APPENDIX A PAGE 1 OF 2

California American Water Felton

SUMMARY OF EARNINGS

TEST YEAR 2006

(AT PRESENT RATES)

	STA	\FF	UTIL	.ITY	
ITEM	ORIGINAL	REVISED	REVISED	ORIGINAL	ADOPTED
	(Thousa	nds of \$)	(Thousar	nds of \$)	
OPERATING REVENUES	758.9	1,084.4	1,084.4	757.0	1,084.4
ADD REVENUE FROM CONTRIBUTION	0.0	0.0	0.0	0.0	0.0
OPERATING EXPENSES					
PURCHASED WATER	0.0	0.0	0.0	0.0	0.0
PURCHASED POWER	58.4	59.0	59.0	60.0	59.0
CHEMICALS	4.4	4.4	4.4	4.4	4.4
UNCOLLECTIBLES (0.2300%)	1.7	2.5	2.5	1.7	2.5
FRANCHISE FEES	0.0	0.0	0.0	0.0	0.0
OTHER OPERATION & MAINTENANCE	106.9	106.9	106.9	106.9	106.9
ADMINISTRATIVE & GENERAL	91.2	87.3	87.3	306.7	87.3
PAYROLL	247.0	267.0	267.0	281.1	267.0
G. O. PRORATED EXP.	125.7	126.8	126.8	89.1	126.8
DEPRECIATION & AMORTIZATION	157.8	157.5	157.5	167.3	157.5
TAXES OTHER THAN INCOME	116.4	119.2	119.2	137.2	119.2
STATE CORP. FRANCHISE TAX	(25.3)	1.5	1.5	(40.7)	1.5
FEDERAL INCOME TAX	(96.8)	(4.0)	(4.0)	(177.3)	(4.0)
TOTAL OPERATING EXPENSES	787.4	928.1	928.1	927.8	928.1
NET OPERATING REVENUE	(28.5)	156.3	156.3	(170.8)	156.3
RATE BASE	3,467.0	3,340.4	3,340.4	3,712.4	3,340.4
RATE OF RETURN	-0.82%	4.68%	4.68%	-4.60%	4.68%

APPENDIX A PAGE 2 OF 2

California American Water Felton

SUMMARY OF EARNINGS

The color of th		STA	\FF	UTILIT	ΓΥ	
The boundary of \$ Chousands of \$		0.5.0				
(Thousands of \$) OPERATING REVENUES ADD REVENUE FROM CONTRIBUTION 1,206.2 0.0 1,246.6 0.0 1,246.6 0.0 1,553.5 0.0 1,246.6 0.0 OPERATING EXPENSES PURCHASED WATER 0.0 0.0 0.0 0.0 0.0 PURCHASED POWER 58.4 59.0 59.0 60.0 59.0 CHEMICALS 4.4 4.4 4.4 4.4 4.4 UNCOLLECTIBLES (0.2300%) 2.8 2.9 2.9 3.6 2.9 FRANCHISE FEES 0.0 0.0 0.0 0.0 0.0 OTHER OPERATION & MAINTENANCE 106.9 106.9 106.9 106.9 106.9 ADMINISTRATIVE & GENERAL 91.2 87.3 87.3 306.7 87.3 PAYROLL 247.0 267.0 267.0 281.1 267.0 G.O. PRORATED EXP 125.7 126.8 126.8 80.6 126.8 DEPRECIATION & AMORTIZATION 157.8 157.5 157.5 167.3 157.5 TAXES OTHER THAN INCOME 116.4	ITEM	ORIGINAL	REVISED	REVISED	RIGINAL	ADOPTED
OPERATING REVENUES 1,206.2 1,246.6 1,246.6 1,553.5 1,246.6 ADD REVENUE FROM CONTRIBUTION 0.0 0.0 0.0 0.0 0.0 OPERATING EXPENSES PURCHASED WATER 0.0 0.0 0.0 0.0 0.0 PURCHASED POWER 58.4 59.0 59.0 60.0 59.0 CHEMICALS 4.4 4.8 1.2 9.9 1.0 9.0 0.0 0.0	I I EIVI					
ADD REVENUE FROM CONTRIBUTION 0.0 0.0 0.0 0.0 0.0 0.0 0.0		(Thousar	nds of \$)	(Thousand	ls of \$)	
OPERATING EXPENSES PURCHASED WATER 0.0 0.0 0.0 0.0 0.0 PURCHASED POWER 58.4 59.0 59.0 60.0 59.0 CHEMICALS 4.4 4.4 4.4 4.4 4.4 4.4 UNCOLLECTIBLES (0.2300%) 2.8 2.9 2.9 3.6 2.9 FRANCHISE FEES 0.0 0.0 0.0 0.0 0.0 0.0 OTHER OPERATION & MAINTENANCE 106.9 106.9 106.9 106.9 106.9 106.9 ADMINISTRATIVE & GENERAL 91.2 87.3 87.3 306.7 87.3 PAYROLL 247.0 267.0 267.0 281.1 267.0 G.O. PRORATED EXP. 125.7 126.8 126.8 80.6 126.8 DEPRECIATION & AMORTIZATION 157.8 157.5 157.5 167.3 157.5 TAXES OTHER THAN INCOME 116.4 119.2 119.2 137.2 119.2 STATE CORP. FRAN. TAX 8.5 12.4 12.4	OPERATING REVENUES	1,206.2	1,246.6	1,246.6	1,553.5	1,246.6
PURCHASED WATER 0.0 0.0 0.0 0.0 0.0 PURCHASED POWER 58.4 59.0 59.0 60.0 59.0 CHEMICALS 4.4 4.6 9.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 <	ADD REVENUE FROM CONTRIBUTION	0.0	0.0	0.0	0.0	0.0
PURCHASED WATER 0.0 0.0 0.0 0.0 0.0 PURCHASED POWER 58.4 59.0 59.0 60.0 59.0 CHEMICALS 4.4 4.6 9.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 <	OPERATING EXPENSES					
PURCHASED POWER 58.4 59.0 59.0 60.0 59.0 CHEMICALS 4.4 4.6 9.0 <td></td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.0</td>		0.0	0.0	0.0	0.0	0.0
CHEMICALS 4.4 4.2 2.9 3.6 2.9 2.9 1.0 0	PURCHASED POWER					
FRANCHISE FEES 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.	CHEMICALS	4.4	4.4	4.4	4.4	
OTHER OPERATION & MAINTENANCE 106.9 106.7 106.0 106.0 106.0 207.0 267.0 267.0 267.0 281.1 267.0 267.0 267.0 267.0 267.0 267.0 267.0 106.8 106.9	UNCOLLECTIBLES (0.2300%)	2.8	2.9	2.9	3.6	2.9
ADMINISTRATIVE & GENERAL 91.2 87.3 87.3 306.7 87.3 PAYROLL 247.0 267.0 267.0 267.0 281.1 267.0 G.O. PRORATED EXP. 125.7 126.8 126.8 80.6 126.8 DEPRECIATION & AMORTIZATION 157.8 157.5 157.5 167.3 157.5 TAXES OTHER THAN INCOME 116.4 119.2 119.2 137.2 119.2 STATE CORP. FRAN. TAX 8.5 12.4 12.4 20.4 12.4 FEDERAL INCOME TAX 59.4 46.4 46.4 105.5 46.4 TOTAL OPERATING EXPENSES 978.5 989.8 989.8 1,273.6 989.8 NET OPERATING REVENUE 227.7 256.8 256.8 279.9 256.8 RATE BASE 3,467.0 3,340.4 3,340.4 3,712.4 3,340.4 RATE OF RETURN 6.57% 7.69% 7.69% 7.54% 7.69% 7.69% Percentage Increase without Pension 64.1 64.1 64.1 64.1 64.1 64.1 64.1	FRANCHISE FEES `	0.0	0.0	0.0	0.0	0.0
PAYROLL 247.0 267.0 267.0 281.1 267.0 G.O. PRORATED EXP. 125.7 126.8 126.8 80.6 126.8 DEPRECIATION & AMORTIZATION 157.8 157.5 157.5 167.3 157.5 TAXES OTHER THAN INCOME 116.4 119.2 119.2 137.2 119.2 STATE CORP. FRAN. TAX 8.5 12.4 12.4 20.4 12.4 FEDERAL INCOME TAX 59.4 46.4 46.4 105.5 46.4 TOTAL OPERATING EXPENSES 978.5 989.8 989.8 1,273.6 989.8 NET OPERATING REVENUE 227.7 256.8 256.8 279.9 256.8 RATE BASE 3,467.0 3,340.4 3,340.4 3,712.4 3,340.4 RATE OF RETURN 6.57% 7.69% 7.69% 7.54% 7.69% Percentage Increase without Pension 14.96% 14.96% Annual Pension Cost 64.1 64.1 64.1	OTHER OPERATION & MAINTENANCE	106.9	106.9	106.9	106.9	106.9
G.O. PRORATED EXP. 125.7 126.8 126.8 80.6 126.8 DEPRECIATION & AMORTIZATION 157.8 157.5 157.5 167.3 157.5 TAXES OTHER THAN INCOME 116.4 119.2 119.2 137.2 119.2 STATE CORP. FRAN. TAX 8.5 12.4 12.4 20.4 12.4 FEDERAL INCOME TAX 59.4 46.4 46.4 105.5 46.4 TOTAL OPERATING EXPENSES 978.5 989.8 989.8 1,273.6 989.8 NET OPERATING REVENUE 227.7 256.8 256.8 279.9 256.8 RATE BASE 3,467.0 3,340.4 3,340.4 3,712.4 3,340.4 RATE OF RETURN 6.57% 7.69% 7.69% 7.54% 7.69% Percentage Increase without Pension 64.1 64.1 64.1 64.1 64.1	ADMINISTRATIVE & GENERAL	91.2	87.3	87.3	306.7	87.3
DEPRECIATION & AMORTIZATION 157.8 157.5 157.5 167.3 157.5 TAXES OTHER THAN INCOME 116.4 119.2 119.2 137.2 119.2 STATE CORP. FRAN. TAX 8.5 12.4 12.4 20.4 12.4 FEDERAL INCOME TAX 59.4 46.4 46.4 105.5 46.4 TOTAL OPERATING EXPENSES 978.5 989.8 989.8 1,273.6 989.8 NET OPERATING REVENUE 227.7 256.8 256.8 279.9 256.8 RATE BASE 3,467.0 3,340.4 3,340.4 3,712.4 3,340.4 RATE OF RETURN 6.57% 7.69% 7.69% 7.54% 7.69% Percentage Increase without Pension 14.96% 14.96% 14.96% Annual Pension Cost 64.1 64.1 64.1 64.1	PAYROLL	247.0	267.0	267.0	281.1	267.0
TAXES OTHER THAN INCOME 116.4 119.2 119.2 137.2 119.2 STATE CORP. FRAN. TAX 8.5 12.4 12.4 20.4 12.4 FEDERAL INCOME TAX 59.4 46.4 46.4 105.5 46.4 TOTAL OPERATING EXPENSES 978.5 989.8 989.8 1,273.6 989.8 NET OPERATING REVENUE 227.7 256.8 256.8 279.9 256.8 RATE BASE 3,467.0 3,340.4 3,340.4 3,712.4 3,340.4 RATE OF RETURN 6.57% 7.69% 7.69% 7.54% 7.69% Percentage Increase without Pension 14.96% 14.96% 14.96% Annual Pension Cost 64.1 64.1 64.1 64.1	G.O. PRORATED EXP.	125.7	126.8	126.8	80.6	126.8
STATE CORP. FRAN. TAX 8.5 12.4 12.4 20.4 12.4 FEDERAL INCOME TAX 59.4 46.4 46.4 105.5 46.4 TOTAL OPERATING EXPENSES 978.5 989.8 989.8 1,273.6 989.8 NET OPERATING REVENUE 227.7 256.8 256.8 279.9 256.8 RATE BASE 3,467.0 3,340.4 3,340.4 3,712.4 3,340.4 RATE OF RETURN 6.57% 7.69% 7.69% 7.54% 7.69% Percentage Increase without Pension 14.96% 14.96% 14.96% Annual Pension Cost 64.1 64.1 64.1	DEPRECIATION & AMORTIZATION	157.8	157.5	157.5	167.3	157.5
FEDERAL INCOME TAX TOTAL OPERATING EXPENSES 59.4 46.4 46.4 46.4 105.5 46.4 989.8 1,273.6 989.8 46.4 46.4 105.5 989.8 989.8 1,273.6 989.8 NET OPERATING REVENUE 227.7 256.8 256.8 279.9 256.8 256.8 279.9 256.8 RATE BASE 3,467.0 3,340.4 3,340.4 3,712.4 3,340.4 3,340.4 7.69% 7.69% 7.54% 7.69% RATE OF RETURN 6.57% 7.69% 7.69% 7.54% 7.69% 7.54% 14.96% 14.96% 14.96% 14.96% 14.96% Annual Pension Cost 64.1 64.1 64.1 64.1 64.1 64.1	TAXES OTHER THAN INCOME	116.4	119.2	119.2	137.2	119.2
TOTAL OPERATING EXPENSES 978.5 989.8 989.8 1,273.6 989.8 NET OPERATING REVENUE 227.7 256.8 256.8 279.9 256.8 RATE BASE 3,467.0 3,340.4 3,340.4 3,712.4 3,340.4 RATE OF RETURN 6.57% 7.69% 7.69% 7.54% 7.69% Percentage Increase without Pension 14.96% 14.96% 14.96% Annual Pension Cost 64.1 64.1 64.1	STATE CORP. FRAN. TAX	8.5	12.4	12.4	20.4	12.4
NET OPERATING REVENUE 227.7 256.8 256.8 279.9 256.8 RATE BASE 3,467.0 3,340.4 3,340.4 3,712.4 3,340.4 RATE OF RETURN 6.57% 7.69% 7.69% 7.54% 7.69% Percentage Increase without Pension 14.96% 14.96% 14.96% Annual Pension Cost 64.1 64.1 64.1	FEDERAL INCOME TAX	59.4	46.4	46.4	105.5	46.4
RATE BASE 3,467.0 3,340.4 3,340.4 3,712.4 3,340.4 RATE OF RETURN 6.57% 7.69% 7.69% 7.54% 7.69% Percentage Increase without Pension 14.96% 14.96% 14.96% Annual Pension Cost 64.1 64.1 64.1 64.1	TOTAL OPERATING EXPENSES	978.5	989.8	989.8	1,273.6	989.8
RATE OF RETURN 6.57% 7.69% 7.54% 7.69% Percentage Increase without Pension 14.96% 14.96% Annual Pension Cost 64.1 64.1 64.1	NET OPERATING REVENUE	227.7	256.8	256.8	279.9	256.8
Percentage Increase without Pension 14.96% 14.96% Annual Pension Cost 64.1 64.1 64.1	RATE BASE	3,467.0	3,340.4	3,340.4	3,712.4	3,340.4
Annual Pension Cost 64.1 64.1 64.1 64.1	RATE OF RETURN	6.57%	7.69%	7.69%	7.54%	7.69%
	Percentage Increase without Pension			14.96%		14.96%
Percentage Increase with Pension Cost 20.87% 20.87 %	Annual Pension Cost	·	64.1	64.1	·	
	Percentage Increase with Pension Cost			20.87%		20.87%

APPENDIX B PAGE 1 OF 4

California-American Water Company Schedule No. FE-1 Felton Tariff Area GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Felton and vicinity, Santa Cruz County.

RATES

	Per Meter <u>Per Month</u>
For all water delivered, per 100. cu. ft.	\$ 4.3564(I)

		Per Meter Per Month	Per Meter Per Month
		Service charge	SDWBA Surcharge 1/
For 5/	8 x ¾-inch meter	\$30.98 (I)	\$11.50
For	3/4-inch meter	\$46.47 (I)	\$17.26
For	1-inch meter	\$77.44 (I)	\$28.76
For	1½-inch meter	\$154.89 (I)	\$57.52
For	2-inch meter	\$247.82 (I)	\$92.03
For	3-inch meter	\$464.67 (I)	\$172.55
For	4-inch meter	\$774.45 (I)	\$287.59

The service charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the charge for water used computed at the quantity rates.

Conservation Discount

The following conservation discounts will be applied to the service and quantity charges.

Monthly Consumption 0-5 CCFs 6-10 CCFs			
0-5	CCFs	20.00%	
6-10	CCFs	15.00%	
11-15	CCFs	10.00%	
Over 15	CCFs	0.00%	

The percentage discount will be calculated based upon the customer's bi-monthly consumption.

APPENDIX B PAGE 2 OF 4

California-American Water Company Schedule No. FE-1 (continued) Felton Tariff Area GENERAL METERED SERVICE

Service Reestablishment Charge:

For each reestablishment of water service

\$ 4.10

(N)

SPECIAL CONDITIONS

- 1. The service reestablishment charge is in addition to the charges calculated in accordance with this schedule and will be made each time an account is reopened for a customer at the time water service is to be restored after discontinuance at that customer's request.
- 2. A surcharge is included in each bill to recover revenues deferred in D.04-05-023. The surcharge is \$0.1824 per 100 cu ft. applied to the quantity rate for all units consumed and a monthly meter surcharge will be added to all meter sizes for all classes of customers for a six year period beginning September 27, 2005 based on the following table:

5/8 x 3/4	1.82
3/4	2.73
1	4.55
1 1/2	9.10
2	14.56
3	27.30
4	45.50

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

METERED SERVICE SURCHARGE 1/

NOTE:

This surcharge is in addition to the regular monthly metered water bill. The total monthly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan as authorized by Decision 96-12-061.

- 4. Per the decision from Application 05-02-012/013, a 3% monthly surcharge on customer bills will be collected for the minimum ERISA pension payment. Collections will be tracked in a balancing account. An annual advice letter filing will be made for a surcredit or surcharge, depending on the balance in the account.
- 5. Qualifying low-income customers can receive a 50% discount on the monthly service charge. Customers must apply with the Company for acceptance into the low-income

program.

APPENDIX B PAGE 3 OF 4

California-American Water Company
Schedule No. FE-4
Felton Tariff Area
PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all water service furnished to privately owned fire protection purposes.

TERRITORY

Felton and vicinity, Santa Cruz County

RATES

	·	<u>er Meter</u> er Month	
For each 4-inch connection, or smaller,	\$	43.00	(I)
For each 6-inch connection	\$	64.55	(I)
For each 8-inch connection	\$	86.00	(I)
For each 10-inch connection	\$	172.49	(1)

SPECIAL CONDITIONS

 Per the decision from Application 05-02-012/013, a 3% monthly surcharge on customer bills will be collected for the minimum ERISA pension payment. Collections will be tracked in a balancing account. An annual advice letter filing will be made for a surcredit or surcharge, depending on the balance in the account.

APPENDIX B PAGE 4 OF 4

California-American Water Company
Schedule No. FE-1
Felton District Tariff Area
GENERAL METERED SERVICE
PROPOSED STEP RATE INCREASES

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 increases to the rate which would otherwise be in effect on that date.

Quantity Rates:

Rates to be Effective 01/01/07 01/01/08

Quantity Rates:

For all water delivered, per 100 cu. ft.

Service Charge: Per Meter Per Month 01/01/07 01/01/08

For 5/8 x 3/4-inch Meter Meter For 3/4-inch For 1-inch Meter For 1-1/2-inch Meter For 2-inch Meter For 4-inch Meter

APPENDIX C PAGE 1 OF 2

CALIFORNIA-AMERICAN WATER COMPANY

FELTON DISTRICT - 2005 RATE CASE - NORMALIZED CONSUMPTION COMPARISON OF MONTHLY BILLS FOR GENERAL METERED SERVICE

2006

		Proposed	Present	Conservation discount	0-5 ccfs	20%
Quantity Rate	All water per 100 cu. ft.	\$ 4.3564	\$ 3.8914		6-10 ccfs	15%
					11-15 ccfs	10%
Meter Charge					Over 15	0%
	5/8	\$ 30.98	\$ 29.37			
	3/4	\$ 46.47	\$ 44.07			
	1	\$ 77.44	\$ 73.43			
	1-1/2	\$ 154.89	\$ 146.86			
	2	\$ 247.82	\$ 234.99			
	3	\$ 464.67	\$ 440.60			
	4	\$ 774.45	\$ 734.33			

1.

1 - INCH METER

Bill, Dollars

Increase

Note: This bill analysis excludes all applicable surcharges & taxes. The conservation discount is reflected. Present rates reflect rates effective as of January 1, 2006.

Increase

Bill, Dollars

5/8 - INCH METER

								,		
Usage	Proposed	Present			2.	Usage	Proposed	Present		
Ccf	Rates	Rates	Dollars	Percent	3.	Ccf	Rates	Rates	Dollars	Percent
0	24.78	23.50	1.28	5.46%	4.	0	61.96	58.74	3.22	5.48%
1	28.27	26.61	1.66	6.25%	5.	1	65.45	61.85	3.60	5.82%
2	31.75	29.73	2.02	6.80%	6.	2	68.93	64.97	3.96	6.10%
5	42.21	39.07	3.14	8.04%	7.	5	79.39	74.31	5.08	6.84%
8	55.96	51.43	4.53	8.81%	8.	8	95.46	88.88	6.58	7.40%
10	63.36	58.04	5.32	9.17%	9.	10	102.86	95.49	7.37	7.72%
14	82.77	75.47	7.31	9.68%	10.	14	124.59	115.12	9.47	8.22%
20	118.11	107.20	10.91	10.18%	11.	20	164.57	151.26	13.31	8.80%
25	139.89	126.66	13.23	10.45%	12.	25	186.35	170.72	15.63	9.16%
30	161.67	146.11	15.56	10.65%	13.	30	208.14	190.17	17.97	9.45%
50	248.80	223.94	24.86	11.10%	14.	50	295.26	268.00	27.26	10.17%
75			36.48	11.36%	15.	75	404.18	365.29	38.89	10.65%
100	466.62	418.51	48.11	11.50%	16.	100	513.09	462.57	50.52	10.92%
150	684.44			11.64%	17.	150	730.91	657.14	73.77	11.23%
200					18.	200			97.02	11.39%
			234.11	11.85%	19.			2,019.13	236.52	11.71%
1-1/2 - INC	CH METER				2 - IN	CH METER				
		Bill, Dollars	1	ncrease	1.			Bill, Dollars	1	ncrease
Usage	Proposed	Present			2.	Usage	Proposed	Present		
Ccf	Rates	Rates	Dollars	Percent	3.	Ccf	Rates	Rates	Dollars	Percent
0	123.91	117.49	6.42	5.46%	4.	0	198.26	187.99	10.27	5.46%
1	127.40	120.60	6.80	5.64%	5.	1	201.75	191.10	10.65	5.57%
2	130.88	123.72	7.16	5.79%	6.	2	205.23	194.22	11.01	5.67%
5			8.28	6.22%	7.	5	215.69	203.56	12.13	5.96%
8	161.28	151.29	9.99	6.60%	8.	8	240.27	226.20	14.07	6.22%
					_					
10	168.68	157.90	10.78	6.83%	9.	10	247.68	232.82	14.87	6.39%
10 14	168.68 194.29	157.90 181.21	13.09	7.22%	10.	14	247.68 277.93	232.82 260.52	17.41	6.68%
10 14 20	168.68 194.29 242.02	157.90 181.21 224.69	13.09 17.33	7.22% 7.71%	10. 11.	14 20	247.68 277.93 334.95	232.82 260.52 312.82	17.41 22.13	6.68% 7.07%
10 14	168.68 194.29	157.90 181.21 224.69 244.15	13.09	7.22%	10.	14	247.68 277.93	232.82 260.52	17.41	6.68%
10 14 20 25 30 50	168.68 194.29 242.02 263.80 285.58 372.71	157.90 181.21 224.69 244.15 263.60 341.43	13.09 17.33 19.65 21.98 31.28	7.22% 7.71% 8.05% 8.34% 9.16%	10. 11. 12. 13. 14.	14 20 25 30 50	247.68 277.93 334.95 356.73 378.51 465.64	232.82 260.52 312.82 332.28 351.73 429.56	17.41 22.13 24.45 26.78 36.08	6.68% 7.07% 7.36% 7.61% 8.40%
10 14 20 25 30 50 75	168.68 194.29 242.02 263.80 285.58 372.71 481.62	157.90 181.21 224.69 244.15 263.60 341.43 438.72	13.09 17.33 19.65 21.98 31.28 42.90	7.22% 7.71% 8.05% 8.34% 9.16% 9.78%	10. 11. 12. 13. 14. 15.	14 20 25 30 50 75	247.68 277.93 334.95 356.73 378.51 465.64 574.55	232.82 260.52 312.82 332.28 351.73 429.56 526.85	17.41 22.13 24.45 26.78 36.08 47.70	6.68% 7.07% 7.36% 7.61% 8.40% 9.05%
10 14 20 25 30 50 75 100	168.68 194.29 242.02 263.80 285.58 372.71 481.62 590.53	157.90 181.21 224.69 244.15 263.60 341.43 438.72 536.00	13.09 17.33 19.65 21.98 31.28 42.90 54.53	7.22% 7.71% 8.05% 8.34% 9.16% 9.78% 10.17%	10. 11. 12. 13. 14. 15.	14 20 25 30 50 75 100	247.68 277.93 334.95 356.73 378.51 465.64 574.55 683.46	232.82 260.52 312.82 332.28 351.73 429.56 526.85 624.13	17.41 22.13 24.45 26.78 36.08 47.70 59.33	6.68% 7.07% 7.36% 7.61% 8.40% 9.05% 9.51%
10 14 20 25 30 50 75	168.68 194.29 242.02 263.80 285.58 372.71 481.62 590.53 808.35	157.90 181.21 224.69 244.15 263.60 341.43 438.72 536.00 730.57	13.09 17.33 19.65 21.98 31.28 42.90	7.22% 7.71% 8.05% 8.34% 9.16% 9.78%	10. 11. 12. 13. 14. 15.	14 20 25 30 50 75	247.68 277.93 334.95 356.73 378.51 465.64 574.55	232.82 260.52 312.82 332.28 351.73 429.56 526.85	17.41 22.13 24.45 26.78 36.08 47.70	6.68% 7.07% 7.36% 7.61% 8.40% 9.05%
	Ccf 0 1 2 5 8 8 100 144 200 25 300 500 150 200 5000 Usage Ccf 0 1 2 2 5 5	Ccf Rates 0 24.78 1 28.27 2 31.75 5 42.21 8 55.96 10 63.36 14 82.77 20 118.11 25 139.89 30 161.67 50 248.80 75 357.71 100 466.62 150 684.44 200 902.26 500 2,209.18 1-1/2 - INCH METER Usage Proposed Ccf Rates 0 123.91 1 127.40 2 130.88 5 141.34	Ccf Rates Rates 0 24.78 23.50 1 28.27 26.61 2 31.75 29.73 5 42.21 39.07 8 55.96 51.43 10 63.36 58.04 14 82.77 75.47 20 118.11 107.20 25 139.89 126.66 30 161.67 146.11 50 248.80 223.94 75 357.71 321.23 100 466.62 418.51 150 684.44 613.08 200 902.26 807.65 500 2,209.18 1,975.07 1-1/2 - INCHH METER Ccf Rates Rates Ccf Rates Rates 0 123.91 117.49 1 127.40 120.60 2 130.88 123.72 1 141.34 133.06	Ccf Rates Rates Dollars 0 24.78 23.50 1.28 1 28.27 26.61 1.66 2 31.75 29.73 2.02 5 42.21 39.07 3.14 8 55.96 51.43 4.53 10 63.36 58.04 5.32 14 82.77 75.47 7.31 20 118.11 107.20 10.91 25 139.89 126.66 13.23 30 161.67 146.11 15.56 50 248.80 223.94 24.86 75 357.71 321.23 36.48 100 466.62 418.51 48.11 150 684.44 613.08 71.36 200 902.26 807.65 94.61 1-1/2 - INCH METER Bill, Dollars Ccf Rates Rates Dollars 0 123.91	Ccf Rates Rates Dollars Percent 0 24.78 23.50 1.28 5.46% 1 28.27 26.61 1.66 6.25% 2 31.75 29.73 2.02 6.80% 5 42.21 39.07 3.14 8.04% 8 55.96 51.43 4.53 8.81% 10 63.36 58.04 5.32 9.17% 14 82.77 75.47 7.31 9.68% 20 118.11 107.20 10.91 10.18% 25 139.89 126.66 13.23 10.45% 30 161.67 146.11 15.56 10.65% 50 248.80 223.94 24.86 11.10% 75 357.71 321.23 36.48 11.36% 200 902.26 807.65 94.61 11.71% 500 2,209.18 1,975.07 234.11 11.85% Bill, Dollars	Ccf Rates Rates Dollars Percent 3. 0 24.78 23.50 1.28 5.46% 4. 1 28.27 26.61 1.66 6.25% 5. 2 31.75 29.73 2.02 6.80% 6. 5 42.21 39.07 3.14 8.04% 7. 8 55.96 51.43 4.53 8.81% 8. 10 63.36 58.04 5.32 9.17% 9. 14 82.77 75.47 7.31 9.68% 10. 20 118.11 107.20 10.91 10.18% 11. 25 139.89 126.66 13.23 10.45% 12. 30 161.67 146.11 15.56 10.65% 13. 50 248.80 223.94 24.86 11.10% 14. 75 357.71 321.23 36.48 11.36% 15. 100 466.62	Ccf Rates Rates Dollars Percent 3. Ccf 0 24.78 23.50 1.28 5.46% 4. 0 1 28.27 26.61 1.66 6.25% 5. 1 2 31.75 29.73 2.02 6.80% 6. 2 5 42.21 39.07 3.14 8.04% 7. 5 8 55.96 51.43 4.53 8.81% 8. 8 10 63.36 58.04 5.32 9.17% 9. 10 14 82.77 75.47 7.31 9.68% 10. 14 20 118.11 107.20 10.91 10.18% 11. 20 25 139.89 126.66 13.23 10.45% 12. 25 30 161.67 146.11 15.56 10.65% 13. 30 50 248.80 223.94 24.86 11.10% 14. 50 </td <td>Ccf Rates Rates Dollars Percent 3. Ccf Rates 0 24.78 23.50 1.28 5.46% 4. 0 61.96 1 28.27 26.61 1.66 6.25% 5. 1 65.45 2 31.75 29.73 2.02 6.80% 6. 2 68.93 5 42.21 39.07 3.14 8.04% 7. 5 79.39 8 55.96 51.43 4.53 8.81% 8. 8 95.46 10 63.36 58.04 5.32 9.17% 9. 10 102.86 14 82.77 75.47 7.31 9.68% 10. 14 122.56 20 118.11 107.20 10.91 10.18% 11. 20 164.57 25 139.89 126.66 13.23 10.45% 12. 25 186.35 30 161.67 146.11 15.56</td> <td>Ccf Rates Rates Dollars Percent 3. Ccf Rates Rates 0 24.78 23.50 1.28 5.46% 4. 0 61.96 58.74 1 28.27 26.61 1.66 6.25% 5. 1 65.45 61.85 2 31.75 29.73 2.02 6.80% 6. 2 68.93 64.97 5 42.21 39.07 3.14 8.04% 7. 5 79.39 74.31 8 55.96 51.43 4.53 8.81% 8. 8 95.46 88.88 10 63.36 58.04 5.32 9.17% 9. 10 102.86 95.49 14 82.77 75.47 7.31 9.68% 10. 14 124.59 115.12 20 118.11 107.20 10.91 10.18% 11. 20 164.57 151.26 25 139.89 126.66 13</td> <td>Ccf Rates Rates Dollars Percent 3. Ccf Rates Rates Dollars 0 24.78 23.50 1.28 5.46% 4. 0 61.96 58.74 3.22 1 28.27 26.61 1.66 6.25% 5. 1 65.45 61.85 3.60 2 31.75 29.73 2.02 6.80% 6. 2 68.93 64.97 3.96 5 42.21 39.07 3.14 8.04% 7. 5 79.39 74.31 5.08 10 63.36 58.04 5.32 9.17% 9. 10 102.86 95.49 7.37 14 82.77 75.47 7.31 9.68% 10. 14 124.59 115.12 9.47 20 118.11 107.20 10.91 10.18% 11. 20 164.57 151.26 13.31 25 139.89 126.66 13.23 10.45%</td>	Ccf Rates Rates Dollars Percent 3. Ccf Rates 0 24.78 23.50 1.28 5.46% 4. 0 61.96 1 28.27 26.61 1.66 6.25% 5. 1 65.45 2 31.75 29.73 2.02 6.80% 6. 2 68.93 5 42.21 39.07 3.14 8.04% 7. 5 79.39 8 55.96 51.43 4.53 8.81% 8. 8 95.46 10 63.36 58.04 5.32 9.17% 9. 10 102.86 14 82.77 75.47 7.31 9.68% 10. 14 122.56 20 118.11 107.20 10.91 10.18% 11. 20 164.57 25 139.89 126.66 13.23 10.45% 12. 25 186.35 30 161.67 146.11 15.56	Ccf Rates Rates Dollars Percent 3. Ccf Rates Rates 0 24.78 23.50 1.28 5.46% 4. 0 61.96 58.74 1 28.27 26.61 1.66 6.25% 5. 1 65.45 61.85 2 31.75 29.73 2.02 6.80% 6. 2 68.93 64.97 5 42.21 39.07 3.14 8.04% 7. 5 79.39 74.31 8 55.96 51.43 4.53 8.81% 8. 8 95.46 88.88 10 63.36 58.04 5.32 9.17% 9. 10 102.86 95.49 14 82.77 75.47 7.31 9.68% 10. 14 124.59 115.12 20 118.11 107.20 10.91 10.18% 11. 20 164.57 151.26 25 139.89 126.66 13	Ccf Rates Rates Dollars Percent 3. Ccf Rates Rates Dollars 0 24.78 23.50 1.28 5.46% 4. 0 61.96 58.74 3.22 1 28.27 26.61 1.66 6.25% 5. 1 65.45 61.85 3.60 2 31.75 29.73 2.02 6.80% 6. 2 68.93 64.97 3.96 5 42.21 39.07 3.14 8.04% 7. 5 79.39 74.31 5.08 10 63.36 58.04 5.32 9.17% 9. 10 102.86 95.49 7.37 14 82.77 75.47 7.31 9.68% 10. 14 124.59 115.12 9.47 20 118.11 107.20 10.91 10.18% 11. 20 164.57 151.26 13.31 25 139.89 126.66 13.23 10.45%

APPENDIX C PAGE 2 OF 2

CALIFORNIA-AMERICAN WATER COMPANY

FELTON DISTRICT - 2005 RATE CASE - NORMALIZED CONSUMPTION COMPARISON OF MONTHLY BILLS FOR GENERAL METERED SERVICE

2006

				Conservation discount	
		Proposed	Present	0-5 ccfs	20%
Quantity Rate	All water per 100 cu. ft.	\$ 4.3564	\$ 3.8914	6-10 ccfs	15%
				11-15 ccfs	10%
Meter Charge				Over 15	0%
	5/8	\$ 30.98	\$ 29.37		
	3/4	\$ 46.47	\$ 44.07	Pension Surcharge	1.030
	1	\$ 77.44	\$ 73.43		
	1-1/2	\$ 154.89	\$ 146.86		
	2	\$ 247.82	\$ 234.99		
	3	\$ 464.67	\$ 440.60		
	4	\$ 774.45	\$ 734.33		

Note: This bill analysis includes the 3% pension surcharge. The conservation discount is reflected. Present rates reflect rates effective as of January 1, 2006.

5/8 - INCH METER								METER			
1.		E	Bill, Dollars	Ir	ncrease	1.			Bill, Dollars	li	ncrease
2.	Usage	Proposed	Present			2.	Usage	Proposed	Present		
3.	Ccf	Rates	Rates	Dollars	Percent	3.	Ccf	Rates	Rates	Dollars	Percent
4.	0	25.52	23.50	2.02	8.61%	4.	0	63.82	58.74	5.08	8.65%
5.	1	29.88	26.61	3.27	12.30%	5.	1	69.33	61.85	7.48	12.09%
6.	2	33.47	29.73	3.74	12.57%	6.	2	72.91	64.97	7.94	12.22%
7.	5	44.24	39.07	5.17	13.24%	7.	5	83.69	74.31	9.38	12.62%
8.	8	57.63	51.43	6.21	12.07%	8.	8	98.32	88.88	9.44	10.62%
9.	10	65.26	58.04	7.22	12.44%	9.	10	105.94	95.49	10.46	10.95%
10.	14	85.26	75.47	9.79	12.97%	10.	14	128.32	115.12	13.21	11.47%
11.	20	121.65	107.20	14.45	13.48%	11.	20	169.51	151.26	18.25	12.06%
12.	25	144.09	126.66	17.43	13.76%	12.	25	191.94	170.72	21.22	12.43%
13.	30	166.52	146.11	20.41	13.97%	13.	30	214.38	190.17	24.21	12.73%
14.	50	256.26	223.94	32.32	14.43%	14.	50	304.12	268.00	36.12	13.48%
15.	75	368.44	321.23	47.21	14.70%	15.	75	416.31	365.29	51.02	13.97%
16.	100	480.62	418.51	62.11	14.84%	16.	100	528.48	462.57	65.91	14.25%
17.	150	704.97	613.08	91.89	14.99%	17.	150	752.84	657.14	95.70	14.56%
18.	200	929.33	807.65	121.68	15.07%	18.	200	977.19	851.71	125.48	14.73%
19.	500	2,275.46	1,975.07	300.39	15.21%	19.	500	2,323.32	2,019.13	304.19	15.07%

	1-1/2 - INCH METER							2 - INCH METER						
1.			Bill, Dollars	Ir	ncrease						ncrease			
2.	Usage	Proposed	Present			2.	Usage	Proposed	Present					
3.	Ccf	Rates	Rates	Dollars	Percent	3.	Ccf	Rates	Rates	Dollars	Percent			
4.	0	127.63	117.49	10.14	8.63%	4.	0	204.21	187.99	16.22	8.63%			
5.	1	135.05	120.60	14.45	11.98%	5.	1	213.93	191.10	22.83	11.95%			
6.	2	138.64	123.72	14.92	12.06%	6.	2	217.51	194.22	23.29	11.99%			
7.	5	149.41	133.06	16.35	12.29%	7.	5	228.29	203.56	24.73	12.15%			
8.	8	166.12	151.29	14.83	9.80%	8.	8	247.48	226.20	21.28	9.41%			
9.	10	173.74	157.90	15.84	10.03%	9.	10	255.11	232.82	22.30	9.58%			
10.	14	200.12	181.21	18.91	10.44%	10.	14	286.27	260.52	25.74	9.88%			
11.	20	249.28	224.69	24.59	10.94%	11.	20	345.00	312.82	32.18	10.29%			
12.	25	271.71	244.15	27.56	11.29%	12.	25	367.43	332.28	35.15	10.58%			
13.	30	294.15	263.60	30.55	11.59%	13.	30	389.87	351.73	38.14	10.84%			
14.	50	383.89	341.43	42.46	12.44%	14.	50	479.61	429.56	50.05	11.65%			
15.	75	496.07	438.72	57.35	13.07%	15.	75	591.79	526.85	64.94	12.33%			
16.	100	608.25	536.00	72.25	13.48%	16.	100	703.96	624.13	79.83	12.79%			
17.	150	832.60	730.57	102.03	13.97%	17.	150	928.32	818.70	109.62	13.39%			
18.	200	1,056.96	925.14	131.82	14.25%	18.	200	1,152.67	1,013.27	139.40	13.76%			
19.	500	2,403.08	2,092.56	310.52	14.84%	19.	500	2,498.81	2,180.69	318.12	14.59%			

APPENDIX D PAGE 1 OF 6

CALIFORNIA-AMERICAN WATER Felton

ADOPTED QUANTITIES ADOPTED AVERAGE SERVICES

Average Services by Meter Size	<u>2006</u>
Metered Services	
5/8" x 3/4"	1,272
3/4"	2
1"	32
1 1/2"	10
2"	12
3"	0
4"	1
6"	0
8"	0
Total Metered Services	1,329
Private Fire Services	
4" or less	3
6"	6
8"	0
10"	0
Hydrants	0
Total Fire Services	9
Total Average Customers	1,338

APPENDIX D PAGE 2 OF 6

CALIFORNIA-AMERICAN WATER Felton

ADOPTED QUANTITIES

Net-to-Gross Multiplier Uncollectibles	1.6100 0.2300%	2. Water Consumption (Ccf/Cust.)	
			2006
Franchise Tax Rates	0.00%	B 11 61	<u>2006</u>
State Income Tax Rates	7.56%	Residential	101.4
Federal Income Tax Rates	35.00%	Commercial	298.9
		Industrial	0.0
		Public Authority	2,803.0
1. Water Production (Kccf)		Other	0.0
	2006		
Residential	116.8		
Commercial	51.1	PURCHASED POWER	
Industrial	0.0	Total Water Produced (kCcf)	207.5
Public Authority	16.8	Total KWH's	399,921
Other	0.0	KWH/CcF	1.9273
Total Annual Consumption	184.7	Unit Cost (\$/KWH)	\$0.2843
Unacc For Water Total (11.00%)	22.8	PGE Power Costs	\$59,000
Other (Used in operations)	0.0		
Total Water Produced	207.5	CHEMICAL COSTS	
		Total Water Produced (kCcf)	207.5
		Unit Cost (\$/kCcf)	\$21.20
		Total Chemical Cost (000's)	\$4,400
		1 5141 51151111541 5051 (000 3)	Ψ+,+00

APPENDIX D PAGE 3 OF 6

CALIFORNIA-AMERICAN WATER Felton

WEIGHTED AVERAGE DEPRECIATED RATE BASE

ITEM	STA ORIGINAL	REVISED	UTILI REVISED (TY DRIGINAL	ADOPTED
	(Thousar	nds of \$)	(Thousand	ds of \$)	
WTD AVG PLANT IN SERVICE	4,764.3	4,664.5	4,664.5	5,049.3	4,664.5
MATERIALS & SUPPLIES	13.1	13.1	13.1	13.1	13.1
WORKING CASH, OPERATIONAL WORKING CASH, LEAD-LAG	1.6 165.3	1.6 165.3	1.6 165.3	1.6 156.8	1.6 165.3
WTD AVG DEPR RESERVE	(1,292.4)	(1,297.6)	(1,297.6)	(1,298.8)	(1,297.6)
ADVANCES	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)
CONTRIBUTIONS	(136.1)	(136.1)	(136.1)	(136.1)	(136.1)
ACCUM. DEFERRED FIT	(76.5)	(91.0)	(91.0)	(96.0)	(91.0)
ACCUM. DEFERRED SIT	(11.5)	(21.0)	(21.0)	(22.0)	(21.0)
GENERAL OFFICE ALLOC.	40.4	42.8	42.8	45.7	42.8
ACRS & MACRS DEPRECIATION	0.0	0.0	0.0	0.0	0.0
UNAMORTIZED ITC	0.0	0.0	0.0	0.0	0.0
TAXES ON - ADVANCES	0.0	0.0	0.0	0.0	0.0
TAXES ON - CIAC	0.0	0.0	0.0	0.0	0.0
AVERAGE RATE BASE	3,467.0	3,340.4	3,340.4	3,712.4	3,340.4
INTEREST CALCULATION:					
AVG RATE BASE LESS WORKING CASH	3,467.0	3,340.4	3,340.4	3,712.4	3,340.4
X LTD COST	4.01%	4.01%	4.01%	4.01%	4.01%
INTEREST	139.0	134.0	134.0	148.9	134.0

APPENDIX D PAGE 4 OF 6

CALIFORNIA-AMERICAN WATER Felton

WEIGHTED AVERAGE DEPRECIATED RATE BASE

	STAFF			UTILITY		
ITEM	ORIGINAL	REVISED	F	REVISED	ORIGINAL	ADOPTED
	(Thousa	nds of \$)		(Thousa	nds of \$)	
WTD AVG PLANT IN SERVICE	4,977.7	4,878.0		4,878.0	5,509.6	4,878.0
MATERIALS & SUPPLIES WORKING CASH, OPERATIONAL	13.4 1.6	13.4 1.6		13.4	13.4 1.6	13.4 1.6
WORKING CASH, LEAD-LAG WTD AVG DEPR RESERVE	165.3	165.3 (1,439.8)		165.3 (1,439.8)	162.6 (1,454.0)	165.3 (1,439.8)
ADVANCES CONTRIBUTIONS ACCUM. DEFERRED FIT ACCUM. DEFERRED SIT GENERAL OFFICE ALLOC.	(1.1) (127.3) (64.9) (8.8) 37.4	(127.3) (111.0) (26.0) 40.0		(1.1) (127.3) (111.0) (26.0) 40.0	(127.3) (120.0) (28.0) 45.2	(1.1) (127.3) (111.0) (26.0) 40.0
ACRS & MACRS DEPRECIATION UNAMORTIZED ITC TAXES ON - ADVANCES TAXES ON - CIAC	0.0 0.0 0.0 0.0	0.0 0.0 0.0 0.0	· <u>-</u>	0.0 0.0 0.0 0.0	0.0 0.0 0.0 0.0	0.0 0.0 0.0 0.0
AVERAGE RATE BASE	3,559.0	3,393.1		3,393.1	4,002.0	3,393.1
INTEREST CALCULATION: AVG RATE BASE LESS WORKING CASH X LTD COST	3,559.0 4.01%	,		3,393.1 4.01%	4,002.0 4.01%	3,393.1 4.01%
INTEREST	142.7	136.1		136.1	160.5	136.1

APPENDIX D PAGE 5 OF 6

California American Water Felton

TAXES BASED ON INCOME

2006

(PRESENT RATES)

		STAFF			UTII	LITY		
		ORIGINAL	REVISED	RE	EVISED	ORIGINAL	ADOPTED	
		(Thousand	ds of \$)		(Thousa	nds of \$)		
Operati	ng Revenues Revenues from Contributions	758.9 0.0	1,084.4 0.0		1,084.4 0.0	757.0 0.0	1,084.4 0.0	
Deducti	ions:							
	O & M expenses	171.4	172.8		172.8	173.0	172.8	
	Error in Addition Pension Expense		0.0		0.0	-8.5	0.0 0.0	
	A & G Expenses	91.2	87.3		87.3	306.7	87.3	
	G. O. Prorated Expenses	125.7	126.8		126.8	89.1	126.8	
	Payroll	247.0	267.0		267.0	281.1	267.0	
	Taxes not on Inc.	116.4	119.2		119.2	137.2	119.2	
	Interest	139.0	134.0		134.0	148.9	134.0	
	Error in Interest	10.1						
	Book Depreciation	157.8	157.5		157.5	167.3	157.5	
Income	before taxes	-299.7	19.8		19.8	-537.7	19.8	
	nia Corp. Franchise Tax							
State T	ax Depreciation	0.0	0.0		0.0	0.0	0.0	
Tavable	Income for CCFT	-299.7	19.8		19.8	-537.7	19.8	
CCFT F		7.56%	7.56%		7.56%	7.56%	7.56%	
			110070			110070		
CCFT		-22.7	1.5		1.5	-40.7	1.5	
	Less Deferred Taxes	(2.6)	0.0		0.0	0.0	0.0	
	Total State Income Taxes	-25.3	1.5		1.5	-40.7	1.5	
Federal	Income Tax							
_	Tax Deductions	(24.7)	(31.1)		(31.1)	(39.6)	(31.1)	
	wn Reduction	47.9	(=)		()	70.8	(****)	
Taxable	e income for FIT	-276.5	-11.3		-11.3	-506.5	-11.3	
FIT Rat	e	35.00%	35.00%		35.00%	35.00%	35.00%	
Less:	FIT	-96.8	-4.0		-4.0	-177.3	-4.0	
LUSS.	Investment Tax Credit	0.0	0.0			0.0		
	Amortization of Reg. Assets	0.0	0.0			0.0		
	Deferred Taxes - U.P.A.A.	0.0	0.0			0.0		
	Amort of Excess Deferred Taxes	0.0	0.0			0.0		
	Total Federal Income Tax	-96.8	-4.0		-4.0	-177.3	-4.0	
	Total FIT and CCFT	-122.1	-2.5		-2.5	-218.0	-2.5	

APPENDIX D PAGE 6 OF 6

California American Water Felton

TAXES BASED ON INCOME

2006

(PROPOSED RATES)

		STA	FF	UTI	LITY	
		ORIGINAL	REVISED	REVISED	ORIGINAL	ADOPTED
		(Thousan	nds of \$)	(Thousa	inds of \$)	
Operatir	ng Revenues Revenues from Contributions	1,206.2	1,246.6 0.0	1,246.6	1,553.5	1,246.6
Deduction	ons:					
	O & M expenses	172.5	173.2	173.2		173.2
	Pension Expense A & G Expenses	91.2	0.0 91.2	0.0 91.2		0.0 91.2
	G. O. Prorated Expenses	125.7	126.8	126.8		126.8
	Payroll	247.0	281.1	281.1	281.1	281.1
	Taxes not on Inc.	116.4	119.2	119.2		119.2
	Interest	139.0	134.0	134.0	135.5	134.0
	Error in Interest	10.1				
	Book Depreciation	157.8	157.5	157.5	167.3	157.5
Income	before taxes	146.5	163.7	163.7	270.3	163.7
	ia Corp. Franchise Tax					
State Ta	ax Depreciation	0.0	0.0	0.0	0.0	0.0
Taxable	Income for CCFT	146.5	163.7	163.7	270.3	163.7
CCFT R	ate	7.56%	7.56%	7.56%	7.56%	7.56%
CCFT		11.1	12.4	12.4	20.4	12.4
CCIT	Less Deferred Taxes	(2.6)	0.0	0.0	0.0	0.0
	Total State Income Taxes	8.5	12.4	12.4	20.4	12.4
	Total State Income Taxes	0.5	12.4	12.4	20.4	12.4
Es de sel	la como Torr					
	Income Tax Tax Deductions	(24.7)	(31.1)	(31.1)	(39.6)	(31.1)
	vn Error	47.9	(31.1)	(31.1)	70.8	(31.1)
	income for FIT	169.7	132.6	132.6	301.5	132.6
FIT Rate		35.00%	35.00%	35.00%	35.00%	35.00%
Less:	FIT	59.4	46.4	46.4	105.5	46.4
	Investment Tax Credit	0.0	0.0	0.0	0.0	0.0
	Amortization of Reg. Assets	0.0	0.0	0.0	0.0	0.0
	Deferred Taxes - U.P.A.A.	0.0	0.0	0.0	0.0	0.0
	Amort of Excess Deferred Taxes	0.0	0.0	0.0	0.0	0.0
	Total Federal Income Tax	59.4	46.4	46.4	105.5	46.4
	Total FIT and CCFT	67.9	58.8	58.8	125.9	58.8

APPENDIX E PAGE 1 OF 2

California American Water Felton

OPERATION & MAINTENANCE EXPENSES

	STAFF		UTIL	.ITY	
	ORIGINAL	REVISED	REVISED	ORIGINAL	ADOPTED
ITEM					
	(Thousar	nds of \$)	(Thousar	nds of \$)	
AT PRESENT RATES	,	,	,	.,	
Operating Revenues	758.9	1,084.4	1,084.4	757.0	1,084.4
Uncollectible Rate	0.2300%	0.2300%	0.2300%	0.2300%	0.2300%
Uncollectibles	1.7	2.5	2.5	1.7	2.5
Operation Expense					
Source of Supply Expense	0.0	0.0	0.0	0.0	0.0
Source of Supply - Miscellaneous	2.8	2.8	2.8	2.8	2.8
Pumping Expense - Electric	2.1	2.1	2.1	2.1	2.1
Purchased Power	58.4	59.0	59.0	60.0	59.0
Water Treatment	0.0	0.0	0.0	0.0	0.0
Water Treatment - Miscellaneous	32.2	32.2	32.2	32.2	32.2
Chemicals	4.4	4.4	4.4	4.4	4.4
Storage Facilities Expense	0.0	0.0	0.0	0.0	0.0
Trans. & Dist Lines	0.0	0.0	0.0	0.0	0.0
Trans. & Dist Meters	0.0	0.0	0.0	0.0	0.0
Trans. & Dist Customer Installation	0.0	0.0	0.0	0.0	0.0
Trans. & Dist Misc.	13.3	13.3	13.3	13.3	13.3
Customer Accts Meter Reading	17.6	17.6	17.6	17.6	17.6
Customer Accts Records & Collect. & Misc.	0.0	0.0	0.0	0.0	0.0
Customer Accounts - Uncollectibles	1.7	2.5	2.5	1.7	2.5
Total Operation Expenses	132.5	133.9	133.9	134.1	133.9
Maintenance Expenses					
Source of Supply - Structures	6.9	6.9	6.9	6.9	6.9
Source of Supply - Collection	0.0	0.0	0.0	0.0	0.0
Source of Supply - Wells	0.0	0.0	0.0	0.0	0.0
Source of Supply - Misc	0.0	0.0	0.0	0.0	0.0
Pumping - Structures	0.6	0.6	0.6	0.6	0.6
Pumping - Pumping Equipment	1.2	1.2	1.2	1.2	1.2
Water Treatment - Structures	0.0	0.0	0.0	0.0	0.0
Water Treatment - Other	7.9	7.9	7.9	7.9	7.9
T & D Reservoirs & Tanks	0.0	0.0	0.0	0.0	0.0
T & D Mains	0.0	0.0	0.0	0.0	0.0
T & D Services	0.0	0.0	0.0	0.0	0.0
T & D Meters	0.0	0.0	0.0	0.0	0.0
T & D Hydrants	0.0	0.0	0.0	0.0	0.0
T & D Miscellaneous	22.3	22.3	22.3	22.3	22.3
Total Maintenance Expense	38.9	38.9	38.9	38.9	38.9
Total O & M Expenses (incl. Uncoll.)	171.4	172.8	172.8	173.0	172.8
Reduction of 5% for employee related costs	171.4	0.0	0.0	170.0	0.0
(There are no employee costs in the above)		0.0	0.0		0.0
AT PROPOSED RATES					
Operating Revenues	1,206.2	1,246.6	1,246.6	1,553.5	1,242.7
Uncollectible Rate	0.2300%	0.2300%	0.2300%	0.2300%	0.2300%
Uncollectibles	2.8	2.9	2.9	3.6	2.9
Total O & M Expenses (incl. Uncoll.)	172.5	173.2	173.2	174.9	173.2

APPENDIX E PAGE 2 OF 2

California American Water Felton

ADMINISTRATIVE & GENERAL EXPENSES

	STA	\FF	UTI	LITY	
ITEM	ORIGINAL	REVISED	REVISED	ORIGINAL	ADOPTED
			 -		
AT DDECENT DATEC	(Thousa	nds of \$)	(Thousa	inds of \$)	
AT PRESENT RATES	757.0	4 004 0	4 004 0	755.0	4 004 0
Operating Revenues less Uncoll.	757.2	1,081.9	1,081.9		1,081.9
Local Franchise Tax Rate	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Local Franchise Tax	0.0	0.0	0.0	0.0	0.0
Droporty Ingurance	2.4	2.4	2.4	10 F	2.4
Property Insurance	3.4	3.4 6.0	3.4 6.0		3.4
Worker's Comp., Injuries & Damages	6.0				6.0
Employee Pension & Benefits	62.1	62.1	62.1	140.2	62.1
Regulatory Expense	1.5	1.5	1.5		1.5
Outside Services	8.2	8.2	8.2		8.2
Miscellaneous General Expenses	9.1	9.1	9.1		9.1
Office Supplies	0.5	0.5	0.5		0.5
Other Mtnc of General Plant	0.2	0.2	0.2		0.2
Rents	0.2	0.2	0.2	1.2	0.2
Total A & G Expenses	91.2	91.2	91.2		91.2
(Incl. local Franchise Taxes)	91.2	91.2	91.2		91.2
Employee Related Expenses		77.2	77.2		77.2
5% Reduction		3.9	3.9		3.9
Auhtorized A&G Expenses		87.3	87.3		87.3
PAYROLL	247.0	281.1	281.1	281.1	281.1
5% Reduction		14.1	14.1		14.1
Authorized Payroll		267.0	267.0		267.0
AT PROPOSED RATES					
Operating Revenues less Uncoll.	1,203.4	1,243.7	1,243.7	1,549.9	1,239.8
Local Franchise Tax Rate	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Local Franchise Tax	0.0	0.0	0.0		0.0
Pension Cost in Surcharge		64.1	64.1		64.1
TOTAL A&G INCLUDING PENSION		155.3	155.3		155.3
101/1E/IGO HADEDDING I ENGION		100.0	100.0		155.5