

Decision 05-05-025 May 26, 2005

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN CALIFORNIA WATER COMPANY (U 133 W) for an Order authorizing it to increase rates for water service by \$677,900 or 9.65% in 2005, by \$177,600 or 2.31% in 2006, and by \$186,000 or 2.36% in 2007 in the Arden-Cordova Customer Service Area; by \$227,300 or 4.71% in 2005, by \$126,400 or 2.50% in 2006, and by \$136,100 or 2.63% in 2007 in the Bay Point Customer Service Area; by \$136,200 or 10.37% in 2005, by \$45,800 or 3.16% in 2006, and by \$47,900 or 3.20% in 2007 in the Clearlake Customer Service Area; by \$183,500 or 9.44% in 2005, by \$89,700 or 4.22% in 2006, and by \$95,300 or 4.30% in 2007 in the Los Osos Customer Service Area; by \$214,500 or 8.07% in 2005, by \$154,600 or 5.38% in 2006, and by \$160,900 or 5.31% in 2007 in the Ojai Customer Service Area; by \$644,900 or 10.57% in 2005, by \$314,500 or 4.66% in 2006, and by \$331,000 or 4.69% in 2007 in the Santa Maria Customer Service Area; by \$575,100 or 7.24% in 2005, by \$120,600 or 1.42% in 2006, and by \$192,900 or 2.23% in 2007 in the Simi Valley Customer Service Area; and various other relief.

Application 04-08-042
(Filed August 31, 2004)

O'Melveny & Myers LLP, by Patricia A. Schmiede,
Attorney at Law, and Roland Tanner, Keith Switzer,
for Southern California Water Company, applicant.
Jason Zeller and Monica L. McCrary, Attorneys at Law,
for Office of Ratepayer Advocates, interested party.

**OPINION ON SOUTHERN CALIFORNIA WATER COMPANY'S
REQUEST TO INCREASE RATES IN REGION I**

1. Summary

This decision modifies a joint Southern California Water Company (SCWC) and Office of Ratepayers Advocates (ORA) plan to transition SCWC's Region I to the rate case schedule specified in Decision (D.) 04-06-018, whereby the next full general rate case for Region I will be for test year 2008. The rate increases authorized by this decision for the Region I customer service areas (CSAs) are as follows:

CSA	2005	%	2006	%	2007	%
Arden-Cordova	\$ 677,900	9.7%	\$ 147,900	1.9%	\$ 166,300	2.1%
Bay Point	91,200	1.9%	123,800	2.5%	131,700	2.5%
Clearlake	131,100	10.0%	43,700	3.0%	46,400	3.1%
Los Osos	-	0.0%	-	0.0%	70,700	3.2%
Ojai	214,500	8.1%	153,600	5.3%	158,300	5.2%
Santa Maria	627,700	10.3%	305,600	4.5%	320,000	4.6%
Simi Valley	524,200	6.6%	110,100	1.3%	119,700	1.4%
Total Region I	\$2,266,600	7.1%	\$ 884,700	2.6%	\$1,013,100	2.9%

On a total region basis, when compared to SCWC's application request, the authorized increases are \$392,800 lower for 2005, \$143,300 lower for 2006 and \$137,400 lower for 2007.

2. Background

In January 2004, SCWC tendered its Notice of Intent (NOI) to file a general rate case (GRC) for test years 2005 and 2006 and attrition year 2007 for each of the CSAs in its Region I. While the NOI was pending, the Commission issued

Rulemaking (R.) 03-09-005¹ that deferred the filing of the Region I GRC from January 2004 to a later date to be determined. The NOI was therefore not accepted for filing. As part of the rulemaking, the Commission issued D.04-06-018, which adopted a rate case plan that requires each Class A water utility to submit its GRC applications according to a specified schedule. That schedule deferred the next GRC filing for SCWC's Region I from January 2004 to January 2007 (for test year 2008). To lessen any hardship caused by such a deferral, the Commission ordered ORA to work with SCWC to devise and implement a mutually agreeable rate adjustment plan to transition Region I to the new rate case plan schedule. SCWC and ORA agreed to and issued such a plan, dated August 19, 2004, whereby existing rates for each of the Region I CSAs would be increased in 2005, 2006 and 2007.

On August 31, 2004, SCWC filed its application to implement the SCWC/ORR plan. No protests were received. However, a prehearing conference (PHC) was held on November 16, 2004, to discuss how supplemental evidence could be provided to clarify and support the requested rate increases. SCWC submitted supplemental testimony on December 14, 2004, and evidentiary hearing was held on January 11, 2005. Additional information on the allocation of general office expenses was provided by SCWC on February 8, 2005, as Exhibit 12. Clarifications to Exhibit 12 were received on February 22, 2005, at which time this matter was submitted for decision.

¹ Order Instituting Rulemaking on the Commission's Own Motion to Evaluate Existing Practices and Policies for Processing GRCs and to Revise the GRC Plan for Class A Water Companies.

Public participation hearings were held in the afternoons and evenings of January 19, 2005, in Santa Maria, and January 25, 2005, in Rancho Cordova, and the evening of January 26, 2005, in Pittsburg. There were 4 speakers in Santa Maria, one speaker in Rancho Cordova and seven speakers in Pittsburg. Besides addressing the amounts and effects of the rate increases, speakers in Santa Maria and Pittsburg discussed and questioned the need for, timing of and ratepayer impacts of various proposed and ongoing projects in their service areas. Water quality concerns were expressed as well. In Santa Maria, the Orcutt Area Advisory Group was represented; in Rancho Cordova, the general manager of the Gold River Community association spoke; and, in Pittsburg there were speakers associated with the Bay Point Municipal Advisory Council. SCWC appeared willing and is encouraged to engage in dialogue with such groups as needed to keep communities informed on important issues.

3. The Rate Adjustment Plan

The SCWC / ORA rate adjustment plan (plan) to adjust rates for Region I is included as Exhibit C to SCWC's application. The plan increases rates for each of the Region ICSAs, as summarized in the table below.²

² SCWC's revised requested increases, per Exhibit 12, are shown in Section 3.6 of this decision.

CSA	2005		2006		2007	
Arden-Cordova	\$ 677,900	9.7%	\$ 176,700	2.3%	\$ 186,200	2.4%
Bay Point	227,300	4.7%	126,100	2.5%	136,200	2.6%
Clearlake	136,200	10.4%	45,800	3.2%	47,900	3.2%
Los Osos	183,500	9.4%	89,700	4.2%	95,300	4.3%
Ojai	214,500	8.1%	154,600	5.4%	160,900	5.3%
Santa Maria	644,900	10.6%	314,400	4.7%	331,100	4.7%
Simi Valley	575,100	7.2%	120,700	1.4%	192,900	2.2%
Total Region I	\$2,659,400	8.6 %	\$1,028,000	3.4%	\$1,150,500	3.5%

For each CSA, the plan determined a summary of earnings for 2005, 2006 and 2007 by estimating changes (increases and decreases) to the last adopted summary of earnings. Depending on the CSA, the last adopted summary of earnings was for 2001, 2002, 2003 or 2004. The estimated changes reflect annual expense inflation, annual routine plant additions, current authorized general office costs, and current authorized rates of return. The resultant revenue requirements for 2005, 2006, and 2007 are spread over the last adopted customers and sales to determine rates for 2005, 2006, and 2007.

In general, SCWC's request is consistent with the directive of D.04-06-018 to implement a plan, in lieu of a normal GRC, to transition the Region I CSAs to the new rate case plan schedule. The plan uses and manipulates data adopted in previous GRC decisions to estimate revenue requirements and to calculate the increased rates. While some manipulations are irregular and would be inappropriate to use in a normal GRC, when viewed as a whole, SCWC and ORA maintain that the results provide a reasonable basis for increasing rates for this interim period.

As discussed below, based on the testimony, supplemental testimony, and other matter of record, we find the plan provides a reasonable basis for determining incremental costs and the resultant summaries of earnings and revenue requirements for 2005, 2006, and 2007.³ The plan will therefore be used as the basis for determining the rate increases. However, due to the nature of the analysis and manipulation of data, we find it necessary to consider recorded information and rates of return for 2004 in determining the necessity for, and reasonable levels of, the rate increases for each of the CSAs. As a result, the plan's proposed increases for the Bay Point and Los Osos CSAs are adjusted by this decision to offset a likelihood that SCWC would otherwise over earn in those CSAs.

3.1. The Starting Point

The starting point for projecting the requested increases for each CSA is the adopted summary of earnings that is currently reflected in rates.⁴ In the Clearlake CSA, that summary of earnings is for 2001, the first test year adopted in D.00-12-063, which resolved SCWC's Region I GRC for test years 2001 and 2002. In the Simi Valley CSA, it is for 2002, the second test year adopted in D.00-12-063. In the Santa Maria and Los Osos CSAs, it is for 2003, the attrition year adopted in D.00-12-063. In the Arden-Cordova, Bay Point, and Ojai CSAs, the adopted summary of earnings currently reflected in rates is for 2004, as adopted by D.04-08-052 in Application (A.) 03-10-057. That proceeding was an

³ The adopted summaries of earnings are included in Appendix A to this decision.

⁴ The starting points also include adjustments for Y2K costs which were not included in the adopted summaries of earnings, but which were subsequently allowed in rates.

abbreviated GRC that developed a 2004 escalated test year based on summaries of earnings adopted in D.00-12-063.

Given the circumstances of this filing and the limited time for analysis, the use of the summary of earnings currently reflected in rates is a reasonable starting point for determining the projected summaries of earnings and revenue requirement levels for each of the CSAs. We recognize that adopted quantities, as reflected in the currently authorized summaries of earnings, are estimates and may not be representative of what is actually recorded or necessary. Potential problems in this regard are addressed in the discussion of the rate increases.

3.2. Inflation Increase

The plan includes increased non-general office expenses under the category of inflation increase. Expenses in the starting point summaries of earnings are escalated to 2005, 2006, and 2007 levels by applying inflation factors that are based on the July 2004 inflation forecast provided by ORA. For these expenses, there are no specific adjustments to reflect increased activity (customer growth or otherwise) over the starting point expense authorizations; on the other hand, increased revenues related to increased customers and sales over those adopted for the starting point test year are also not reflected in the plan. For the purposes of this proceeding, we find the plan's method for forecasting these expenses to be reasonable.

3.3. Routine Plant Additions

The plan includes the cost of routine, non-general office plant additions. Annual additions were determined by the use of a 5-year average (1999-2003) of capital additions funded by SCWC, excluding any dollars associated with the general office, reservoirs and tanks. SCWC included the forecast of such routine plant additions for the years 2005, 2006, and 2007 in calculating capital related

revenue requirement increases for those years. SCWC did not include routine plant additions for any other years (e.g., there are no specifically calculated routine plant addition increases for 2002, 2003, and 2004 over the Clearlake CSA starting point, which was 2001). During evidentiary hearing, when questioned on this as well as on irregular manipulations to the capital related revenue requirements (escalating the starting point depreciation expense and not reflecting certain accumulated depreciation through 2004 as deductions to rate base), the SCWC witness stated the net effect gave a reasonable estimate of rate base on which to go forward for 2005, 2006, and 2007.⁵ We also note that the absence of a rate base true up to 2004 is offset to a degree by the absence of a true up for increased customers and the associated increased revenues. The reasonableness of how these factors interact to replicate incremental capital revenue requirements is difficult to determine without substantial additional analysis; however, ORA has reviewed and agrees with the principles of the plan. Therefore, for the purposes of this proceeding, we find the depreciation expense escalation as well as the increased revenue requirement associated with routine, non-general office plant additions, as reflected in the plan, to be reasonable.

3.4. Incremental General Office Costs

The plan includes the costs of incremental allocated general office expenses and rate base. These incremental costs are the difference between the allocated general office costs developed from SCWC's Region III GRC for test years 2003 and 2004,⁶ escalated to 2005, 2006, and 2007, and those general office

⁵ SCWC/Switzer, RT 23.

⁶ See D.04-03-039.

costs adopted in SCWC's Region I GRC for test years 2001 and 2002 and embedded in the starting point summaries of earnings.

In R.03-09-005, it was determined that multi-district utilities would file their general office on a three-year cycle. Changes in general office allocations would be implemented immediately with the districts then pending, and implemented in turn when the other districts file GRCs. It was also noted that, in the subsequent years, those other districts would implement escalated general office amounts, not the amounts adopted for the test year.⁷ The plan's proposal to reflect incremental general office allocations based on those costs adopted in D.04-03-039 and escalated to 2005, 2006, and 2007 is consistent with the Commission's determinations in R.03-09-005.

Details on how the general office costs were determined, escalated, and allocated are contained in Exhibit 12. At the time Exhibit 12 was provided, SCWC noted an error in its previous escalation calculations and revised its request to reflect the corrected amounts. The corrections reduce SCWC's request for the years 2005, 2006, and 2007 by a total of \$248,000 and will be reflected in the revenue requirement levels adopted by this decision.

SCWC states that the general office expenses and rate base were inflated by the inflation factors set forth in D.04-06-018. Although D.04-06-018 did provide a methodology for escalating various expenses, which the plan appears to follow, D.04-06-018 did not provide an escalation methodology for rate base. For plant additions, the continued use of two test years and an attrition year was adopted instead. However, the adopted 2004 general office rate base of

⁷ See D.04-06-018, *mimeo.*, pages 16 and 17.

\$22,358,200 is 16.6% higher than the adopted 2003 general office rate base. The associated attrition for 2005 would likely be of a similar magnitude. In contrast, the plan escalated the adopted 2004 general office rate base by a factor based on weighting non-labor escalation by 60% and compensation per hour escalation by 40%, resulting in a 2.76% increase in general office rate base for 2005. Increases of 1.80% for 2006 and 2.46% for 2007 were calculated similarly. When compared to what might have resulted from an attrition year analysis, the plan's general office rate base escalation is moderate and will be adopted for this proceeding, along with the general office expense escalation as modified by Exhibit 12.

3.5. Rate of Return

The starting point summaries of earnings reflect the previously adopted rates of return for SCWC of 8.94% for 2001, 2002, and 2003 and 8.77% for 2004. The plan appropriately includes adjustments to reduce revenue requirements for each of the CSAs to reflect SCWC's current authorized rates of return of 8.75% for 2005 and 8.74% for 2006 and 2007.⁸

3.6. Rate Increases

As discussed earlier, for each CSA, the plan determined a summary of earnings for 2005, 2006, and 2007 by estimating changes to the last adopted summary of earnings. The resultant revenue requirements were spread over the last adopted customers and sales to determine rates for 2005, 2006, and 2007. We have two concerns with this proposal and find it necessary to consider additional information.

⁸ The current rates of return were authorized by D.04-08-053.

The first concern is that the plan does not clearly establish the need for, and extent of, the rate increases.⁹ This is normally done by considering a present rate revenue analysis where, for instance, the 2005 proposed revenue requirement would be compared to the revenues generated by applying current rates to the forecasted customers and sales for 2005 (present rate revenue for 2005). If the proposed revenue requirement for 2005 were greater than the present rate revenue for 2005, a rate increase would be justified. The difference between the two would determine the necessary revenue increase for 2005. That amount, when spread over the forecasted customers and sales for 2005, would determine the rate increase. Normally, increased revenues from forecasted increased customers and sales would offset a portion of the revenue requirement. The necessary revenue increase would also be spread over the forecasted customers and sales, which are generally higher than previously adopted amounts as used in the plan. Because of the tradeoffs implicit in the plan, forecasts of sales, customers, and present rate revenues for 2005, 2006, and 2007 were not prepared or considered. While we have adopted the plan's forecasted revenue requirements, it is not clear that the tradeoffs negate the need for a present rate revenue analysis, or some alternative, to determine the need for, and extent of, the rate increases.

⁹ In its application, SCWC requested a finding that present rates are unjust and unreasonable. While the plan proposed a methodology for increasing rates, it did not provide any information or basis for making any finding regarding the reasonableness of present rates. This was specifically discussed at the November 16, 2004 prehearing conference. To give some indication of the reasonableness of present rates, the company agreed to the administrative law judge's (ALJ's) request to provide recorded summaries of earnings for the Region I CSAs. SCWC provided that information in testimony that was distributed on December 14, 2004.

The second concern with the plan's determination of the rate increase is the potential effects of discrepancies between the adopted revenues and costs embedded in the starting point summaries of earnings and recorded data. For example, the adopted 2003 starting point rate base for Los Osos is \$6,172,100 and the proposed amount for 2005 is \$6,660,500. However, the recorded amount for 2003 was \$5,799,200, and the amount recorded for the 12-month period ending September 30, 2004 was \$5,396,000. In such instances, while the increases over the starting point revenue requirements may be reasonable, the starting point revenue requirements, and ultimately the existing rates, may be set too high and increases on top of that will result in the company over earning in the forecast years.

Conducting a complete GRC analysis to reconcile these concerns would be contrary to the intent of developing an alternate plan to transition Region I to the new rate case schedule. Therefore, we will instead compare recorded rates of return for each of the CSAs to SCWC's authorized rate of return to establish the need for the increases and a method to adjust the proposed increases, if necessary. We recognize that reliance on such analysis may not be totally appropriate due to abnormal conditions possibly affecting recorded earnings. The intent is not to develop an alternate method for calculating the rate increases, but rather to provide a means for determining whether factors such as those expressed in our concerns will likely result in SCWC over earning, if the proposed increases are authorized. It is only if there is a likelihood that over earning will occur that the recorded rate of return is specifically used to determine the extent of the rate increase. This threshold test is reasonable when considering the circumstances of this proceeding and the uncertainties created by

the plan's simplified analyses. Based on the record, a better alternative to address our concerns is not evident.¹⁰

We do not find it necessary to provide increases above amounts proposed by the plan, if recorded 2004 information plus the plan's proposed increases indicate rates of return in 2005, 2006 or 2007 may be below authorized levels. As discussed earlier, sales and customer growth over the starting point year are not reflected when calculating the rates. If such growth occurs, it will tend to provide SCWC with more realized revenue than the amounts calculated by the plan's summary of earnings analysis. Furthermore, providing increases beyond the plan's proposal could jeopardize the ORA and SCWC agreement on the plan. SCWC itself stated, "The rate increases that ORA and SCWC have agreed to provides SCWC the opportunity to earn the currently authorized rate of return."¹¹

Therefore, as detailed below, the plan's proposed revenue increases are implemented as long as the recorded 2004 summaries of earnings plus the plan's proposed increases for 2005, 2006 or 2007 do not result in SCWC exceeding the authorized rate of return for 2005, 2006 or 2007. The proposed increases are only

¹⁰ As part of its response to the ALJ's concern regarding the need for the rate increases, SCWC provided testimony that accompanied its January 2004 NOI. Included were forecasts for 2005 and 2006, which support the need for rate increases in all seven CSA's. However, these forecasts are untested, because the NOI was never accepted for filing. In a normal GRC, the difference between rate increases requested and authorized can be substantial. Also, it is not clear how the 2004 rate increases for the Arden-Cordova, Bay Point, and Ojai CSAs, which were authorized subsequent to the NOI, impact the NOI analysis. Therefore, we cannot rely on the NOI testimony to establish the need for, or extent of, the rate increases in this proceeding.

¹¹ SCWC, Exhibit 2, page 3.

adjusted when analysis shows that the recorded 2004 summaries of earnings plus the plan's proposed increases would result in SCWC exceeding authorized rate of return levels for 2005, 2006 or 2007.

The following table shows recorded rates of return for the 12-month period ending September 30, 2004. It also shows the incremental revenue necessary to bring the recorded rate of return (ROR) to the 2004 authorized level of 8.77% and the requested increases for 2005, 2006 and 2007, as revised by Exhibit 12.¹²

CSA	Recorded 2004 ROR	Incremental Revenue Necessary to Bring to 2004 Authorized Level of 8.77% ROR	SCWC's Revised Request		
			2005	2006	2007
Arden - Cordova	5.95%	\$ 731,500	\$677,900	\$147,900	\$166,300
Bay Point	9.52%	(136,100)	227,300	124,800	131,700
Clearlake	6.45%	172,300	131,100	143,700	46,400
Los Osos	10.84%	(199,400)	180,000	87,600	92,500
Ojai	6.13%	424,400	214,500	153,600	158,300
Santa Maria	6.35%	862,800	627,700	305,600	329,000
Simi Valley	6.54%	399,200	524,200	110,100	119,700

For the Arden Cordova, Clearlake, Ojai, and Santa Maria CSAs, the requested increases for 2005 are less than the amounts necessary to bring the 2004 recorded rates of return to the authorized level. This sufficiently supports

¹² Recorded rates of return were provided by SCWC in supplemental testimony contained in Exhibit 2. For purposes of this discussion, we assume that the recorded rates of return are reflective of those for the full 2004 calendar year. Changes to the 8.77% rate of return are based on recorded rate base information provided in Exhibit 12 and net to gross multipliers provided in Exhibit 3. Change to 8.77% Rate of Return = (8.77% minus recorded rate of return) x (recorded rate base) x (net to gross multiplier).

the need for a 2005 rate increase for these CSAs. It also indicates that the requested increases for these CSAs will not result in over earning in 2005. These proposed increases for 2005 appear reasonable and will be authorized. Also, as long as there is no indication of over earning in 2005, we feel comfortable in authorizing the 2006 and 2007 proposed increases and will do so for these four CSAs.

For Simi Valley, since \$399,200 of the requested \$524,200 is necessary to bring recorded 2004 rate of return to the authorized level, the remaining \$125,000 would be available to offset increased costs for 2005 and maintain the rate of return at the authorized level. This is less than the necessary amount of \$174,700 implicit in the plan¹³ and indicates that the requested increase will not result in over earning in 2005. Consistent with our previous discussion, we will therefore authorize the 2005, 2006, and 2007 increases as proposed in the plan for Simi Valley.

For Bay Point, a reduction of \$136,100 would bring the 2004 recorded rate of return down to the authorized level. The plan indicates that an amount of \$227,300 is necessary to maintain the 2005 return at the authorized level.¹⁴ A reasonable increase for 2005 is the net of these two amounts, or \$91,200, which will be the amount authorized. Having made this adjustment, it is reasonable to authorize the proposed increases for 2006 and 2007 to provide the opportunity for SCWC to maintain its authorized rate of return for those years.

¹³ Since the Simi Valley starting point year is 2002, the \$524,200 increase is actually for three years (2003, 2004 and 2005). A reasonable approximation is that one-third of the requested \$524,200 increase, or \$174,700, is for 2005.

¹⁴ Since the Bay Point starting point year is 2004, the entire \$227,300 increase is for 2005.

For Los Osos, a reduction of \$199,400 is necessary to bring the 2004 recorded rate of return down to the authorized level. The plan, as revised, indicates that an amount of \$90,000 is necessary to maintain the 2005 return at the authorized level.¹⁵ The plan also proposes increases of \$87,600 for 2006 and \$92,500 for 2007. The net of the reduction to bring the 2004 rate of return to the authorized level and the plan's increases for 2005, 2006, and 2007 is \$70,700. This analysis indicates rate increases for both 2005 and 2006 are unnecessary. We cannot justify increasing rates for those years and will not do so. With no increases for 2005 and 2006, it would then be reasonable to authorize a \$70,700 increase for 2007.

The adopted summaries of earnings for each of the CSAs are included in Appendix A. The adjustments for Bay Point and Los Osos are calculated on an overall revenue requirement basis, and are therefore shown as adjustments to revenue rather than to specific line items within the summaries of earnings.¹⁶

3.7. Implementation

Authorized rates for 2005, 2006, and 2007 are shown in Appendix B. Under the plan, SCWC will file for the 2006 and 2007 increases prior to the beginning of the year by advice letter accompanied by the usual calculations of

¹⁵ Since the Los Osos starting point year is 2003, the \$180,000 increase is actually for two years (2004 and 2005). A reasonable approximation is that one-half of the requested \$180,000 increase, or \$90,000, is for 2005.

¹⁶ The adopted revenue levels for these two CSAs are derived numbers based on 2004 recorded information, incremental costs as determined by the plan, and consideration of the adopted rates of return for 2005, 2006 and 2007. The revenue levels, on which rates are designed, would be the same whether the adopted summary of earnings reflects adjustments on a total revenue basis or on a line item basis.

its pro-forma rate of return. This is consistent with current procedures for second and third year rate increases and will be adopted.

4. Comments on Proposed Decision

The proposed decision of the ALJ in this matter was mailed to the parties in accordance with § 311(d) of the Pub. Util. Code and Rule 77.1 of the Rules of Practice and Procedure. Comments were filed by SCWC on May 4, 2005. There were no reply comments. SCWC's comments were considered and certain portions of the PD's discussion have been expanded to provide clarification. However, SCWC has not cited any factual, legal or technical errors that convince us to change the PD's outcome.

5. Assignment of Proceedings

Michael R. Peevey is the Assigned Commissioner and David K. Fukutome is the assigned ALJ in this proceeding.

Findings of Fact

1. As modified by Exhibit 12, the joint SCWC / ORA rate adjustment plan's calculations of incremental revenue requirements for 2005, 2006 and 2007 to reflect inflation, routine plant additions, incremental general office costs, and the currently authorized rate of return are reasonable.

2. It is reasonable to use the recorded rates of return for the 12-month period ending September 30, 2004 as a basis for determining the need for, and extent of, the rate increases for each of the Region I CSAs.

3. As modified by Exhibit 12, SCWC's requested rate increases for the Arden-Cordova, Clearlake, Ojai, Santa Maria and Simi Valley CSA's for 2005, 2006 and 2007 are reasonable.

4. SCWC's requested rate increases for the Bay Point CSA will likely result in the company over earning in 2005.

5. SCWC's requested rate increases for the Los Osos CSA will likely result in the company over earning in 2005, 2006 and 2007.

Conclusions of Law

1. As modified by Exhibit 12, SCWC's requested rate increases for the Arden-Cordova, Clearlake, Ojai, Santa Maria and Simi Valley CSA's for 2005, 2006 and 2007 should be adopted.

2. SCWC's requested rate increases for the Bay Point and Los Osos CSAs should be modified as discussed in the body of this decision.

3. Today's order should be made effective immediately.

O R D E R

IT IS ORDERED that:

1. Southern California Water Company (SCWC) is authorized to file in accordance with General Order 96-A, and make effective on not less than five days' notice, the revised tariff schedules for 2005 included as Appendix B to this order. The revised tariff schedules shall apply to service rendered on and after their effective date.

2. Advice letters for authorized rate increases for 2006 and 2007 shall be filed in accordance with General Order 96, no earlier than November 1 of the preceding year. The filing shall include appropriate work papers. The increase shall be the amount authorized herein, or a proportionate lesser increase if SCWC's rate of return on rate base, adjusted to reflect rates then in effect, normal ratemaking adjustments, and the adopted change to this pro forma test, for the 12 months ending September 30 of the preceding year, exceeds the return on rate base authorized herein for the preceding year. The advice letters shall be reviewed by the Commission's Water Division for conformity with this decision,

and shall go into effect upon Water Division's determination of compliance, not earlier than January 1 of the year for which the increase is authorized, or 30 days after filing, whichever is later. The tariffs shall be applicable to service rendered on or after the effective date. The Water Division shall inform the Commission if it finds the proposed increase does not comply with this decision or other Commission requirements.

3. Application 04-08-042 is closed.

This order is effective today.

Dated May 26, 2005, 2005, at San Francisco, California.

MICHAEL R. PEEVEY
President
GEOFFREY F. BROWN
SUSAN P. KENNEDY
DIAN M. GRUENEICH
JOHN A. BOHN
Commissioners

Appendix A**Page 1 of 7**

Southern California Water Company

Arden Cordova CSA

Summary of Earnings

(\$ in thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>
OPERATING REVENUES	7700.1	7848	8014.3
OPERATION EXPENSES			
Purchased Water	0	0	0
Purchased Power	577.9	577.9	577.9
Pump Taxes	0	0	0
Chemicals	73.8	75.1	77
Common Cust. Account	188.7	192.1	195.6
Postage	0	0	0
Uncollectibles	21.5	21.9	22.4
Operation Labor	416.9	424.4	429.9
Other Operation Expenses	227.7	231.8	237.5
TOTAL OPERATION EXPENSES	1506.5	1523.2	1540
Maintenance Labor	62.6	63.7	64.5
Other Maintenance Expenses	125.7	127.9	131.1
TOTAL MAINTENANCE EXPENSE	188.3	191.6	195.6
Office Supplies & Expenses	155.6	158.4	162.3
Property Insurance	0	0	0
Injuries and Damages	0	0	0
Pension and Benefits	22	22.8	23.5
Business Meals	6.1	6.2	6.3
Regulatory Expenses	41	41.8	42.8
Outside Services	5.2	5.4	5.6
Miscellaneous	37.7	38.3	39.3
Allocated General Office Expenses	1529.5	1569.7	1611.4
Other Maintenance of General Plant	17	17.3	17.8
Rent	79.9	82.5	85.2
A&G Expenses Capitalized	0	0	0
A&G Labor	240	244.3	247.5
TOTAL ADMIN & GENERAL EXPENSE	2134	2186.7	2241.7
DEPRECIATION AND AMORTIZATION	1340.2	1373.4	1416.4
Property Taxes	216.8	221.9	228.5
Payroll Taxes	56.9	58	58.7
Local Taxes	36.5	37.2	38
State Income Tax	94.9	97	99.4
Federal Income Tax	564.7	572.9	582.5
TOTAL OPERATING EXPENSES	6138.8	6261.9	6400.8
NET OPERATING REVENUE	1561.3	1586.1	1613.5
RATE BASE	17852.5	18153.6	18464.3
RATE OF RETURN	8.75%	8.74%	8.74%

Appendix A**Page 2 of 7**

Southern California Water Company

Bay Point CSA

Summary of Earnings

(\$ in thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>
AUTHORIZED REVENUE	4913.6*	5037.4*	5169.1*
Adjustment for Overearning	136.1	136.1	136.1
Revenue Requirement without Adjustment	5049.7	5173.5	5305.2
OPERATION EXPENSES			
Purchased Water	1485.4	1485.4	1485.4
Purchased Power	107.8	107.8	107.8
Chemicals	95	96.7	99.1
Common Cust. Account	43.1	43.9	44.7
Uncollectibles	44.7	45.8	47
Operation Labor	240.9	245.2	248.4
Other Operation Expenses	110.7	112.7	115.5
TOTAL OPERATION EXPENSES	2127.6	2137.5	2147.9
Maintenance Labor	45.5	46.3	46.9
Other Maintenance Expenses	123.3	125.5	128.6
TOTAL MAINTENANCE EXPENSE	168.8	171.8	175.5
Office Supplies & Expenses	92.4	94	96.3
Pension and Benefits	6.4	6.6	6.8
Business Meals	2.5	2.6	2.6
Regulatory Expenses	20	20.4	20.9
Outside Services	1.3	1.3	1.4
Miscellaneous	1.3	1.3	1.4
Allocated General Office Expenses	349.7	358.9	368.5
Other Maintenance of General Plant	25.9	26.4	27.1
Rent	34.9	36.1	37.3
A&G Labor	99.8	101.6	102.9
TOTAL ADMIN & GENERAL EXPENSES	634.2	649.2	665.2
DEPRECIATION AND AMORTIZATION	577	603.3	634.1
Property Taxes	94.9	98.9	103.7
Payroll Taxes	30.5	31.1	31.5
Local Taxes	60.5	62	63.6
State Income Tax	81.4	85.3	89.3
Federal Income Tax	343.6	359.2	375
TOTAL OPERATING EXPENSES	4118.5	4198.3	4285.8
NET OPERATING REVENUE	931.2	975.2	1019.4
RATE BASE	10654.6	11162.2	11671.9
RATE OF RETURN	8.74%	8.74%	8.73%

*Tariff rates are designed on the basis of authorized revenue

Appendix A**Page 3 of 7**

Southern California Water Company

Clearlake CSA

Summary of Earnings

(\$ in thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>
OPERATING REVENUES	1444.4	1488.1	1534.5
OPERATION EXPENSES			
Purchased Water	11.3	11.3	11.3
Purchased Power	44	44	44
Pump Taxes	0	0	0
Chemicals	16.7	17	17.4
Common Cust. Account	14.2	14.4	14.7
Postage	0	0	0
Uncollectibles	20.8	21.4	22.1
Operation Labor	200.8	204.4	207.1
Other Operation Expenses	62	63.2	64.7
TOTAL OPERATION EXPENSES	369.8	375.7	381.3
Maintenance Labor	21.1	21.4	21.7
Other Maintenance Expenses	47.1	48	49.1
TOTAL MAINTENANCE EXPENSE	68.2	69.4	70.8
Office Supplies & Expenses	63.9	65.1	66.7
Property Insurance	0	0	0
Injuries and Damages	0	0	0
Pension and Benefits	3.7	3.8	3.9
Business Meals	0.7	0.7	0.7
Regulatory Expenses	11.8	12	12.3
Outside Services	0.4	0.5	0.5
Miscellaneous	0.6	0.6	0.6
Allocated General Office Expenses	114.8	117.9	121
Other Maintenance of General Plant	3.9	4	4.1
Rent	14.3	14.8	15.3
A&G Expenses Capitalized	0	0	0
A&G Labor	31.7	32.3	32.7
TOTAL ADMIN & GENERAL EXPENSE	245.8	251.7	257.8
DEPRECIATION AND AMORTIZATION	219.1	228.6	239.9
Property Taxes	29.2	30.4	31.8
Payroll Taxes	20.1	20.4	20.7
Local Taxes	0.1	0.1	0.1
State Income Tax	22.7	23.9	25.1
Federal Income Tax	137.3	142.1	147.1
TOTAL OPERATING EXPENSES	1112.3	1142.3	1174.6
NET OPERATING REVENUE	332.1	345.8	359.9
RATE BASE	3797.1	3957.3	4118.2
RATE OF RETURN	8.75%	8.74%	8.74%

Appendix A**Page 4 of 7**

Southern California Water Company

Los Osos CSA

Summary of Earnings

(\$ in thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>
AUTHORIZED REVENUE	1943.7*	1943.7*	2014.4*
Adjustment for Overearning	180.0	267.6	289.4
Revenue Requirement Without Adjustment	2123.7	2211.3	2303.8
OPERATION EXPENSES			
Purchased Water	0	0	0
Purchased Power	115.1	115.1	115.1
Pump Taxes	0	0	0
Chemicals	18.3	18.7	19.1
Common Cust. Account	26.4	26.9	27.4
Postage	0	0	0
Uncollectibles	5.6	5.8	6
Operation Labor	161.4	164.3	166.4
Other Operation Expenses	75.7	77	78.9
TOTAL OPERATION EXPENSES	402.5	407.8	412.9
Maintenance Labor	34.1	34.7	35.2
Other Maintenance Expenses	80.2	81.7	83.7
TOTAL MAINTENANCE EXPENSE	114.3	116.4	118.9
Office Supplies & Expenses	51.9	52.9	54.2
Property Insurance	0	0	0
Injuries and Damages	0	0	0
Pension and Benefits	4.4	4.5	4.7
Business Meals	1	1	1
Regulatory Expenses	14.8	15.1	15.4
Outside Services	0.8	0.8	0.8
Miscellaneous	0.7	0.7	0.7
Allocated General Office Expenses	214	219.7	225.5
Other Maintenance of General Plant	4	4	4.1
Rent	5.4	5.5	5.7
A&G Expenses Capitalized	0	0	0
A&G Labor	42.3	43.1	43.6
TOTAL ADMIN & GENERAL EXPENSES	339.3	347.3	355.7
DEPRECIATION AND AMORTIZATION	327.5	346.1	367.3
Property Taxes	54.5	57.5	61
Payroll Taxes	18.8	19.2	19.4
Local Taxes	0	0	0
State Income Tax	58.0	61.1	64.3
Federal Income Tax	225.7	238.0	250.5
TOTAL OPERATING EXPENSES	1540.6	1593.4	1650.3
NET OPERATING REVENUE	583.1	617.9	653.5
RATE BASE	6660.5	7066.7	7474.2
RATE OF RETURN	8.75%	8.74%	8.74%

*Tariff rates are designed on the basis of authorized revenue.

Appendix A**Page 5 of 7**

Southern California Water Company

Ojai CSA

Summary of Earnings

(\$ in thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>
OPERATING REVENUES	2872.4	3026	3184.3
OPERATION EXPENSES			
Purchased Water	135	135	135
Purchased Power	213.1	213.1	213.1
Pump Taxes	15	15	15
Chemicals	8.5	8.6	8.9
Common Cust. Account	34.1	34.7	35.4
Postage	0	0	0
Uncollectibles	5.8	6.1	6.4
Operation Labor	237.1	241.4	244.5
Other Operation Expenses	61.9	63	64.5
TOTAL OPERATION EXPENSES	710.5	716.9	722.8
Maintenance Labor	46.5	47.3	47.9
Other Maintenance Expenses	125.2	127.4	130.5
TOTAL MAINTENANCE EXPENSE	171.7	174.7	178.4
Office Supplies & Expenses	40.8	41.5	42.5
Property Insurance	0	0	0
Injuries and Damages	1.3	1.3	1.4
Pension and Benefits	4.6	4.7	4.9
Business Meals	1	1	1
Regulatory Expenses	9.2	9.4	9.6
Outside Services	1.3	1.3	1.4
Miscellaneous	11.5	11.7	12
Allocated General Office Expenses	276.7	283.9	291.4
Other Maintenance of General Plant	6.4	6.5	6.6
Rent	33.9	35.1	36.2
A&G Expenses Capitalized	0	0	0
A&G Labor	37.6	38.2	38.7
TOTAL ADMIN & GENERAL EXPENSES	424.3	434.6	445.7
DEPRECIATION AND AMORTIZATION	295.6	323.8	354.6
Property Taxes	50.4	54.8	59.6
Payroll Taxes	33.1	33.7	34.1
Local Taxes	44.8	47.2	49.7
State Income Tax	65.3	71.4	78.4
Federal Income Tax	243.3	267.3	291.7
TOTAL OPERATING EXPENSES	2039	2124.4	2215
NET OPERATING REVENUE	833.4	901.6	969.3
RATE BASE	9538.2	10313.6	11090.7
RATE OF RETURN	8.74%	8.74%	8.74%

Appendix A**Page 6 of 7**

Southern California Water Company
Santa Maria CSA
Summary of Earnings
(\$ in thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>
OPERATING REVENUES	6726.1	7031.7	7351.7
OPERATION EXPENSES			
Purchased Water	0	0	0
Purchased Power	950.4	950.4	950.4
Pump Taxes	0	0	0
Chemicals	27.4	27.9	28.6
Common Cust. Account	106.2	108.1	110.1
Postage	0	0	0
Uncollectibles	15.4	16.1	16.8
Operation Labor	410.4	417.8	423.2
Other Operation Expenses	227.1	231.1	236.8
TOTAL OPERATION EXPENSES	1736.9	1751.4	1765.9
Maintenance Labor	107.9	109.8	111.3
Other Maintenance Expenses	225.2	229.3	234.9
TOTAL MAINTENANCE EXPENSE	333.1	339.1	346.2
Office Supplies & Expenses	126.8	129.1	132.2
Property Insurance	0	0	0
Injuries and Damages	0	0	0
Pension and Benefits	20.8	21.5	22.2
Business Meals	4.4	4.5	4.6
Regulatory Expenses	44.4	45.2	46.3
Outside Services	3.5	3.6	3.8
Miscellaneous	5.5	5.6	5.7
Allocated General Office Expenses	861.3	884	907.5
Other Maintenance of General Plant	7.5	7.7	7.9
Rent	51.5	53.2	55
A&G Expenses Capitalized	0	0	0
A&G Labor	190.8	194.2	196.8
TOTAL ADMIN & GENERAL EXPENSES	1316.6	1348.6	1382
DEPRECIATION AND AMORTIZATION	917.2	977	1044.3
Property Taxes	152.3	161.6	172.1
Payroll Taxes	56.3	57.3	58.1
Local Taxes	0	0	0
State Income Tax	125.6	136.8	148.3
Federal Income Tax	559.5	604	649.7
TOTAL OPERATING EXPENSES	5197.5	5375.8	5566.6
NET OPERATING REVENUE	1528.7	1655.9	1785.1
RATE BASE	17468.5	18943.8	20424.4
RATE OF RETURN	8.75%	8.74%	8.74%

Appendix A**Page 7 of 7**

Southern California Water Company

Simi Valley CSA

Summary of Earnings

(\$ in thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>
OPERATING REVENUES	8468.6	8578.7	8698.4
OPERATION EXPENSES			
Purchased Water	3787.9	3787.9	3787.9
Purchased Power	168	168	168
Pump Taxes	0	0	0
Chemicals	4.5	4.6	4.7
Common Cust. Account	122	124.2	126.5
Postage	0	0	0
Uncollectibles	39.5	40	40.6
Operation Labor	228.1	232.2	235.2
Other Operation Expenses	97.3	99	101.5
TOTAL OPERATION EXPENSES	4447.3	4455.9	4464.4
Maintenance Labor	70.5	71.7	72.7
Other Maintenance Expenses	95.2	96.9	99.3
TOTAL MAINTENANCE EXPENSE	165.7	168.6	172
Office Supplies & Expenses	119.4	121.5	124.5
Property Insurance	0	0	0
Injuries and Damages	0	0	0
Pension and Benefits	18.2	18.8	19.4
Business Meals	4.9	5	5.1
Regulatory Expenses	44	44.8	45.9
Outside Services	3.8	4	4.1
Miscellaneous	9.1	9.3	9.5
Allocated General Office Expenses	989.2	1015.2	1042.2
Other Maintenance of General Plant	7.3	7.5	7.6
Rent	44.7	46.2	47.7
A&G Expenses Capitalized	0	0	0
A&G Labor	207.9	211.7	214.4
TOTAL ADMIN & GENERAL EXPENSES	1448.5	1484	1520.4
DEPRECIATION AND AMORTIZATION	666.5	687	712.4
Property Taxes	108.8	112.1	116.2
Payroll Taxes	40	40.7	41.3
Local Taxes	111.2	112.6	114.2
State Income Tax	84	86.3	88.7
Federal Income Tax	371	380	389.7
TOTAL OPERATING EXPENSES	7443	7527.2	7619.3
NET OPERATING REVENUE	1025.6	1051.5	1079.1
RATE BASE	11717.6	12026.1	12340.6
RATE OF RETURN	8.75%	8.74%	8.74%

(END OF APPENDIX A)

APPENDIX B

Page 1 of 22

Southern California Water Company
Schedule No. AC-1
Arden Cordova
Customer Service Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all general metered water service.

TERRITORY

Arden Manor area located approximately six miles northeast of Sacramento and Rancho Cordova and vicinity, Sacramento County.

RATES

Quantity Rates:

For all water delivered, per 100 cu. ft.	\$0.461	(1)
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Service Charge:

	Per Meter Per Month	
For 5/8 x 3/4-inch meter.....	\$7.70	(1)
For 3/4-inch meter.....	\$11.55	
For 1-inch meter.....	\$19.20	
For 1-1/2-inch meter.....	\$38.40	
For 2-inch meter.....	\$61.50	
For 3-inch meter.....	\$115.00	
For 4-inch meter.....	\$192.00	
For 6-inch meter.....	\$384.00	
For 8-inch meter.....	\$615.00	
For 10-inch meter.....	\$884.00	(1)

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. Service with 5/8 3/4 -inch meters and 3/4 -inch meters is available only to customers served with 5/8 x 3/4 -inch meters as of May 31, 1995.
3. Due to the undercollection in the Water Quality Litigation Memorandum Account, a sur-charge of \$0.0419 per Ccf is to be added to the Quantity Rate for a 72-month period, ending on April 27, 2007.
4. Due to the undercollection in the Water Quality OII Memorandum Account, a surcharge of \$0.010 per Ccf is to be added to the Quantity Rate for a 12-month period, beginning on April 23, 2004.
5. As authorized by the California Public Utilities Commission in Decision 04-03-039, all bills are subject to a surcredit \$0.0788 per Ccf for a 9-year amortization period, beginning on May 6, 2004. This surcredit will refund the ratepayer portion of the

A.04-08-042 ALJ/DKF/jva

revenues collected from the City of Folsom for the period of July 1, 1994 through March 16, 2004.

APPENDIX B

Page 2 of 22

Southern California Water Company

Schedule No. AC-1

Arden Cordova

Customer Service Area

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increase to the rate which would otherwise be in effect on that date.

	2006 Incremental <u>Increase</u>	2007 Incremental <u>Increase</u>
Quantity Rates:		
For all water delivered, per 100 cu. ft.	\$0.010	\$0.011
Service Charge:		
For 5/8 x 3/4-inch meter.....	\$0.15	\$0.15
For 3/4-inch meter.....	\$0.20	\$0.25
For 1-inch meter.....	\$0.40	\$0.40
For 1-1/2-inch meter.....	\$0.80	\$0.85
For 2-inch meter.....	\$1.20	\$1.35
For 3-inch meter.....	\$3.00	\$2.00
For 4-inch meter.....	\$4.00	\$4.00
For 6-inch meter.....	\$8.00	\$8.00
For 8-inch meter.....	\$12.00	\$14.00
For 10-inch meter.....	\$17.00	\$20.00

APPENDIX B

Page 3 of 22

Southern California Water Company
Schedule No. AC-2
Arden Cordova
Customer Service Area

FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service. This schedule is closed to new installations.

TERRITORY

Arden Manor area located approximately six miles northeast of Sacramento and Rancho Cordova and vicinity, Sacramento County.

RATES

Per Month

For a single unit of occupancy, including premises not exceeding 12,000 sq. ft. in area.....	\$31.70	(I)
For a duplex including premises not exceeding 12,000 sq. ft. in area.....	\$63.20	
a. For each additional detached unit of occupancy on the same premises and served from the same service connection...	\$31.70	
b. For each swimming pool equipped with a recirculating filter system, on the same premises and served from the same connection.....	\$7.10	(I)

SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one inch in diameter.
2. For service covered by the above classification, if either the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. AC-1, General Metered Service.
3. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
4. Due to the undercollection in the Water Quality Litigation Memorandum Account, a surcharge of \$1.16 is to be added to the monthly service connection charge for a 72-month period, ending on April 27, 2007.
5. Due to the undercollection in the Water Quality OII Memorandum Account, a surcharge of \$0.27 is to be added to the monthly service connection charge for a 12-month period, beginning April 24, 2004.
6. As authorized by the California Public Utilities Commission in Decision 04-03-039, all bills are subject to a surcredit \$2.19 per month for a 9-year amortization period, beginning on the May 6, 2004. This surcredit will refund the ratepayer portion of the revenues collected from the City of Folsom for the period of July 1, 1994 through March 16, 2004

APPENDIX B

Page 4 of 22

Southern California Water Company
Schedule No. AC-2
Arden Cordova
Customer Service Area

Arden-Cordova Customer Service Area

FLAT RATE SERVICE

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increase to the rate which would otherwise be in effect on that date.

<u>RATES</u>	<u>2006 Incremental Increase</u>	<u>2007 Incremental Increase</u>
For a single unit of occupancy, including premises not exceeding 12,000 sq. ft. in area.....	\$0.60	\$0.70
For a duplex including premises not exceeding 12,000 sq. ft. in area.....	\$1.25	\$1.40
a. For each additional detached unit of occupancy on the same premises and served with the same service connection...	\$0.60	\$0.70
b. For each swimming pool equipped with a recirculating filter system, on the same premises and served from the same service connection.....	\$ 0.15	\$0.15

APPENDIX B

Page 5 of 22

Southern California Water Company
Schedule No. BY-1
Bay Point Customer Service Area
Present and Proposed Rates

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Portions of the City of Pittsburg and vicinity, Contra Costa County.

RATES

Per Meter
Per Month

Quantity Rates:

For all water delivered, per 100 cu. ft.	\$2.982	(1)
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Service Charge:

For 5/8 x 3/4-inch meter.....	\$23.35	(1)
For 3/4-inch meter.....	\$35.00	
For 1-inch meter.....	\$58.40	
For 1-1/2-inch meter.....	\$116.95	
For 2-inch meter.....	\$186.95	
For 3-inch meter.....	\$350.95	
For 4-inch meter.....	\$583.95	
For 6-inch meter.....	\$1,168.95	
For 8-inch meter.....	\$1,869.95	
For 10-inch meter.....	\$2,687.95	(1)

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. New Services: Contra Costa Water District (CCWD) imposes a Facilities Reserve Charge for new or enlarged retail services in this district. An applicant for service must first pay this fee, if applicable to CCWD before service will be rendered under this schedule.
3. Due to the undercollection in the Water Quality Oil Memorandum Account, a surcharge of \$0.014 per Ccf is to be added to the Quantity Rate for a 12-month period, beginning April 24, 2004.

APPENDIX B**Page 6 of 22**

Southern California Water Company

Schedule No. BY-1

Bay Point Customer Service Area

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increase to the rate which would otherwise be in effect on that date.

<u>RATES</u>	<u>2006 Incremental Increase</u>	<u>2007 Incremental Increase</u>
Quantity Rates:		
For all water delivered, per 100 cu. ft.	\$0.058	\$0.057
Service Charge:		
For 5/8 x 3/4-inch meter.....	\$0.80	\$0.95
For 3/4-inch meter.....	\$1.30	\$1.35
For 1-inch meter.....	\$2.10	\$2.25
For 1-1/2-inch meter.....	\$4.00	\$5.00
For 2-inch meter.....	\$7.00	\$7.00
For 3-inch meter.....	\$12.00	\$14.00
For 4-inch meter.....	\$22.00	\$22.00
For 6-inch meter.....	\$42.00	\$45.00
For 8-inch meter.....	\$68.00	\$72.00
For 10-inch meter.....	\$98.00	\$103.00

APPENDIX B

Page 7 of 22

Southern California Water Company

Schedule No. CL-1

Clearlake Customer Service Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Clearlake Park and areas, Lake County.

RATES

Per Meter
Per Month

Quantity Rates:

For all water delivered, per 100 cu. ft.	\$3.437	(I)
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Service Charge:

For 5/8 x 3/4-inch meter.....	\$34.60	(I)
For 3/4-inch meter.....	\$43.30	
For 1-inch meter.....	\$60.60	
For 1-1/2-inch meter.....	\$103.95	
For 2-inch meter.....	\$155.95	
For 3-inch meter.....	\$276.95	
For 4-inch meter.....	\$450.95	
For 6-inch meter.....	\$883.95	
For 8-inch meter.....	\$1,403.95	
For 10-inch meter.....	\$2,010.95	

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. Due to the increase in energy purveyor rates, a surcharge in the amount of \$0.0275 per Ccf is to be added to the Quantity Rates beginning on April 1, 2001.
3. Due to the undercollection in the Water Quality OII Memorandum Account, a surcharge of \$0.034 per Ccf is to be added to the Quantity Rate for a 12-month period, beginning April 24, 2004.

APPENDIX B**Page 8 of 22**

Southern California Water Company

Schedule No. CL-1

Clearlake Customer Service Area

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increase to the rate which would otherwise be in effect on that date.

<u>RATES</u>	<u>2006 Incremental Increase</u>	<u>2007 Incremental Increase</u>
Quantity Rates:		
For all water delivered, per 100 cu. ft.	\$0.095	\$0.104
Service Charge:		
For 5/8 x 3/4-inch meter.....	\$1.00	\$1.05
For 3/4-inch meter.....	\$4.20	\$4.45
For 1-inch meter.....	\$10.65	\$11.30
For 1-1/2-inch meter.....	\$27.00	\$28.00
For 2-inch meter.....	\$46.00	\$49.00
For 3-inch meter.....	\$91.00	\$97.00
For 4-inch meter.....	\$155.00	\$165.00
For 6-inch meter.....	\$316.00	\$336.00
For 8-inch meter.....	\$509.00	\$540.00
For 10-inch meter.....	\$734.00	\$779.00

APPENDIX B

Page 9 of 22

Southern California Water Company

Schedule No. LO-1

Los Osos Customer Service Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Unincorporated areas south of the city of San Luis Obispo in the vicinity of Los Osos, San Luis Obispo County.

RATES

Per Meter

Per Month

Quantity Rates:

For all water delivered, per 100 cu. ft. \$1.794

Service Charge:

For 5/8 x 3/4-inch meter..... \$19.20

For 3/4-inch meter..... \$27.15

For 1-inch meter..... \$43.20

For 1-1/2-inch meter..... \$83.40

For 2-inch meter..... \$130.65

For 3-inch meter..... \$244.20

For 4-inch meter..... \$403.00

For 6-inch meter..... \$805.00

For 8-inch meter..... \$1,285.00

For 10-inch meter..... \$1,846.00

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. Due to the increase in energy purveyor rates, a surcharge in the amount of \$0.0212 per Ccf is to be added to the Quantity Rates beginning on the effective date of Advice Letter 1090-W.

A.04-08-042 ALJ/DKF/jva

3. Due to the undercollection in the Water Quality OII Memorandum Account, a surcharge of \$0.017 per Ccf is to be added to the Quantity Rate for a 12-month period, beginning April 24, 2004.

Appendix B**Page 10 of 22**

Southern California Water Company

Schedule No. LO-1

Los Osos Customer Service Area

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increase to the rate which would otherwise be in effect on that date.

	2006 Incremental <u>Increase</u>	2007 Incremental <u>Increase</u>
Quantity Rates:		
For all water delivered, per 100 cu. Ft.....	\$0.00	\$0.042
Service Charge:		
For 5/8 x 3/4-inch meter.....	\$0.00	-\$0.10
For 3/4-inch meter.....	\$0.00	\$1.45
For 1-inch meter.....	\$0.00	\$4.50
For 1-1/2-inch meter.....	\$0.00	\$12.00
For 2-inch meter.....	\$0.00	\$22.35
For 3-inch meter.....	\$0.00	\$41.80
For 4-inch meter.....	\$0.00	\$74.00
For 6-inch meter.....	\$0.00	\$149.00
For 8-inch meter.....	\$0.00	\$240.60
For 10-inch meter.....	\$0.00	\$347.85

Appendix B
Page 11 of 22

Southern California Water Company
Schedule No. OJ-1
Ojai Customer Service Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service except public parks.

TERRITORY

Ojai and vicinity, Ventura County.

RATES

Quantity Rates:

First 500 cu. ft., per 100 cu. Ft	\$1.713	(I)
Next 1500 cu. ft., per 100 cu. ft.....	\$1.848	
Over 2000 cu. ft., per 100 cu. Ft	\$2.165	(I)

Service Charge:	Per Meter <u>Per Month</u>
-----------------	-------------------------------

For 5/8 x 3/4-inch meter.....	\$17.35	(I)
For 3/4-inch meter.....	\$26.05	
For 1-inch meter.....	\$43.45	
For 1-1/2-inch meter.....	\$86.85	
For 2-inch meter.....	\$139.00	
For 3-inch meter.....	\$261.00	
For 4-inch meter.....	\$434.00	
For 6-inch meter.....	\$869.00	
For 8-inch meter.....	\$1,390.00	(I)

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is added the charge for water computed at the Quantity Rates.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

A.04-08-042 ALJ/DKF/jva

2. Due to the undercollection in the Water Quality OII Memorandum Account, a surcharge of \$0.014 per Ccf is to be added to the Quantity Rate for a 12-month period, beginning April 24, 2004.

Appendix B

Page 12 of 22

Southern California Water Company

Schedule No. OJ-1

Ojai Customer Service Area

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increase to the rate which would otherwise be in effect on that date.

	2006 Incremental <u>Increase</u>	2007 Incremental <u>Increase</u>
Quantity Rates:		
First 500 cu. ft., per 100 cu. Ft.	\$0.083	\$0.088
Next 1500 cu. ft., per 100 cu. Ft.....	\$0.089	\$0.095
Over 2000 cu. ft., per 100 cu. Ft.	\$0.105	\$0.111
Service Charge:		
For 5/8 x 3/4-inch meter.....	\$1.10	\$1.10
For 3/4-inch meter.....	\$1.60	\$1.65
For 1-inch meter.....	\$2.65	\$2.75
For 1-1/2-inch meter.....	\$5.35	\$5.55
For 2-inch meter.....	\$9.00	\$8.00
For 3-inch meter.....	\$16.00	\$16.00
For 4-inch meter.....	\$27.00	\$28.00
For 6-inch meter.....	\$53.00	\$55.00
For 8-inch meter.....	\$86.00	\$88.00

Appendix B

Page 13 of 22

Southern California Water Company
Schedule No. OJ-7ML
Ojai Customer Service Area
Present and Proposed Rates

PUBLIC PARK METERED SERVICE

APPLICABILITY

Applicable to all metered water service furnished to public parks.

TERRITORY

Ojai and vicinity, Ventura County.

RATES

Per Meter
Per Month

Quantity Rates:

For all water delivered, per 100 cu. Ft.	\$1.400	(1)
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Service Charge:

For	5/8 x 3/4-inch meter	\$17.35	(1)
For	3/4 inch meter	\$26.05	
For	1-inch meter	\$43.45	
For	1 1/2 inch meter	\$86.85	
For	2-inch meter	\$139.00	(1)

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is added the charge for water used computed at the Quantity Rates.

SPECIAL CONDITIONS

1. Service under this schedule shall be limited to the City of Ojai, the County of Ventura, and the Civic Center Park (Ojai Civic Association, Trustee).
2. The above rates apply to service connections not larger than two inches in diameter.
3. The cost of installation of service pipes and meters shall be borne by the utility. Relocation of such facilities shall be at the expense of the party requesting relocation.
4. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
5. Due to the undercollection in the Water Quality Oil Memorandum Account, a surcharge of \$0.014 per Ccf is to be added to the Quantity Rate for a 12-month period, beginning April 24, 2004.

Appendix B

Page 14 of 22

Southern California Water Company

Schedule No. OJ-7ML

Ojai Customer Service Area

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increase to the rate which would otherwise be in effect on that date.

	2006 Incremental <u>Increase</u>	2007 Incremental <u>Increase</u>
Quantity Rates:		
For all water delivered, per 100 cu. ft.....	\$0.067	\$0.072
Service Charge:		
For 5/8" x 3/4-inch meter.....	\$1.10	\$1.10
For 3/4-inch meter.....	\$1.60	\$1.65
For 1-inch meter.....	\$2.65	\$2.75
For 1 1/2 inch meter.....	\$5.35	\$5.55
For 2-inch meter.....	\$9.00	\$8.00

Appendix B
Page 15 of 22

Southern California Water Company
Schedule No. OJ-3M
Ojai Customer Service Area

SPECIAL IRRIGATION METERED SERVICE

APPLICABILITY

Applicable to ten specific parcels of land identified on Special Irrigation Metered Service Tariff Area Map.

TERRITORY

Ojai and vicinity, Ventura County.

RATES

Casitas Municipal Water District agricultural non-prime rates as amended from time to time.

Wheeling Surcharge:

	Per Meter Per Month	
For 2-inch meter.....	\$356.00	(1)
For 4-inch meter.....	\$468.00	(1)

The Wheeling Surcharge is a Southern California Water Company charge for transporting Casitas Irrigation water to said ten specific parcels of land, which charge is to be added to the Quantity Charge computed at Casitas MWD rates.

SPECIAL CONDITIONS

1. Service provided on an annual basis.
2. Service provided in conformance with Water Service Agreement entered into on July 9, 1980, by and between Casitas Municipal Water District and Southern California Water Company.
3. This schedule is for irrigation water only. Any domestic or residential water use of these specific parcels of land shall be through a separate water meter and billed at the General Metered Service Rate.
4. If any irrigation water sold under this schedule exceeds in total irrigation water delivered by Casitas each month, then the excess irrigation water delivered shall be billed at the General Metered Service Rate.
5. Service under this tariff schedule shall, at all times, be subject to such changes or modifications by the California Public Utilities Commission as said Commission may, from time to time, direct in exercise of its judgment.
6. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

Appendix B
Page 16 of 22

Southern California Water Company
Schedule No. OJ-3M
Ojai Customer Service Area

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increase to the rate which would otherwise be in effect on that date.

	2006 Incremental <u>Increase</u>	2007 Incremental <u>Increase</u>
<u>Wheeling Surcharge:</u>		
For 2-inch meter.....	\$23.00	\$20.00
For 4-inch meter.....	\$29.00	\$29.00

Appendix B
Page 17 of 22

Southern California Water Company
Schedule No. SM-1
Santa Maria Customer Service Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all general metered water service.

TERRITORY

Within the established Santa Maria District, San Luis Obispo County and Santa Barbara County.

RATES

Per Meter
Per Month

Quantity Rates:

For all water delivered, per 100 cu. ft.	\$0.954	(I)
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Service Charge:

For 5/8 x 3/4-inch meter.....	\$15.15	(I)
For 3/4-inch meter.....	\$22.70	
For 1-inch meter.....	\$37.85	
For 1-1/2-inch meter.....	\$75.65	
For 2-inch meter.....	\$121.00	
For 3-inch meter.....	\$227.00	
For 4-inch meter.....	\$378.00	
For 6-inch meter.....	\$757.00	
For 8-inch meter.....	\$1,211.00	
For 10-inch meter.....	\$1,740.00	(I)

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. Due to the increase in energy purveyor rates granted by D.01-01-018, a surcharge in the amount of \$0.0272 per Ccf is to be added to the Quantity Rates beginning on April 1, 2001.
3. Due to the increase in energy purveyor rates granted by D.01-03-082, a surcharge in the amount of \$0.0817 per Ccf is to be added to the Quantity Rates beginning on November 13, 2001.

A.04-08-042 ALJ/DKF/jva

4. Due to the undercollection in the Water Quality OII Memorandum Account, a sur-charge of \$0.010 per Ccf is to be added to the Quantity Rate for a 12-month period, beginning on April 24, 2004.

Appendix B**Page 18 of 22**

Southern California Water Company

Schedule No. SM-1

Santa Maria Customer Service Area

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increase to the rate which would otherwise be in effect on that date.

	2006	2007
Incremental		Incremental
	<u>Increase</u>	<u>Increase</u>
Quantity Rates:		
For all water delivered, per 100 cu. ft.	\$0.038	\$0.039
Service Charge:		
For 5/8 x 3/4-inch meter.....	\$0.80	\$0.85
For 3/4-inch meter.....	\$1.20	\$1.25
For 1-inch meter.....	\$2.00	\$2.10
For 1-1/2-inch meter.....	\$4.05	\$4.20
For 2-inch meter.....	\$6.00	\$7.00
For 3-inch meter.....	\$12.00	\$13.00
For 4-inch meter.....	\$20.00	\$21.00
For 6-inch meter.....	\$40.00	\$42.00
For 8-inch meter.....	\$64.00	\$67.00
For 10-inch meter.....	\$93.00	\$96.00

Appendix B
Page 19 of 22

Southern California Water Company
Schedule No. SM-3ML
Santa Maria Customer Service Area

LIMITED METERED IRRIGATION SERVICE

APPLICABILITY

Applicable to metered irrigation water service.

TERRITORY

The unincorporated area known as Lake Marie Ranches located in the former Lake Marie Service Area.

RATES

Per Meter
Per Month

Quantity Rates:

For all water delivered, per 100 cu. ft.	\$0.633	(1)
---	---------	-----

Service Charge:

For 3/4-inch meter.....	\$31.95	
For 1-inch meter.....	\$44.35	
For 3-inch meter.....	\$96.40	(1)

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. A customer desiring to obtain water deliveries under this schedule must first obtain a written permit from the utility, with service limited to existing customers as of December 31, 1986.
2. The utility will supply only such water at such pressure as may be available from time to time as a result of its normal operations.
3. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
4. As authorized by the California Public Utilities Commission, an amount of \$0.070 per Ccf is to be added to the Quantity Rate for a period of 12 months, beginning on the effective date of Advice Letter 1122-W. This surcharge will recover the undercollection in the Supply Expense Balancing Account, as of November 28, 2001.
5. Due to the increase in energy purveyor rates granted by D.01-01-018, a surcharge in the amount of \$0.0272 per Ccf is to be added to the Quantity Rates beginning on the effective date of Advice Letter 1090-W.
6. Due to the increase in energy purveyor rates granted by D.01-03-082, a surcharge in the amount of \$0.0817 per Ccf is to be added to the Quantity Rates beginning on the effective date of Advice Letter 1095-WB.
7. Due to the undercollection in the Water Quality OII Memorandum Account, a surcharge of \$0.010 per Ccf is to be added to the Quantity Rate for a 12-month period, beginning with the effective date of Advice Letter 1143-W.

Appendix B

Page 20 of 22

Southern California Water Company

Schedule No. SM-3ML

Santa Maria Customer Service Area

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increase to the rate which would otherwise be in effect on that date.

	2006 Incremental <u>Increase</u>	2007 Incremental <u>Increase</u>
Quantity Rates:		
For all water delivered, per 100 cu. ft.....	\$0.025	\$0.026
Service Charge:		
For 3/4-inch meter	\$1.70	\$1.75
For 1-inch meter	\$2.35	\$2.45
For 3-inch meter	\$4.60	\$5.00

Appendix B
Page 21 of 22

Southern California Water Company
Schedule No. SI-1
Simi Valley Customer Service Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all general metered water service.

TERRITORY

Portions of the City of Simi Valley and vicinity, Ventura County.

RATES

Per Meter
Per Month

Quantity Rates:

For all water delivered, per 100 cu. ft. \$1.877 (I)

Service Charge:

For 5/8 x 3/4-inch meter.....	\$11.00	(I)
For 3/4-inch meter.....	\$16.50	
For 1-inch meter.....	\$27.50	
For 1-1/2-inch meter.....	\$55.10	
For 2-inch meter.....	\$88.15	
For 3-inch meter.....	\$164.95	
For 4-inch meter.....	\$275.95	
For 6-inch meter.....	\$550.95	
For 8-inch meter.....	\$891.95	
For 10-inch meter.....	\$1,267.95	(I)

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. Due to the increase in energy purveyor rates granted by D.01-01-018, a surcharge in the amount of \$0.0051 per Ccf is to be added to the Quantity Rates beginning on April 1, 2001.
3. Due to the undercollection in the Water Quality OII Memorandum Account, a surcharge of \$0.014 per Ccf is to be added to the Quantity Rate for a 12-month period, beginning April 24, 2004

Appendix B
Page 22 of 22

Southern California Water Company
Schedule No. SI-1
Simi Valley Customer Service Area

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increase to the rate which would otherwise be in effect on that date.

	2006 Incremental <u>Increase</u>	2007 Incremental <u>Increase</u>
Quantity Rates:		
For all water delivered, per 100 cu. ft.	\$0.018	\$0.018
Service Charge:		
For 5/8 x 3/4-inch meter.....	\$0.25	\$0.30
For 3/4-inch meter.....	\$0.40	\$0.45
For 1-inch meter.....	\$0.70	\$0.75
For 1-1/2-inch meter.....	\$1.35	\$1.50
For 2-inch meter.....	\$2.20	\$2.40
For 3-inch meter.....	\$4.00	\$5.00
For 4-inch meter.....	\$6.00	\$8.00
For 6-inch meter.....	\$14.00	\$15.00
For 8-inch meter.....	\$22.00	\$24.00
For 10-inch meter.....	\$31.00	\$3-.00

(END OF APPENDIX B)

Appendix C
Page 1 of 15

Southern California Water Company
Arden Cordova CSA
Schedule No. AC-1
Bill Comparison

AC-1 Customers:	Monthly Charge				Incremental Increase	
	Present <u>Rates</u>	Proposed Rates			<u>2006</u>	<u>2007</u>
		<u>2005</u>	<u>2006</u>	<u>2007</u>		
5/8 x 3/4 inch	\$7.00	\$7.70	\$7.85	\$8.00	\$0.15	\$0.15
3/4	\$10.50	\$11.55	\$11.75	\$12.00	\$0.20	\$0.25
1	\$17.45	\$19.20	\$19.60	\$20.00	\$0.40	\$0.40
1-1/2	\$34.95	\$38.40	\$39.20	\$40.05	\$0.80	\$0.85
2	\$55.90	\$61.50	\$62.70	\$64.05	\$1.20	\$1.35
3	\$105.00	\$115.00	\$118.00	\$120.00	\$3.00	\$2.00
4	\$175.00	\$192.00	\$196.00	\$200.00	\$4.00	\$4.00
6	\$349.00	\$384.00	\$392.00	\$400.00	\$8.00	\$8.00
8	\$559.00	\$615.00	\$627.00	\$641.00	\$12.00	\$14.00
10	\$803.00	\$884.00	\$901.00	\$921.00	\$17.00	\$20.00
Total						
Quantity Charge	\$0.420	\$0.461	\$0.471	\$0.482	\$0.010	\$0.011

Appendix C
Page 2 of 15

SOUTHERN CALIFORNIA WATER COMPANY
Arden Cordova CSA
Bill Comparison for 1 inch Meter
Tariff Schedule AC-1

	Monthly Usage	Present <u>Rates</u>	Proposed Rates		
			<u>2005</u>	<u>2006</u>	<u>2007</u>
	Ccf				
	0	\$17.45	\$19.20	\$19.60	\$20.00
	3	\$18.71	\$20.58	\$21.01	\$21.45
	5	\$19.55	\$21.51	\$21.96	\$22.41
	25	\$27.95	\$30.73	\$31.38	\$32.05
	75	\$48.95	\$53.78	\$54.93	\$56.15
	100	\$59.45	\$65.30	\$66.70	\$68.20
AVG	116	\$66.17	\$72.68	\$74.24	\$75.91
	200	\$101.45	\$111.40	\$113.80	\$116.40
	250	\$122.45	\$134.45	\$137.35	\$140.50
	300	\$143.45	\$157.50	\$160.90	\$164.60
	350	\$164.45	\$180.55	\$184.45	\$188.70

Effect on the average monthly Commercial (Residential)
customer's bill with a 1 inch meter for

116 hundred cubic feet of water per month is as follows:

Amount Increase to Typical Bill	\$6.51	\$1.56	\$1.68
Percent Increase to Typical bill	9.83%	2.15%	2.26%

Appendix C
Page 3 of 15

Southern California Water Company
Arden Cordova CSA
Schedule No. AC-2

Bill Comparison for Flat-rate Customer (single unit)

	Present	Proposed Rates		
	<u>Rates</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
AC-2	\$28.80	\$31.70	\$32.30	\$33.00
Amount Increase to Typical Bill		\$2.90	\$0.60	\$0.70
Percent Increase to Typical bill		10.07%	1.89%	2.17%

Appendix C
Page 4 of 15

Southern California Water Company
Bay Point CSA
Schedule No. BY-1
Bill Comparison

BY-1 Customers:	Monthly Charge				Incremental Increase	
	Present <u>Rates</u>	Proposed Rates			<u>2006</u>	<u>2007</u>
		<u>2005</u>	<u>2006</u>	<u>2007</u>		
5/8 x 3/4 inch	\$21.75	\$22.40	\$23.25	\$24.15	\$0.85	\$0.90
3/4	\$32.70	\$33.60	\$34.90	\$36.25	\$1.30	\$1.35
1	\$54.50	\$56.05	\$58.20	\$60.45	\$2.15	\$2.25
1-1/2	\$108.95	\$111.95	\$115.95	\$120.95	\$4.00	\$5.00
2	\$174.95	\$179.95	\$185.95	\$193.95	\$6.00	\$8.00
3	\$326.95	\$336.95	\$348.95	\$362.95	\$12.00	\$14.00
4	\$545.95	\$560.95	\$581.95	\$604.95	\$21.00	\$23.00
6	\$1,090.95	\$1,121.95	\$1,164.95	\$1,209.95	\$43.00	\$45.00
8	\$1,745.95	\$1,795.95	\$1,862.95	\$1,935.95	\$67.00	\$73.00
10	\$2,508.95	\$2,580.95	\$2,678.95	\$2,781.95	\$98.00	\$103.00
Total						
Quantity Charge	\$2.882	\$2.922	\$2.978	\$3.036	\$0.056	\$0.058

Appendix C
Page 5 of 15

Southern California Water Company
 Bay Point CSA
 Schedule No. BY-1
 Bill Comparison for 5/8 x 3/4 inch Meter

	Monthly Usage	Present <u>Rates</u>	<u>Proposed Rates</u>		
			<u>2005</u>	<u>2006</u>	<u>2007</u>
	Ccf				
	0	\$21.75	\$22.40	\$23.25	\$24.15
	3	\$30.40	\$31.17	\$32.18	\$33.26
	5	\$36.16	\$37.01	\$38.14	\$39.33
	8	\$44.81	\$45.78	\$47.07	\$48.44
	10	\$50.57	\$51.62	\$53.03	\$54.51
AVG	16	\$67.86	\$69.15	\$70.90	\$72.73
	17	\$70.74	\$72.07	\$73.88	\$75.76
	20	\$79.39	\$80.84	\$82.81	\$84.87
	23	\$88.04	\$89.61	\$91.74	\$93.98
	30	\$108.21	\$110.06	\$112.59	\$115.23
	35	\$122.62	\$124.67	\$127.48	\$130.41
	40	\$137.03	\$139.28	\$142.37	\$145.59
	50	\$165.85	\$168.50	\$172.15	\$175.95
	100	\$309.95	\$314.60	\$321.05	\$327.75

Effect on the average monthly Commercial
 (Residential)

customer's bill with a 1 inch meter for

16 hundred cubic feet of water per month is as follows:

Amount Increase to Typical Bill	\$1.29	\$1.75	\$1.83
Percent Increase to Typical bill	1.90%	2.52%	2.58%

Appendix C
Page 6 of 15

Southern California Water Company
Clearlake CSA
Schedule No. CL-1
Bill Comparison

CL-1 Customers:	Monthly Charge				Incremental Increase	
	Present <u>Rates</u>	Proposed Rates			<u>2006</u>	<u>2007</u>
		<u>2005</u>	<u>2006</u>	<u>2007</u>		
5/8 x 3/4 inch	\$33.35	\$34.60	\$35.60	\$36.65	\$1.00	\$1.05
3/4	\$41.70	\$43.30	\$47.50	\$51.95	\$4.20	\$4.45
1	\$58.40	\$60.60	\$71.25	\$82.55	\$10.65	\$11.30
1-1/2	\$78.00	\$103.95	\$130.95	\$158.95	\$27.00	\$28.00
2	\$111.65	\$155.95	\$201.95	\$250.95	\$46.00	\$49.00
3	\$189.20	\$276.95	\$367.95	\$464.95	\$91.00	\$97.00
4	\$301.00	\$450.95	\$605.95	\$770.95	\$155.00	\$165.00
6	\$579.95	\$883.95	\$1,199.95	\$1,535.95	\$316.00	\$336.00
8	\$915.30	\$1,403.95	\$1,912.95	\$2,452.95	\$509.00	\$540.00
10	\$1,306.05	\$2,010.95	\$2,744.95	\$3,523.95	\$734.00	\$779.00
Total						
Quantity Charge	\$2.926	\$3.437	\$3.532	\$3.636	\$0.095	\$0.104

Appendix C
Page 7 of 15

Southern California Water Company
 Clearlake CSA
 Schedule No. CL-1
 Bill Comparison for 5/8 x 3/4 inch Meter

	Monthly Usage	Present <u>Rates</u>	<u>Proposed Rates</u>		
			<u>2005</u>	<u>2006</u>	<u>2007</u>
	Ccf				
	0	\$33.35	\$34.60	\$35.60	\$36.65
	3	\$42.13	\$44.91	\$46.20	\$47.56
	5	\$47.98	\$51.79	\$53.26	\$54.83
AVG	6	\$50.91	\$55.22	\$56.79	\$58.47
	10	\$62.61	\$68.97	\$70.92	\$73.01
	16	\$80.17	\$89.59	\$92.11	\$94.83
	17	\$83.09	\$93.03	\$95.64	\$98.46
	20	\$91.87	\$103.34	\$106.24	\$109.37
	23	\$100.65	\$113.65	\$116.84	\$120.28
	30	\$121.13	\$137.71	\$141.56	\$145.73
	35	\$135.76	\$154.90	\$159.22	\$163.91
	40	\$150.39	\$172.08	\$176.88	\$182.09
	50	\$179.65	\$206.45	\$212.20	\$218.45
	100	\$325.95	\$378.30	\$388.80	\$400.25

Effect on the average monthly Commercial (Residential)
 customer's bill with a 1 inch meter for

6 hundred cubic feet of water per month is as follows:

Amount Increase to Typical Bill	\$4.32	\$1.57	\$1.67
Percent Increase to Typical bill	8.48%	2.84%	2.95%

Appendix C

Page 8 of 15

Southern California Water Company

Los Osos CSA

Schedule No. LO-1

Bill Comparison

Customers:	Present Rates	Monthly Charge			Incremental Increase	
		<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>
5/8 x 3/4						
inch	\$19.20	\$19.20	\$19.20	\$19.10	\$0.00	(\$0.10)
3/4	\$27.15	\$27.15	\$27.15	\$28.60	\$0.00	\$1.45
1	\$43.20	\$43.20	\$43.20	\$47.70	\$0.00	\$4.50
1-1/2	\$83.40	\$83.40	\$83.40	\$95.40	\$0.00	\$12.00
2	\$130.65	\$130.65	\$130.65	\$153.00	\$0.00	\$22.35
3	\$244.20	\$244.20	\$244.20	\$286.00	\$0.00	\$41.80
4	\$403.00	\$403.00	\$403.00	\$477.00	\$0.00	\$74.00
6	\$805.00	\$805.00	\$805.00	\$954.00	\$0.00	\$149.00
8	\$1,285.40	\$1,285.40	\$1,285.40	\$1,526.00	\$0.00	\$240.60
10	\$1,846.15	\$1,846.15	\$1,846.15	\$2,194.00	\$0.00	\$347.85
Quantity						
Charge	\$1.794	\$1.794	\$1.794	\$1.836	\$0.000	\$0.042

Appendix C
Page 9 of 15

Southern California Water Company
Los Osos CSA
Schedule No. LO-1
Bill Comparison for 5/8 x 3/4 inch Meter

	Monthly Usage	Present	Proposed Rates		
	<u>Ccf</u>	<u>Rates</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
	0	\$19.20	\$19.20	\$19.20	\$19.10
	3	\$24.58	\$24.58	\$24.58	\$24.61
	5	\$28.17	\$28.17	\$28.17	\$28.28
	6	\$29.96	\$29.96	\$29.96	\$30.12
	10	\$37.14	\$37.14	\$37.14	\$37.46
AVG	13	\$42.52	\$42.52	\$42.52	\$42.97
	17	\$49.70	\$49.70	\$49.70	\$50.31
	20	\$55.08	\$55.08	\$55.08	\$55.82
	23	\$60.46	\$60.46	\$60.46	\$61.33
	30	\$73.02	\$73.02	\$73.02	\$74.18
	35	\$81.99	\$81.99	\$81.99	\$83.36
	40	\$90.96	\$90.96	\$90.96	\$92.54
	50	\$108.90	\$108.90	\$108.90	\$110.90
	100	\$198.60	\$198.60	\$198.60	\$202.70

Effect on the average monthly Commercial (Residential) customer's bill with a 5/8 x 3/4 inch meter for 13 hundred cubic feet of water per month is as follows:

Amount Increase to Typical Bill	\$0.00	\$0.00	\$0.45
Percent Increase to Typical bill	0.00%	0.00%	1.05%

Appendix C
Page 10 of 15

Southern California Water Company
Schedule No. OJ-1
Ojai CSA
Bill Comparison

Customers:	Present Rates	Monthly Charge			Incremental Increase	
		<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>
5/8 x 3/4 inch	\$15.90	\$17.35	\$18.45	\$19.55	\$1.10	\$1.10
3/4	\$23.80	\$26.05	\$27.65	\$29.30	\$1.60	\$1.65
1	\$39.70	\$43.45	\$46.10	\$48.85	\$2.65	\$2.75
1-1/2	\$79.40	\$86.85	\$92.20	\$97.75	\$5.35	\$5.55
2	\$127.00	\$139.00	\$148.00	\$156.00	\$9.00	\$8.00
3	\$238.00	\$261.00	\$277.00	\$293.00	\$16.00	\$16.00
4	\$397.00	\$434.00	\$461.00	\$489.00	\$27.00	\$28.00
6	\$794.00	\$869.00	\$922.00	\$977.00	\$53.00	\$55.00
8	\$1,270.00	\$1,390.00	\$1,476.00	\$1,564.00	\$86.00	\$88.00
10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Current Qty. Rate						
First 5 Ccf	\$1.595	\$1.713	\$1.796	\$1.884	\$0.083	\$0.088
Next 15 Ccf	\$1.721	\$1.848	\$1.937	\$2.032	\$0.089	\$0.095
over 20 Ccf	\$2.016	\$2.165	\$2.270	\$2.381	\$0.105	\$0.111

Appendix C
Page 11 of 15

Southern California Water Company
Schedule No. OJ-1
Ojai CSA
Bill Comparison for 5/8 x 3/4 inch Meter

	Monthly Usage <u>Ccf</u>	Present <u>Rates</u>	Proposed Rates		
			<u>2005</u>	<u>2006</u>	<u>2007</u>
	0	\$15.90	\$17.35	\$18.45	\$19.55
	3	\$20.69	\$22.49	\$23.84	\$25.20
	5	\$23.88	\$25.92	\$27.43	\$28.97
	8	\$29.04	\$31.46	\$33.24	\$35.07
	10	\$32.48	\$35.16	\$37.12	\$39.13
	15	\$41.09	\$44.40	\$46.80	\$49.29
	20	\$49.69	\$53.64	\$56.49	\$59.45
AVG	26	\$61.79	\$66.63	\$70.11	\$73.74
	30	\$69.85	\$75.29	\$79.19	\$83.26
	35	\$79.93	\$86.11	\$90.54	\$95.17
	50	\$110.17	\$118.59	\$124.59	\$130.88
	60	\$130.33	\$140.24	\$147.29	\$154.69
	100	\$210.97	\$226.84	\$238.09	\$249.93
	150	\$311.77	\$335.09	\$351.59	\$368.98

Effect on the average monthly Commercial (Residential) customer's bill with a 5/8 x 3/4 inch meter for 26 hundred cubic feet of water per month is as follows:

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Amount Increase to Typical Bill	\$4.84	\$3.48	\$3.63
Percent Increase to Typical bill	7.83%	5.22%	5.18%

Appendix C
Page 12 of 15

Southern California Water Company
Schedule No. SM-1
Santa Maria CSA
Bill Comparison

Customers:	Present Rates	Monthly Charge Proposed Rates			Incremental Increase	
		<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>
5/8 x 3/4 inch	\$13.45	\$15.15	\$15.95	\$16.80	\$0.80	\$0.85
3/4	\$20.05	\$22.70	\$23.90	\$25.15	\$1.20	\$1.25
1	\$33.60	\$37.85	\$39.85	\$41.95	\$2.00	\$2.10
1-1/2	\$67.15	\$75.65	\$79.70	\$83.90	\$4.05	\$4.20
2	\$107.65	\$121.00	\$127.00	\$134.00	\$6.00	\$7.00
3	\$202.35	\$227.00	\$239.00	\$252.00	\$12.00	\$13.00
4	\$336.25	\$378.00	\$398.00	\$419.00	\$20.00	\$21.00
6	\$673.50	\$757.00	\$797.00	\$839.00	\$40.00	\$42.00
8	\$1,077.20	\$1,211.00	\$1,275.00	\$1,342.00	\$64.00	\$67.00
10	\$1,548.40	\$1,740.00	\$1,833.00	\$1,929.00	\$93.00	\$96.00
Current Qty. Rate Per Ccf	\$0.880	\$0.954	\$0.992	\$1.032	\$0.038	\$0.039

Appendix C
Page 13 of 15

Southern California Water Company
Schedule No. SM-1
Santa Maria CSA
Bill Comparison for 5/8 x 3/4 inch Meter

	Monthly Usage	Present <u>Rates</u>	<u>2005</u>	Proposed Rates <u>2006</u>	<u>2007</u>
	Ccf				
	0	\$13.45	\$15.15	\$15.95	\$16.80
	3	\$16.09	\$18.01	\$18.93	\$19.89
	5	\$17.85	\$19.92	\$20.91	\$21.96
	8	\$20.49	\$22.78	\$23.89	\$25.05
	10	\$22.25	\$24.69	\$25.87	\$27.12
	15	\$26.65	\$29.46	\$30.83	\$32.27
	20	\$31.05	\$34.23	\$35.80	\$37.43
AVG	24	\$34.57	\$38.04	\$39.76	\$41.56
	30	\$39.85	\$43.77	\$45.72	\$47.75
	35	\$44.25	\$48.54	\$50.68	\$52.91
	50	\$57.45	\$62.85	\$65.56	\$68.38
	60	\$66.25	\$72.39	\$75.49	\$78.70
	100	\$101.45	\$110.54	\$115.18	\$119.97
	150	\$145.45	\$158.24	\$164.79	\$171.55

Effect on the average monthly Commercial (Residential) customer's bill with a 5/8 x 3/4 inch meter for 24 hundred cubic feet of water per month is as follows:

Amount Increase to Typical Bill	\$3.47	\$1.72	\$1.80
Percent Increase to Typical bill	10.05%	4.52%	4.51%

Appendix C
Page 14 of 15

Southern California Water Company
Schedule No. SI-1
Simi Valley CSA
Bill Comparison

Customers:	Monthly Charge				Incremental	
	Present	Proposed Rates			Increase	
	<u>Rates</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>
5/8 x 3/4 inch	\$9.70	\$11.00	\$11.25	\$11.55	\$0.25	\$0.30
3/4	\$14.55	\$16.50	\$16.90	\$17.35	\$0.40	\$0.45
1	\$24.25	\$27.50	\$28.20	\$28.95	\$0.70	\$0.75
1-1/2	\$48.50	\$55.10	\$56.45	\$57.95	\$1.35	\$1.50
2	\$77.60	\$88.15	\$90.35	\$92.75	\$2.20	\$2.40
3	\$145.50	\$164.95	\$168.95	\$173.95	\$4.00	\$5.00
4	\$242.45	\$275.95	\$281.95	\$289.95	\$6.00	\$8.00
6	\$484.95	\$550.95	\$564.95	\$579.95	\$14.00	\$15.00
8	\$775.95	\$881.95	\$903.95	\$927.95	\$22.00	\$24.00
10	\$1,115.40	\$1,267.95	\$1,298.95	\$1,333.95	\$31.00	\$35.00
Quantity Charge	\$1.799	\$1.877	\$1.895	\$1.913	\$0.018	\$0.018

Appendix C
Page 15 of 15

Southern California Water Company
Schedule No. SI-1
Simi Valley CSA
Bill Comparison for a 5/8 x 3/4 Inch Meter

	Monthly Usage	Present	Proposed Rates		
	<u>Ccf</u>	<u>Rates</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
	0	\$9.70	\$11.00	\$11.25	\$11.55
	3	\$15.10	\$16.63	\$16.94	\$17.29
	5	\$18.70	\$20.39	\$20.73	\$21.12
	6	\$20.49	\$22.26	\$22.62	\$23.03
	10	\$27.69	\$29.77	\$30.20	\$30.68
	13	\$33.09	\$35.40	\$35.89	\$36.42
	17	\$40.28	\$42.91	\$43.47	\$44.07
AVG	20	\$45.68	\$48.54	\$49.15	\$49.81
	23	\$51.08	\$54.17	\$54.84	\$55.55
	30	\$63.67	\$67.31	\$68.10	\$68.94
	35	\$72.67	\$76.70	\$77.58	\$78.51
	40	\$81.66	\$86.08	\$87.05	\$88.07
	50	\$99.65	\$104.85	\$106.00	\$107.20
	100	\$189.60	\$198.70	\$200.75	\$202.85

Effect on the average monthly Commercial (Residential) customer's bill with a 5/8 x 3/4 inch meter for 20 hundred cubic feet of water per month is as follows:

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Amount Increase to Typical Bill	\$2.86	\$0.61	\$0.66
Percent Increase to Typical bill	6.26%	1.26%	1.34%

(END OF APPENDIX C)

Appendix D
Page 1 of 14

Southern California Water Company
Arden Cordova CSA
Adopted Quantities

P u r c h a s e d P o w e r	
S . M . U . D .	E f f e c t i v e
W e l l P r o d . K C c f	6 6 2 0 . 3
K w h p e r C c f	0 . 8 9 8 0
K w h , 1 0 0 0	5 9 4 8 . 1
U n i t C o s t	\$ 0 . 0 7 0 9
E n e r g y C o s t	\$ 4 2 1 , 7 2 3
 B o o s t e r P r o d . K C c f	 7 5 1 9 . 5
K w h p e r C c f	0 . 2 9 1 0
K w h , 1 0 0 0	2 , 1 8 7 . 6 0
U n i t C o s t	\$ 0 . 0 7 0 9
E n e r g y C o s t	\$ 1 5 5 , 0 9 8
 G a s (T h e r m s)	 \$ 1 , 9 3 8
P G & E \$ / T h e r m s	\$ 0 . 5 8 2 8
T o t a l G a s C o s t	\$ 1 , 1 3 0
 T o t a l P o w e r	 \$ 5 7 7 , 9 0 0
 P u r c h a s e d C h e m i c a l C o s t	 \$ 7 1 , 8 0 0

Appendix D
Page 2 of 14

Southern California Water Company
Arden Cordova CSA
Adopted Quantities
Income Taxes

	<u>2005</u>	<u>2006</u>	<u>2007</u>
	(Dollars in Thousands)		
Net Operating Revenues	7700.10	7848.00	8014.30
Net Oper. Exp. excl. Deprcn. (w/ G.O.)	(4139.00)	(4218.60)	(4302.80)
Net Oper. Revenues bef. Depreciation	3561.10	3629.40	3711.50
Add(Deduct):			
Interest	(688.40)	(699.80)	(711.60)
State Tax Depreciation	(1778.70)	(1812.00)	(1854.90)
Other Sch. M (state)	2.10	2.10	2.10
Amort. of Def. Rev. (from Contrib.)	0.00	0.00	0.00
Taxable Income	1096.20	1119.70	1147.10
State Tax	96.90	99.00	101.40
Additional Provision	(2.00)	(2.00)	(2.00)
Total State Tax	94.90	97.00	99.40
-			
Net Oper. Revenues bef. Depreciation	3561.10	3629.40	3711.50
Add(Deduct):			
State Tax	(115.70)	(115.70)	(115.70)
Interest	(688.40)	(699.80)	(711.60)
Book Depreciation	(1340.20)	(1373.40)	(1416.40)
Tax Depreciation-ADR	222.10	222.10	222.10
Other Sch. M (Federal)	5.00	5.00	5.00
Amort. of Def. Rev. (from Contrib.)	(30.90)	(30.90)	(30.90)
Taxable Income	1613.10	1636.60	1664.00
Federal Tax	564.60	572.80	582.40
Additional Provision	0.10	0.10	0.10
Total Federal Tax	564.70	572.90	582.50
-			
Total State and Federal Tax	659.60	669.90	681.90

Appendix D
Page 3 of 14

Southern California Water Company
Bay Point CSA
Adopted Quantities

Purchased Power

PG & E

Booster Prod. KCcf	1,215.80
Kwh per Ccf	0.8564
Kwh, 1000	1,041.30
Unit Cost	\$0.1135
Energy Cost	\$118,047

Purchased Water

Contra Costa Water Dist. Effective 2/1/1998

Acre-Ft.	2,614.00
Unit Cost \$/AF	\$416.1500
	\$1,087,993
Service Charge 2@ \$108.26 per month	\$2,598
Demand Charge mxdy 1706@ \$2.013 per GPM	\$41,210
Demand Charge mxhr 1806@ \$1.680 per GPM	\$36,409
Contra Costa Facilities Contract	\$240,012
Treated Water	
Reduced Pressure Charge 31@ \$3.28 per unit	\$1,220
HCF Energy Charge 1@ \$179.4 per unit	\$2,153
HCF quantity Charge 1@ \$4,552.87 per unit	\$54,274
Service and Demand Charge 31@ \$25.52 per unit	\$9,493
Total Purchased Water	\$1,476,244
Purchased Chemical Cost	\$92,400

Appendix D
Page 4 of 14

Southern California Water Company
Bay Point CSA
Adopted Quantities
Income Taxes

	<u>2005</u>	<u>2006</u>	<u>2007</u>
	(Dollars in Thousands)		
Net Operating Revenues	4913.60	5037.40	5169.10
Net Oper. Exp. excl. Deprcn. (w/ G.O.)	(3116.70)	(3150.60)	(3187.30)
Net Oper. Revenues bef. Depreciation	1797.00	1886.80	1981.80
Add(Deduct):			
Interest	(410.80)	(430.10)	(449.40)
State Tax Depreciation	(587.90)	(614.20)	(645.00)
Other Sch. M (state)	(13.50)	(13.50)	(13.50)
Amort. of Def. Rev. (from Contrib.)	0.00	0.00	0.00
Taxable Income	784.70	829.00	874.00
State Tax	69.40	73.30	77.30
Additional Provision	0.00	0.00	0.00
Total State Tax	69.40	73.30	77.30
-			
Net Oper. Revenues bef. Depreciation	1797.00	1886.80	1981.80
Add(Deduct):			
State Tax	(37.40)	(37.40)	(37.40)
Interest	(410.80)	(430.10)	(449.40)
Book Depreciation	(577.00)	(603.30)	(634.10)
Tax Depreciation-ADR	90.30	90.30	90.30
Other Sch. M (Federal)	12.80	12.80	12.80
Amort. of Def. Rev. (from Contrib.)	(29.10)	(29.10)	(29.10)
Taxable Income	845.70	890.00	935.00
Federal Tax	296.00	311.50	327.20
Additional Provision	0.00	0.10	0.10
Total Federal Tax	296.00	311.60	327.30
-			
Total State and Federal Tax	365.40	384.90	404.60

Appendix D
Page 5 of 14

Southern California Water Company
Clearlake CSA
Adopted Quantities

Purchased Power

PG & E

Effective 6/10/1999

Booster Prod. KCcf	193.8
Kwh per Ccf	2.1800
Kwh, 1000	422.50
Unit Cost	\$0.1041
Energy Cost	\$43,976

Purchased Water

Yolo County Flood Control

Effective 5/1/1999

Acre-Ft.	311
Unit Cost \$/AF	\$36.1800
Purchased Water Cost	\$11,252
Purchased Chemical Cost	\$14,857

Appendix D
Page 6 of 14

Southern California Water Company
Clearlake CSA
Adopted Quantities
Income Taxes

	<u>2005</u>	<u>2006</u> (Dollars in Thousands)	<u>2007</u>
Net Operating Revenues	1444.40	1488.10	1534.50
Net Oper. Exp. excl. Deprcn. (w/ G.O.)	733.20	(747.60)	(762.60)
Net Oper. Revenues bef. Depreciation	711.20	740.50	772.00
Add(Deduct):			
Interest	(146.40)	(152.50)	(158.60)
State Tax Depreciation	(322.50)	(332.00)	(343.30)
Other Sch. M (state)	14.10	14.10	14.10
Amort. of Def. Rev. (from Contrib.)	0.00	0.00	0.00
Taxable Income	256.40	270.00	284.20
State Tax	22.70	23.90	25.10
Additional Provision	0.00	0.00	0.00
Total State Tax	22.70	23.90	25.10
-			
Net Oper. Revenues bef. Depreciation	711.20	740.50	772.00
Add(Deduct):			
State Tax	(11.00)	(11.00)	(11.00)
Interest	(146.40)	(152.50)	(158.60)
Book Depreciation	(219.10)	(228.60)	(239.90)
Tax Depreciation-ADR	43.80	43.80	43.80
Other Sch. M (Federal)	13.90	13.90	13.90
Amort. of Def. Rev. (from Contrib.)	0.00	0.00	0.00
Taxable Income	392.40	406.10	420.20
Federal Tax	137.30	142.10	147.10
Additional Provision	0.00	0.00	0.00
Total Federal Tax	137.30	142.10	147.10
-			
Total State and Federal Tax	160.00	166.00	172.20

Appendix D
Page 7 of 14

Southern California Water Company
Los Osos CSA
Adopted Quantities

Purchased Power
PG&E Effective 6/10/1999

Well Prod. KCcf	645.4
Kwh per Ccf	1.6030
Kwh, 1000	1,034.30
Unit Cost \$/KWh	\$0.0943
Energy Cost	\$97,538

Booster Prod. KCcf	645.4
Kwh per Ccf	0.2940
Kwh, 1000	189.70
Unit Cost	\$0.0943
Energy Cost	\$17,886

Gas (Therms) Effective 1/3/2000	283
So Cal Gas \$/Therms	\$1.4066
Total Gas cost	\$398

Total Power	\$115,823
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Total Chemical Cost	\$16,987
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Appendix D
Page 8 of 14

Southern California Water Company
Los Osos CSA
Adopted Quantities
Income Taxes

(\$ in Thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Authorized Revenue	1943.7	1943.7	2014.4
Adjustment for Overearning	180.0	267.6	289.4
Revenue Requirement without Adjustment	2123.7	2211.3	2303.8
Net Oper. Exp. excl. Deprcn. (w/ G.O.)	-929.4	-948.2	-968.1
Net Oper. Revenues bef. Depreciation	1194.3	1263.1	1335.7
Add(Deduct):			
Interest	-256.5	-271.9	-287.3
State Tax Depreciation	-289.8	-308.5	-329.7
Other Sch. M (state)	8.6	8.6	8.6
Amort. of Def. Rev. (from Contrib.)	0.0	0.0	0.0
Taxable Income	656.6	691.4	727.3
State Tax	58.0	61.1	64.3
Additional Provision	0.0	0.0	0.0
Total State Tax	58.0	61.1	64.3
Net Oper. Revenues bef. Depreciation	1194.3	1263.1	1335.7
Add(Deduct):			
State Tax	-51.1	-51.1	-51.1
Interest	-256.5	-271.9	-287.3
Book Depreciation	-327.5	-346.1	-367.3
Tax Depreciation-ADR	78.6	78.6	78.6
Other Sch. M (Federal)	8.2	8.2	8.2
Amort. of Def. Rev. (from Contrib.)	-1.2	-1.2	-1.2
Taxable Income	644.9	679.7	715.5
Federal Tax	225.7	237.9	250.4
Additional Provision	0.0	0.1	0.1
Total Federal Tax	225.7	238.0	250.5
Total State and Federal Tax	283.7	299.1	314.8

Appendix D
Page 9 of 14

Southern California Water Company
Ojai CSA
Adopted Quantities

Purchased Power

So.Cal. Ed.

Well Prod. KCcf 846.3

Total KWh 1,492,762

Unit Cost \$0.12401

Energy Cost \$185.1

Booster Prod. KCcf 989.7

Kwh per Ccf 0.1856

Kwh 184,121

Unit Cost \$0.15389

Energy Cost \$28.3

Total Power \$213.1

Purchased Water

\$/AF

KCcf

Casitas MWD - Resale Jan-00 \$379.41 122.3

Casitas MWD - Irrigation Jan-00 \$133.73 21.6

Total KCcf 143.9

Casitas MWD - Resale \$107.0

Service Charge \$1,783.54 \$21.4

Casitas MWD - Irrigation \$6.6

Total Purchased Water Cost \$135.0

Replenishment Tax

Water Replenishment District Effective 6/1/1999

Total Well Production (AF) 1,803

Total Replenishment Cost \$16.0

Total Chemical Cost \$8.3

Appendix D
Page 10 of 14

Southern California Water Company
Ojai CSA
Adopted Quantities
Income Taxes

	<u>2005</u>	<u>2006</u>	<u>2007</u>
	(dollars in thousands)		
Net Operating Revenues	2872.44	3025.98	3184.26
Net Oper. Exp. excl. Deprcn. (w / G.O.)	-1434.50	-1461.86	-1490.32
Net Oper. Revenues bef. Depreciation	1437.94	1564.12	1693.94
Add(Deduct):			
Interest	-390.57	-419.96	-449.41
State Tax Depreciation	-310.58	-338.74	-369.56
Other Sch. M (state)	12.60	12.60	12.60
Amort. of Def. Rev. (from Contrib.)	-0.50	-0.50	-0.50
Taxable Income	748.90	817.52	887.08
State Tax at 8.84%	66.20	72.27	78.42
Additional Provision	-0.90	-0.90	
Total State Tax	65.30	71.37	78.42
-			
Net Oper. Revenues bef. Depreciation	1437.94	1564.12	1693.94
Add(Deduct):			
State Tax	-49.30	-49.30	-49.30
Interest	-390.57	-419.96	-449.41
Book Depreciation	-309.12	-337.28	-368.10
Tax Depreciation-ADR	13.40	13.40	13.40
Other Sch. M (Federal)	12.20	12.20	12.20
Amort. of Def. Rev. (from Contrib.)	-0.50	-0.50	-0.50
Taxable Income	714.06	782.68	852.24
Federal Tax at 35%	249.92	273.94	298.28
Additional Provision	-6.60	-6.60	-6.60
Total Federal Tax	243.32	267.34	291.68
-			
Total State and Federal Tax	308.62	338.71	370.10

Appendix D
Page 11 of 14

Southern California Water Company
Santa Maria CSA
Adopted Quantities

Purchased Power	
PG&E	Effective 6 / 10 / 1999
Well Prod. KCcf	4,460.2
Kwh per Ccf	2.4260
Kwh, 1000	10,822.5
Unit Cost	\$0.0871
Energy Cost	\$942,967
Booster Prod. KCcf	4,418.6
Kwh per Ccf	0.0170
Kwh, 1000	76.8
Unit Cost	\$0.0871
Energy Cost	\$6,692
Gas (Therms) Effective	
1 / 3 / 2000	283
So Cal Gas \$ / Therms	\$2.6700
Total Gas cost	\$757
Total Purchased Power	\$950,416
Purchased Chemical Cost	\$25,400

Appendix D
Page 12 of 14

Southern California Water Company
Santa Maria CSA
Adopted Quantities
Income Taxes

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Net Operating Revenues	6726.11	7031.65	7351.67
Net Oper. Exp. excl. Deprcn. (w/ G.O.)	-3595.23	-3658.07	-3724.20
Net Oper. Revenues bef. Depreciation	3130.88	3373.59	3627.46
Add(Deduct):			
Interest	-673.09	-729.01	-785.13
State Tax Depreciation	-1045.76	-1105.58	-1172.93
Other Sch. M (state)	8.50	8.50	8.50
Amort. of Def. Rev. (from Contrib.)	0.00	0.00	0.00
Taxable Income	1420.53	1547.50	1677.91
State Tax	125.57	136.80	148.33
Additional Provision			
Total State Tax at 8.84%	125.57	136.80	148.33
-			
Net Oper. Revenues bef. Depreciation	3130.88	3373.59	3627.46
Add(Deduct):			
State Tax	-129.60	-129.60	-129.60
Interest	-673.09	-729.01	-785.13
Book Depreciation	-917.16	-976.98	-1044.33
Tax Depreciation-ADR	183.40	183.40	183.40
Other Sch. M (Federal)	6.70	6.70	6.70
Amort. of Def. Rev. (from Contrib.)	-2.60	-2.60	-2.60
Taxable Income	1598.53	1725.50	1855.91
Federal Tax	559.49	603.92	649.57
Additional Provision	0.00	0.10	0.10
Total Federal Tax at 35%	559.49	604.02	649.67
-			
Total State and Federal Tax	685.06	740.82	798.00

Appendix D
Page 13 of 14

Southern California Water Company
Simi Valley CSA
Adopted Quantities

Purchased Power

So.Cal. Ed.

Effective 1/01/1998

Well Prod. KCcf	297.1
Kwh per Ccf	0.7900
Kwh, 1000	234.8
Unit Cost	\$0.1008
Energy Cost	\$23,653
Booster Prod. KCcf	3374.9
Kwh per Ccf	0.4250
Kwh, 1000	1,433.20
Unit Cost	\$0.1008
Energy Cost	\$144,396
Total Power	\$168,049

Purchased Water

Calleguas MWD

Effective 1/1/2000

Acre-Ft.	7,065.60
Unit Cost \$/AF	\$3,504,729
Base Facility Charge	\$169,428
Readiness to Serve	\$113,736
Purchased Water Cost	\$3,787,893
Purchased Chemical Cost	\$4,088

Appendix D
Page 14 of 14

Southern California Water Company
Simi Valley CSA
Adopted Quantities
Income Taxes

	<u>2005</u>	<u>2006</u>	<u>2007</u>
	(Dollars in Thousands)		
Net Operating Revenues	8468.60	8578.737	8698.384
Net Oper. Exp. excl. Deprcn. (w/ G.O.)	(6321.55)	-6373.96	-6428.6
Net Oper. Revenues bef. Depreciation	2147.04	2204.776	2269.788
Add(Deduct):			
Interest	(451.75)	-463.444	-475.373
State Tax Depreciation	(750.09)	-770.586	-795.98
Other Sch. M (state)	5.20	5.2	5.2
Amort. of Def. Rev. (from Contrib.)	0.00	0	0
Taxable Income	950.40	975.9463	1003.635
State Tax	84.02	86.27365	88.72129
Additional Provision			
Total State Tax at 8.84%	84.02	86.27365	88.72129
-			
Net Oper. Revenues bef. Depreciation	2147.04	2204.776	2269.788
Add(Deduct):			
State Tax	(89.10)	-89.1	-89.1
Interest	(451.75)	-463.444	-475.373
Book Depreciation	(666.49)	-686.986	-712.38
Tax Depreciation-ADR	115.00	115	115
Other Sch. M (Federal)	7.20	7.2	7.2
Amort. of Def. Rev. (from Contrib.)	(1.90)	-1.9	-1.9
Taxable Income	1060.00	1085.546	1113.235
Federal Tax	371.00	379.9412	389.6321
Additional Provision	0.00	0.1	0.1
Total Federal Tax at 35%	371.00	380.0412	389.7321
-			
Total State and Federal Tax	455.02	466.3149	478.4534

(END OF APPENDIX D)