,” “CAW” or the “Company”) hereby sets forth the following objections and responses to Public Advocates Office’s (“Cal Advocates”) Data Request SIH-02 (“Data Requests” or “RPD”), propounded on July 8, 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

California-American Water Company

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

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

California-American Water Company

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

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:** **Mark Reifer**  
**Title:** **Manager Engineering – Southern Division**  
**Address:** **California American Water**  
**8657 Grand Ave**  
**Rosemead**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-02**  
**Company Number:** **Cal Adv SIH-02 Q001**  
**Date Received:** **July 8, 2025**  
**Date Response Provided:** **July 22, 2025**  
**Subject Area:** **Southern District Geotechnical Studies**

---

**DATA REQUEST:**

Please refer to the Direct Testimony of Lacy Carothers dated July 1, 2025 (Carothers Testimony).<sup>1</sup>

1. Page 64 of Carothers Testimony states that Project Code I15-500073 “included geotechnical investigation of the Oak Knoll and Danford reservoir.” Please provide all documentation of the referenced Oak Knoll and Danford reservoir facilities geotechnical investigation.

**CAL-AM'S RESPONSE**

California American Water incorporates its general objections as if each were stated fully here. California American Water further objects on the basis this request is overbroad and unnecessarily burdensome. Subject to, but without waiving, these objections, California American Water responds:

Please see the following geotechnical investigation attachments in response to data request Cal Adv SIH-02 Q001. The geotechnical investigation attachments are included as CAW Response to Cal Adv SIH-02 Q001 Attachment 1 - Cal Am Water LA County Tanks\_Redacted, CAW Response to Cal Adv SIH-02 Q001 Attachment 2 - Fault Hazard Study Report\_Redacted, CAW Response to Cal Adv SIH-02 Q001 Attachment 3 - Group Delta - Technical Memo\_Redacted, and CAW Response to Cal Adv SIH-02 Q001 Attachment 4 - Danford Reservoir GeoRpt\_Redacted.

---

<sup>1</sup> Application of California-American Water Company (U210w) to Increase Revenues in Each of its Districts Statewide, Direct Testimony of Lacy Carothers, Prepared Testimony of Cal Am, July 1, 2025.

California-American Water Company

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

**Response Provided By:** **Mark Reifer**  
**Title:** **Manager Engineering – Southern Division**  
**Address:** **California American Water  
8657 Grand Ave  
Rosemead**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-02**  
**Company Number:** **Cal Adv SIH-02 Q002**  
**Date Received:** **July 8, 2025**  
**Date Response Provided:** **July 22, 2025**  
**Subject Area:** **Southern District Geotechnical Studies**

---

**DATA REQUEST:**

2. Please provide a table in Excel format, as illustrated below, showing the most recent date of any seismic studies or inspections for all storage tanks Cal Am owns in the Los Angeles, San Diego, and Ventura Districts.

Storage Tank	Location	Date of Seismic Study

**CAL-AM'S RESPONSE**

California American Water incorporates its general objections as if each is stated fully here. California American Water further objects on the basis this request is overly burdensome and seeks to force California American Water to perform work that the requesting party can perform. Subject to, but without waiving, these objections, California American Water responds:

Please see the table below in response to data request for Cal ADV SIH-02 Q002 regarding recent seismic studies for all storage tanks California American Water owns in the Los Angeles, San Diego and Ventura Districts.

Storage Tank	Location	Date of Seismic Study
Various Los Angeles District Tanks - BRADY	Various Los Angeles Tank Sites	August 2022
Various Ventura District Tanks - BRADY	Various Ventura Tank Sites	August 2022
Oak Knoll Reservoir – Group Delta	Los Angeles – San Marino	January 12, 2022

California-American Water Company

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

Oak Knoll Reservoir – Group Delta	Los Angeles – San Marino	March 11, 2024
Oak Knoll Reservoir – Group Delta	Los Angeles – San Marino	July 9, 2024
Various Tank Sites for inspections	Los Angeles, San Diego and Ventura	Various Inspection Dates – See Attachment 1 Cal ADV SIH-02 Q002

Please see the attachment CAW Response to CAW Response to Cal Adv SIH-02 Q002 Attachment 1 - Tank Inspections Schedule LA-SD-VEN regarding recent inspections (non-seismic) for all storage tanks Cal Am owns in the Los Angeles, San Diego, and Ventura District.

California-American Water Company

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

**Response Provided By:** **Mark Reifer**  
**Title:** **Manager Engineering – Southern Division**  
**Address:** **California American Water**  
 **8657 Grand Ave**  
 **Rosemead**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-02**  
**Company Number:** **Cal Adv SIH-02 Q003**  
**Date Received:** **July 8, 2025**  
**Date Response Provided:** **July 22, 2025**  
**Subject Area:** **Southern District Geotechnical Studies**

---

**DATA REQUEST:**

3. Please provide copies of the most recent geotechnical or seismic studies performed for all storage tanks Cal Am owns in the Los Angeles, San Diego, and Venture Districts.

**CAL-AM'S RESPONSE**

California American Water incorporates its general objections as if each was stated fully here. California American Water further objects on the basis this request is overly burdensome, especially to the extent it is duplicative or partially duplicative of other requests. Subject to, but without waiving, these objections, California American Water responds:

Please see the following recent geotechnical or seismic study attachments in response to data request Cal ADV SIH-02 Q003 in CAW Response to Cal Adv SIH-02 Q001 Attachment 1, CAW Response to Cal Adv SIH-02 Q001 Attachment 2, CAW Response to Cal Adv SIH-02 Q001 Attachment 3, CAW Response to Cal Adv SIH-02 Q001 Attachment 4, CAW Response to Cal Adv SIH-02 Q003 Attachment 1 – LA Executive Summary\_Redacted and CAW Response to Cal Adv SIH-02 Q003 Attachment 2 – Ventura Executive Summary.

**Due to size constraints data request attachments are available upon request.**

## **Attachment 6: DR SIH-03 (Headquarters Relocation)**

**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.

Application 25-07-003  
(Filed July 1, 2025)

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

Cathy Hongola-Baptista  
Nicholas A. Subias  
California American Water  
555 Montgomery Street, Suite 816  
San Francisco, CA 94111  
(415) 293-3023  
[cathy.hongola-baptista@amwater.com](mailto:cathy.hongola-baptista@amwater.com)

Lori Anne Dolqueist  
Alex Van Roekel  
Nossaman LLP  
50 California Street  
34<sup>th</sup> Floor  
San Francisco, CA 94111  
(415) 398-3600  
[ldolqueist@nossaman.com](mailto:ldolqueist@nossaman.com)

Attorneys for California-American Water Company

Dated: July 22, 2025

California-American Water Company

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

California-American Water Company (U-210- W; “California American Water,” “CAW” or the “Company”) hereby sets forth the following objections and responses to Public Advocates Office’s (“Cal Advocates”) Data Request SIH-03 (“Data Requests” or “RPD”), propounded on July 8, 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

California-American Water Company

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

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

California-American Water Company

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

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:** **Lacy Carothers**  
**Title:** **Director Engineering**  
**Address:** **California American Water  
520 Capitol Mall, Suite 630  
Sacramento**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-03**  
**Company Number:** **Cal Adv SIH-03 Q001**  
**Date Received:** **July 8, 2025**  
**Date Response Provided:** **July 22, 2025**  
**Subject Area:** **Headquarters Relocation**

---

**DATA REQUEST:**

1. Please refer to engineering workpaper 008 - I15-010003\_Corporate Headquarters. In the budget discussion on page 4, Cal Am provides the following estimate:

Building + Land Purchase	\$17,500,000.00
IT	\$1,400,000.00
Furniture	\$800,000.00
Security	\$2,110,000.00
Overhead	\$2,190,000.00
<b>Total</b>	<b>\$24,000,000.00</b>

a. Please provide any and all supporting documents that justify or that Cal Am used in establishing the above referenced estimates.

California-American Water Company

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

**CAL-AM'S RESPONSE**

California American Water incorporates its general objections as if each is stated here. California American Water further objects to the extent this request is overbroad and unnecessarily burdensome, particular to the extent it seeks "any and all" documents. Subject to, but without waiving, these objections, California American Water responds:

See attached documents.

CAW Response Cal Adv SIH-03 Attachment 1 Ventura Ops Bldg Tenant Improvements Forecast

CAW Response Cal Adv SIH-03 Attachment 2 Fenton Ops Center Data Cabling Project

CAW Response Cal Adv SIH-03 Attachment 3 AW Missouri – mo-fen-hitzert-off Quote

CAW Response Cal Adv SIH-03 Attachment 4 WP-4227 Creve Coeur Café

CAW Response Cal Adv SIH-03 Attachment 5 Block Wall price per LF

CAW Response Cal Adv SIH-03 Attachment 6 Iron Fencing and Gates

CAW Response Cal Adv SIH-03 Attachment 7 Memorandum of Opinion

**Due to size constraints data request attachments are available upon request.**

## **Attachment 7: DR SIH-04 (Pipeline Replacements)**

**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 SIH-04**

Cathy Hongola-Baptista  
Nicholas A. Subias  
California American Water  
555 Montgomery Street, Suite 816  
San Francisco, CA 94111  
(415) 293-3023  
cathy.hongola-baptista@amwater.com

Lori Anne Dolqueist  
Alex Van Roekel  
Nossaman LLP  
50 California Street  
34<sup>th</sup> Floor  
San Francisco, CA 94111  
(415) 398-3600  
ldolqueist@nossaman.com

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 SIH-04 (“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:** **Mark Hernandez**  
**Title:** **Capital Program Senior Administrator**  
**Address:** **California American Water**  
**4701 Beloit Drive**  
**Sacramento**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-04**  
**Company Number:** **Cal Adv SIH-04 Q001**  
**Date Received:** **July 24, 2025**  
**Date Response Provided:** **August 7, 2025**  
**Subject Area:** **Pipeline Replacements**

---

**DATA REQUEST:**

1. Referring to Carothers, Lacy Direct Testimony CAW 2025 GRC Final App page 14, Project Code R15-xxB1 – Mains – Replacement/Renewal. For all pipeline replacement and renewal projects Cal Am has completed starting 2022 through June 2025 please provide the below information. Please provide the information in an Excel spreadsheet format. Please refer to the attachment 1 to this data request for the requested format.
  - a. Unique identifier of the pipeline segment.
  - b. Street location of the pipeline segment.
  - c. System to which the pipeline belongs.
  - d. The length of pipeline replaced.
  - e. The number of leaks associated with the replaced pipeline segment.
  - f. The material of the removed pipeline.
  - g. The diameter of the removed pipeline.
  - h. The material of the replacement pipeline.
  - i. The diameter of the replacement pipeline.
  - j. The date groundbreaking work began on the pipeline replacement.
  - k. The date work was completed on the pipeline replacement.
  - l. The primary general contractor who Cal Am contracted the pipeline replacement project.

California-American Water Company

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

- m. The dollar amount Cal Am spent on the pipeline replacement.
- n. Identify whether there are any discrepancies between what Cal Am spent on the pipeline replacement and what is recorded in plant in service.

**CAL-AM'S RESPONSE**

California American Water incorporates its general objections as if each is asserted fully here. California American Water further objects to the extent this request requires California American Water to generate new data or perform calculations. Subject to, but without waiving, these objections, California American Water responds:

Please see the attachment CAW Response Cal Adv SIH-04 Q001 – Attachment 1  
CONFIDENTIAL for the response.

California-American Water Company

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

**Response Provided By:** **Nina Miller**  
**Title:** **Manager Engineering-Asset Planning**  
**Address:** **California American Water  
511 Forest Lodge Rd, Ste 100  
Pacific Grove**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-04**  
**Company Number:** **Cal Adv SIH-04 Q002**  
**Date Received:** **July 24, 2025**  
**Date Response Provided:** **August 7, 2025**  
**Subject Area:** **Pipeline Replacements**

---

**DATA REQUEST:**

2. Please provide any and all cost benefit analysis Cal Am has completed that relates to pipeline replacement and water loss.

**CAL-AM'S RESPONSE**

California American Water incorporates its general objections as if each is asserted fully here. California American Water objects to the extend this request is vague and ambiguous, including as to analysis ... relat[ing] to pipeline replacement and water loss." (Emphasis added). California American Water further objects on this basis this request is unlimited in time. California American Water objects to the extent this request requires California American Water to generate new data or perform calculations. Subject to, but without waiving, these objections, California American Water responds:

California American Water did not complete a recent cost benefit analysis related to both pipeline replacement and water loss. However, there are several publicly available ones that may shed some light on this, including a case study entitled *Validation of water main failure predictions: A 2-year case study*, which is included as CAW Response Cal Adv SIH-04 Q002 Attachment 1.

California-American Water Company

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

**Response Provided By:** John Abbott  
**Title:** Project Manager Operations  
**Address:** California American Water  
655 West Broadway #1410  
San Diego  
**Response Provided By:** Patrick Pilz  
**Title:** Senior Manager Field Operations  
**Address:** California American Water  
655 West Broadway #1410  
San Diego  
**Cal Adv Request:** A2507003 Public Advocates DR SIH-04  
**Company Number:** Cal Adv SIH-04 Q003  
**Date Received:** July 24, 2025  
**Date Response Provided:** August 7, 2025  
**Subject Area:** Pipeline Replacements

---

**DATA REQUEST:**

3. Referring to the AWWA audits provided in CAW 2025 GRC Final Application Exhibit B Vol 1 of 3 Sections A-F Exhibit B II.E.3 – Water Loss Audit, please provide the Excel workbook copies of the AWWA Free Water Audits software used to generate the audits.
  - a. If Cal Am has performed more recent audits since filing the application, please provide the most recent copies of the completed AWWA Free Water Audits Excel workbooks as well.

**CAL-AM'S RESPONSE**

Excel workbook copies of the AWWA Free Water Audits software used to generate the audits are attached as CAW Response Cal Adv SIH-04 Q003 Attachment 1.

California American Water has not performed more recent audits since filing the application.

**Due to size constraints data request attachments are available upon request.**

## **Attachment 8: DR SIH-05 (CWIP Projects II)**

**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 SIH-05**

Cathy Hongola-Baptista  
Nicholas A. Subias  
California American Water  
555 Montgomery Street, Suite 816  
San Francisco, CA 94111  
(415) 293-3023  
cathy.hongola-baptista@amwater.com

Lori Anne Dolqueist  
Alex Van Roekel  
Nossaman LLP  
50 California Street  
34<sup>th</sup> Floor  
San Francisco, CA 94111  
(415) 398-3600  
ldolqueist@nossaman.com

Attorneys for California-American Water Company

Dated: August 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 SIH-05 (“Data Requests” or “RPD”), propounded on July 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:** **Mark Hernandez**  
**Title:** **Capital Program Senior Administrator**  
**Address:** **California American Water  
4701 Beloit Drive  
Sacramento**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-05**  
**Company Number:** **Cal Adv SIH-05 Q001.a**  
**Date Received:** **July 28, 2025**  
**Date Response Provided:** **August 11, 2025**  
**Subject Area:** **CWIP Projects II**

---

**DATA REQUEST:**

1. Referring to CAW Response Cal Adv SIH-01 Q001 - Attachment 1 (CWIP Projects), please provide the following:

- a. For the 2024 project No 344, Chromium-VI Water Treatment:
  - i. When did Cal Am first request to add the budget associated with this project into rates?
  - ii. Please provide a detailed breakdown totaling the \$1,958,789.92 Cal Am claims to have spent on the project so far.
  - iii. Please provide all receipts and invoices supporting 1.a.ii.
  - iv. Please provide the ledger and reference where in the ledger the payments for 1.a.ii are reflected.

**CAL-AM'S RESPONSE:**

California American Water incorporates its general objections as if each is asserted fully here. California American Water further objects to the extent this request is vague, ambiguous, and overly burdensome. California American Water further objects to the extent this request is argumentative. Subject to, but without waiving, these objections, California American Water responds:

- i. The project (Re: I15-500054 LA-Chromium-VI Water Treatment) was first included in the California American Water 2016 GRC with estimated in-service for 2017. Subsequently, the California American Water 2022 GRC adopted an estimated in-service of 2023.
- ii. Please see Excel file CAW Response Cal Adv SIH-05 Q001.a.ii. Attachment 1 - I15-500054 Cost Breakdown.xlsx.

California-American Water Company

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

The question asks for one line in the referenced data (row no. 344) whereas the Cost Breakdown is for the whole project (it is not separable the same as the referenced data because the two sources are different within the financial system). The amounts will be different between the referenced data (lower) and the Cost Breakdown (higher).

- iii. Please see CAW Response Cal Adv SIH-05 Q001 Attachment 1 - I15-500054.
- iv. Payments are in CWIP, CAW GL 10700000, at the time of the Application. See Excel CAW Response Cal Adv SIH-05 Q001 Attachment 5 - CWIP Ledger, Column P, rows 99, 190 and 347.

California-American Water Company

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

**Response Provided By:** **Mark Hernandez**  
**Title:** **Capital Program Senior Administrator**  
**Address:** **California American Water**  
**4701 Beloit Drive**  
**Sacramento**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-05**  
**Company Number:** **Cal Adv SIH-05 Q001.b**  
**Date Received:** **July 28, 2025**  
**Date Response Provided:** **August 11, 2025**  
**Subject Area:** **CWIP Projects II**

---

**DATA REQUEST:**

1. Referring to CAW Response Cal Adv SIH-01 Q001 - Attachment 1 (CWIP Projects), please provide the following:
  - b. For the 2024 project No 251, SD PRV Modernization Program:
    - i. Please provide a detailed explanation of what work was performed under the scope of this project.
    - ii. Please provide the location of all PRV stations that were updated under this program and the dollar amount spent on each.
    - iii. Please provide a detailed breakdown of the \$3,039,645.86 Cal Am claims to have spent on this project.
    - iv. Please provide all receipts and invoices supporting 1.b.iii.
    - v. Please provide the ledger and reference where in the ledger the payments for 1.b.iii are reflected.

**CAL-AM'S RESPONSE:**

California American Water incorporates its general objections as if each is asserted fully here. California American Water further objects to the extent this request is vague, ambiguous, and overly burdensome. California American Water further objects to the extent this request is argumentative. Subject to, but without waiving, these objections, California American Water responds:

- i. The project (I15-300006 SD-PRV Modernization Program) is a Pressure Reducing Valve Modernization (PRV) project originally sponsored by the California Public Utilities Commission (CPUC) for energy efficiency

California-American Water Company

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

(Resolution W-4854 adopted December 2010). Subsequently, Advice Letter 922 authorized this specific location for the installation of the facilities (adopted April 2023 under Resolution W-4913).

This is a hydroelectric energy recovery project. It installed two hydro-turbine generators at the Highland Tank PRV Station which is at the same location as, and connected to, the above-ground Highland Storage Tank in Imperial Beach, California (CAW San Diego County District).

The installations are at the intake of the storage tank. The turbines extract energy not normally captured coming from pressure differentials in pressure reducing valves (PRV) commonly used in water distribution applications and sends electricity back to the energy grid. Conventional PRVs dissipate energy through turbulence, noise and heat, and the hydro-turbines convert that energy into electricity.

The project will help the CPUC determine if such installations should be mandated throughout California. The project is also a U.S. Federal Energy Regulating Commission (FERC) approved project. The benefit to CAW customers is, "Customers turning on water now generate electricity for local use." (CAW External Affairs) (I15-300006-01).



New Large and Small Hydro-turbines at Highland Tank PRV Station (red underlines)

ii. Location: Imperial Beach, California, Highland Tank PRV Station

# of stations: 1.

California-American Water Company

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

Total project: \$3,039,645.86

- iii. Please see Excel file CAW Response Cal Adv SIH-05 Q001.b.ii.  
Attachment 1 - I15-300006 Cost Breakdown.xlsx.
- iv. Please see folder CAW Response Cal Adv SIH-05 Q001 Attachment 2 -  
I15-300006.
- v. Payments are in CWIP, CAW GL 10700000, at the time of the Application.  
See Excel CAW Response Cal Adv SIH-05 Q001 Attachment 5 - CWIP  
Ledger, Column P, row 169.

California-American Water Company

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

**Response Provided By:** **Mark Hernandez**  
**Title:** **Capital Program Senior Administrator**  
**Address:** **California American Water**  
**4701 Beloit Drive**  
**Sacramento**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-05**  
**Company Number:** **Cal Adv SIH-05 Q001.c**  
**Date Received:** **July 28, 2025**  
**Date Response Provided:** **August 11, 2025**  
**Subject Area:** **CWIP Projects II**

---

**DATA REQUEST:**

1. Referring to CAW Response Cal Adv SIH-01 Q001 - Attachment 1 (CWIP Projects), please provide the following:
  - c. For the 2024 project listed under No 285, 286, 287, 288, and 289, Schulte Well #3:
    - i. When did Cal Am first request to add the budget associated with this project into rates?
    - ii. Please provide a detailed breakdown of the \$3,451,886.07 Cal Am claims to have spent on this project.
    - iii. Please provide all receipts and invoices supporting 1.c.ii.
    - iv. Please provide the ledger and reference where in the ledger the payments for 1.c.ii are reflected.

**CAL-AM'S RESPONSE:**

California American Water incorporates its general objections as if each is asserted fully here. California American Water further objects to the extent this request is vague, ambiguous, and overly burdensome. California American Water further objects to the extent this request is argumentative. Subject to, but without waiving, these objections, California American Water responds:

- i. The program I15-400131 Monterey Well Rehabilitation Program 2021-2026 was first proposed and approved in the California American Water 2019 GRC with an estimated program start in 2021. Subsequently, the adoption continued in the California American Water 2022 GRC.

California-American Water Company

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

The program is a continuation of well rehabilitations adopted in the California American Water 2013 GRC and 2016 GRC with the additional scope of replacing wells when initial evaluations indicate rehabilitation is not viable, and adding wells when the production is not sufficient to serve the system demands (added in the 2019 GRC). The programmatic adoption allows California American Water flexibility in planning well rehabilitations, replacements, and additions to maintain the performance and reliability of the source of supply in the Monterey System. The programmatic adoption also means in-servicing may occur throughout the timeframe of the program. This specific project replaced Schulte Well #2 with Schulte Well #3.

- ii. Please see Excel file CAW Response Cal Adv SIH-05 Q001.c.ii.  
Attachment 1 - I15-400131-06 Cost Breakdown.
- iii. Please see CAW Response Cal Adv SIH-05 Q001 Attachment 3 - I15-400131-06.
- iv. Payments are in CWIP, CAW GL 10700000, at the time of the Application. See Excel CAW Response Cal Adv SIH-05 Q001 Attachment 5 - CWIP Ledger, Column P, row 606.

California-American Water Company

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

**Response Provided By:** **Mark Hernandez**  
**Title:** **Capital Program Senior Administrator**  
**Address:** **California American Water  
4701 Beloit Drive  
Sacramento**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-05**  
**Company Number:** **Cal Adv SIH-05 Q001.d**  
**Date Received:** **July 28, 2025**  
**Date Response Provided:** **August 11, 2025**  
**Subject Area:** **CWIP Projects II**

---

**DATA REQUEST:**

1. Referring to CAW Response Cal Adv SIH-01 Q001 - Attachment 1 (CWIP Projects), please provide the following:
  - d. For the 2024 project listed under No 397 through 404, New Roseville Road Well:
    - i. When did Cal Am first request to add the budget associated with this project into rates?
    - ii. Please provide a detailed breakdown of the \$1,887,019.55 Cal Am claims to have spent on this project.
    - iii. Please provide all receipts and invoices supporting 1.d.ii.
    - iv. Please provide the ledger and reference where in the ledger the payments for 1.d.ii are reflected.

**CAL-AM'S RESPONSE:**

California American Water incorporates its general objections as if each is asserted fully here. California American Water further objects to the extent this request is vague, ambiguous, and overly burdensome. California American Water further objects to the extent this request is argumentative. Subject to, but without waiving, these objections, California American Water responds:

- i. The program I15-600098 Sacramento Well Installation and Replacement Program 2021-2026 was first proposed and adopted in the California American Water 2019 GRC with an estimated program start in 2021. Subsequently, the adoption continued in the California American Water 2022 GRC.

California-American Water Company

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

The programmatic adoption allows California American Water flexibility in planning new wells or replacements for ones near the end of their structural and hydraulic life to avoid failure of wells, especially at critical times. The programmatic adoption also means in-servicing may occur throughout the timeframe of the program. This specific project replaced Roseville Well 1 with Roseville Well 2 due to significant loss of capacity for Well 1 and after 2021 investigations showed high deterioration of its well casing and its inability to withstand routine rehabilitation to restore capacity.

- ii. Please see Excel file CAW Response Cal Adv SIH-05 Q001.d.ii.  
Attachment 1 - I15-600098-02 Cost Breakdown.
- iii. Please see CAW Response Cal Adv SIH-05 Q001 Attachment 4 - I15-600098-02.
- iv. Payments are in CWIP, CAW GL 10700000, at the time of the Application. See Excel CAW Response Cal Adv SIH-05 Q001 Attachment 5 - CWIP Ledger, Column P, rows 102 and 637.

California-American Water Company

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

**Response Provided By:** **Mark Hernandez**  
**Title:** **Capital Program Senior Administrator**  
**Address:** **California American Water**  
**4701 Beloit Drive**  
**Sacramento**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-05**  
**Company Number:** **Cal Adv SIH-05 Q001.e**  
**Date Received:** **July 28, 2025**  
**Date Response Provided:** **August 11, 2025**  
**Subject Area:** **CWIP Projects II**

---

**DATA REQUEST:**

1. Referring to CAW Response Cal Adv SIH-01 Q001 - Attachment 1 (CWIP Projects), please provide the following:

e. Please explain what the following projects are and explain how the CWIP budgets associated with each project was determined and provide support for those budgets:

- i. No. 299 2018 Overhead Recovered in GRC Desa
- ii. No. 300 2020 Overhead Recovered in GRC Desa
- iii. No. 301 2018 Overhead Recovered in GRC CalA
- iv. No. 302 2020 Overhead Recovered in GRC CalA

**CAL-AM'S RESPONSE:**

California American Water incorporates its general objections as if each is asserted fully here. California American Water further objects to the extent this request is vague, ambiguous, and overly burdensome. Subject to, but without waiving, these objections, California American Water responds:

In D.18-12-021, the Commission approved a method of indirect overhead allocation such that, indirect overhead is applied to individual GRC capital projects based on their forecasted direct costs as a percentage of forecasted total direct costs incurred for all GRC projects. For example, Project-A has 2% of the total program direct cost, then Project-A is allocated 2% of the program total indirect overhead. Total indirect overhead is incurred to directly support and deliver the GRC capital program.

California-American Water Company

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

- i. Projects I15-400145 and I15-400147 are the adjustment to indirect overhead, without it exceeding the adopted 2018-2020 total indirect overhead, and contain indirect overhead of non-GRC projects equal to the differential between authorized and actual. The adjustment does not exceed the adopted 2018-2020 total indirect overhead.
- ii. Please see Excel CAW Response Cal Adv SIH-05 Q001.e. Attachment 1 - Ind OH Cost Breakdown for support.
- iii. Incurred charges are in CWIP, CAW GL 10700000, at the time of the Application.
- iv. See Excel CAW Response Cal Adv SIH-05 Q001 Attachment 5 - CWIP Ledger, Column P, rows 10, 83, 84 and 527.

California-American Water Company

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

**Response Provided By:** **Mark Hernandez**  
**Title:** **Capital Program Senior Administrator**  
**Address:** **California American Water  
4701 Beloit Drive  
Sacramento  
Lakhjit S Thind**  
**Response Provided By:** **Lakhjit S Thind**  
**Title:** **Sr Rates & Regulatory Analyst**  
**Address:** **California American Water  
520 Capitol Mall, Suite 630  
Sacramento**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-05**  
**Company Number:** **Cal Adv SIH-05 Q002**  
**Date Received:** **July 28, 2025**  
**Date Response Provided:** **August 11, 2025**  
**Subject Area:** **CWIP Projects II**

---

**DATA REQUEST:**

2. For projects in CWIP that are funded by others, please explain where in the Results of Operations Model (RO Model) the balances for these projects are removed from CWIP before the CWIP budget is added into rate base.

**CAL-AM'S RESPONSE:**

California American Water incorporates its general objections as if each is asserted fully here. California American Water further objects to the extent this request is vague and ambiguous. Subject to, but without waiving, these objections, California American Water responds:

Projects funded by others are not included in rate base. Projects funded by others are kept in CWIP as shown in "ALL\_CH07\_PLT\_RO\_Forecast" and those same balances are offset in contributions and advances as shown in "ALL\_CH09\_RB\_WP\_CIAC&CAC", tracing dependents from tab "IN\_F\_Add\_Project Funded by OT", thus netting out projects funded by others.

**Due to size constraints data request attachments are available upon request.**

## **Attachment 9: DR SIH-06 (Headquarters Relocation II)**

**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 SIH-06**

Cathy Hongola-Baptista  
Nicholas A. Subias  
California American Water  
555 Montgomery Street, Suite 816  
San Francisco, CA 94111  
(415) 293-3023  
cathy.hongola-baptista@amwater.com

Lori Anne Dolqueist  
Alex Van Roekel  
Nossaman LLP  
50 California Street  
34<sup>th</sup> Floor  
San Francisco, CA 94111  
(415) 398-3600  
ldolqueist@nossaman.com

Attorneys for California-American Water Company

Dated: August 21, 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 SIH-06 (“Data Requests” or “RPD”), propounded on August 7, 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:** **Lacy Carothers**  
**Title:** **Director Engineering**  
**Address:** **California American Water  
520 Capitol Mall, Suite 630  
Sacramento**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-06**  
**Company Number:** **Cal Adv SIH-06 Q001**  
**Date Received:** **August 6, 2025**  
**Date Response Provided:** **August 21, 2025**  
**Subject Area:** **Headquarters Relocation II**

---

**DATA REQUEST:**

1. Please refer to engineering workpaper 008 - I15-010003\_Corporate Headquarters. In the budget discussion on page 4, Cal Am provides the following estimate:

Building + Land Purchase	\$17,500,000.00
IT	\$1,400,000.00
Furniture	\$800,000.00
Security	\$2,110,000.00
Overhead	\$2,190,000.00
<b>Total</b>	<b>\$24,000,000.00</b>

- a. Please explain how each value was determined.
- b. Please provide breakdowns detailing each budget value provided.
- c. Please explain how each document provided in 2025-07-22 A2507003 CAW Response Cal Adv SIH-03 was used in determining the above budgets.

California-American Water Company

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

**CAL-AM'S RESPONSE:**

California American Water incorporates its general objections as if each is asserted fully here. California American Water further objects to the extent this request is vague and ambiguous. Subject to, but without waiving these objections, California American Water responds:

- a. Building + Land Purchase was pulled from the lease. The \$17,500,000 was conservatively used as the price varies depending on the exercise of the option. IT, Furniture and Security pricing was based off of multiple bids from other projects of similar needs.
- b. See attached excel spreadsheet, CAW Response Cal Adv SIH-06 Q001 Attachment 1.
- c. See attached excel spreadsheet, CAW Response Cal Adv SIH-06 Q001 Attachment 1.

California-American Water Company

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

**Response Provided By:** **Lacy Carothers**  
**Title:** **Director Engineering**  
**Address:** **California American Water  
520 Capitol Mall, Suite 630  
Sacramento**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-06**  
**Company Number:** **Cal Adv SIH-06 Q002**  
**Date Received:** **August 6, 2025**  
**Date Response Provided:** **August 21, 2025**  
**Subject Area:** **Headquarters Relocation II**

---

**DATA REQUEST:**

2. Please refer to Carothers, Lacy Direct Testimony CAW 2025 GRC Final App page 53. The Testimony states that the build-to-suite contract was signed in April 2025.

- a. Please provide the address of the new proposed building location.
- b. Please provide copies of architectural and engineering plans Cal Am has for the new building.
- c. Please provide all current copies of leases or contracts Cal Am has executed or is reviewing related to the proposed corporate headquarters relocation and the new building.
- d. Provide a breakdown and receipts for any equipment Cal Am has purchased for the new headquarters building.

**CAL-AM'S RESPONSE:**

California American Water incorporates its general objections as if each is asserted fully here. California American Water further objects to the extent this request is vague, ambiguous, and overbroad. Subject to, but without waiving these objections, California American Water responds:

- a. 700 Riverpoint Drive, West Sacramento, CA
- b. See attached CAW Response Cal Adv SIH-06 Q002.b Attachments 1-5.
- c. See attached CAW Response Cal Adv SIH-06 Q002.c Attachment 1.
- d. None at this time.

## **Attachment 10: DR SIH-07 (Pipeline Replacements II)**

**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 SIH-07**

Cathy Hongola-Baptista  
Nicholas A. Subias  
California American Water  
555 Montgomery Street, Suite 816  
San Francisco, CA 94111  
(415) 293-3023  
cathy.hongola-baptista@amwater.com

Lori Anne Dolqueist  
Alex Van Roekel  
Nossaman LLP  
50 California Street  
34<sup>th</sup> Floor  
San Francisco, CA 94111  
(415) 398-3600  
ldolqueist@nossaman.com

Attorneys for California-American Water Company

Dated: August 26, 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 SIH-07 (“Data Requests” or “RPD”), propounded on August 12, 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:** **Mark Hernandez**  
**Title:** **Capital Program Senior Administrator**  
**Address:** **California American Water**  
**4701 Beloit Drive**  
**Sacramento**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-07**  
**Company Number:** **Cal Adv SIH-07 Q001**  
**Date Received:** **August 12, 2025**  
**Date Response Provided:** **August 26, 2025**  
**Subject Area:** **Pipeline Replacements II**

---

**DATA REQUEST:**

1. Refer to Cal Am's response to Data Request Cal Adv SIH-04 Q001 - Attachment 1 CONFIDENTIAL. Please confirm that Cal Am completed 10 pipeline replacements with a total spending of \$1,193,537.93 between 2022 and June 2025?

**CAL-AM'S RESPONSE**

California American Water incorporates its general objections as if each is asserted fully here. California American Water further objects to the extent this request is vague and ambiguous. Subject to, but without waiving, these objections, California American Water responds:

Yes, 10 projects in R15-xxB1 Mains – Replacement/Renewal, for the stated amount between 2022 and June 2025. California American Water performs the majority of needed pipeline replacements in authorized investment projects (IP).

California-American Water Company

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

**Response Provided By:** Anli Liu  
**Title:** Associate Engineer  
**Address:** California America Water  
4701 Beloit Drive  
Sacramento  
**Response Provided By:** Richard Saldivar  
**Title:** Project Manager  
**Address:** California American Water  
655 West Broadway #1410  
San Diego  
**Response Provided By:** David Pezzini  
**Title:** Senior Project Engineer  
**Address:** California American Water  
511 Forest Lodge Rd, Suite 100  
Pacific Grove  
**Cal Adv Request:** A2507003 Public Advocates DR SIH-07  
**Company Number:** Cal Adv SIH-07 Q002  
**Date Received:** August 12, 2025  
**Date Response Provided:** August 26, 2025  
**Subject Area:** Pipeline Replacements II

---

**DATA REQUEST:**

2. Please refer to page 14 of the file "Carothers, Lacy Direct Testimony CAW 2025 GRC Final App.pdf" that was provided with Cal Am's GRC Application (A.)25-07-003 on July 1, 2025. In regards to Project Code R15-xxB1 – Mains – Replacement/Renewal, provide maps showing all proposed pipeline replacements within the current GRC cycle for each system in Cal Am's territory.

**CAL-AM'S RESPONSE**

California American Water incorporates its general objections as if each is asserted fully here. California American Water further objects to the extent this request is vague and ambiguous. Subject to, but without waiving, these objections, California American Water responds:

We have no mapping information for proposed projects to provide as no budget was requested for Recurring Project B-line as shown in the Testimony.

## **Attachment 11: DR SIH-08 (Storage Tanks)**

**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 SIH-08**

Cathy Hongola-Baptista  
Nicholas A. Subias  
California American Water  
555 Montgomery Street, Suite 816  
San Francisco, CA 94111  
(415) 293-3023  
cathy.hongola-baptista@amwater.com

Lori Anne Dolqueist  
Alex Van Roekel  
Nossaman LLP  
50 California Street  
34<sup>th</sup> Floor  
San Francisco, CA 94111  
(415) 398-3600  
ldolqueist@nossaman.com

Attorneys for California-American Water Company

Dated: August 26, 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 SIH-08 (“Data Requests” or “RPD”), propounded on August 12, 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:** Nina Miller  
**Title:** Manager Engineering-Asset Planning  
**Address:** California American Water  
511 Forest Lodge Rd, Ste 100  
Pacific Grove  
**Cal Adv Request:** A2507003 Public Advocates DR SIH-08  
**Company Number:** Cal Adv SIH-08 Q001  
**Date Received:** August 12, 2025  
**Date Response Provided:** August 26, 2025  
**Subject Area:** Storage Tanks

## DATA REQUEST:

1. When responding to the following questions, please refer to Table 4-16 in the workpaper file “004 - 2025 Monterey County District CPS CONFIDENTIAL Table 4-16” that was provided with Cal Am’s July 1, 2025 GRC Application (A.)25-07-003:

- a. Provide copies of the master tank lists for each district.
- b. Provide the most recent copies of hydraulic grade line schematics for each zone in each district.
- c. For all storage tanks Cal Am operates in its California systems please provide the following information:
  - i. Tank Name.
  - ii. Address of the tank.
  - iii. System to which the tank belongs.
  - iv. Elevation of the tank.
  - v. Design storage volume of the tank.
  - vi. Useable storage volume of the tank.
  - vii. Average turnover rate of the tank in days.
  - viii. The date of the last inspection.
  - ix. Current service status of the tank.

Please provide the information in a Microsoft excel format using the following table formatting:

Name	Address	System	Elevation	Design Storage	Useable Storage	Average Turnover Rate (Days)	Last inspection date	Status
------	---------	--------	-----------	----------------	-----------------	------------------------------	----------------------	--------

California-American Water Company

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

--	--	--	--	--	--	--	--	--

**CAL-AM'S RESPONSE**

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

- a. Please see CAW Response Cal Adv SIH-08 Q001 Attachment 1.
- b. Please see CAW Response Cal Adv SIH-08 Q001 Attachment 2.
- c. Please see CAW Response Cal Adv SIH-08 Q001 Attachment 3. Please note, Avg Turnover Rate is not a metric California American Water tracks.

**Due to size constraints data request attachments are available upon request.**

## **Attachment 12: DR SIH-09 (Pipeline and Replacements III)**

**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 SIH-09**

Cathy Hongola-Baptista  
Nicholas A. Subias  
California American Water  
555 Montgomery Street, Suite 816  
San Francisco, CA 94111  
(415) 293-3023  
cathy.hongola-baptista@amwater.com

Lori Anne Dolqueist  
Alex Van Roekel  
Nossaman LLP  
50 California Street  
34<sup>th</sup> Floor  
San Francisco, CA 94111  
(415) 398-3600  
ldolqueist@nossaman.com

Attorneys for California-American Water Company

Dated: September 30, 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 SIH-09 (“Data Requests” or “RPD”), propounded on September 16, 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:** **Mark Hernandez**  
**Title:** **Capital Program Senior Administrator**  
**Address:** **California American Water  
4701 Beloit Drive  
Sacramento**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-09**  
**Company Number:** **Cal Adv SIH-09 Q001**  
**Date Received:** **September 16, 2025**  
**Date Response Provided:** **September 30, 2025**  
**Subject Area:** **Pipeline and Replacements III**

---

**DATA REQUEST:**

1. For all of Cal Am's completed and ongoing pipeline replacement projects between 2022 through August 2025, please provide the information below in an Excel file and in Excel format, as provided in Attachment 1 to this data request. Please make sure to provide the requested information in the cells in Attachment 1 to this data request.
  - a. Unique identifier of the pipeline segment.
  - b. Street location of the pipeline segment.
  - c. System to which the pipeline belongs.
  - d. The project code under which the pipeline project was completed.
  - e. The length of pipeline replaced.
  - f. The number of leaks associated with the replaced pipeline segment.
  - g. The material of the removed pipeline.
  - h. The diameter of the removed pipeline.
  - i. The material of the replacement pipeline.
  - j. The diameter of the replacement pipeline.
  - k. The date groundbreaking work began on the pipeline replacement.
  - l. The date work was completed on the pipeline replacement. (If ongoing please indicate and expected end date.)
  - m. The primary general contractor who Cal Am contracted the pipeline replacement project.
  - n. The dollar amount Cal Am spent on the pipeline replacement.
  - o. Identify whether there are any discrepancies between what Cal Am spent on the pipeline replacement and what is recorded in plant in service.

California-American Water Company

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

**CAL-AM'S RESPONSE**

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

Response is in the Excel file CAW Response Cal Adv SIH-09 Q001 – Attachment 1.xlsx. Note also that number of leaks (as asked for in Q001) is one of several considerations for pipeline replacements. Pipeline renewal prioritization factors in wide-ranging dynamics such as, but not limited to, cohort (pipe material, age, etc.), criticality of specific segments, fire flow, service disruptions, water loss, water quality, hydraulic modeling, valve issues, insufficient pressures, level of service to customers. Multiple distress indicators and failure mechanisms of pipes are regarded.

California-American Water Company

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

**Response Provided By:** **Candace Coleman**  
**Title:** **Senior Planning Engineer**  
**Address:** **California American Water  
655 West Broadway #1410  
San Diego**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-09**  
**Company Number:** **Cal Adv SIH-09 Q002**  
**Date Received:** **September 16, 2025**  
**Date Response Provided:** **September 30, 2025**  
**Subject Area:** **Pipeline and Replacements III**

---

**DATA REQUEST:**

2. Please refer to Cal Am's data request response 2025-09-05 A2507003 CAW Response Cal Adv DKG-16 Question 5. In reference to the Pipe Prioritization Model (PPM), Cal Am states "The intent is that operations, engineering, and planning will meet to review the updated PPM and decide on short-term projects based on factors such as pipe risk, project feasibility, known activity in the area, and proximity to other pipe projects. This method allows for more precise identification of pipe replacement needs."

- a. Please provide a detailed explanation of the decision-making process when selecting which pipeline replacements are to be chosen.
- b. Please explain how the PPM takes into account factors outside of the utilities control such as paving moratoriums imposed by local authorities.
- c. Please provide all factors and determining attributes of a pipeline segment that the PPM considers and please provide a brief explanation of each factor and determining attribute.

**CAL-AM'S RESPONSE**

California American Water incorporates its General Objections as though each is submitted fully here. California American Water further objects to the extent this request is overly broad and therefore unduly burdensome, particularly in asking for "all factors." California American Water additionally objects to this request to the extent it is vague and ambiguous, including as to "taking account." Subject to, but without waiving, those objections, California American Water responds:

- a. The process involves meeting with engineering, operations, and planning staff to review data and plan pipeline replacement projects through the following steps:

California-American Water Company

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

- Discussions may include recent events such as new road paving projects, main breaks, field inspection of a main segment, or customer complaints or concerns (ie, low fire flow or high or low pressures).
  - For recent main break data or if a main has been field-verified as being in poor condition, we look to determine if the PPM already ranked this main as medium-high or high risk. If yes, this main should be prioritized for replacement. If no, we determine if the risk score needs to be recalculated
  - For road paving projects, we determine if these occur on mains already identified in the PPM as high or medium-high risk. If yes, then these mains should be prioritized for replacement. The project manager is typically in constant communication with the local agencies to understand upcoming agency projects.
  - For customer service-related issues, we determine if mains serving the customers are identified as medium-high or high risk in the PPM. If yes, these mains should be prioritized for replacements. If no, further discussion may be needed to determine the overall benefit of replacing the main, such as the number of customers benefited by the replacement. (Note that future iterations of the PPM will be able to include fire flow as a factor.)
  - If mains are identified for replacement due to recent events, we determine if there are other mains in close proximity that are also identified as high risk. Expanding the project area to include those mains may have financial and efficiency benefits.
  - All mains identified for replacement will also need to be reviewed by operations staff, as the staff may have knowledge about certain pipes that may not be captured in data systems that feed into the PPM, such as GIS or MapCall. This can happen with newly acquired systems for which the data received by California American Water is incomplete or recorded incorrectly. For example, a pipe may be listed as being cast iron in GIS, and therefore in the PPM, but operations staff may have learned that it is actually PVC. This can indicate that the pipe score needs to be recalculated.
- If sufficient projects have not been identified through recent events or new information, we sort mains in the PPM by the highest risk and discuss the highest risk pipe segments. Again, operations will need to review high risk mains and identify any potential inconsistencies based on their field knowledge. If possible, replacement projects should focus on areas where there are a large number of high-risk mains for financial and efficiency benefits.

California-American Water Company

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

b. Paving moratoriums and other factors outside of CAW's control will be discussed in the meetings detailed in "Part a." above.

**c. Likelihood of Failure**

Survival Probability: Uses the Weibull curve based on main break records to determine the probability of failure based on age of the pipe.

Pipe Material: Certain pipe materials have higher break rates (for example, cast iron, pre-1075 PVC, pre-1950 asbestos cement).

Break Frequency: The number of breaks that occurred on pipe segments of the same vintage (same diameter, same material, and same install year) in the past 10 years.

Break Rate: The number of breaks per year per 200 ft.

Kernal Density: Probability density of main breaks.

Pressure: Maximum pressure between end points of a pipe - Internal pressure is the internal load acting on the pipe. If the hoop stress generated is higher than the tensile strength of the pipe material, it will cause longitudinal cracks.

Land Use: Used to indicate the level of additional load on the ground surface (land use such as highways and railroads have high external loads).

Soil Type: Some soils are corrosive to pipes based on soil constituents.

Buried Depth: Soil cover above pipes can reduce the load on the pipe from live load (such as vehicles) and increase earth load on the pipe.

Flow Velocity: Indicator of hydraulic capacity in pipes – high velocity indicates undersized pipe and can cause pressure surges.

**Consequence of Failure**

Number of Impacted Customer Connection: How many customers could be impacted if a pipe fails.

System Demand Shortfall: If a pipe fails, the percent of total demand that cannot be delivered,

Ease of Repair-Crossings: Function of pipe location and diameter - pipes under highways, railroads, levees, rivers, and water bodies are more difficult to repair,

California-American Water Company

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

Critical Customers: Includes customers that may be more sensitive to an outage such as hospitals and schools.

Traffic Disruptions: Function of pipe location and diameter - Pipes near major roads could also cause hazards in winter seasons when the water on the road could become ice, could flood the base of the road causing sink holes, or water runs on the road could create traffic hazards for passing vehicles,

Financial Impact-Diameter: Potential insurance claims of a main break – larger for larger pipes.

Financial Impact-Flow: Potential insurance claims of a main break – larger for pipes with more flow,

Environmental Impact: Function of pipe diameter and distance to water bodies – possible discharge into water bodies.

**Due to size constraints data request attachments are available upon request.**

## **Attachment 13: DR SIH-10 (Software and IT Projects)**

**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 SIH-10**

Cathy Hongola-Baptista  
Nicholas A. Subias  
California American Water  
555 Montgomery Street, Suite 816  
San Francisco, CA 94111  
(415) 293-3023  
cathy.hongola-baptista@amwater.com

Lori Anne Dolqueist  
Alex Van Roekel  
Nossaman LLP  
50 California Street  
34<sup>th</sup> Floor  
San Francisco, CA 94111  
(415) 398-3600  
ldolqueist@nossaman.com

Attorneys for California-American Water Company

Dated: September 30, 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 SIH-10 (“Data Requests” or “RPD”), propounded on September 16, 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:** Michael Kurzeja  
**Title:** Associate Director, Delivery Management  
**Address:** American Water  
1 Water Street  
Camden, New Jersey  
**Cal Adv Request:** A2507003 Public Advocates DR SIH-10  
**Company Number:** Cal Adv SIH-10 Q001  
**Date Received:** September 16, 2025  
**Date Response Provided:** September 30, 2025  
**Subject Area:** Software and IT Projects

---

**DATA REQUEST:**

1. Please refer to page 4 of Kurzeja, Michael Direct Testimony CAW 2025 GRC Final App that Cal Am provided in its July 1, 2025 GRC application:
  - a. Please provide all contracts and purchase orders for the AWS Cloud services.
  - b. Please explain what new AWS Cloud services are being proposed in this GRC.

**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 overly broad and therefore unduly burdensome, particularly to the extent it seeks "all." Subject to, but without waiving, those objections, California American Water responds:

- a. Please refer to the contracts associated with AWS Cloud Services, attached hereto as CAW Response Cal Adv SIH-10 Q001.a Attachments 1-6.
- b. California American Water is committed to delivering reliable and cost-effective service to our customers through a strategic, technology-agnostic approach to leveraging Amazon Web Services (AWS) Cloud services to help ensure compliance with regulatory requirements. As AWS Cloud Services technology rapidly evolves, we rigorously evaluate and deploy AWS Cloud services based on their ability to enhance system reliability, optimize operational costs, and support robust data security to maximize customer value. By maintaining flexibility, we ensure that our adoption of AWS solutions aligns with evolving customer needs and regulatory expectations, delivering benefits to customers without committing to specific AWS technologies at this time.

California-American Water Company

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

**Response Provided By:** Michael Kurzeja  
**Title:** Associate Director, Delivery Management  
**Address:** American Water  
1 Water Street  
Camden, New Jersey  
**Cal Adv Request:** A2507003 Public Advocates DR SIH-10  
**Company Number:** Cal Adv SIH-10 Q002  
**Date Received:** September 16, 2025  
**Date Response Provided:** September 30, 2025  
**Subject Area:** Software and IT Projects

---

**DATA REQUEST:**

2. Please refer to page 5 of Kurzeja, Michael Direct Testimony CAW 2025 GRC Final App that Cal Am provided in its July 1, 2025 GRC application. Cal Am states that the "Application Modernization will improve the efficiency of multiple systems that support critical business functions."

- a. Please explain what these efficiency increases are.
- b. Please elaborate on expected cost savings to ratepayers related to the Application Modernization.
- c. Please explain where in the RO model these savings are reflected.

**CAL-AM'S RESPONSE**

California American Water incorporates its general objects as if each is asserted fully here. California American Water further objects to the extent this request is vague, ambiguous, misstates the testimony it purports to rely upon. California American Water further objects to the extent this request asks for information beyond of the scope of the testimony. Subject to, but without waiving, these objections, California American Water responds:

- a. The Application Modernization initiative is expected to yield efficiency increases through automating certain tasks that require redundant steps in the current system and introducing other efficiencies to remove tasks from employees, enabling more time to be focused on other priorities. These automations are expected to generate time savings for staff, allowing California American Water to enhance its responsiveness to customer needs and inquiries as well as to address other demands. Similar efficiencies,

California-American Water Company

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

as intended as part of Application Modernization, were achieved with the recently completed CCaaS project which led to improved call wait times.

- b. The expected cost savings to customers from Application Modernization arise from two key areas of cost avoidance rather than specific cost savings. First, by upgrading the current systems rather than maintaining the existing ones, future expenditures associated with ongoing maintenance and potential system failures will be avoided. For instance, if we were to maintain SAP ECC instead of upgrading to S/4, we would potentially expose Cal Am customers to additional future year charges associated with maintaining an unsupported version of SAP. Second, by limiting customizations during the upgrade process, additional costs will be averted, as this approach reduces the likelihood of necessitating future redesigns or modifications due to overly customized configurations.
- c. These anticipated avoided costs are reflected in the Results of Operations (RO) model through lower forecasted operating and maintenance expenses in the relevant line items than would be necessary without the modernization initiative.

California-American Water Company

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

**Response Provided By:** **Nina Miller**  
**Title:** **Manager Engineering-Asset Planning**  
**Address:** **California American Water  
511 Forest Lodge Rd, Ste 100  
Pacific Grove**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-10**  
**Company Number:** **Cal Adv SIH-10 Q003**  
**Date Received:** **September 16, 2025**  
**Date Response Provided:** **September 30, 2025**  
**Subject Area:** **Software and IT Projects**

---

**DATA REQUEST:**

3. Please refer to the Pipeline Prioritization Model (PPM) that Cal Am described in Cal Am's data request response 2025-09-05 A2507003 CAW Response Cal Adv DKG-16 Questions 5:

- a. Please explain who developed the PPM.
- b. Please detail how much Cal Am has paid for the (PPM).
- c. Please explain where in the RO Model these PPM costs are reflected.

**CAL-AM'S RESPONSE**

California American Water incorporates its General Objections as though each is submitted fully here. California American Water additionally objects to this request on the grounds that it is vague and ambiguous. Subject to, but without waiving, those objections, California American Water responds:

- a. The PPM was developed by various Professional Engineers from our American Water One Engineering Team, in collaboration with multiple highly experienced staff throughout the American Water utilities.
- b. The PPM was developed in-house in phases as an analysis tool as opposed to a commercial software that would have required an initial cost to purchase each license and continuous annual costs. The presumed minimal charges from service company labor costs for the development of the PPM were likely included in service company overhead charges previously.
- c. The PPM costs have been fully amortized, and we are not filing for any PPM costs in our 2027 test year, therefore no costs are reflected in the RO Model.

California-American Water Company

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

**Response Provided By:** **John Watkins**  
**Title:** **Sr. Director Regulatory Services**  
**Address:** **American Water  
1 Water Street  
Camden New Jersey**  
**Response Provided By:** **Michael Kurzeja**  
**Title:** **Associate Director, Delivery Management**  
**Address:** **American Water  
1 Water Street  
Camden New Jersey**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-10**  
**Company Number:** **Cal Adv SIH-10 Q004**  
**Date Received:** **September 16, 2025**  
**Date Response Provided:** **September 30, 2025**  
**Subject Area:** **Software and IT Projects**

---

**DATA REQUEST:**

4. Please provide a list of all software that is shared between Cal Am and Cal Am's parent company.
  - a. Please provide the total cost for each software.
    - i. Please provide all contracts, purchase orders, and invoices to reconcile and back up these costs.
  - b. Please provide the cost Cal Am bares for it's use of each software.
    - i. Please explain where in the RO Model each cost is reflected.
  - c. Please explain in detail how Cal Am's portion of the cost was calculated.
    - i. Please provide any formula used to determine Cal Am's cost.

**CAL-AM'S RESPONSE**

California American Water incorporates its general objections as if each is asserted fully here. California American Water further objects to the extent this request overly broad and unnecessarily burdensome, especially to the extent it seeks "all contracts, purchase orders, and invoices." California American Water additionally objects to this request on the grounds that any benefit of receiving the information is outweighed by the undue burden and expense of providing that information. California American Water, therefore, will provide such information relating to the 10 largest contracts, purchase

California-American Water Company

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

orders, and/or invoices. Subject to, but without waiving, these objections, California American Water responds:

Thank you for your inquiry regarding the shared software arrangements between California American Water (a regulated operating subsidiary) and its parent company, American Water ("Parent"). Rather than simply object on the basis that such contracts are not shared between the Parent and California American Water. We have instead read this question as asking for agreements shared between American Water Service Company ("Service Company") (a subsidiary of the Parent) and California American Water.

California American Water is committed to transparency in our cost allocation practices under the RO Model, ensuring that only prudent, utility-specific costs are recovered through customer rates. Below, we address each element of your request in detail. All shared software is enterprise-wide licenses negotiated at the Service Company level for economies of scale with allocations to California American Water.

4. a. Software Shared by Service Company with California American Water.

The following table lists the 10 largest software platforms shared across the enterprise. These are primarily enterprise resource planning (ERP), customer relationship management (CRM), and utility-specific operational tools, selected for their scalability in supporting both regulated utility operations and Parent-level functions (e.g., corporate finance and shared services).

- SAP Rise Order Form Years 2-5
- Microsoft Enterprise Agreement - MS Licensing/O365/Collaboration
- Microsoft Enterprise Agreement - SWM/SWL/O365/Collaboration
- SAP S/W Maintenance
- Five 9 SW Years 2-5
- Palo SIEM (XSIAM) - Expansion
- Palo SIEM (XSIAM)
- Palo Cyber Security MDR
- Okta
- BMC Remedy (Helix)
- SAP Success Factors

California-American Water Company

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

- Prisma CASBX

4.a.i. Contracts, Purchase Orders, & Invoices

All contracts, purchase orders and invoices related to the table of software above are attached hereto as CAW Response Cal Adv SIH-10 Q004.a.i Attachments 01 – 22. attachment.

4.b. Cost California American Water Bears for Its Use of Each Software

California American Water's allocated costs are a subset of the total, reflecting only usage directly attributable to regulated operations. These are recovered via base rates.

Table 1 – Annual Cost distributed to California American Water

SAP Rise Order Form Years 2-5	\$106,500.34
Microsoft Enterprise Agreement - MS Licensing/O365/Collaboration	Follows Cost Center labor distribution*
Microsoft Enterprise Agreement - SWM/SWL/O365/Collaboration	\$52,942.92
SAP S/W Maintenance	\$41,468.49
Five 9 SW Years 2-5	\$104,285.01
Palo SIEM (XSIAM) - Expansion	Follows Cost Center labor distribution*
Palo SIEM (XSIAM)	Follows Cost Center labor distribution*
Palo Cyber Security MDR	
Okta	\$44,494.10
BMC Remedy (Helix)	\$32,100.40
SAP Success Factors	\$42,950.78
Prisma CASBX	\$43,398.82
	\$9,854.13

\*Please refer to CA DR SIH-10-Q4 spreadsheet for details.

These costs are reflected in the RO model file ALL\_CH04\_O&M\_RO\_Service Co, under SAP Account #53401500 and #53401900.

4.c. Detailed Explanation of How California American Water's Portion of the Cost Was Calculated.

California-American Water Company

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

The company uses a hybrid methodology combining direct usage metrics where applicable (e.g., user seats, data volume) with fully allocated cost ("FAC") principles. This avoids cross-subsidization, with California American Water bearing only costs tied to regulated activities (e.g., no allocation for Parent's non-utility investments).

Please see CAW Response Cal Adv SIH-10 Q004.c Attachment 1 for a summary of Cal Am's cost portion.

Key principles:

Direct Tracing: For user-based licenses (e.g., Microsoft & Palo Alto XSIAM), allocate by active user seats in California American Water.

FAC Adjustment: Fully allocated costs is a percentage of total costs distributed to affiliate based upon an annual review.

4.c.i. Formula Used to Determine California American Water's Cost

The general allocation formula for each software is:

Allocated Cost to California American Water is one of two options

- Direct Tracing
  - o License/Seat/Software costs per user x number of Cal Am users
- FAC Adjustment
  - o Total Cost of license/software costs x allocated percentage associated with Cal Am

California-American Water Company

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

**Response Provided By:** **Bahman Pourtaherian**  
**Title:** **Principal Consultant**  
**Address:** **Blue Planet Utility Consulting**  
**55 Drohan Dr.**  
**Guelph, Ontario, Canada**  
**Cal Adv Request:** **A2507003 Public Advocates DR SIH-10**  
**Company Number:** **Cal Adv SIH-10 Q005**  
**Date Received:** **September 16, 2025**  
**Date Response Provided:** **September 30, 2025**  
**Subject Area:** **Software and IT Projects**

---

**DATA REQUEST:**

5. Please refer to the file “ALL\_CH07\_PLT\_RO\_Recorded Net Additions by PPT WS-7” that was provided as part of the Results of Operations Model provided with the July 1, 2025 GRC application Please provide an explanation for the following recorded amounts and why they are in the CAW Corporate district.

- a. Cell Q390 has \$1,335,004 recorded for Land & Land Rights-Supply
- b. Cell R390 has \$4,827,190 recorded for Land & Land Rights-Supply
- c. Cells Q391 through Q399 have a total of \$2,774,850 recorded for various items including Wells, Structural Improvements and pumping, Transmission and Distribution Mains.
- d. Cells R391 through R399 have a total of \$4,359,193 for similar power plant subaccount descriptions as 5.c.
- e. Cell Q402 has \$12,706,266 for Water Rights.
- f. Cell Q404 has \$641,373 for Land & Land Rights- T&D.
- g. Cell R404 has \$191,386 for Land & Land Rights- T&D.
- h. Cell Q406 has \$27,932 for Power Generation Equip.
- i. Cells Q418 through Q420 have a total of \$7,728,748 for TD Mains.
- j. Cells R418 through R420 have a total of \$3,816,944 for TD Mains.

**CAL-AM'S RESPONSE**

The settlement adopted in Decision D.24-12-025 authorized California American Water to normalize the rate base treatment for newly acquired systems. Under this framework, a portion of the acquisition-related costs is reallocated from the operating division into the CAW Corporate district, which is then allocated statewide.

California-American Water Company

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

All values referenced in this data request pertain to the acquisition normalization of the East Pasadena, Piru, and Bellflower systems. For detailed explanations and comments on each transaction, please refer to the file "ALL\_CH07\_PLT\_RO\_Recorded," tab "CAW Misc Adjustments WS-5," column T. The model maintains a consistent structure across tabs, so the same cell references cited in WS-7 can be found in WS-5, along with the corresponding notes.

Additionally, please note that the sum of the cells referenced in section (i) does not total \$7,728,748 as stated in the request. The correct amount shown in the model is \$6,729,205.

**Due to size constraints data request attachments are available upon request.**