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DEC 9 1996**Decision 96-12-005 December 9, 1996****ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
In the Matter of the Application of, *see et al v. et al for et al*
California-American Water Company, *see et al* Application 96-03-008
for an order authorizing it to *see et al* (Filed July 31, 1996)
increase its rates for water service *see et al* in its Monterey Division.
see et al is a settlement of a proceeding by which a rate
order CA-160 was granted and no hearing is now pending on a rate
order that was filed (See Appendix A for appearances.)

OPINION

Today's decision approves an all-party settlement of issues in the above-captioned proceeding. We find the settlement to be lawful, reasonable, and in the public interest. In particular, the settlement reflects a reasonable compromise on the various ratemaking issues, including development of an experimental rate design intended to encourage water conservation and to provide relief to low-income ratepayers. The applicant, California-American Water Company ("Cal-Am"), will file a study with its next general rate case application for its Monterey District (or by December 31, 1999) on the effectiveness of the experimental rate design and on possible implementation of such a rate design for commercial customers and for residential customers living in multi-unit buildings.

2. Background

In October 1993 Cal-Am filed its prior general rate case (GRC) application for the Monterey District approved by the Commission in October 1993. See Decision (D.) 93-10-038, 51 CPUC2d 531. Cal-Am indicates that inflation and other factors over the past three years have effectively reduced its overall earnings in the Monterey

District, such that a substantial rate increase over the next three-year GROWTH cycle is necessary. The proposed increase would amount to 11.20% in 1997, 2.46% in 1998, and 2.02% in 1999. In addition, the District also seeks several additional authorizations, to

Most notably, it proposes, as a unified program, an alternative rate design to include a high consumption surcharge, a low-income rate, and a consumption variation balancing account. Cal-Am also proposes to: increase the bad check fee for customers and the deposit requirement for new customers; cancel its long-unused street sprinkling tariff; retain the full gain on sale from three properties on the condition that such gain is reinvested in plant; and consolidate its Hidden Hills Subdivision into the Monterey District for ratemaking purposes and apply its Monterey District tariffs to the subdivision.

Finally, Cal-Am proposes changes to several accounting mechanisms. Notably, it seeks to institute (1) full cost balancing accounts for purchased power and chemical costs, and (2) a revenue balancing account for its compliance costs, associated with Order WR 95-10 of the State Water Resources Control Board. Cal-Am also wants to impose a surcharge to recover amounts in its franchisee fee balancing account.

2.1 Public Participation Hearing

The Commission convened a public participation hearing (PPH) with afternoon and evening sessions on May 9, 1996, in Monterey. The assigned Commissioner and Administrative Law Judge (ALJ) conducted the sessions. Cal-Am was represented by its attorney, by its Monterey District manager, and by its director of

for the Monterey District by the Commission in October 1993. See Decision (D.) 93-10-038, SI CH 93-93. Cal-Am requested that the PPH be held in the base rates in the Monterey

rates, and revenues). The Commission's Water Division participated through the staff attorney and project manager who sat at the front of the room. The sessions were well attended by the public, and approximately 20 individuals actively participated on their own behalf through questions or statements. The following list summarizes the five chief concerns raised by the public, and Cal-Am's response (at the PPH) to those concerns.

(1) Rate Increases Outpacing Inflation

Several speakers compare the increases in, e.g., social security benefits, to Cal-Am's rate increases over the past few years. The latter increases have exceeded the rate of inflation. Customers with low or fixed incomes are hard hit by the increases in the cost of water services.

Cal-Am responds that the major contributors to the pace of rate increases have been infrastructure replacement and upgrading. Much of the Monterey water infrastructure is mature and must be systematically replaced. Also, water quality legislation has set increasingly stringent quality standards, which entail new investment by the company to ensure compliance. However, Cal-Am has taken steps to mitigate the associated rate impacts. For example, Cal-Am leverizes investment in its districts to avoid rate spikes, and the experimental rate design proposed in this proceeding is intended, in part, to address the disproportionate impacts of rate increases on low-income customers.

(2) Rate Design Not Encouraging Conservation

Several speakers note that Cal-Am's current rate design loads much of the revenue requirement on the monthly service. It is no secret that there is little money left over to encourage customers to use water more efficiently.

At the time of the PPH, participating technical staff belonged to Division of Ratepayer Advocates. Subsequently, we've reorganized our staff along industry lines. For convenience, we refer in this decision to Water Division whenever we discuss a position taken by Commission staff.

charge, which is fixed (i.e., does not vary with consumption). The result is that customers have little economic incentive to conserve water. This lack of incentive is particularly inappropriate in the Monterey District, which faces major water supply uncertainties in the near future.

Cal-Am responds that the current rate design is a reasonable compromise between the two competing goals of (1) sending appropriate conservation signals; but also (2) reasonable likelihood of meeting the company's revenue requirements. Cal-Am indicates that it would be receptive to suggestions for improving the conservation signal in its rate design. Again, the staff suggests that the experimental rate design proposed in this proceeding would increase the conservation incentive for many residential customers.

(3) Water Quality Problems

Two speakers are primarily concerned with (possibly local) water quality problems, including bad taste and discoloration.

Cal-Am responds that it will conduct free quality testing and urged the concerned speakers to provide samples. Overall, the Monterey District has a pristine water supply, free of agricultural or industrial runoff and in compliance with all applicable quality standards. However, Cal-Am is legally required to chlorinate its water, and some individuals are more sensitive than others to these low levels of chlorine. Discoloration may come from various sources. For example, discoloration could result from conditions within a home, such as the age and type of pipes and whether the water heater has been flushed through periodically. A high velocity of flow on the system (e.g., if a break were to occur or a hydrant used to fight a fire) could disturb the main with resulting discoloration, especially in areas with older, unlined piping. The long-term solution is main replacement.

Commissioner of Water Division whenever an emergency occurs, we will make available temporary lines. For convenience, we will keep a decision of the Water Division whenever an emergency occurs, we will make available temporary lines.

(4) Underutilization of Runoff and Reclaimed Water

During several speakers urge Cal-Am to capture more runoff to address water supply concerns. They feel Cal-Am is neglecting existing reservoir capacity that might serve this purpose. Also, some speakers note that non-potable water is adequate for many purposes, such as irrigation at golf courses; they urge Cal-Am to cooperate with efforts to increase the utilization of non-potable water where appropriate, at reasonable volumes to level out flow.

Cal-Am agrees generally that increased use of runoff and non-potable water might make sense, but notes that these supply sources also would require considerable investment in infrastructure. For example, there are two existing reservoirs that could be utilized for storage, but only after upgrading to meet current health standards. Cal-Am is negotiating with the Pebble Beach Community Services District (PB Community Services), which has proposed to use Cal-Am's decommissioned Forest Lake Reservoir as a reclaimed water storage facility.

(5) Water Supply Uncertainties

Virtually all of the speakers are troubled by the long-term water supply uncertainty for the Monterey area. Recent wet winters assure reasonable supply over the near-term, but Cal-Am must replace a major part of its supply because it must cut back on its diversions from the Carmel Valley watershed. New sources of supply are hard to develop for various reasons. For example, there is popular resistance to building a new dam, and cost is a concern for this and many other options. Conservation remains a way to stretch the existing supply, but Cal-Am's Monterey District customers are already among the most careful water consumers in the State.

Cal-Am acknowledges the seriousness of the supply uncertainties. This GRC application does not request authorization to develop any major supply addition, however, Cal-Am anticipates that it will file a separate application for such authority.

depending on the supply option(s) it determines to pursue in coordination with the planning efforts of the Monterey Peninsula Water Management District (MP Water Management). Appropriate rate design can encourage conservative consumption to stretch existing supply, and Cal-Am is open to rate design changes that do not impose undue additional risk on the company to it as done, but please understand. We take this opportunity to thank all participants at the PPH. The level of community awareness is clearly high. Cal-Am is also to be congratulated for its willingness to engage in constructive dialog.

We note that the concerns summarized above are also, by and large, the concerns raised by the active litigants in this proceeding. This congruence gives us confidence that the all-party Settlement ultimately achieved is a fair one from the standpoint both of the utility and of the community it serves. See also Sections 3 to 3.5 below, where we discuss the Settlement.

2.2 Water Division Report

On June 12, 1996, Water Division submitted its testimony in the form of three reports. These reports thoroughly analyze Cal-Am's results of operations, general office, and cost of new and capital/rate of return issues, all in relation to the Monterey District. In general, Water Division differed with Cal-Am on certain expense estimates, on the need or timing appropriate for various projects, and on Cal-Am's cost of capital.² The impact of these differences is that Water Division recommends a rate increase of about half that requested by Cal-Am.² In addition to these

² Specifically, Cal-Am requests increases of total revenues of 11.20%, 2.46%, and 2.02% for 1997, 1998, and 1999, respectively; Water Division's corresponding recommendations for the three-year GRG cycle are for increases of 5.00% (1997), 7.48% (1998), and 10.30%. Cal-Am's latest authorized return on equity is 16.65%.

revenue requirement issues, Water Division made recommendations regarding rate design, balancing accounts, and various other proposals by Cal-Am in this proceeding. ³ The Commission rejected all of these recommendations.

2.3. Testimony of Interested Parties ^{(cont'd) just} There were no other interested parties in this proceeding. Three interested parties took positions in this proceeding, namely, the two special districts mentioned earlier (PB Community Services and MP Water Management), and a customer organization called Cal-Am Rate Payers (C.A.R.P.).

The districts' participation was fairly narrow. MP Water Management supported further conservation initiatives, especially a tiered rate structure de-emphasizing the service charge component, at least for residential customers. PB Community Services asked for Commission support for the district's proposed reclaimed water storage project for the Forest Lake Reservoir.

C.A.R.P. was active on a broad range of issues. It objected to Cal-Am's proposal regarding the Hidden Hills Subdivision as potentially involving a subsidy of that subdivision's customers by the majority of Cal-Am's ratepayers. Also, it urged more aggressive pursuit of new water supplies by Cal-Am, and at the same time cautioned that the Commission not allow Cal-Am to recover expenses for such pursuit where they overlap MP Water Management's studies and programs.

MP Water Management and C.A.R.P. submitted their testimony at the same time as Water Division's report. PB Community Services' position was stated by its General Manager, Richard Andrews, at the PPH. Without objection, and in the absence of any request to cross-examine Mr. Andrews, the ALJ accepted the position statement as PB Community Services' testimony.

2.4 Settlement Discussions; Hearing

On June 19-20, Cal-Am met with Water Division and interested parties to discuss possible Settlement. These discussions were fruitful although a few issues remained between the parties. Much of the discussion focused on a basic outline of the proceeding.

Cal-Am and C.A.R.P. The parties recommended that at least one of the days set aside for hearings could be cancelled.

Consequently, a single day of hearings was held in Seaside on July 8. Testimony was received from MP Water Management and from the settling parties as a group, and C.A.R.P.'s witnesses testified on the outstanding issues that they remained. The matter was then submitted subject to receipt of briefs.³ However, C.A.R.P. was able to reach agreement with the settling parties on all remaining issues shortly after the hearing.⁴ No briefs were submitted.

3. All-Party Settlement: The Settlement that was reached in July went through some further refinement regarding two provisions, one concerning revenue that may be due Cal-Am under its contract with the Pebble Beach Company,³ and the other concerning Cal-Am's Program for Alternative Rates (PAR). The Settlement retains its support from all parties. The following table is a summary of some of the chief revenue and ratemaking impacts of In its original form, the table was presented at the July 18 hearing; as reproduced below, the table incorporates a refinement to PAR that parties agreed to in response to a Joint Ruling by the assigned Commissioner and ALJ.⁴ See also Section 3.3 below.

3.4 Settlement Discrepancies: Henningsen

On June 18-20, Cal-Am met with Water Division and representatives of the City of Pebble Beach, PB Community Services, and the General Manager of the Pebble Beach Company, as well as the City Auditor. The purpose of the meeting was to discuss discrepancies between the Settlement and the proposed rate plan. The parties agreed to go forward with the Settlement as proposed, subject to certain modifications.

³ The Pebble Beach Company is a private entity. It is wholly distinct from PB Community Services, which is a governmental entity and a party to this proceeding.

California-American Water Company
Monterey Division Application 96-03-008
Summary of Stipulation and Settlement Agreement

California-American Water Company filed an Application with the California Public Utilities Commission requesting rate increases for the test years of 1997 and 1998 and the attrition year 1999. The Division of Ratepayers Advocates of the California Public Utilities Commission (Staff) studied the Company's requested increase and derived recommended increases for each of the three years. During the Stipulation for Settlement held on June 19th and 20th, agreements were made regarding all matters contained in the Company's Application. The annual effect on revenues is listed below.

Company	% Increase Over Present	Staff	% Increase Over Present	Stipulation	% Increase Over Present
1997	+ \$2,163,000 or 11.20%	\$986,600 or 5.00%	+ \$1,320,800	6.73%	
1998	+ \$1,479,400 or 2.46%	+ \$388,200 or 1.87%	+ \$323,700	2.52%	
1999	+ \$1,442,900 or 2.02%	+ \$313,300 or 1.48%	+ \$463,300	2.17%	

In addition to the above settled increases, the Company is allowed to file advice letters to recover costs for specifically authorized additional capital projects upon their completion.

Company and Staff agreed upon a new rate structure which would benefit residential customers for low water use and encourage those customers who continue to use large amounts of water to reduce consumption. Residential customers will also have lower service charges. The tariff was also developed to aid those residential customers who experience financial hardships and qualify for the Company's Program for Alternate Rates. Customer who qualify for the Program for Alternate Rates will not have to pay a monthly service charge. Listed below is a comparison of residential customer rates at various consumption levels at the Company's original proposed increases and the Stipulated increase.

Usage	Current Rates		Stipulation Agreement Increase		Percent Increase	Program For Alternate Rates Increase	Percent Increase
	Usage	Rates	Stipulation Agreement Increase	Percent Increase			
0.00	10.80	\$16.63	\$5.17	47.87 %		0.00	10.80 -100.00 %
1.00	12.59	8.25	-4.34	-34.47 %		2.62	9.97 -79.19 %
2.00	14.37	Y10.87	Y5.50	24.36 %		5.24	9.13 -63.54 %
5.00	19.73	18.73	-1.00	-5.07 %		13.10	-6.63 -33.60 %
8.00	25.08	26.39	Y1.31	8.02 %		20.96	-4.12 -16.43 %
10.00	29.55	33.02	3.47	11.74 %		27.39	-2.16 -7.31 %
16.00	42.97	52.31	9.34	21.74 %		46.68	3.71 8.63 %
20.00	51.91	74.70	22.79	43.90 %		69.07	17.16 33.06 %
50.00	118.97	242.57	123.60	103.89 %		236.94	117.97 99.16 %

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Appendix B following today's order reproduces the

Settlement and the various tables submitted with the Settlement. We have conformed the Settlement by including revised pages reflecting the refinements mentioned above except to the individual Settlement.

3.1 Commission Policy Regarding All-Party Settlements

Administrative Public Utility Regulation in general, and ratemaking in particular, is factually intensive. Regulation also involves consideration of many policies, some of which may compete with each other at least some of the time, and application of governing law. The Commission's role is to determine facts, weigh policy objectives, ensure conformity with law, and reach a reasonable outcome. The Commission has long recognized that the unanimous recommendation of parties to a proceeding is often (though not always) a reliable guidepost to reasonable outcomes. As we discuss below, the all-party Settlement herein meets the approval criteria that we have established. The Settlement should guide our deliberations accordingly.

A leading decision on all-party Settlements is D.92-12-019-46 CPUC2d 538, p. 7. That decision, like today's, concerned an all-party Settlement (in ANGRO). We said there that we would be "prepared to adopt a Settlement that meets sponsorship and content criteria pertaining to both the identity and capacity of the sponsoring parties and the terms of their recommendation. As a precondition to our approval" of a proposed all-party Settlement, we said that we would expect the record to support the following findings:

- a. [that] all active parties to the instant proceeding join in sponsorship;
- b. that the sponsoring parties are fairly reflective of the affected interests;
- c. that no term of the Settlement contravenes statutory provisions or prior Commission decisions;

"d. that the Settlement conveys sufficient information to permit us to discharge our future regulatory obligations with respect to the parties and their interests, but it will do so in a way that reflects the parties' and their interests."

46 CPUC2d at 550-51, footnote omitted. We can make all the requisite findings from the record herein.

All six of the first, all five active parties sponsor the Settlement.

We note also that three of the parties (Cal-Am, Water Division, and C.A.R.P.) had taken positions on a broad range of the issues covered in the Settlement. The vigor of participation gives us further confidence that the sponsorship of this Settlement comes after due consideration.

Second, the sponsoring parties reflect the affected interests. One sign of such reflection is the fact that almost all the concerns raised at the PPA also found voice in the litigation positions submitted prior to the scheduled hearing. The sponsors also include parties that can speak to shareholder, ratepayer, and a range of governmental interests. These factors confirm that the Settlement appropriately reflects the broad range of interests affected by this GRC decision.

Third, the Settlement contravenes no statute or applicable Commission precedent. In fact, as we shall discuss later, the PAR provisions of the Settlement help carry out important statutory policy directives.

Fourth and finally, the Settlement amply informs the Commission of the circumstances the Settlement addresses and the basis on which the parties agreed. Although all settlements involve a series of interrelated tradeoffs, the detail of the Settlement documents and the submission of testimony by a range of active parties all help to illuminate Cal-Am's current condition and what can be reasonably expected during the 1997-99 GRC cycle. There is thus a reasonable factual predicate underlying the Settlement and the assumptions and projections we adopt today for ratemaking purposes.

3.2 Terms of the Settlement

As noted earlier, the Settlement and its attachments are set forth in full in Appendix B to today's decision. We do not attempt to describe all parts of the Settlement. Rather, we note that as is typical in this type of proceeding, and as the parties to the Settlement acknowledge, many terms of the Settlement are the result of compromise. The compromises here were achieved through the give-and-take of vigorous arm's-length negotiations on the whole range of issues that Water Division and interested parties raised in their respective testimony. See Sections 2.2 and 2.3 above. Because this Settlement satisfies the criteria we discuss in Section 3.1, we give weight to the settling parties' joint recommendations in arriving at our factual findings.

We also do not try to dissect each provision of the Settlement to see whether it approximates the result we would have reached had the issue underlying that provision been submitted for us to resolve. No Settlement could ever survive such scrutiny, nor would that degree of scrutiny leave parties sufficient room for negotiating Settlements. We view the Settlement as a whole, and is taken as a whole, we find this all-party Settlement to be reasonable in light of the whole record, consistent with law, and, in the public interest.

Consistent with our practice for review and approval of Settlements, the fact that a party has entered into this Settlement is not to be construed as an admission or concession by that party regarding any disputed matter in this proceeding. In addition, and pursuant to Rule 51.8 of our Rules of Practice and Procedure, our adoption of this Settlement is not precedential regarding any principle or issue in the proceeding, or any future proceeding.

There is thus no respondeat superior liability for the Settlement and the Settlement does not affect any other proceeding, including a proceeding before another court or administrative body.

3.3. Program for Alternative Rates ¶ 96-00 add 16 describes the process by which the one provision of the Settlement was revised after the initial agreement. This provision concerns an important policy issue. Below are separately addressing this provision, namely, Cal-Am's Program for Alternative Rates (PAR). ¶ 96-00 add 16 defines PAR. Many people at the PPH as well as the parties to this proceeding urged Cal-Am to modify its historic rate design to better encourage conservation efforts and, in some way consistent with those efforts, to mitigate the impact of rising water rates on customers with fixed, low incomes. Cal-Am proved responsive to these urgings. ¶ 96-00 add 16 describes Cal-Am's original application contained a proposal for an "alternative" rate design for residential customers. The proposal was refined in discussions with the parties and made part of the Settlement as a set of experimental proposals for this GRC cycle, including, PAR. Cal-Am also commits to perform various studies during the GRC cycle to gauge the effectiveness of the experiment and to investigate the implementation of an alternative rate structure for commercial customers and for residential customers in multi-unit buildings. Finally, Cal-Am plans bill inserts to inform customers about the experimental rate design and PAR adds to state what it does. Under the experiment, most residential customers would pay only half the monthly fixed service charge that would have been charged under Cal-Am's historic rate design; PAR fixed low-income customers would pay no service charges at all, but would pay only for the water they consume. Because the experimental rate design would increase the variability of Cal-Am's revenues, Cal-Am proposed a new balancing account, the Water Revenue Adjustment Mechanism (WRAM), which would also be limited to this GRC cycle.

WRAM would track the variation in projected revenue incurred under the experiment, which includes the reduced service charges mentioned above, a lifeline residential rate block, and a rate surcharge for high consumption. A WRAM account balance would

accrue interest at the 90-day commercial paper rate), and Cal-Am would file an advice letter for amortization of such balance at any time that it exceeds 5% of gross annual revenues and is anticipated to exceed 5% of gross annual revenues within the following six months for the Monterey District.⁴ Evidence for Al-J's position is as follows:

The proposed experiment is conceptually very attractive. It potentially harmonizes the goals of (1) encouraging water conservation through improved price signals, (2) giving customers increased control over the level of their water bills, and (3) in providing rate relief to customers on low fixed incomes, while (4) assuring Cal-Am of reasonable revenue stability.⁵ These goals have been the subject of recent legislative directives to this Commission.⁶

For example, Public Utilities (PU) Code § 701.10 (for new announcements) the policy of the State of California that water rates and charges set by us shall, among other things, (c) provide appropriate incentives to water utilities and customers for water conservation of water resources;⁷ Further, § 727.5(d) says that we "shall consider, and may authorize programs, including rate designs, for achieving conservation of water and recovering the costs of these programs, through the rates." Finally, under (b) and (c) of § 739.8, we are similarly directed to consider and possibly implement, "programs to provide rate relief for low-income water ratepayers, and to assist low-income ratepayers in order to provide appropriate incentives and capabilities to achieve water conservation and reduce water use for the welfare of all consumers."

⁴ Regarding revenue stability, our authorization of WRAM allows the experiment to go forward without significant impact on the ratemaking risk-reward ratio for Cal-Am.

⁵ The directives we discuss in the text were all added by statute in 1992, Ch. 549 (AB 2815, Moore), effective January 1, 1993. This legislation creates WRAM.

⁶ All statutory citations are to the PU Code, not regulations or

conservation goals." We regard the experiment devised by the two settling parties as a reasonable and constructive response to these legislative directives. It will however still evince an environmental impact. However, the Settlement as originally proposed raised a concern set forth in a Joint Ruling issued on July 31, 1996, by the assigned Commissioner and ALJ. The concern related to the impact of PAR on low-income ratepayers with large households living in separately-metered units.⁷ Such ratepayers potentially could incur large rate increases under PAR, contrary to the intent of the program, and despite conservative consumption practices. The potential for this impact existed because PAR, as originally proposed in the Settlement, had a quantity rate set at 175% of the "standard block level" (the rate charged to all customers other than residential) for the first eight units of consumption per month, and a quantity rate at 200% of the standard block level for all consumption greater than eight units per month.⁷ This was done both in the Joint Ruling suggested that large households might not be able to avoid consumption in excess of the first (eight-unit) block and could face a steep rate increase as a result.⁷ The Joint Ruling asked the settling parties to address this potential problem and to suggest ways to deal with it.

In response, the settling parties proposed a simple modification. The original Settlement would have imposed a higher quantity charge on PAR households than on other residential households for consumption between eight and 16 units per month.⁷ Under the modification, PAR customers would not be charged a rate quantity rate any higher than other residential customers.⁷ On September 9, Cal-Am on behalf of the settling parties submitted

⁷ A unit of consumption is equal to 100 cubic feet (or 748 gallons) of water, which is approximately a cubic foot of water.

revised pages to the Settlement in conformity with this modification, our evidence shows no other relief is being provided.

We approve the Settlement with this modification. The rate relief is now assured, as intended, while PAR households will have the same economic incentive to conserve water as do other residential households. This is a reasonable change.

3.4. Cancellation of Street Sprinkling Tariff ~~amounts to no less than \$100,000.~~ The Settlement, through apparent inadvertence, omits a mention of Cal-Am's request to cancel its current tariff under which communities may use water at a discounted price for washing down streets. No party opposed this request; however, and it should be approved.

Cal-Am represents that it has not supplied service under this tariff for a long time, which is no surprise considering the water shortages to which the Monterey District is subject. We now agree that the tariff runs counter to conservation efforts in cities that use water for such purposes. It should not get a discounted price, but instead should be billed under the General Metered Service tariff (Schedule M0-1). Accordingly, Cal-Am's street sprinkling service tariff (Schedule M0-7) should be cancelled as outlined below.

3.5 Conclusion

For the foregoing reasons, we approve the Settlement attached as Appendix B to the following Order. To allow the implementation of rates effective January 1997 in accordance with the revenue projections, the order should be effective on the date of issuance. The order also closes this GRG proceeding.

4. Modifications to Proposed Decision Pursuant to statute and Commission rule, the Proposed Decision of the assigned ALJ was circulated to the parties for comment. We have received no comments, and we will adopt the Proposed Decision as our own, with only minor, nonsubstantive changes. Specifically, we are correcting two typos in finding of fact 15, supplying a table that was inadvertently omitted from

page 9 of the opinion, and correcting Appendix B (containing the full text of the Settlement) so that the pages are no longer marked as a draft, will edit this document to make it appropriate to be made available to the public.

1. Inflation and other factors over the past three years have effectively reduced Cal-Am's overall earnings in the Monterey District, so that Cal-Am in this GRC application does not request authorization to develop any major supply addition of no more than

3. The concerns expressed at the public participation hearing are also, by and large, the concerns raised by the active litigants in this proceeding.

4. The unanimous recommendation of parties to a proceeding is often (though not always), a reliable guidepost to reasonable outcomes.

5. All five active parties sponsor the Settlement.

6. The Settlement sponsors include parties that can speak to shareholder, ratepayer, and a range of governmental interests.

7. There is a reasonable factual predicate underlying the Settlement, and the assumptions and projections adopted for ratemaking purposes have a sound basis.

8. Many terms of the Settlement were achieved through the give-and-take of vigorous, arm's-length negotiations on the whole range of issues raised in the parties' respective testimony.

9. Under the proposed rate design experiment most of Cal-Am's residential customers would pay only half the monthly fixed service charge that would have been charged under Cal-Am's historic rate design. PAR customers would pay no service charge at all, but would pay only for the water they consume. The experimental rate design would increase the variability of Cal-Am's revenues, but an isoquant

10. A new balancing account would track the variation in projected revenue incurred under the experiment. A balance would accrue interest at the 90-day commercial paper rate, and Cal-Am

would file an advice letter for amortization of such balance at any time that it exceeds 5% of gross annual revenues and is anticipated to exceed 5% of gross annual revenues within the following six months for the Monterey District.

11. The proposed rate design experiments potentially harmonizes the goals of (1) encouraging water conservation through improved price signals, (2) giving customers increased control over the level of their water bills, and (3) providing rate relief to customers on low fixed incomes, while (4) assuring Cal-Am of reasonable revenue stability as described above off

12. Our authorization of the new balancing account allows the experiment to go forward without significant impact on the traditional ratemaking risk-reward ratios for Cal-Am or customers off

13. Under a modification to the original Settlement, PAR residential customers would not be charged a quantity rate any higher than other residential customers and the Settlement with this modification is reasonable. PAR households will have the same economic incentive to conserve water as do other residential households.

14. Cal-Am has not supplied service under its street sprinkling tariff for a long time. The street sprinkling tariff runs counter to conservation efforts and is over assessing public water

15. A rate of return of 9.03% on applicant's rate base for the next three years is reasonable, and will require an increase of \$1,320,800, or 6.73% in 1997; a further increase of \$525,700, or 2.52% in 1998; and a further increase of \$466,300, or 2.17% in 1999. The related return on common equity is 10.50% applicable for each of the three years. This begins to add up to a projected 16.6% in 1999. The increases in rates and charges authorized herein are justified and reasonable, and the present rates and charges (in so far as they differ from those prescribed herein) are for the future, unjust and unreasonable now pending when A.

bisected revenue into two equal segments. A proposal was made by Cal-Am that other information be provided in the 30-day comment period before the hearing date, and Cal-Am

Conclusions of Law ~~for the purpose of determining if the Settlement contravenes any statute or applicable Commission precedent.~~ The Settlement contravenes no statute or applicable Commission precedent. It is not unlawful to recover rates at volume discounts. The PAR provisions of the Settlement help carry out important statutory policy directives.

3. The Settlement, as a whole, is reasonable in light of the whole record, consistent with law, and in the public interest.

4. The rate design experiment is a reasonable and constructive response to recent legislative directives to the Commission.

5. Cities that use water for street sprinkling should not get a discounted price for such consumption; but instead should be billed under the General Metered Service Tariff (Schedule M-1). Cal-Am's Street Sprinkling Service Tariff (Schedule M-7) should be cancelled.

6. In order to allow the implementation of rates effective January 1997 in accordance with the revenue projections, the order should be effective on the date of issuance provided otherwise by law. To this end, the All-Parties Settlement attached to the order that follows as Appendix B meets the requirements of Article 13.5 (Stipulations and Settlements) of the Commission's Rules of Practice and Procedure.

7. On the motion of Cal-Am, DRA, G.A.R.P., MPWMD and PBCSD that the Commission adopt the Settlement should be granted.

8. The gain realized from the sale of the three properties should be retained by Cal-Am for reinvestment in new facilities for the Monterey District in conformance with the provisions of PU Code § 799. It is not recommended that the money be used to pay off Indebtedness to the City of Monterey. However, if the City of Monterey authorizes the payment of the debt, Cal-Am should be allowed to consolidate its Hidden Hills Subdivision into the Monterey District for ratemaking purposes only, not for delivery of water.

9. Cal-Am should be authorized to deviate from the Commission's standard rate design policy to adopt a temporary

three-year experimental rate design to reduce consumption, to establish a Water Revenue Adjustment Mechanism to track variations in revenue resulting from the experimental rate design; and to provide the Commission no later than December 31, 1999 with a study regarding the effectiveness of the alternative rate designs.

1. To grant an order as set forth in General Order 96-A.

The order is as follows:

IT IS ORDERED that copies of the order are furnished to the following:

1. The Motion by California-American Water Company (Cal-Am), the Division of Ratepayer Advocates, Cal-Am Ratepayers, the Monterey Peninsula Water Management District, and Pebble Beach Community Services District, that the Commission adopt the All-Parties Settlement attached to this Order as Appendix B is granted.

2. After the effective date of this Order, applicant Cal-Am is authorized to file for its Monterey Division the revised rates and charges schedules included in the Rate Structure section of the All-Parties Settlement attached to this Order as Appendix B. Such filing shall comply with General Order 96-A. The effective date of the revised schedules shall be four days after the date of filing. The revised schedule shall apply to service rendered on and after the effective date hereof.

3. On or after November 1, 1997, Cal-Am is authorized to file an advice letter, with appropriate workpapers, requesting the 2.52% step increase included in Appendix B, or to file a proportionate lesser increase, to apply to those rates in the event that Cal-Am's rate of return on rate base, adjusted to reflect rates then in effect and normal ratemaking adjustments for the 12 months ending September 30, 1997, exceeds 9.03%. This filing shall comply with General Order 96-A. The requested step rates shall be reviewed by the Commission's Water Division to determine their conformity with this order or other California Public Utilities Commission (Commission) orders and shall go into effect upon the

Water Division's determination of conformity. The Water Division shall inform the Commission if it finds that the proposed step rates are not in accord with this decision or other Commission decisions. The effective date of the revised rate schedules shall be no earlier than January 1, 1998 or 30 days after filing, whichever is later. The revised schedules shall apply only to service rendered on and after their effective date.

4. On or after November 1, 1998, Cal-Am is authorized to file an advice letter, with appropriate workpapers, requesting the 2.17% step increase included in Appendix B, or to file a proposal proportionate lesser increase to apply to those rates in the event that Cal-Am's rate of return on rate base is adjusted to reflect rates then in effect and normal ratemaking adjustments for the 12 months ending September 30, 1998, exceeds 9.03%. This filing shall comply with General Order 96-A. The requested step rates shall be reviewed by the Commission's Water Division to determine their conformity with this order or other California Public Utilities Commission (Commission) orders and shall go into effect upon the Water Division's determination of conformity. The Water Division shall inform the Commission if it finds that the proposed step rates are not in accord with this decision or other Commission decisions. The effective date of the revised rate schedules shall be no earlier than January 1, 1999, or 30 days after filing, whichever is later. The revised schedules shall apply only to service rendered on and after their effective date.

5. A return on common equity of 10.50%, and a constant debt/equity ratio of 57% debt and 43% equity, with a constant debt cost of 7.9%, are adopted for test years 1997, 1998 and attrition year 1999. Also adopted is a constant rate of return on rate base of 9.03% for all three years.

6. Cal-Am is authorized to retain the net gain from proceeds of the three properties for investment in new facilities for its

Monterey District, in conformance with the provisions of Public Code § 799, the Board and Staff shall, if it determines the need, issue an order. If such an order is issued, Cal-Am is authorized to consolidate its Hidden Hills Subdivision into its Monterey District for ratemaking purposes only but not for delivery of water service, if deemed necessary, on or about January 1, 1997.

§ 8. Cal-Am is authorized to deviate from the Commission's standard rate design policy and to adopt the temporary three-year experimental rate design set forth in Appendix B of the temporary rate program to terminate December 31, 1999 unless otherwise authorized by the Commission, and to establish a Water Revenue Adjustment Mechanism to track the variations in revenue resulting from the experimental rates, if ever no longer so used. If Cal-Am uses this option, Cal-Am is authorized to establish a new balancing account to record the variations in revenue incurred under the Water Revenue Adjustment Mechanism, with any balance to accrue interest at the 90-day commercial paper rate. Cal-Am is further authorized to file an advice letter to amortize any such balance at any time the balance exceeds 5% of gross annual revenues and is anticipated to exceed 5% of gross annual revenues within the following six months for the Monterey District. If no reasonable cost is found, Cal-Am is directed to provide the Commission with a study regarding the effectiveness of the temporary experimental rate program in reducing consumption and associated losses set forth in

§ 9. Cal-Am is directed to provide the Commission with a study regarding the effectiveness of the temporary experimental rate program in reducing consumption and associated losses set forth in

§ 10. Cal-Am is directed to provide the Commission with a study regarding the effectiveness of the temporary experimental rate program in reducing consumption and associated losses set forth in

Appendix B; the study to be provided by its next Monterey District General Rate Case, or December 31, 1999 should Cal-Am not file a General Rate Case for the district in 1999.

11. Application 96-03-008 is closed.

This order is effective today.

Dated December 9, 1996, at San Francisco, California.

P. GREGORY CONLON
President
DANIEL Wm. FESSLER
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners

APPENDIX A

List of Appearances

Applicant: Steefel, Levitt & Weiss, by Lenard G. Weiss, Attorney at Law, for California-American Water Company.

Intervenors: Darby Fuerst, for Monterey Peninsula Water Management District and David C. Laredo, Attorney at Law, Monterey Peninsula Water Management District.

Interested Party: Jane Haines, Attorney at Law, for Frances M. Farina, Patricia Bernardi, and C.A.R.P. (Citizens' Association).

Division of Ratepayer Advocates: James T. Quinn, Attorney at Law and Sazedur Rahman.

(END OF APPENDIX A)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of
CALIFORNIA-AMERICAN WATER COMPANY (U 210 W) for an order
 authorizing it to increase its rates for water service in its MONTEREY DIVISION.

Application 96-03-008
 N.O.I. No. 96-02-046
 (Filed January 25, 1996)

No Party to this Settlement is precluded from filing a Petition for rehearing or appeal of the Commission's final disposition of such issues.

Commission and parties to this Settlement for approval of the Settlement.

The parties ("Parties") to this proceeding now pending before the California Public Utilities Commission ("Commission") are California-American Water Company ("Applicant" or "Cal-Am"), the Division of Ratepayer Advocates ("DRA"), the Monterey Peninsula Water Management District ("MPWMD"), Cal-Am Rate Payers ("C.A.R.P."), and the Pebble Beach Community Services District ("PBCSD"). The Parties desire to avoid the expense, inconvenience and uncertainty attendant to litigation of the matters in dispute among them and have, therefore, agreed upon the resolution of the issues set forth in this Settlement.

Pursuant to Rules 51-51.10 of the Commission's Rules of Practice and Procedure, the Parties desire to submit to the Commission this Settlement for approval and adoption as the Commission's final disposition of such issues.

In addition, since this Settlement represents a compromise by them, the Parties have entered into this Settlement on the basis that its approval by the Commission not be construed as an admission or concession by any Party regarding any fact or matter or law in dispute in this proceeding. Furthermore, the Parties intend that the approval of this Settlement by the Commission not be construed as a precedent or statement of policy of any kind for or against any Parties in any current or future proceeding.

The Parties agree that no signatory to this Settlement nor any member of the staff of the Commission assumes any personal liability as a result of this Settlement or any of its contents. The Parties agree that no legal action may be brought by any party in any state

any state or federal court, or any other forum, against any individual signatory representing the interests of DRA, attorneys representing DRA, or the DRA itself related to this Settlement. All rights and remedies of the Parties are limited to those available before the Commission.

No Party to this Settlement will provide, either privately or publicly, before this Commission any rationale or strategies for support of any compromises reached herein beyond any explicitly stated herein unless otherwise agreed to by all the Parties.

All issues between the Parties have been resolved. The Parties have agreed that no issues remain to be resolved through litigation. Attached as Exhibit A is a listing of each item of the items jointly settled among the Parties, together with appropriate tables which show the above DRA's and Cal-Am's agreed-upon estimates.

Respectfully submitted, as of the date of this Settlement, the following individuals:

DIVISION OF RATEPAYER ADVOCATES

By _____
Title: Project Manager
Date: July 1, 1996

By _____
Title: Vice President
Date: July 1, 1996

MONTEREY PENINSULA WATER CAL-AM RATEPAYERS (C.A.R.P.) MANAGEMENT DISTRICT

By _____
Title: Manager
Date: July 1, 1996

By _____
Title:
Date: July 1, 1996

PEBBLE BEACH COMMUNITY SERVICES DISTRICT

The parties agree first to arbitrate to this Settlement under the following:

Title: Manager

Date: July 1, 1996

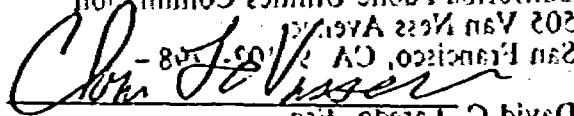
CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing **SETTLEMENT** upon all known parties of record in this proceeding by placing a true copy thereof in an envelope and having each such envelope delivered to the following persons:
202 Van Ness Avenue
San Francisco, CA 94103-3268

Satisfied Recipient

(SEE ATTACHED SERVICE LIST)

Executed at Chula Vista, California on July 18, 1996.


John F. Vassar
202 Van Ness Avenue
San Francisco, CA 94103-3268

(9366.PLE)(A)

SERVICE LIST

I hereby certify that I have this day served the foregoing process upon the following entity in this proceeding:

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

Sazedur Rahman
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

James Quinn, Esq., California Office of the
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

David C. Laredo, Esq.
DeLay & Laredo
606 Forest Avenue
Pacific Grove, California 93950

Jane Haines, Esq.
Law Offices of Jane Haines
614 Lighthouse Avenue, Suite G
Pacific Grove, CA 93950

Richard Andrews
General Manager
Pebble Beach Community Services District
Forest Lake and Lopez Roads
Pebble Beach, CA 93953

Settlement

I. Cost of Capital

DRA and Company agree to debt/equity ratios, cost of debt and the cost of equity. The parties agree to a constant debt/equity ratio of 57% debt and 43% equity and a constant debt cost of 7.91%. The parties agreed to a return on common equity of 10.50% for each of the test years and the attrition year.

	Cal-Am Original Position - Return on Common Equity	DR&I Original Position - Return on Common Equity	Joint Settlement Position - Return on Common Equity
	11.75%	10.30%	10.30%
1990,000	\$1,112,120	\$1,032,800	\$1,032,800

Attached hereto is Table JS-1 setting forth the positions of both parties.

	Joint Settlement (JS)	DR&I	Cal-Am
8.289,12	\$1,032,800	\$2,503,200	\$1,112,120
1,120,32	1,100,5	2,514,800	1,032,800

II. General Outcome

The parties will receive the following cash flows over the life of the settlement:

	DR&I	Cal-Am	Joint Settlement
Outset	\$1,032,800	\$1,112,120	\$1,112,120
and thereafter	\$1,032,800	\$1,112,120	\$1,112,120

B. Employment Practices

DR&I and Cal-Am will make available to new employees the benefits of DR&I's employee benefit plan for sufficient employees to meet the minimum required to be eligible for participation.

	Joint Settlement (\$1,000)	Original Position (\$1,000)	DR&I	Cal-Am
8.289,12	\$1,032,800	\$2,546,0	\$181,2	1,121
1,120,32	1,100,5	2,520,4	2,520,4	1,032,800

C. Credit Impairments

DR&I and Cal-Am agrees to minimize the level of employee credit impairment by loaning insurance companies excess to its current level of employee credit impairment.

	Joint Settlement (\$1,000)	Original Position (\$1,000)	DR&I	Cal-Am
8.289,12	\$1,032,800	\$151,4	\$151,4	1,121
1,120,32	1,100,5	2,520,4	2,520,4	1,032,800

D. Employment Welfare

DR&I and Cal-Am agrees to provide certain employee benefits prior to be established based on employee levels and current inflation rates.

	Joint Settlement (\$1,000)	Original Position (\$1,000)	DR&I	Cal-Am
8.289,12	\$1,032,800	\$263,3	\$114,2	1,121
1,120,32	1,100,5	2,520,4	2,520,4	1,032,800

Settlement

II. General Office

1. Office L Expenses

DRA and Company had similar estimates for most of Office L expenses. The Company stipulated to all expense estimates made by DRA for Office L, except for the following where stipulation was reached:

a. Salaries

The Company accepts DRA's position in regard to the management incentive program. The Company and DRA agree to increase DRA's estimate by \$50,000 for known compensation changes as of July 1, 1996.

	<u>Original Positions (\$1,000)</u>		<u>Joint Settlement (\$1,000)</u>
	<u>Cal-Am</u>	<u>DRA</u>	
1997	\$2,075.9	\$1,945.8	\$1,995.8
1998	\$2,148.9	2,004.1	\$2,054.1

b. Employees Expenses

DRA and the Company agree that requested expenses for new employees are prudent and necessary. DRA's estimates did not allow for sufficient employee expenses to offset the expense amounts to be capitalized.

	<u>Original Positions (\$1,000)</u>		<u>Joint Settlement (\$1,000)</u>
	<u>Cal-Am</u>	<u>DRA</u>	
1997	\$246.0	\$181.3	\$217.0
1998	\$250.4	\$186.0	\$222.0

c. Group Insurance

DRA and the Company agree to annualize the level of employees in calculating group insurance expense.

	<u>Original Positions (\$1,000)</u>		<u>Joint Settlement (\$1,000)</u>
	<u>Cal-Am</u>	<u>DRA</u>	
1997	\$197.8	\$171.4	\$183.0
1998	\$201.4	\$174.6	\$186.0

d. Employees Welfare

DRA and the Company agree that certain expenses herein need to be estimated based on employee levels and current information.

	<u>Original Positions (\$1,000)</u>		<u>Joint Settlement (\$1,000)</u>
	<u>Cal-Am</u>	<u>DRA</u>	
1997	\$114.5	\$63.3	\$88.9
1998	\$120.9	\$64.9	\$90.5

Joint Settlement

~~Attached hereto is Table JS-2.1 setting forth the positions of both parties relating to FICA Taxes.~~
 DRA accepts the Company's methodology in calculating FICA Taxes according to the agreed upon level of employees for the test years.

~~Original Positions (\$1,000) Joint Settlement (\$1,000)~~

	Cal-Am	DRA
1997	\$128.7	\$87.7
1998	\$133.4	\$90.4

~~8.14% 8.14%~~

Attached hereto is Table JS-2.2 setting forth the positions of both parties relating to Office L expenses.

~~To attach hereto is Table JS-2.3 setting forth the positions of both parties relating to Office C Expenses.~~

2. Office C Expenses

The Company agrees to all of DRA's expense estimates except Insurance Other than Group, where DRA agrees to the Company's expense based on a showing by Cal-Am of the appropriateness of the estimate according to current costs incurred by the Company.

~~Original Positions (\$1,000) Joint Settlement (\$1,000)~~

	Cal-Am	DRA
1997	\$816.9	\$803.6
1998	\$826.7	\$818.9

Attached hereto is Table JS-2.3 setting forth the positions of both parties.

~~Original Positions (\$1,000) Joint Settlement (\$1,000)~~

3. Office R Expenses

The Company agrees to all of DRA's expense estimates except for salaries in the Los Angeles Lab, and lab expenses in the Monterey Lab. DRA and the Company agreed to salaries in the Los Angeles Lab based on current salary levels. DRA and the Company agreed to lab expenses in the Monterey Lab based on a showing by the Company of current trends.

a. Salaries - Los Angeles Lab

	Original Positions (\$1,000)	Joint Settlement (\$1,000)
	Cal-Am	DRA
1997	\$49.1	\$44.6
1998	\$50.9	\$45.9

b. Lab Expenses - Monterey Lab

	Original Positions (\$1,000)	Joint Settlement (\$1,000)
	Cal-Am	DRA
1997	\$111.1	\$102.1
1998	\$113.1	\$104.0

Joint Settlement

Attached hereto is Table JS-2.4 and Table JS-2.5 setting forth the positions of both parties on these expenses in general office's composite non-labor expenses for 1997 and 1998.

4. General Office Rate Base

(0) The Company agrees to all of DRA's estimates for General Office rate base.

	DRA	Cal-Am	Joint Settlement (\$1,000)
Original Positions (\$1,000)	5,582	5,022	5,582
1997	\$241.8	\$229.2	\$229.2
1998	\$224.6	\$203.6	\$203.6

Attached hereto is Table JS-2.7 through Table JS-2.9 setting forth the positions of both parties.

Tables JS-2.1 through JS-2.9 contain DRA and Company original estimates and the stipulated amounts for General Office expenses for 1997 and 1998.

6. The Company and DRA agree to apply this stipulation to the general office plant and expenses for the Company's general rate increase application scheduled to be filed in 1997 and 1998. Accordingly, the Company and DRA agree to estimate the test year 1999 and 2000 general office expenses by escalating the expenses shown in the attached table JS-2.2A through JS-2.5A by the appropriate labor, non-labor and composite non-labor escalation rates. The appropriate escalation rates, which DRA develops from the Data Resources, Inc. publication will be determined in future general rate proceedings for other Cal-Am Districts. The Company and DRA agree that the general office rate base amount for 1999 and 2000 will be the same as 1998.

Attached hereto is Table JS-2.10 setting forth the stipulated amounts for General Office expenses for 1997 and 1998.

(000.12) Non-labor Joint Settlement

5,582
5,022

(000.12) Original Position

DRA
5,582
5,022

(000.12) Non-labor Joint Settlement

5,582
5,022

(000.12) Original Position

DRA
5,582
5,022

Settlement

III. Average Consumption per Customer

Assuming the continuation of Cal-Am's Interim rights, DRA agreed to the average consumption per customer estimated by the Company in its application except for the following where stipulation was reached:

1. Residential Customers

DRA recommended average daily consumption per residential customer of 99.6 Ccf per year, while the Company had projected 95.2 Ccf. DRA agrees to the Company's estimated annual consumption of 95.2 Ccf. This agreement is based on a showing by the Company that various conservation measures have been undertaken to permanently reduce consumption. These measures include mandatory low flow plumbing devices on new construction, resales, and remodels. Retrofits kits were also mandated to be installed on all remaining homes. In addition landscaping controls and long-term aggressive conservation efforts have been implemented.

Original Positions (CCF) Joint Settlement (CCF)

	Cal-Am	DRA	Cal-Am	DRA
1997	95.2	99.6	95.2	95.2
1998	95.2	99.8	95.2	95.2

2. Multi-Residential Customers

DRA recommended average daily consumption per multi-residential customer of 500.1 Ccf, while the Company projected 486 Ccf. The Company agrees to DRA's estimated annual consumption of 500.1 Ccf based on the use of current sales forecasting models.

Original Positions (CCF) Joint Settlement (CCF)

	Cal-Am	DRA	Cal-Am	DRA
1997	486.0	500.1	500.1	500.1
1998	486.0	500.1	500.1	500.1

3. Commercial Customers

DRA's estimated average consumption per commercial customer is 439.3 Ccf, while the Company's is 426.9 Ccf. DRA and the Company agree to a consumption level of 433.1 Ccf. The agreement was based on a compromise of the varying results using current sales forecasting models.

Original Positions (CCF) Joint Settlement (CCF)

	Cal-Am	DRA	Cal-Am	DRA
1997	426.9	439.3	433.1	433.1
1998	426.9	439.3	433.1	433.1

SettlementIII. Viscaino Reclamation Tank/Golf Courses

DRA and the Company agree to an average annual consumption of 70,000 Ccf for the Viscaino Reclamation Tank. The Reclamation Project has limited capacity to provide non-potable water to existing customers, therefore potable water needs to be used to supplement the reclamation supply. DRA and the Company also agree to an average annual consumption of 91,400 Ccf for golf course customers based on the limited reclamation supply.

The reclamation project water supply capability could be enhanced in the near future. If the supply is indeed supplemented and the supplemental supply is used to supply current customers of the Company, it is agreed by the parties that the Company be allowed to file an advice letter requesting recovery of the lost sales through a surcharge on all consumption, as is currently authorized on all sales lost due to the existing CAWD/PBCSD Wastewater Reclamation Project.

Joint Settlement (CCF)

	<u>Cal-Am</u>	<u>DRA</u>	<u>Cal-Am</u>	<u>DRA</u>	<u>Joint Settlement (CCF)</u>
Original Positions (CCF)	8.92	8.92			

	<u>Cal-Am</u>	<u>DRA</u>	<u>Cal-Am</u>	<u>DRA</u>	<u>Joint Settlement (CCF)</u>
1997	0.0	0.0			70,000.0
1998	0.0	0.0			70,000.0

	<u>Cal-Am</u>	<u>DRA</u>	<u>Cal-Am</u>	<u>DRA</u>	<u>Joint Settlement (CCF)</u>
Original Positions (CCF)					
1997	5,822.9	5,822.9	9,144.3	9,144.3	
(1998)	5,822.9	5,822.9	9,144.3	9,144.3	

5. Pebble Beach Contract

Cal-Am has a signed agreement with the Pebble Beach Company (PBC) which establishes that a declining annual payment be provided to Cal-Am by the PBC. This payment is to reimburse Cal-Am for loss of golf course water sales due to the development of a reclamation project. The contract was approved by the PUC on June 21, 1991 in Cal-Am's Advice Letter No. 372. Currently the contract establishes an annual payment of \$160,000 to be paid by PBC to Cal-Am with reductions in the payment when new customers are added to the system.

Cal-Am in its rate case application did not include sales to those golf courses now receiving reclamation project water. Cal-Am proposed a rate increase that did not include either sales to the affected golf courses or the receipt of the contract payment from PBC.

1.154	1.154	0.854	0.854	800
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SettlementV. Settlement and Warranties

If the Company accepts DRA's settlement and warranties as follows:

Cal-Am's proposed rate increase and the increase agreed to in this Stipulation Agreement do not include revenues from the PBC due to differences in legal interpretations of certain clauses in the contract and whether or not PBC is actually required to make the annual payment. PBC claims that the reimbursement is not required because the water means for the new customers who would offset those payments may or may not be available or may be available for other uses.

(A.001,12) Cal-Am has diligently pursued payment from PBC, but to this point has been unsuccessful. Cal-Am will continue to pursue payment, and if any payment is received will credit that payment in full, to the WRAM account.

(000,12) Settlement (Joint Settlement)

Attached hereto are Table B-1 and Table B-2 setting forth the positions of both parties.

	DRA	Cal-Am
1.838	1.838	1.838
2.001,12	0.073,12	833,12

6. Covenants

DRA and the Company agree to settle disputes by arbitration according to the rules of the American Arbitration Association.

(000,12) Settlement (Joint Settlement)

Original Positions (\$1,000)

	DRA	Cal-Am
1.838	1.838	1.838
2.001,12	0.073,12	833,12

(000,12) Settlement (Joint Settlement)

Original Positions (\$1,000)

	DRA	Cal-Am
1.838	1.838	1.838
2.001,12	0.073,12	833,12

(000,12) Settlement (Joint Settlement)

Original Positions (\$1,000)

	DRA	Cal-Am
1.838	1.838	1.838
2.001,12	0.073,12	833,12

Settlement**IV. Operation and Maintenance Expenses**

The Company accepts DRA's estimates for operation and maintenance expense, except for the following where stipulation was reached:

Purchased Power
Purchased power estimates are adjusted to reflect the agreed upon consumption estimates, as well as the following production parameters on source of supply: 1) 20% from Carmel River Surface Water which calculates as 2,869 AF and 2,872 AF for 1997 and 1998, respectively; 2) 4,000 AF from Seaside Basin for 1997 and 1998; and the balance from 3) Carmel Valley Wells which calculates as 7,475 AF and 7,490 AF for 1997 and 1998, respectively.

	<u>Original Positions (\$1,000)</u>		<u>Joint Settlement (\$1,000)</u>
	<u>Cal-Am</u>	<u>DRA</u>	
1997	\$1,333.3	\$1,368.4	\$1,398.3
1998	\$1,334.8	\$1,370.0	\$1,400.5

2. Chemicals

DRA and the Company agree that chemical costs should be adjusted upward to reflect the agreed upon levels of production.

	<u>Original Positions (\$1,000)</u>		<u>Joint Settlement (\$1,000)</u>
	<u>Cal-Am</u>	<u>DRA</u>	
1997	\$241.7	\$241.7	\$244.9
1998	\$242.0	\$242.0	\$245.2

3. Source of Supply - Collection & Pumping - Structures

The Company accepted DRA's lower expense estimates because they were a better representation of current expense trends.

	<u>Original Positions (\$1,000)</u>		<u>Joint Settlement (\$1,000)</u>
	<u>Cal-Am</u>	<u>DRA</u>	
1997	\$41.3	\$25.9	\$25.9
1998	\$42.0	\$26.4	\$26.4

4. Water Treatment - Other

The Company agrees to DRA's lower expense estimates of \$33,700 for maintenance of water treatment - other, plus an additional \$3,000 per year for contract maintenance on chlorination equipment.

	<u>Original Positions (\$1,000)</u>		<u>Joint Settlement (\$1,000)</u>
	<u>Cal-Am</u>	<u>DRA</u>	
1997	\$43.9	\$33.7	\$36.7
1998	\$44.7	\$34.3	\$37.3

Settlement

Attached hereto are Table F-1 and Table F-2 setting forth the positions of both parties DRV agrees to all of the Company's submissions and demands, except for the following items which was disagreed:

1. Office Supplies and Expenses

The Company agrees with DRV that its office supplies and expenses as outlined below shall be submitted to DRV for its approval.

(000.12) Joint Settlement (\$000)	Original Position (\$000)	DRV	Carryout
2185.2	2185.2	2185.2	2185.2
2186.0	2186.0	2186.0	2186.0

2. Refundatory Contribution Expenses

The Company agrees to DRV's joint case expense estimate based on the party's liability to incur a stipulated amount in this proceeding.

(000.12) Joint Settlement (\$1,000)	Original Position (\$1,000)	DRV	Carryout
1,332	1,332	8,022	1,332
1,331	1,331	8,022	1,331

Witnessed before me this 10th day of September, 1970, that the foregoing is a true copy of the original instrument.

Joint SettlementJoint Settlement

DRA agrees to all of the Company's administrative and general expense estimates, except for the following where stipulation was reached:

1. Office Supplies and Expenses

The Company agrees with DRA that the office supplies and expenses estimate should be adjusted downward to disallow employee memberships to organizations.

	<u>Original Positions (\$1,000)</u>	<u>Joint Settlement (\$1,000)</u>
	<u>Cal-Am</u>	<u>DRA</u>
1997	\$192.7	\$192.5
1998	\$196.2	\$196.0

2. Regulatory Commission Expense

The Company agrees to DRA's lower rate case expense estimate based on the party's ability to reach a stipulated agreement in this proceeding.

	<u>Original Positions (\$1,000)</u>	<u>Joint Settlement (\$1,000)</u>
	<u>Cal-Am</u>	<u>DRA</u>
1997	\$50.8	\$37.1
1998	\$50.8	\$37.1

Attached hereto are Table G-1 and Table G-2 setting forth the positions of both parties.

Joint Settlement

VI. Taxes Other than Income In Service Distributions
Ad Valorem Taxes DRVA and the Company agree to all of the following:
 The Company and DRVA agree that ad valorem taxes should be adjusted to reflect the stipulated level of utility plant additions.

	Original Positions (\$1,000)	Joint Settlement (\$1,000)
Gal-Am Settlement DRVA	210,000	210,000
1997	\$581,200	\$568,12
1998	\$593.1	\$575.3

(000,12) Joint Settlement DRVA Gal-Am Settlement DRVA

2. Miscellaneous Other Taxes DRVA Gal-Am

The Company and DRVA agree that the Company should be allowed to collect \$75,000 in miscellaneous taxes for the next three years. This miscellaneous tax is only allowed for this rate case's life cycle.

Attached hereto is Table H setting forth the positions of both parties. The Company and DRVA agree to a level of submissions for contributions and other obligations equivalent based on DRVA's projections plus \$50,000 for 1998 and 1999, plus \$15,000 for 1998. This level of submission is based on a projection by the Company of specific equipment needs to produce efficiency.

(000,12) Joint Settlement DRVA	Original Position (\$1,000)
1996	233.0
1997	235.2
1998	235.2
1999	235.2

Item 3: Transportation Equipment
 The Company and DRVA agree that DRVA's estimate for transportation equipment of \$38,800-\$40,000 and \$75,000 for Years 1998 and 1999 is necessary to transport equipment that is necessary for this level of submission. Both parties agree to maintain transportation equipment to maintain existing efficiency. Both parties agree to follow DRVA's current implementation guidelines.

(000,12) Joint Settlement DRVA	Original Position (\$1,000)
1996	218.2
1997	2514.0
1998	2510.0

1991 Settlement

VII. Utility Plant In Service, Depreciation, and Rate Basis

DRA and the Company agree to all of the utility plant, depreciation, and rate base adjustments, except for the following items, where stipulation was reached:

1. Item 1C - Meters

(a) The Company and DRA agree that DRA's estimates should be adjusted upward by \$10,000 annually based on current company projections. The agreed upon additions for the years 1996 through 1998 are \$115,000, \$120,000, and \$125,000.

	Original Positions (\$1,000)	Joint Settlement (\$1,000)
	Cal-Am	DRA
1996	\$205.0	\$105.0
1997	\$210.0	\$110.0
1998	\$215.0	\$115.0

2. Item 2 - Computers and Etc.

The Company and DRA agree to a level of additions for computers and other office equipment based on DRA's projections plus \$20,000 for 1996 and 1997, and \$12,000 for 1998. This level of additions is based on a showing by the Company of specific equipment needs to produce efficiencies.

	Original Positions (\$1,000)	Joint Settlement (\$1,000)
	Cal-Am	DRA
1996	\$39.0	\$11.7
1997	\$37.5	\$12.5
1998	\$37.5	\$12.5

3. Item 3 - Transportation Equipment

The Company and DRA agree that DRA's estimates for transportation equipment be adjusted by \$78,800, -\$40,000 and -\$37,000 for years 1996, 1997 and 1998, respectively. The Company explained that this level of addition is necessary to replace obsolete transportation equipment to maintain operating efficiency. Both the Company and DRA are following DRA's current replacement guidelines.

	Original Positions (\$1,000)	Joint Settlement (\$1,000)
	Cal-Am	DRA
1996	\$189.5	\$102.3
1997	\$214.0	\$214.0
1998	\$240.0	\$212.0

1996 Settlement

4. Item 4 - General Equipment

The Company and DRA agree to a level of addition to general equipment based on DRA's projection plus \$18,000 for the test year 1996. This level of addition allows the Company to invest in the necessary equipment to maintain operating efficiency in serving its customers.

Original Positions (\$1,000) Joint Settlement (\$1,000)

Cal-Am	DRA	Cal-Am	DRA
1996 \$0.0	\$0.0	1996 \$0.0	\$0.0
1997 \$40.0	\$34.5	1997 0.0	\$34.5012
1998 \$50.0	\$13.6	1998 \$31.6	

5. Item 5 - Miscellaneous Equipment

The Company and DRA agree to DRA's estimated level of additions to miscellaneous equipment plus \$16,500, \$25,000, and \$10,000 for years 1996, 1997 and 1998, respectively. At this stipulated level of capital expenditure, the Company anticipates maintaining operating efficiency in serving its customers.

Original Positions (\$1,000) Joint Settlement (\$1,000)

Cal-Am	DRA	Cal-Am	DRA
1996 \$60.0	\$43.5	1996 \$60.0	\$60.0
1997 \$68.0	\$30.5	1997 \$55.5	\$55.5
1998 \$60.0	\$39.5	1998 \$49.5	\$49.5

6. Chemical Spill Containment Project

The Company agrees to DRA's recommendation that \$100,000 be spent in 1996 for the removal of a chlorine gas treatment equipment and replacing it with an on-site chlorine generation system to comply with safety regulations. In addition, the Company also agrees to DRA's recommendation that the Company defer, until 1997, a \$100,000 capital expenditure for improvements in the chemical feed system at Luzern Well designed to prevent hazardous chemical spills, and to improve safety for employees.

7. Discretionary Reserve and Expenses

Original Positions (\$1,000) Joint Settlement (\$1,000)

Cal-Am	DRA	Cal-Am	DRA
1996 \$200.0	\$100.0	1996 \$100.0	\$100.0
1997 \$0.0	\$0.0	1997 \$0.0	\$0.0

8. Summary of Annual Discretionary Accrued Calculations Settlement into Welling

Summary of Annual Discretionary Accrued Calculations Settlement into Welling.

10. Settlement

7. Seaside Basin Yield Study

The Company agrees to DRA's recommendation that no amount be included in plant costs related to the Seaside Basin Yield Study. However, the parties agree that expenses related to this study will be accumulated in a water supply memorandum account per SWRCB Order WR 95-10 and recovered in the future via an advice letter filing. Cal-Am will separately file a request for authority to establish such a memorandum account.

(000.12) ~~1996-1998 initial~~ (000.12) ~~approximate final~~

	<u>Original Positions (\$1,000)</u>	<u>Joint Settlement (\$1,000)</u>
Cal-Am?	DRA	0.0?
1997	\$100.0??	\$0.0??
	8.1??	0.0??

8. Advice Letter Filings

DRA and CARP agree to the Company's request for an advice letter filing for the construction of the 3MG Carmel Valley Tank provided that the tank will be used only for purposes consistent with Cal-Am's testimony at the July 8, 1996 rate case hearing, i.e., the tank will be for surplus storage and fire flow requirements of Carmel Valley.

DRA and CARP agree to the Company's request for advice letter filings for the construction of the Pescadero Canyon Booster and the Chemical Feed Building at Begonia Iron Removal Plant. DRA does not endorse the construction of a new Los Padres Dam or of the Eardley Booster Station at the Pacific Grove Operation Center, nor the filing of separate advice letters for these two projects. DRA and the Company agree that a special filing will be necessary if the Company seeks to proceed with a new Los Padres Dam. DRA and the Company also acknowledge the need for the Eardley Booster Station, but because of the timing of the construction, the parties agree that it should be considered in the next general rate case application.

101 000.0012 just note by ammend 9 of 1996 AFUDC of 2000 is 0.0012

stition 9 of AFUDC 1996 is 0.0012

Per Monterey Rate Case Decision '93-10-038, the parties agree that the Company will continue to calculate and accumulate AFUDC based on the standard 90-day commercial paper rate on the San Clemente Dam Structural Improvement project.

not visible on page 101 of this filing is 0.0012

10. Depreciation Reserve and Expense

The Company agrees to conducting a depreciation study for its next general rate case application. In performing its study, the Company will take into consideration the results of the depreciation study that is currently being conducted by DRA to establish depreciation standards among the water utilities. The Company also agrees to revise its depreciation expense calculation based on the accrual rates from the annual "Summary of Annual Depreciation Accrual Calculations Straight Line Method" study, conducted by Cal-Am's accounting department, and the stipulated additions to

Settlement

utility plant. The composite depreciation rate will be 3.13%.

Original Positions (\$1,000)			Joint Settlement (\$1,000)
Cal-Am	DRA	Cal-Am 00.01 DRA	to 25.00 for monthly contributions from 22.00
1997	\$2,581.8	\$2,555.8	\$2,500.9
1998	\$2,703.4	\$2,661.3	\$2,606.9

Original Positions (\$1,000)		Joint Settlement (\$1,000)	Cal-Am Settlement (\$1,000)
Cal-Am	DRA	DRA	DRA
1997	\$58,082.7	\$56,907.5	\$57,165.3
1998	\$59,641.5	\$58,015.3	\$58,538.3

4. **Recovery of Capitalizable Facility Maintenance Costs in Attached Table M setting forth the amounts due to the City of Cal-Am utility to settle the dispute between the two companies in the amount of \$1,000,000.**

5. **Recovery of Account SWRCB Order #133138-10.**
The County is entitled to file an affidavit before the Board to recover the amount of long-term waste supplier issues. Cal-Am agrees to provide to the DRA and other parties by December 31, 1988 sufficient information about its costs for combination with SWRCB Order #10 to allow completion of the recovery of its share of liability project (e) to reduce 10,370 cubic feet of asbestos & lead dust per year.
Without penalty to benefit from the County River, the County will also do the same for the expenses of removing account to file a complaint to the SWRCB Order #10.

The County is also entitled to file an affidavit before the Board to recover the amount of removal account to track future utilization costs related to SWRCB Order #10.

The County is also entitled to file an affidavit before the Board to recover the amount of removal account to the standard 30-day commercial basis rates.

6. **Forest Taxe**
While DRA, Peoples Energy Company Community Services District (PECS) and the County support the use of forest taxe to ensure the continued availability of wood products, the resolution from the Board regarding Project storage, the benefits of which may be less than the loss of revenue from forest taxe, is hereby rescinded. Resolution from the Board regarding Project storage, the benefits of which may be less than the loss of revenue from forest taxe, is hereby rescinded.

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VIII. Other Issues

1. Customer Deposits

DRA agrees to the Company's proposal to increase its customer deposits from \$5.00 to \$25.00 for monthly customers and from \$10.00 to \$50.00 for bi-monthly customers.

DRA	\$22,52	\$10,52	\$40,52
Cal-Am	\$22,52	\$10,52	\$80,52

2. Gain on Sale

DRA agrees that the Company may retain the gain from the sale of three properties for the purpose of financing the construction of new facilities.

DRA	\$10,52
Cal-Am	\$10,52

3. Bad Check Fee

DRA and the Company agree that the bad check fee should be increased from \$5.00 to \$10.00.

DRA	\$80,52
Cal-Am	\$80,52

4. Recovery of Catastrophic Event Memorandum Account (CEMA)

DRA agrees that the Company may transfer the \$70,000 balance in the CEMA account into the expense balancing account for future collection from ratepayers.

5. Balancing Account SWRCB Order WR 95-10

The Company is required to file an advice letter by 12/31/96 to request approval for a memorandum account for expenditures to be incurred in 1997 for the formulation of solutions to long-term water supply issues. Cal-Am agrees to provide to the DRA and other parties by December 31, 1996 sufficient information about the costs for compliance with SWRCB Order WR 95-10 to allow completion of the required water supply project(s) to replace 10,730 acre-feet of water a year that has been taken without benefit of permit from the Carmel River. The Company will also do the same for the expenditures to be incurred in 1998 and 1999 by filing the appropriate advice letters by 12/31/97 and 12/31/98 respectively.

The Company is also permitted to file an advice letter requesting authorization for a memorandum account to track future mitigation costs related to SWRCB Order WR 95-10.

The Company is also allowed to accrue interest on the memorandum account based on the standard 90-day commercial paper rate.

6. Forest Lake

While DRA, Pebble Beach Community Service District (PBCSD) and the Company support the use of Forest Lake to augment the current CAWD/PBCSD Wastewater Reclamation Project storage, the parties agree that the possible transfer of Forest Lake Reservoir from Cal-Am to PBCSD is deemed not appropriate as part of this proceeding.

1991 Settlement**7. Alternative Rate Design and Water Revenue Adjustment Mechanism (WRAM)**

DRA agrees to deviate from its standard rate design policy to permit an experiment urged by Monterey Peninsula Water Management District (MPWMD) and CARP to reduce consumption. Based on that agreement, the Company may establish a WRAM account to track all variances in revenue due to the experimental rate design which includes a low income rate program, a lifeline residential rate block, a reduced residential monthly service charge, and a rate surcharge for high consumption. DRA and the Company also agree that the experimental rate design and the WRAM account agreed to are temporary and limited to the life of this general rate case for the Monterey Peninsula District. Interest on the WRAM account is allowed to accrue interest based on the standard 90-day commercial paper rate. The Company agrees to file a study with the next general rate application presenting data on the effectiveness, or lack thereof, of this rate design on reducing customer consumption. The Company agrees to file a study with the next general rate application on the number of living units within each multi-residential structure to determine if an alternate rate schedule can be implemented for multi-residential customers. The Company will also complete a study to determine if there is an alternative rate structure that can be implemented for commercial customers. The Company will provide a study to the Commission regarding the effectiveness of the alternative rate design by the next Monterey General Rate Case or December 31, 1999, should the Company not file a General Rate Case for Monterey in 1999. The WRAM and the experimental rate design program will terminate as of December 31, 1999. The Company will also inform the customers through bill inserts about the interim rate design aimed at assisting low income customers and low water users, and curtailing high consumption.

WRAM Account Explanations

As a result of an agreement by all parties to employ an alternative rate design to aid low-income and residential low-water users, and to charge a higher rate to high-use residential customers, it is necessary to temporarily employ the use of a Water Revenue Adjustment Mechanism ("WRAM") account. The account is being employed in an attempt to provide revenue stabilization at the same level as that provided by current PUC Class A water company rate design policy. At any time that the WRAM account balance exceeds 5% of the gross annual revenues and is anticipated to exceed 5% of gross annual revenues within the following six months for the Monterey Division, the Company must file an advice letter for the amortization of that amount. Below are the defining criteria of adjustments to be included in this account.

In addition to the above, the WRAM account will be used to offset bill credits to customers. If the difference in revenues is less than the bill credits to customers, the WRAM account will be credited to the bill credits to customers. If the difference is greater than the bill credits to customers, the WRAM account will be debited to the bill credits to customers.

Settlement

Residential Service Charge Variation (WRAM) The monthly fixed service charge for residential customers is designed under the current alternative rate design to produce one-half of the total amount that would be recovered under a normal rate design. This is accomplished by charging residential customers one-half of the fixed monthly service charge that will be charged to all other customers. The remaining one-half of the normal fixed monthly service charge that will not be recovered through the monthly residential service charge, will be recovered by an additional quantity charge on all consumption. The additional quantity charge is designed to recover the remaining one-half based on total estimated residential consumption as estimated in this stipulation. All variations in the revenue produced due to total consumption variation will be booked to the WRAM account. The variation amount will be calculated on a monthly basis by assuring equal monthly consumption at all levels, based on dividing total consumption by 12. The variation in monthly consumption at all levels times the applicable additional quantity charge will be entered into the WRAM account.

Please see Table N for more information on how to determine if there is a quantity charge for residential customers. If the quantity will provide a subsidy to the Residential Program for Alternative Rates (PAR). Due to the high cost of water per unit in the Monterey District and the abundance of fixed low-income individuals, a Program for Alternative Rates (PAR) has been proposed in this stipulation. This program provides low-income individuals, who qualify, to be billed for only the water they consume without having to pay a monthly fixed charge.

In this instance the WRAM account will have to track all revenue displaced by the elimination of the monthly service charge. The variation in monthly service charge will be calculated by multiplying the total number of participants in the program, by meter size, times the applicable fixed monthly service charge that is charged to all other residential customers. This calculation will be done on a monthly basis. Please see Table O as an example. As part of the alternative rate design, it has been agreed to by all parties to this stipulation that the first 8 units of water billed to residential customers, (including PAR customers) on a monthly basis, will be billed at a rate of 75% of the standard block rate (the standard block rate is that rate charged to all non-residential customers). The difference in revenue generated by use of this reduced rate and the standard block rates will be charged to the WRAM account. The calculation of this charge will be performed by multiplying the total consolidated monthly residential

In Settlement

units of water billed in the 0-8 units block times the difference in price between the 10-unit billing 75% rate and the standard block rate. (See attached Table P for example.)

In addition to the above Residential High Consumption Use Rate, an additional charge will be applied to residential customers who use over 16 units per month to persuade high water use residential customers to reduce their consumption. The alternative rate design, as proposed in this stipulation, provides that to all quantities of water billed to residential customers (including PAR customers) in excess of 16 units per month will be billed at a rate of 200% of the standard block rate. (The standard block rate is that rate at which all quantities of water are billed to non-residential customers.) The difference in revenue generated between the 200% rate and the standard block rate will be charged on a monthly basis to the WRAM account. This charge is calculated by multiplying all residential monthly consumption billed at the over-16-unit level by the difference between the 200% rate and the standard block rate. See attached Table Q for example.

Note: Since the above four WRAM conditions and calculations are based and described using the assumption of monthly billing. This has been done to correspond to the rates as included in General Metered Tariff, MO-1. In actuality, all residential customers in the Monterey District are billed on a bi-monthly basis. Due to the difference in bi-monthly billing, all contingent calculations performed for WRAM account entries will need to be performed by multiplying applicable parameters by 2. The parameter multiplication will be necessary for all quantities of water sold for quantity price variations, and for monthly service charge rates for customers placed in the PAR program.

E. Pebble Beach Contract Revenue

As explained in this stipulation, Cal-Am is attempting to receive payment from the Pebble Beach Company for revenues per contract between the two entities. If any annual payment of revenue is received during the instant rate case cycle, Cal-Am will credit that amount to the WRAM account.

8. Franchise Tax Recovery

The Company and DRA agree that Cal-Am is not allowed to recover retroactively local franchise taxes imposed after the last general rate case decision was rendered by the Commission.

9. Consolidation of Hidden Hills Subdivision

DRA and CARP agree to Cal-Am's request that the Hidden Hills subdivision be consolidated into the Monterey District for ratemaking purposes provided (1) the consolidation is for ratemaking purposes only and not for delivery of water, and (2) there is no importation to or exportation of water from Hidden Hills except under

10. Settlement

MPWMD imposed restrictions, DRA considers the rate impact to be insignificant and the consolidation will achieve uniformity of rate schedules and simplify the utility's accounting and billing functions. The Company has shown that the effects of this proposal has little impact on other operating units under the new proposed rate structure. The Hidden Hills subdivision is currently creating a 13.63% rate of return on approximately \$735,000 of rate base. Hidden Hills customers presently use approximately 79 ccf per customer per year more than the average Monterey residential customer. Hidden Hills customers will be paying \$73,000 in additional revenues due to the new rate structure. The addition of \$720,000 in capital in 1996 and 1997 will be offset by the increase in revenues due to the alternate rate structure and the Company would still be earning a higher rate of return in the Hidden Hills subdivision as compared to the Monterey Division. In other words, under the alternative rate design Hidden Hills customers will be providing a higher rate of return on its invested capital than the Monterey customers will be on their

10. Full-Cost Balancing Account for Purchased Power and Chemicals

Cal-Am agrees with DRA that a full-cost balancing account should not be established for purchased power and chemicals. DRA does not believe that a full-cost balancing account is justifiable at this time. However, Cal-Am is conducting studies to develop new sources of water and various other measures to meet its water supply needs. The results of these studies will be evaluated in the next Monterey general rate case.

B. Pipeline Based Costing Rates

As explained in this application, Cal-Am is attempting to reduce expenses from the People's Gas and Chemical Company for resources lost because of the two utilities. It also aims to reduce the cost of service to its customers by consolidating operations and reducing the number of employees. Cal-Am will credit itself a portion of the WRYW account.

Fairly Based Tax Treatment

The Company and DRA agree that Cal-Am is not allowed to deduct federal tax losses from its local franchise taxes imposed after the first general rate case decision was issued by the Commission.

C. Consolidation of Hidden Hills Subdivision

DRA and CARB agree to Cal-Am's request that the Hidden Hills subdivision be consolidated into the Monterey Division for transmission purposes provided (1) the consolidation is for transmission purposes only and not for delivery of water, and (2) the costs is on imposition of water from Hidden Hills except under

66%
63%
1.66%
1.93%
1.66%
1.94%
1.60%

RETAN PERMANA AUSO
BONACOTO ORO GOMBO
DODIO VENOMO OF ANGOLA
(2) 100.00%

	Cal-Am Recommended Ratio	Cal-Am Cost	Weighted Cost
YUJU SCREECH HORN SECRETE	57.36% 42.64% 100.00%	7.99% 11.75% 100.00%	4.58% 5.01% 0.59%
YUJU SCREECH HORN SECRETE	57.36% 42.64% 100.00%	8.03% 11.75% 100.00%	8.03% 11.75% 100.00%
A90	58.08% 41.92% 100.00%	8.04% 11.75% 100.00%	8.04% 11.75% 100.00%
AGC	57.99% 42.01% 100.00%	8.04% 11.75% 100.00%	8.04% 11.75% 100.00%

TABLE JS-1

CALIFORNIA-AMERICAN WATER COMPANY

Cal-Am and DRA Stipulated Rate of Return

	Cal-Am Recommended Ratio	Cal-Am Cost	Weighted Cost
DRA Recommended Ratio	67.00% 43.00% 100.00%	7.91% 10.50% 100.00%	4.51% 4.52% 9.03%
DRA Stipulated Agreement	67.00% 43.00% 100.00%	7.91% 10.50% 100.00%	4.51% 4.52% 9.03%
Ratio	67.00% 43.00% 100.00%	7.91% 10.50% 100.00%	4.51% 4.52% 9.03%
Cost	7.91% 10.50% 100.00%	7.91% 10.50% 100.00%	4.51% 4.52% 9.03%

Test Year 1997

Debt	57.36%
Common Equity	42.64%
Total	100.00%

Test Year 1998

Debt	58.08%
Common Equity	41.92%
Total	100.00%

Test Year 1999

Debt	57.99%
Common Equity	42.01%
Total	100.00%

TABLE JS-2.1

CALIFORNIA AMERICAN WATER CO.
General Office Operations
Allocations to Monterey District
(Dollars in 1,000's)

1997	DRA	UTILITY EXCEEDS BRANCH	CAL-AM		UTILITY EXCEEDS BRANCH PERCENT	
			ORIGINAL	REVISED		
Total Office L Expenses	\$ 2,734.9	2,840.7	\$ 0.0	2,840.7	3,098.6	0.0%
Allocations to Monterey 31.00%	847.8	880.6	0.0	880.6	960.6	0.0%
Office L Capitalized**	(682.9)	(732.9)	0.0	(732.9)	(689.7)	0.0%
Allocations to Monterey 28.21%	(179.0)	(192.1)	\$ 0.0	(192.1)	(180.8)	0.0%
Belleville Lab Expense	151.4	151.4	0.0	151.4	158.8	0.0%
Allocations to Monterey 39.20%	59.3	59.3	0.0	59.3	861.5	0.0%
Office C Expenses	\$ 2,318.4	2,329.7	0.0	2,329.7	2,410.7	0.0%
Allocations to Monterey 39.20%	908.0	913.2	0.0	913.2	945.0	0.0%
Office C Capitalized**	(168.8)	(168.8)	0.0	(168.8)	(168.8)	0.0%
Allocations to Monterey 88.52%	(147.7)	(147.7)	0.0	(147.7)	(147.7)	0.0%
Data Proc. Billing Expense	487.6	487.6	0.0	487.6	493.9	0.0%
Allocations to Monterey 31.61%	147.8	147.8	0.0	147.8	158.1	0.0%
Office R1 LA Lab Expense	113.4	116.0	0.0	116.0	120.6	0.0%
Allocations to Monterey 0.00%	0.0	0.0	0.0	0.0	0.0	0.0%
Office R2 Monterey Lab Expense	281.7	286.7	0.0	286.7	294.2	0.0%
Allocations to Monterey 72.39%	203.9	207.5	0.0	207.5	213.0	0.0%
TOTAL	\$ 2,168.9	2,208.6	\$ 0.0	2,208.6	2,336.1	0.0%

S S-21 TABLE JS-2.14
100% CALIFORNIA AMERICAN WATER CO.
General Office Operations
(Allocations to Monterey District
(Dollars in 1,000's)

ITEM	CAL-AM	EXCERPT	BRANCH	UTILITY EXCEEDS BRANCH	TELE	CAL-AM	EXCERPT	BRANCH	UTILITY
									PERCENT
Total Office L Expenses	8,221.0	8,221.0				2,261.1	2,261.1	2,398.1	2.7%
Allocations to Monterey	31.00%	0.0	0.0	0.0	0.0	2,905.4	2,905.4	3,191.5	0.0%
Office L Capitalized**	0.0	0.0	0.0	0.0	0.0	(757.8)	(757.8)	(757.8)	0.0%
Allocations to Monterey	26.21%	0.0	0.0	0.0	0.0	(185.6)	(198.6)	(188.9)	0.0%
Belleville Lab Expense	0.0	0.0	0.0	0.0	0.0	155.3	155.3	159.8	0.0%
Allocations to Monterey	39.20%	0.0	0.0	0.0	0.0	60.9	60.9	62.6	0.0%
Office C Expenses	0.0	0.0	0.0	0.0	0.0	2,377.9	2,385.7	2,470.1	0.0%
Allocations to Monterey	39.20%	0.0	0.0	0.0	0.0	932.1	935.2	968.31	0.0%
Office C Capitalized**	0.0	0.0	0.0	0.0	0.0	(172.7)	(172.7)	(172.7)	0.0%
Allocations to Monterey	88.52%	0.0	0.0	0.0	0.0	(152.9)	(152.9)	(152.9)	0.0%
Data Proc. Billing Expenses	0.0	0.0	0.0	0.0	0.0	477.3	477.3	502.7	0.0%
Allocations to Monterey	31.61%	0.0	0.0	0.0	0.0	150.9	150.9	158.9	0.0%
Office R1 Lab Expenses	0.0	0.0	0.0	0.0	0.0	117.4	120.1	124.7	0.0%
Allocations to Monterey	0.00%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Office R2 Monterey Lab Expense	0.0	0.0	0.0	0.0	0.0	294.9	294.9	302.5	0.0%
Allocations to Monterey	72.39%	0.0	0.0	0.0	0.0	209.9	213.6	219.0	0.0%
TOTAL						2,221.3	2,261.1	2,398.1	2.7%

CALIFORNIA AMERICAN WATER CO.
GENERAL OFFICE EXPENSE
(DOLLARS IN 1,000's)
($\$000.1$ to $\$100.0$)

Office L

Description	1997 CAL-JAW	YTD UTILI- TY EXCEDEOS BANCH	ORA AMU	UTILITY EXCEEDS BRANCH		CAL-AM REvised Original	UTILITY EXCEEDS BRANCH PERCENT	
				ORIGINAL	REVISED	DIFFERENCE		
Salaries		1,945.8	1,995.8	0.0	1,995.8	3,075.9	0.0%	
Employees Expenses	0.0	1,801.3	1,821.0	0.0	1,821.0	246.0	0.0%	
Employee Expenses Taxable		25.0	25.0	0.0	25.0	26.5	0.0%	
Legal Services	0.0	1,000.20	8,162.0	8,000.00	8,162.0	1,162.0	0.0%	
Leased Car Expense		35.8	35.8	0.0	35.8	35.8	0.0%	
Other Services	0.0	(8,122.0)	(8,122.0)	0.0	(8,122.0)	0.0	0.0%	
DP Equipment Rental & Maint.		73.3	73.3	0.0	73.3	78.0	0.0%	
Office Rental		(3,207.0)	(2,307.0)	2,115.00	(2,307.0)	228.4	0.0%	
Telephone	(3,207.0)	0.0	11.2	0.0	11.2	12.0	0.0%	
Stationery, Printing, & Other Supplies		84.9	84.9	0.0	84.9	93.0	0.0%	
Rental & Maint on Equip.		67.0	67.0	0.0	67.0	69.2	0.0%	
Insurance		25.3	25.3	0.0	25.3	27.7	0.0%	
Dues & Memberships	0.0	2.6	2.6	0.0	2.6	3.0	0.0%	
Subscriptions		7.4	7.4	0.0	7.4	7.4	0.0%	
Office Bldg. Oper. & Maint	0.0	57.2	57.2	0.0	57.2	62.7	0.0%	
Group Insurance		171.4	183.0	0.0	183.0	197.6	0.0%	
Employees Welfare	0.0	5,283.3	1,528.9	0.0	88.0	114.5	0.0%	
Educational Expenses		6.9	6.9	0.0	6.9	7.4	0.0%	
Other Expenses	0.0	(1,553.1)	(1,553.1)	0.0	(1,553.1)	41.1	0.0%	
Depreciation		163.4	163.4	0.0	163.4	163.4	0.0%	
Taxes-FICA	(2,521)	0.0	(2,521.7)	(2,512.0)	2,000.00	120.6	0.0%	
Taxes-FUTA & SUTA		7.8	7.8	0.0	7.8	7.8	0.0%	
Taxes-Other	0.0	8,117.2	8,117.2	0.0	8,117.2	71.9	0.0%	
Taxes-FIT		15.3	15.3	0.0	15.3	15.3	0.0%	
Interest Expense	0.0	0.0	61.5	0.0	61.5	61.5	0.0%	
Interest Income		(13.5)	(13.5)	0.0	(13.5)	(13.5)	0.0%	
TOTAL OPERATING EXPENSES		1,3417.8	1,3573.6		0.0	3,768.3	0.0%	
CAPITAL EXPENSES		0.0	0.0		0.0	0.0	0.0%	
Labor	0.0	0.0	(492.9)	(542.9)	0.0	(542.9)	(492.9)	0.0%
Other		0.0	(190.0)	(190.0)	0.0	(190.0)	(190.7)	0.0%
Total Capital	0.0	0.0	(682.9)	(732.9)	0.0	(732.9)	(689.8)	0.0%
NET OPERATING EXPENSES		2,734.9	2,840.7		0.0	2,846.7	3,098.7	0.0%
1,833.5	1,187.5	0.0	1,183.5	0.0	LATOT			

TABLE JS-22
CALIFORNIA AMERICAN WATER CO.
General Office Expense
(1000's Dollars in 1,000's)

OFFICE MAJOR Description	1988 JAN-DI REVIS ED BY CIR CLER KING COUNTY BUREAU OF HARS SBBR OR	UTILITY EXCEEDS HARS BRANCH	OR	UTILITY EXCEEDS BRANCH	TELE CAL-AM ADDED OR	UTILITY EXCEEDS BRANCH	PERCENT
Salaries	1,102	0.0	1,102	1,102	0.0	1,102	0.0%
Employees Expenses	0.0	0.0	0.0	2,004.1	2,054.1	0.0	2,148.9
Employee Expenses Taxable	0.0	0.0	0.0	168.0	222.0	0.0	250.4
Legal Services	0.0	0.0	0.0	25.6	25.6	0.0	29.0
Leased Car Expense	0.0	0.0	0.0	2.1	2.1	0.0	2.7
Other Services	0.0	0.0	0.0	38.5	38.5	0.0	36.5
OP Equipment Rental & Maint.	0.0	0.0	0.0	21.2	21.2	0.0	22.5
Office Rental	0.0	0.0	0.0	75.2	75.2	0.0	79.4
Telephone	0.0	0.0	0.0	211.0	211.0	0.0	234.3
Stationery, Printing, & Other Supplies	0.0	0.0	0.0	11.4	11.4	0.0	12.2
Rental & Maint. on Equip.	0.0	0.0	0.0	88.5	88.5	0.0	94.7
Insurance	0.0	0.0	0.0	68.9	68.9	0.0	70.6
Dues & Memberships	0.0	0.0	0.0	25.8	25.8	0.0	29.1
Subscriptions	0.0	0.0	0.0	2.6	2.6	0.0	3.1
Office Bldg. Oper. & Maint.	0.0	0.0	0.0	59.3	59.3	0.0	63.8
Group Insurance	0.0	0.0	0.0	174.0	180.0	0.0	201.4
Employees Welfare	0.0	0.0	0.0	64.9	90.5	0.0	120.9
Educational Expenses	0.0	0.0	0.0	87.1	7.1	0.0	7.8
Other Expenses	0.0	0.0	0.0	35.7	35.7	0.0	41.6
Depreciation	0.0	0.0	0.0	165.2	165.2	0.0	165.2
Taxes-FICA	0.0	0.0	0.0	90.4	124.4	0.0	133.4
Taxes-FUTA & SUTA	0.0	0.0	0.0	67.8	7.8	0.0	7.8
Taxes-Others	0.0	0.0	0.0	73.3	73.3	0.0	73.3
Taxes-FIT & O.S.	0.0	0.0	0.0	15.6	15.6	0.0	15.6
Interest Expense	0.0	0.0	0.0	62.6	62.6	0.0	62.6
Interest Income	0.0	0.0	0.0	(13.7)	(13.7)	0.0	(13.7)
(+) TOTAL OPERATING EXPENSES	(1,102)	(3,500.2)	(3,663.2)	0.0	3,663.2	0.0	3,904.5
(+) (--) CAPITAL EXPENSES	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Labor	1,950.5	0.0	1,950.5	(511.1)	(561.1)	0.0	(511.1)
Other	0.0	0.0	0.0	(100.7)	(100.7)	0.0	(201.9)
Total Capital	0.0	0.0	0.0	(797.8)	(757.8)	0.0	(713.9)
NET OPERATING EXPENSES	0.0	0.0	0.0	2,799.4	2,905.4	0.0	3,191.5

APPENDIX B - Page 30
 TABLE JS-2.3
 CALIFORNIA AMERICAN WATER CO.
 OPERATING EXPENSES
 (1990) (Dollars in 1,000's)

Office C

Description	1997 EXCERPT BRAKES	UTILITY CAL-AM	ORA ORIGINAL	UTILITY EXCEEDS BRANCH	CAL-AM REVISED DIFFERENCE	UTILITY EXCEEDS BRANCH PERCENT	ORAC REVISED ORIGINAL
							ORA REVISED ORIGINAL
Salaries			504.1	504.1	0.0	504.1	\$19.8
Employee Expenses	0.0	1,420.5	1,435.5	9.3	0.0	93	0.0%
Employee Expenses Taxable	0.0	0.555	0.552	1.2	0.0	1,233.0	0.0%
Management Fees	0.0	8.25	381.0	391.8	0.0	10.0	0.0%
Group Insurance	0.0	1.5	68.5	69.5	0.0	68.5	0.0%
Insurance	0.0	2.85	603.0	610.0	0.0	618.0	0.0%
Office Rental	0.0	5.15	76.0	76.6	0.0	76.6	0.0%
General Office Expense	0.0	5.25	139.7	139.7	0.0	139.7	0.0%
Vorhees Charge - Meter Reading Mgmt	0.0	0.115	0.34	3.4	0.0	3.4	0.0%
Production Expense	0.0	4.11	4.72	7.2	0.0	7.2	0.0%
Distribution Expense	0.0	2.63	2.98	3.4	0.0	3.4	0.0%
Commercial Expense	0.0	0.83	16.5	19.5	0.0	16.5	0.0%
Legal Services	0.0	0.83	80.2	80.2	0.0	80.2	0.0%
Auditing Services	0.0	0.83	48.6	49.5	0.0	49.5	0.0%
Transportation Expense	0.0	0.5	8.50	9.0	0.0	9.0	0.0%
Dues & Memberships	0.0	2.5	78.0	78.0	0.0	78.0	0.0%
Employees Welfare	0.0	0.83	27.7	27.7	0.0	27.7	0.0%
Vorhees Charged - Educational Expense	0.0	0.31	0.34	3.4	0.0	3.4	0.0%
Education Expense	0.0	2.02	9.57	5.7	0.0	5.7	0.0%
Water Quality Research	0.0	1.5	80.8	80.8	0.0	80.8	0.0%
Rental & Maint. on Equip.	0.0	1.85	13.3	13.3	0.0	13.3	0.0%
Depreciation	0.0	5.001	50.2	50.2	0.0	50.2	0.0%
Amortization of CPS	0.0	1.451	33.3	33.3	0.0	33.3	0.0%
Taxes - FICA	0.0	0.5	38.3	38.3	0.0	38.3	0.0%
Taxes - FUTA & SUI	0.0	0.05	0.22	2.2	0.0	2.2	0.0%
	0.01	TOTAL EXPENSES	3,812	2,499.6	0.0	2,496.5	1112,577.3
	0.03						
CAPITAL EXPENSES	0.0	8.50	0.50				
Labor	0.0	(1.61)	(1.61)				
Other	\$103.0	0.0	(131.4)	(131.4)	0.0	(131.4)	(131.4)
			(35.4)	(35.4)	0.0	(35.4)	(35.4)
TOTAL CAPITAL EXPENSES			(166.8)	(166.8)	0.0	(166.8)	(166.8)
NET OPERATING EXPENSES	0.0	(1,103)	(1,112)	2,310.4	2,329.7	0.0	2,329.7
DATA PROCESSING COSTS	0.0	(0.521)	(0.521)	487.6	487.6	0.0	487.6
2,181.5 TOTAL OPERATING EXPENSES	0.0025	2,784.0	2,797.3	0.0	2,797.3	0.0	2,904.6

APPENDIX B
TABLE JS-23
CALIFORNIA AMERICAN WATER CO.
CALIFORNIA AMERICAN WATER CO.
General Office Expenses
(in thousands of dollars)

Description	Office O	Utility	EXCEEDS BRANCH	(Dollars in 1,000's)			Utility Exceeds Branch Percent
				ORI	ORA	ORIGINAL REVISED DIFFERENCE REVISED ORIGINAL	
Salaries	STP	0.0	5.54	8.11	519.3	519.3	539.0
Employee Expenses	0.0	1.1	9.5	9.5	0.0	9.5	0.0%
Employee Expenses Taxable	0.0	0.60	1.2	1.2	0.0	1.2	0.0%
Management Fees	0.0	0.6	391.7	391.7	0.0	391.7	0.0%
Group Insurance	0.0	1.5	67.7	67.7	0.0	67.7	0.0%
Insurance	1.01	0.0	1.01	818.61	820.7	0.0	826.7
Office Rental	8.6	0.0	8.6	78.0	78.0	0.0	78.0
General Office Expense	0.0	5.0	144.6	144.6	0.0	144.6	0.0%
Voorhees Charges - Meter Reading Mgmt			5.5	5.5	0.0	5.5	0.0%
Production Expenses	0.0	0.011	7.311	7.3	0.0	7.3	0.0%
Distribution Expense			5.9	5.9	0.0	5.9	0.0%
Commercial Expense			16.9	16.9	0.0	16.9	0.0%
Legal Services			80.4	80.4	0.0	80.4	0.0%
Auditing Services			49.8	49.8	0.0	49.8	0.0%
Transportation Expense			4.0	4.0	0.0	4.0	0.0%
Dues & Memberships			80.0	80.0	0.0	80.0	0.0%
Employees Welfare			28.4	28.4	0.0	28.4	0.0%
Voorhees Charges - Educational Expense			4.5	3.5	0.0	3.5	0.0%
Education Expense			1.5	1.5	0.0	1.5	0.0%
Water Quality Research			62.9	62.9	0.0	62.9	0.0%
Rental & Maint. on Equip.			13.0	13.0	0.0	13.0	0.0%
Depreciation			60.7	60.7	0.0	60.7	0.0%
Amortization of CPS			33.3	33.3	0.0	33.3	0.0%
Taxes - FICA			39.6	39.6	0.0	39.6	0.0%
Taxes - FUTA & SUI			2.2	2.2	0.0	2.2	0.0%
		TOTAL EXPENSES	2,550.6	2,559.4	0.0	2,559.4	2,642.6
		BRANCH					0.0%
		CAPITAL EXPENSES	ORIGINAL REVISED DIFFERENCE REVISED ORIGINAL				
		Labors	(138.2)	(138.2)	0.0	(138.2)	(138.2)
		Other	8.82	(38.5)	0.0	(38.5)	(38.5)
		TOTAL CAPITAL EXPENSES	5.1	(172.7)	0.0	(172.7)	(172.7)
		NET OPERATING EXPENSES	0.0	2,377.9	2,385.7	0.0	2,395.7
		DATA PROCESSING COSTS	0.0	1.5	0.0	1.5	0.0%
		STP	0.0	5.51	5.51	0.0	5.51
		TOTAL OPERATING EXPENSES	0.0	2,855.2	2,863.0	0.0	2,863.0
		SO	5.0	5.0	0.0	5.0	0.0%
		TAST	1.051	0.0	1.051		
						EXCEEDS BRANCH	

TABLE JS-2.4
CALIFORNIA AMERICAN WATER CO.
General Office Expenses
\$1,000's (Dollars in 1,000's)

Office R1 (Los Angeles Lab)

Description	YTD-JUL 1997	YTD-JUL 2002	EXCEEDS BRANCH	(Dollars in 1,000's)		UTILITY EXCEEDS BRANCH	CAL-AM	Utility Exceeds Branch Percent	
				DRA	ORIGINAL	REVISED	Difference	REVISED	
Salaries	44.6	47.2	0.0	47.2	49.0	0.0	49.0	0.0%	
Employees Expenses	1.1	1.1	0.0	1.1	1.3	0.2	1.3	0.0%	
Lab Expenses	38.6	38.6	0.0	38.6	39.2	0.6	39.2	0.0%	
Group Insurance	6.9	6.9	0.0	6.9	6.9	0.0	6.9	0.0%	
Employee Welfare	2.1	2.1	0.0	2.1	2.1	0.0	2.1	0.0%	
Depreciation	16.116	16.1	0.0	16.1	16.1	0.0	16.1	0.0%	
Taxes - FICA	3.8	3.8	0.0	3.8	3.8	0.0	3.8	0.0%	
Taxes - FUTA & SUTA	0.2	0.2	0.0	0.2	0.2	0.0	0.2	0.0%	
TOTAL OPERATING EXPENSE	113.4	118.0	0.0	118.0	120.6	0.0	120.6	0.0%	
1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
2.51	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
5.16	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
0.03	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
5.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
0.53	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
1.80	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
7.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
6.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
0.63	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
6.51	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
1.03	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
Office R1 (Los Angeles Lab)									
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
5.5	5.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
8.510.5	8.510.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
1996									
Description									
(S 621)	(S 221)	0.0							
Salaries	(2.50)	0.0	(6.62)	45.0	48.6	0.0	48.6	0.0%	
Employees Expenses	0.0	(1.51)	(1.231)	1.2	1.2	0.0	1.2	3.2	
Lab Expenses	39.6	39.6		0.0	39.6	0.0	39.6	0.0%	
Group Insurance	7.1	7.1		0.0	7.1	0.0	7.1	0.0%	
Employee Welfare	2.3	2.3		0.0	2.3	0.0	2.3	0.0%	
Depreciation	17.2	17.2		0.0	17.2	0.0	17.2	0.0%	
Taxes - FICA	3.9	3.9		0.0	3.9	0.0	3.9	0.0%	
Taxes - FUTA & SUTA	0.2	0.2		0.0	0.2	0.0	0.2	0.0%	
TOTAL LAB EXPENSES		117.4		120.1		0.0	120.1	124.7	0.0%

TABLE JS-2.4
CALIFORNIA AMERICAN WATER CO.

General Office Expense

(Dollars in 1,000's)

TOTAL LAB EXPENSES

TABLE JS-2.5
CALIFORNIA AMERICAN WATER CO.
General Office Expense(2000.1 Revision)
(Dollars in 1,000's)

Office R2 (Monterey Lab)

Description	MA-JAO 1997	UTILITY EXCEEDS BRANCH	A&G ORIGIN DIFFERENCE REVISED	ORIGINAL REVISED DIFFERENCE REVISED	UTILITY EXCEEDS BRANCH	Tel CAL-AM DEPARTMENT DESCRIPTION	UTILITY EXCEEDS BRANCH	
			DRA	ORIGINAL REVISED DIFFERENCE REVISED		REVISED ORIGINAL PERCENT		
Salaries	321.00	0.0	0.0	104.5	104.5	0.0	104.5	
Employees Expenses	3.50	3.5	3.5	3.5	3.5	3.5	0.0%	
Lab Expenses	102.10	102.1	102.1	107.1	107.1	107.1	0.0%	
Group Insurance	13.30	13.3	13.3	13.3	13.3	13.3	0.0%	
Employee Welfare	4.10	4.1	4.1	4.1	4.1	4.1	0.0%	
Depreciation	45.90	45.9	45.9	45.9	45.9	45.9	0.0%	
Taxes - FICA	8.00	8.0	8.0	8.0	8.0	8.0	0.0%	
Taxes - FUTA & SUTA	0.30	0.3	0.3	0.3	0.3	0.3	0.0%	
TOTAL OPERATING EXPENSE				281.7	288.7	0.0	294.2	0.0%

TABLE JS-2.5
CALIFORNIA AMERICAN WATER CO.
General Office Expense

Office R2 (Monterey Lab)

Description	MA-JAO 1998	UTILITY EXCEEDS BRANCH	A&G ORIGIN DIFFERENCE REVISED	ORIGINAL REVISED DIFFERENCE REVISED	UTILITY EXCEEDS BRANCH	Tel CAL-AM DEPARTMENT DESCRIPTION	UTILITY EXCEEDS BRANCH	
			DRA	ORIGINAL REVISED DIFFERENCE REVISED		REVISED ORIGINAL PERCENT		
Salaries	321.00	0.0	0.0	108.3	108.3	0.0	108.3	
Employees Expenses	3.60	3.6	3.6	3.6	3.6	3.6	0.0%	
Lab Expenses	104.00	104.0	104.0	109.0	109.0	109.0	0.0%	
Group Insurance	13.70	13.7	13.7	13.7	13.7	13.7	0.0%	
Employee Welfare	4.40	4.4	4.4	4.4	4.4	4.4	0.0%	
Depreciation	47.30	47.3	47.3	47.3	47.3	47.3	0.0%	
Taxes - FICA	8.30	8.3	8.3	8.3	8.3	8.3	0.0%	
Taxes - FUTA & SUTA	0.30	0.3	0.3	0.3	0.3	0.3	0.0%	
TOTAL OPERATING EXPENSE				289.0	294.9	0.0	302.6	0.0%

(Dollars in 1,000's)

Total Laboratory Expenses		(000.1 METERIALS) 1997		Utility Exceeds Branch		Utility Exceeds Branch (000.1 METERIALS) 1997			
Description	NA-1 1997	Utility Exceeds Branch	DRA	Original	Revised	Difference	Cal-Am	Original	Utility Exceeds Branch Percent
Office 'R1' - Los Angeles Lab	113.4	116.0	0.0	118.0	120.4	0.0%			
Office 'R2' - Monterey Lab	281.7	286.7	0.0	289.7	294.2	0.0%			
Belleville Laboratory	151.4	151.4	0.0	151.4	158.8	0.0%			
TOTAL OPERATING EXPENSE	548.5	554.1	0.0	554.1	573.4	0.0%			
Total	5.035	0.0	5.035	5.185	5.185	0.0%	AT&T	AT&T	

TABLE JS-2.6
CALIFORNIA AMERICAN WATER CO.
General Office Expense

800-EQ-DR-A
TABLE JS-2.7
CALIFORNIA AMERICAN WATER CO.
(General Office Rate Base)
(OFFICE C ONLY)
($\$$ 000's in thousands)
(Dollars in 1,000's)

UTILITY EXCEEDS BRAANCH 1997	MA-JAC REVISEd	UTILITY EXCEEDS BRAANCH 1997	ORIGINAl DRA	ANd EXCEEDS BRAANCH	UTILITY EXCEEDS BRAANCH	CAL-AM REVISEd	UTILITY EXCEEDS BRAANCH
Description			ORIGINAL	REVISED	DIFFERENCE	REVISED	ORIGINAL PERCENT
Utility Plant E.O.Y.	\$ 505	0.0	\$ 505	\$ 505	0.0	252.5	279.0
Addition	2.1	0.0	252.5	252.5	0.0	252.5	279.0
Retirement	0.0	0.0	50.0	50.0	0.0	50.0	55.0
Plant E.O.Y.	3.815	0.0	0.0	0.0	0.0	0.0	0.0%
Average Plant	0.118	0.0	302.5	302.5	0.0	302.5	344.0
Average	0.0	0.0	277.5	277.5	0.0	277.5	311.6
Working Capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Deferred Tax & ITC	8.811	0.0	0.0	0.0	0.0	0.0	0.0%
Depro. Reserv. Avg.	1.851	0.0	131.9	131.9	0.0	131.9	133.7
Total Rate Base	0.0	0.0	145.6	145.6	0.0	145.6	177.8
Allocation to Monterey	39.20%		57.1	57.1	0.0	57.1	69.7%

6 TABLE JS-2.7
CALIFORNIA AMERICAN WATER CO.
(General Office Rate Base)
(OFFICE C ONLY)

($\$$ 000's in 1,000's)

UTILITY EXCEEDS BRAANCH 1998	MA-JAC REVISEd	UTILITY EXCEEDS BRAANCH 1998	ORIGINAl DRA	ANd EXCEEDS BRAANCH	UTILITY EXCEEDS BRAANCH	CAL-AM REVISEd	UTILITY EXCEEDS BRAANCH
Description			ORIGINAL	REVISED	DIFFERENCE	REVISED	ORIGINAL PERCENT
Utility Plant E.O.Y.	5.813	0.0	302.5	302.5	0.0	302.5	344.0
Addition	2.1	0.0	50.0	50.0	0.0	50.0	55.0
Retirement	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Plant E.O.Y.	3.815	0.0	352.5	352.5	0.0	352.5	429.0
Average Plant	2.852	0.0	327.5	327.5	0.0	327.5	386.5
Average	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Working Capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Deferred Tax & ITC	8.811	0.0	0.0	0.0	0.0	0.0	0.0%
Depro. Reserv. Avg.	1.851	0.0	183.9	183.9	0.0	183.9	189.2
Total Rate Base	0.0	0.0	143.6	143.6	0.0	143.6	197.3
Allocation to Monterey	39.20%		58.3	58.3	0.0	58.3	77.3

TABLE JS-2.6
CALIFORNIA AMERICAN WATER CO.
 General Office Rate Base
OFFICE RJ (Los Angeles Lab)
 (Yield of Office)
 (Dollars in 1,000's)
 (\$'000, F in \$'000)

UTILITY DESCRIPTION	1997 CAL REVISED ORIGIN	UTILITY DESCRIPTION	DRA EXCEDES ORIGINAL	UTILITY EXCEEDS ARO BRANCH REVISED DIFFERENCE	CAL-AM REVISED ORIGIN	UTILITY EXCEEDS BRANCH PERCENT
Utility Plant B.O.Y.	302.2	302.2	0.0	302.2	302.2	0.0%
Addition	17.5	17.5	0.0	17.5	17.5	0.0%
(Retirement)	2.52	0.0	0.0	0.0	0.0	0.0%
Plant E.O.Y.	0.02	0.0	0.0	0.0	0.0	0.0%
0.0	0.0	319.7	0.0	319.7	319.7	0.0%
Average Plant	305.2	0.0	311.0	311.0	311.0	0.0%
Working Capital	0.115	0.0	0.0	0.0	0.0	0.0%
Deferred Tax & ITC	0.0	0.0	0.0	0.0	0.0	0.0%
Deprc. Reserv. Avg.	0.0	118.8	0.0	118.8	118.8	0.0%
0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total Rate Base	0.131	0.0	192.2	192.2	192.2	0.0%
Allocation to Monterey 0%	0.0	0.0	0.0	0.0	0.0	0.0%
Office RJ is allocated to other CAL-AM districts.	1.52	1.52				
						Allocation to Monterey 38.50%

TABLE JS-2.6
CALIFORNIA AMERICAN WATER CO.
 General Office Rate Base
OFFICE RJ (Los Angeles Lab)

(Dollars in 1,000's)

UTILITY DESCRIPTION	1996 CAL REVISED ORIGIN	UTILITY DESCRIPTION	DRA EXCEDES ORIGINAL	UTILITY EXCEEDS ARO BRANCH REVISED DIFFERENCE	CAL-AM REVISED ORIGIN	UTILITY EXCEEDS BRANCH PERCENT
Utility Plant B.O.Y.	319.7	319.7	0.0	319.7	319.7	0.0%
Addition	7.5	7.5	0.0	7.5	7.5	0.0%
(Retirement)	0.02	0.0	0.02	0.0	0.0	0.0%
Plant E.O.Y.	0.0	327.2	0.0	327.2	327.2	0.0%
0.0	0.881	0.0	2.528	325.2	323.5	0.0%
Average Plant	323.6	323.6	0.0	323.5	323.5	0.0%
Working Capital	0.115	0.0	0.0	0.0	0.0	0.0%
Deferred Tax & ITC	0.0	0.0	0.0	0.0	0.0	0.0%
Deprc. Reserv. Avg.	0.0	135.4	0.0	135.4	135.4	0.0%
0.0	0.881	0.0	0.881	0.881	0.881	0.0%
Total Rate Base	0.131	0.0	188.1	188.1	188.1	0.0%
Allocation to Monterey 0%	0.0	0.0	0.0	0.0	0.0	0.0%
0.0	0.115	0.881	0.881	0.881	0.881	0.0%
						Allocation to Monterey 38.50%

A.96-03-008 AS 5-200 TABLE JS-2.9
 CALIFORNIA AMERICAN WATER CO.
 General Office Rate Base
 OFFICE R2 (Monterey Lab)

(Dollars in 1,000's)

Office of

Description	1997	1998	DRA			CAL-AM	Utility Exceeds Branch Original Allocation	Utility Exceeds Branch Original Percent
			ORIGINAL	REVISED	DIFFERENCE			
Utility Plant B.O.Y.	J	1,404,87.6	487.6	0.0	487.6	487.6	487.6	0.0%
Addition	C	0.0	17.5	17.5	0.0	17.5	17.5	0.0%
Retirement	C	0.25	0.0	0.0	0.0	0.0	0.0	0.0%
Plant E.O.Y.	C	1.5	505.1	505.1	0.0	505.1	505.1	0.0%
Average Plant	N	2.83	498.4	498.4	0.0	498.4	498.4	0.0%
Working Capital	C	2.5	0.0	0.0	0.0	0.0	0.0	0.0%
Deferred Tax & ITC	N	0.11	0.0	0.0	0.0	0.0	0.0	0.0%
Depo. Reserv. Avg.	N	1.11	258.7	258.7	0.0	258.7	258.7	0.0%
Total Rate Base	N	2.08	237.7	237.7	0.0	237.7	237.7	0.0%
Allocation to Monterey	N	0.88	172.1	172.1	0.0	172.1	172.1	0.0%
Utility Plant B.O.Y.	J	1,404,87.6	487.6	0.0	487.6	487.6	487.6	0.0%
Addition	C	0.0	17.5	17.5	0.0	17.5	17.5	0.0%
Retirement	C	0.25	0.0	0.0	0.0	0.0	0.0	0.0%
Plant E.O.Y.	C	1.5	505.1	505.1	0.0	505.1	505.1	0.0%
Average Plant	N	2.83	498.4	498.4	0.0	498.4	498.4	0.0%
Working Capital	C	2.5	0.0	0.0	0.0	0.0	0.0	0.0%
Deferred Tax & ITC	N	0.11	0.0	0.0	0.0	0.0	0.0	0.0%
Depo. Reserv. Avg.	N	1.11	258.7	258.7	0.0	258.7	258.7	0.0%
Total Rate Base	N	2.08	237.7	237.7	0.0	237.7	237.7	0.0%
Allocation to Monterey	N	0.88	172.1	172.1	0.0	172.1	172.1	0.0%
Utility Plant B.O.Y.	J	1,404,87.6	487.6	0.0	487.6	487.6	487.6	0.0%
Addition	C	0.0	17.5	17.5	0.0	17.5	17.5	0.0%
Retirement	C	0.25	0.0	0.0	0.0	0.0	0.0	0.0%
Plant E.O.Y.	C	1.5	505.1	505.1	0.0	505.1	505.1	0.0%
Average Plant	N	2.83	498.4	498.4	0.0	498.4	498.4	0.0%
Working Capital	C	2.5	0.0	0.0	0.0	0.0	0.0	0.0%
Deferred Tax & ITC	N	0.11	0.0	0.0	0.0	0.0	0.0	0.0%
Depo. Reserv. Avg.	N	1.11	258.7	258.7	0.0	258.7	258.7	0.0%
Total Rate Base	N	2.08	237.7	237.7	0.0	237.7	237.7	0.0%
Allocation to Monterey	N	0.88	172.1	172.1	0.0	172.1	172.1	0.0%

TABLE JS-2.9
 CALIFORNIA AMERICAN WATER CO.
 General Office Rate Base
 OFFICE R2 (Monterey Lab)

(Dollars in 1,000's)

Description	1998	(F.E.)	DRA			CAL-AM	Utility Exceeds Branch Original Allocation	Utility Exceeds Branch Original Percent
			ORIGINAL	REVISED	DIFFERENCE			
Utility Plant B.O.Y.			505.1	505.1	0.0	505.1	505.1	0.0%
Addition			7.5	7.5	0.0	7.5	7.5	0.0%
Retirement	J	(1.11)	0.0	0.0	0.0	0.0	0.0	0.0%
Plant E.O.Y.	C	(5.26)	512.6	512.6	0.0	512.6	512.6	0.0%
Average Plant		(8.50)	508.9	508.9	0.0	508.9	508.9	0.0%
Working Capital		1.80	0.0	0.0	0.0	0.0	0.0	0.0%
Deferred Tax & ITC		0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Depo. Reserv. Avg.		305.4	305.4	0.0	305.4	305.4	305.4	0.0%
Total Rate Base		203.5	203.5	0.0	203.5	203.5	203.5	0.0%
Allocation to Monterey	72.40%	147.3	147.3	0.0	147.3	147.3	147.3	0.0%

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TABLE JS-2.2A
CALIFORNIA AMERICAN WATER CO.
General Office Expense
(Dollars in 1,000's)

Office L

(Dollars in 1,000's)

Description	CITY	STATE	BRAUCH	STIPULATED 1998	ESCALATION FACTORS	
					1999	2000
Salaries	0.0	0.0	0.0	2,004.1	L	Y.O.B 8.0
Employees Expenses	0.0	0.0	0.0	186.0	C	Adjourn Rebate
Employee Expenses Taxable	0.0	0.0	0.0	25.8	C	Business C
Legal Services	0.0	0.0	0.0	2.1	C	C
Leased Car Expense	0.0	0.0	0.0	38.5	N	Average N P V
Other Services	0.0	0.0	0.0	21.2	C	C
DP Equipment Rental & Maint.	0.0	0.0	0.0	76.2	C	W G C Adj C T
Office Rental	0.0	0.0	0.0	211.0	NN	Dep R G A T S I O
Telephone	5.835	0.0	5.835	11.4	NN	N N
Stationery, Printing, & Other Supplies	0.0	0.0	0.0	86.6	NN	T O L I G S O
Rental & Maint. on Equip.	0.0	0.0	0.0	68.9	N	N
Insurance	1.551	0.0	1.551	25.8	NN	Alloc of W F L S N
Dues & Memberships	0.0	0.0	0.0	2.6	N	N
Subscriptions	0.0	0.0	0.0	7.5	N	N
Office Bldg. Oper. & Maint.	0.0	0.0	0.0	58.3	N	N
Group Insurance	0.0	0.0	0.0	174.6	N	N
Employees Welfare	0.0	0.0	0.0	64.9	N	N
Educational Expenses	0.0	0.0	0.0	7.1	C	C
Other Expenses	0.0	0.0	0.0	35.7	N	N
Depreciation	0.0	0.0	0.0	185.2	165.2	165.2
Taxes-FICA	0.0	0.0	0.0	90.4	L	L
Taxes-FUTA & SUTA	0.0	0.0	0.0	7.8	L	L
Taxes-Other	0.0	0.0	0.0	73.3	N	N
Taxes-FIT	0.0	0.0	0.0	15.6	15.6	15.6
Interest Expense	0.0	0.0	0.0	62.6	62.6	62.6
Interest Income	0.0	0.0	0.0	(13.7)	(13.7)	(13.7)
TOTAL OPERATING EXPENSES				3,508.2		
CAPITAL EXPENSES	0.0	0.0	0.0	0.0		
Labor	0.0	0.0	0.0	0.0		
Other	0.0	0.0	0.0	(511.1)	L	Business C P Y C
				(196.7)	C	
Total Capital	0.000	0.000	0.000	0.000		
NET OPERATING EXPENSES	0.0	0.0	0.0	2,798.4		
L = LABOR	0.0	0.0	0.0	0.0		
N = NON-LABOR	0.0	0.0	0.0	0.0		
C = COMPOSITE NON-LABOR	0.0	0.0	0.0	0.0		

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CALIFORNIA AMERICAN WATER CO.

General Office Expense

General Office Expenses

Office C

(in \$000's)

(Dollars in 1,000's)

Office R1 (in \$000's)

Description of Escalation Factor	2000	1999	1998	STIPULATED	ESCALATION FACTORS	
					1999	2000
Salaries				519.3	C	C
Employees Expenses	0.24			9.5	Salaries	C
Employees Expenses Taxable	5.1			1.2	Employee Expenses	C
Management Fees	C	0.38		391.7	Management Fees	C
Group Insurance	N	1.1		67.7	Group Insurance	C
Insurance	C	3.5		818.9	Employee ANNUITY	N
Office Rental	S	15.5		78.0	Depreciation	N
General Office Expense	0.3			144.6	Taxes - FICA	C
Voorhees Charges - Meter Reading Mgmt				5.5	Taxes - FUTA & SUI	C
Production Expense				7.3		C
Distribution Expense		4.511		6.9	TOTAL LABOR EXPENSE	C
Commercial Expense				16.9		C
Legal Services				80.4	L = LABOR	C
Auditing Services				49.8	N = NON-LABOR	C
Transportation Expense				4.0	C = COMPOSITE LABOR	C
Dues & Memberships				80.0		C
Employees Welfare				28.4		C
Voorhees Charges - Educational Expense				3.5		C
Education Expense				5.8		C
Water Quality Research				82.9		C
Rental & Maint. on Equip.				13.6		C
Depreciation				60.7	60.7	60.7
Amortization of CPS				33.3	33.3	33.3
Taxes - FICA				39.5	L	L
Taxes - FUTA & SUI				2.2	L	L
TOTAL EXPENSES				2,550.6		
CAPITAL EXPENSES						
Labor				(138.2)	L	L
Other				(36.5)	C	C
TOTAL CAPITAL EXPENSES				(172.7)		
NET OPERATING EXPENSES				2,377.9		
DATA PROCESSING COSTS				477.3	C	C
TOTAL OPERATING EXPENSES				2,855.2		

L = LABOR

N = NON-LABOR

C = COMPOSITE LABOR

CALIFORNIA AMERICAN WATER CO.
General Office Expenses
CALIFORNIA AMERICAN WATER CO.
General Office Expense

(Dollars in 1,000's)

(Dollars in 1,000's)

Office C

Office R1 (Los Angeles Lab)

Description	ESCALATION FACTORS		Stipulated 1998	Stipulated 1999	Escalation 2000
	1998	1999			
Salaries	1.0	1.0	513	45.9	Employees Expenses
Employees Expenses	1.0	1.0	25	1.2	Employees Expenses
Lab Expenses	1.0	1.0	321	39.6	Wages & Wages
Group Insurance	1.0	1.0	25	7.1	Group Insurance
Employee Welfare	1.0	1.0	818	2.3	Insurance
Depreciation	1.0	1.0	82	17.2	Office Equipment
Taxes - FICA	1.0	1.0	44	3.9	General Office Expenses
Taxes - FUTA & SUTA	1.0	1.0	3	0.2	Administrative Expenses
TOTAL LAB EXPENSES			117.4		Commercial Expenses
L = LABOR	1.0	1.0			Professional Services
N = NON-LABOR	1.0	1.0			Marketing Services
C = COMPOSITE LABOR	1.0	1.0			Transportation Expenses
					Dues & Memberships
					Employment Benefits
					Accrued & Contingent Expenses
					Education Expenses
					Major Quality Research
					Research & Development
					Debt Collection
					Authorization of CPS
					Taxes - FICA
					Taxes - FUTA & SUTA
					TOTAL EXPENSES
					CAPITAL EXPENSES
					Capital
					Office
					TOTAL CAPITAL EXPENSES
					NET OPERATING EXPENSES
					Data Processing Costs
					TOTAL OPERATING EXPENSES
					L = LABOR
					N = NON-LABOR
					C = COMPOSITE LABOR

APPENDIX B Page 41 TABLE US-2.3A
CALIFORNIA AMERICAN WATER CO.
General Office Expense
YEAR 1993 ESTIMATED AT PRESENT RATES

(Dollars in 1,000's)

Office R2 (Monterey Lab)

Description	STIPULATED 1998	ORIGINAL REVERSE	STIPULATED		ITEM
			1999	2000	
Salaries	108.3	L	OPERATING EXPENSES		
Employees Expenses	3.6	C	OPERATION & MAINTENANCE		
Lab Expenses	104.0	C	ADMINISTRATION & GENERAL		
Group Insurance	13.7	N	DEPRECIATION & AMORTIZATION		
Employee Welfare	4.4	C	TAXES ON INCOME		
Depreciation	47.3	C	STATE COM. TAX		
Taxes/FICA	8.3	L	FEDERAL INCOME TAX		
Taxes, FUTA & SUTA	0.3	L	TOTAL OPERATING EXPENSES	47.3	
TOTAL OPERATING EXPENSE	289.9		NET OPERATING REVENUE		
Belleville Lab	155.3	C	RATE BASE		
			RATE OF RETURN		

L = LABOR**N = NON-LABOR****C = COMPOSITE NON-LABOR**

TABLE A-5
CALIFORNIA AMERICAN WATER CO. - 1993
SUMMARY OF CARRIERS
YEAR 1993 ESTIMATED AT PRESENT RATES

Description	STIPULATED 1998	ORIGINAL REVERSE	STIPULATED		ITEM
			1999	2000	
OPERATING EXPENSES					
OPERATION & MAINTENANCE					
ADMINISTRATION & GENERAL					
DEPRECIATION & AMORTIZATION					
TAXES ON INCOME					
STATE COM. TAX					
FEDERAL INCOME TAX					
TOTAL OPERATING EXPENSES					
NET OPERATING REVENUE					
RATE BASE					
RATE OF RETURN					

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APPENDIX B TABLE A-1

800-03-008

CALIFORNIA-AMERICAN WATER CO., MONTEREY
SUMMARY OF EARNINGS
YEAR 1997 ESTIMATED AT PRESENT RATES

(\$'000, in millions)

ITEM	ESCALATION FACTOR	STAFF		UTILITY EXCEEDS BRANCH DIFFERENCE	UTILITY		UTILITY EXCEEDS BRANCH PERCENT
		ORIGINAL	REVISED		REVISED	ORIGINAL	
OPERATING REVENUES	1.000	18,801	19,651.0	0.0	19,651.0	19,329.7	0.0%
OPERATING EXPENSES	1.000	8,801	8,801	0.0	8,801	8,801	0.0%
OPERATION & MAINTENANCE		8,654.0	5,620.3	0.0	5,620.3	5,587.1	0.0%
ADMINISTRATIVE & GENERAL		0,4929.0	4,967.5	0.0	4,967.5	5,108.9	0.0%
DEPRECIATION & AMORTIZATION		2,555.8	2,500.9	0.0	2,500.9	2,581.8	0.0%
TAXES OTHER THAN INCOME		835.8	914.2	0.0	914.2	848.9	0.0%
STATE CORP. FRAN. TAX		1,430.1	295.8	0.0	295.8	243.4	0.0%
FEDERAL INCOME TAX		1,960.3	924.1	0.0	924.1	1,119.0	0.0%
TOTAL OPERATING EXPENSES	1.000	15,173.0	15,222.8	0.0	15,222.8	15,118.3	0.0%
NET OPERATING REVENUE	1.000	8,656.7	4,428.2	0.0	4,428.2	4,213.7	0.0%
RATE BASE	0.083	58,907.5	57,165.6	0.0	57,165.6	58,082.7	0.0%
RATE OF RETURN	C	8.01%	7.75%		7.75%	7.25%	0.0%
	C	8.02%					

TABLE A-2
CALIFORNIA-AMERICAN WATER CO., MONTEREY
SUMMARY OF EARNINGS
YEAR 1997 ESTIMATED AT PROPOSED RATES

ITEM	STAFF		UTILITY EXCEEDS BRANCH DIFFERENCE	UTILITY		UTILITY EXCEEDS BRANCH PERCENT
	ORIGINAL	REVISED		REVISED	ORIGINAL	
OPERATING REVENUES	21,984.6	20,971.8	0.0	20,971.8	21,492.7	0.0%
OPERATING EXPENSES						
OPERATION & MAINTENANCE	5,590.4	5,624.1	0.0	5,624.1	5,593.3	0.0%
ADMINISTRATIVE & GENERAL	4,929.0	4,967.5	0.0	4,967.5	5,108.9	0.0%
DEPRECIATION & AMORTIZATION	2,555.8	2,500.9	0.0	2,500.9	2,581.8	0.0%
TAXES OTHER THAN INCOME	835.8	914.2	0.0	914.2	848.9	0.0%
STATE CORP. FRAN. TAX	515.3	418.3	0.0	418.3	446.0	0.0%
FEDERAL INCOME TAX	1,740.3	1,385.1	0.0	1,385.1	1,500.9	0.0%
TOTAL OPERATING EXPENSES	16,168.6	15,810.1	0.0	15,810.1	16,079.8	0.0%
NET OPERATING REVENUE	5,798.0	5,161.7	0.0	5,161.7	5,412.9	0.0%
RATE BASE	58,907.5	57,165.6	0.0	57,165.6	58,082.7	0.0%
RATE OF RETURN	10.19%	9.03%		9.03%	9.32%	0.0%

L = LABOR

N = NON-LABOR

C = COMPOSITE NON-LABOR

CALIFORNIA-AMERICAN WATER CO. - MONTEREY

SUMMARY OF EARNINGS

YEAR 1998 ESTIMATED AT PRESENT RATES

ITEM	YEAR 1998 ESTIMATED AT PRESENT RATES						JAN REVISED IN ORIGINAL BUDGET	JAN REVISED IN ORIGINAL BUDGET	JAN REVISED IN ORIGINAL BUDGET
	X'99	\$'99	£'99	ORIGINAL	REVISED	STAFF	UTILITY EXCEEDS BRANCH DIFFERENCE	UTILITY EXCEEDS BRANCH PERCENT	
OPERATING REVENUES	2'00	8'631	1'003	0.0	1'003	£'003	£'003	19,678.5	19,357.1
OPERATING EXPENSES	2'00	8'231	8'231	19,769.4	19,678.5	£'003	£'003	0.0	0.0%
OPERATION & MAINTENANCE	8'015	8'015	0.0	5,743.3	5,780.1	£'003	£'003	1,037.8	0.0%
ADMINISTRATIVE & GENERAL	8'015	8'015	0.0	5,032.1	5,071.9	£'003	£'003	39.8	0.0%
DEPRECIATION & AMORTIZATION	0.123.1	0.123.1	0.0	2,661.3	2,608.9	£'003	£'003	56.2	0.0%
TAXES OTHER THAN INCOME	0.000.01	0.000.01	0.0	850.4	929.4	£'003	£'003	89.4	0.0%
STATE CORP. FRAN. TAX	0.000.01	0.000.01	0.0	269.1	258.4	£'003	£'003	258.4	0.0%
FEDERAL INCOME TAX	0.000.01	0.000.01	0.0	762.3	758.1	£'003	£'003	200.9	0.0%
TOTAL OPERATING EXPENSES	553.2	£'003.2	15,318.5	15,402.8	£'003.2	£'003.2	£'003.2	15,402.8	15,270.6
NET OPERATING REVENUE	0.0	8'103	4,450.9	4,275.7	103	£'103	£'103	4,275.7	4,068.5
RATE BASE	X'00	0.015.1	0.015.1	58,615.3	58,538.6	£'015.1	£'015.0	58,538.6	59,641.5
RATE OF RETURN	0.0	£'015	£'015	7.69%	7.30%	£'015	£'015	7.30%	6.85%

TABLE A-4
CALIFORNIA-AMERICAN WATER CO., MONTEREY BOROUGH
SUMMARY OF EARNINGS TO MUNICIPAL BOARD OF
YEAR 1938 ESTIMATED AT PROPOSED RATES

APPENDIX B TABLE B-1
CALIFORNIA-AMERICAN WATER CO., MONTEREY
AVERAGE CONSUMPTION PER CUSTOMER PER YEAR
1997-AUG

CALIFORNIA-AMERICAN WATER CO., MONTEREY
SUMMARY OF 1997 OPERATING EXPENSES

ITEM	UTILITY	UTILITY			UTILITY	UTILITY
		ORIGINAL	REVISED	DIFFERENCE	REVISED	ORIGINAL

RESIDENTIAL	99.8	99.2	0.0	99.2	99.2	0.0%
MULTI-RESIDENTIAL	500.1	500.1	0.0	500.1	486.0	0.0%
COMMERCIAL - NORMAL	439.3	433.1	0.0	433.1	426.9	0.0%
HIDDEN HILLS	165.5	165.5	0.0	165.5	165.5	0.0%
RYAN RANCH	210.8	210.8	0.0	210.8	210.8	0.0%
INDUSTRIAL	6,198.0	6,198.0	0.0	6,198.0	6,198.0	0.0%
PUBLIC AUTHORITY & NORMAL	1,081.0	1,081.0	0.0	1,081.0	1,081.0	0.0%
VISCAINO RECLAMATION TANK	0.0	0.0	0.0	0.0	0.0	0.0%
GOLF COURSES	5,822.9	5,822.9	0.0	5,822.9	5,822.9	0.0%
CONSTRUCTION	701.2	701.2	0.0	701.2	701.2	0.0%
SALE FOR RESALE	1,219.0	1,219.0	0.0	1,219.0	1,219.0	0.0%
OTHER	2182.3	2182.3	0.0	2182.3	2182.3	0.0%
						NET OPERATING EXPENSES

TABLE B-2 APPENDIX B
CALIFORNIA-AMERICAN WATER CO., MONTEREY
AVERAGE CONSUMPTION PER CUSTOMER PER YEAR
1998 OPERATING EXPENSES

ITEM	UTILITY	UTILITY			UTILITY	UTILITY
		ORIGINAL	REVISED	DIFFERENCE	REVISED	ORIGINAL

RESIDENTIAL	99.8	99.2	0.0	99.2	99.2	0.0%
MULTI-RESIDENTIAL	500.1	500.1	0.0	500.1	486.0	0.0%
COMMERCIAL - NORMAL	439.3	433.1	0.0	433.1	426.9	0.0%
HIDDEN HILLS	165.5	165.5	0.0	165.5	165.5	0.0%
RYAN RANCH	210.8	210.8	0.0	210.8	210.8	0.0%
INDUSTRIAL	6,198.0	6,198.0	0.0	6,198.0	6,198.0	0.0%
PUBLIC AUTHORITY & NORMAL	1,081.0	1,081.0	0.0	1,081.0	1,081.0	0.0%
VISCAINO RECLAMATION TANK	0.0	0.0	0.0	0.0	0.0	0.0%
GOLF COURSES	5,822.9	5,822.9	0.0	5,822.9	5,822.9	0.0%
CONSTRUCTION	701.2	701.2	0.0	701.2	701.2	0.0%
SALE FOR RESALE	1,219.0	1,219.0	0.0	1,219.0	1,219.0	0.0%
OTHER	2182.3	2182.3	0.0	2182.3	2182.3	0.0%
						NET OPERATING EXPENSES

TABLE C-1
CALIFORNIA/AMERICAN WATER CO., MONTEREY
YEAR-AVERAGE NUMBER OF CUSTOMERS
1997

ITEM	UTILITY	DRA EXCEEDS ORIGINAL	ARO EXCEEDS ORIGINAL	UTILITY EXCEEDS BRANCH DIFFERENCE	UTILITY REVISED ORIGINAL	UTILITY EXCEEDS BRANCH PERCENT
RESIDENTIAL		31,196	31,196	0	31,196	0.0%
MULTI-RESIDENTIAL	0	1,481,14	1,481,14	0	1,481,14	0.0%
COMMERCIAL - NORMAL	0	2,982	2,982	0	2,982	0.0%
HIDDEN HILLS		352	352	0	352	0.0%
RYAN RANCH	0	109	109	0	109	0.0%
INDUSTRIAL	0	8	8	0	8	0.0%
PUBLIC AUTHORITY - NORMAL	0	488	488	0	488	0.0%
VISCAINO RECLAMATION TANK		1	1	0	VISCAINO RECLAMATION TANK	0.0%
GOLF COURSES	0	10	10	0	10	0.0%
CONSTRUCTION	0	10	10	0	10	0.0%
SALE FOR RESALE	0	3	3	0	3	0.0%
OTHER	0	4	4	0	4	0.0%
PRIVATE FIRE SERVICES	731	731	0	731	731	0.0%
PUBLIC FIRE HYDRANT	0	13	13	0	13	0.0%
SEAP,TC	0	37,368	37,368	0	37,368	0.0%
TOTAL ACTIVE CONNECTIONS						
INCL. FIRE PROTECTION		37,368	37,368	0	37,368	0.0%
EXCL. FIRE PROTECTION	028,68	38,635	028,68	0	38,635	0.0%

TABLE C-2
CALIFORNIA-AMERICAN WATER CO., MONTEREY
AVERAGE NUMBER OF CUSTOMERS
1998

ITEM	UTILITY	UTILITY	DRA	DRA	UTILITY	UTILITY	UTILITY	UTILITY
			REVISED	ORIGINAL	EXCEEDS	REVISED	ORIGINAL	PERCENT
RESIDENTIAL	0	0	821,16	821,16	0	821,16	821,16	0.0%
MULTI-RESIDENTIAL	0	0	31,241	31,241	0	31,241	31,241	0.0%
COMMERCIAL-NORMAL	0	0	1,461	1,461	0	1,461	1,461	0.0%
HIDDEN HILLS	0	0	589.5	589.5	0	589.5	589.5	0.0%
RYAN RANCH	0	0	2,987	2,987	0	2,987	2,987	0.0%
INDUSTRIAL	0	0	8	8	0	8	8	0.0%
PUBLIC AUTHORITY - NORMAL	0	0	488	488	0	488	488	0.0%
VISCAINO RECLAMATION TANK	0	0	1	1	0	1	1	0.0%
GOLF COURSES	0	0	10	10	0	10	10	0.0%
CONSTRUCTION	0	0	10	10	0	10	10	0.0%
SALE FOR RESALE	0	0	3	3	0	3	3	0.0%
OTHER	0	0	4	4	0	4	4	0.0%
PRIVATE FIRE SERVICES	0	0	742	742	0	742	742	0.0%
PUBLIC FIRE HYDRANT	0	0	13	13	0	13	13	0.0%
TOTAL ACTIVE CONNECTIONS	0	0	37,432	37,432	0	37,432	37,432	0.0%
INCL. FIRE PROTECTION	0	0	37,432	37,432	0	37,432	37,432	0.0%
EXCL. FIRE PROTECTION	0	0	36,690	36,690	0	36,690	36,690	0.0%

TABLE 0-1
CALIFORNIA-AMERICAN WATER CO., MONTEREY
TOTAL SALES AND SUPPLY
TOTAL USES AND SUPPLY
1997
1998

ITEM	UTILITY	UTILITY	ORIGIN	ORIGIN	UTILITY	UTILITY	UTILITY	UTILITY
METERED SALES (KCCF)								
RESIDENTIAL			3,107.1	2,968.7	0.0	2,968.7	2,968.7	0.0%
MULTI-RESIDENTIAL	0.0	730.8	730.8	11.3	0.0	730.8	710.0	0.0%
COMMERCIAL & NORMAL	0.0	1,310.0	1,291.8	18.2	0.0	1,291.8	1,274.9	0.0%
HIDDEN HILLS CES. I	0.0	58.3	58.3	0.1	0.0	58.3	58.3	0.0%
RYAN RANCH 82	0.0	23.0	23.0	0.0	0.0	23.0	23.0	0.0%
INDUSTRIAL 8 ES	0.0	37.2	37.2	0.0	0.0	37.2	37.2	0.0%
PUBLIC AUTHORITY - NORMAL		527.5	527.5	0.0	0.0	527.5	527.5	0.0%
VISCAINO RECLAMATION TANK		0.0	70.0	25.0	JAN 0	70.0	0.0	0.0%
GOLF COURSES	0.0	58.2	91.4	33.2	0.0	58.2	91.4	0.0%
CONSTRUCTION	0.0	7.0	7.0	0.0	0.0	7.0	7.0	0.0%
SALE FOR RESALE	0.0	3.7	3.7	0.0	0.0	3.7	3.7	0.0%
OTHER	5.8	0.0	8.7	8.7	0.0	8.7	8.7	0.0%
	5.8	0.0	8.7	8.7		8.7	8.7	0.0%
TOTAL METERED SALES		5,871.3	5,817.7		0.0	5,817.7	5,875.3	0.0%
	8,963.2	0.0	8,528.2	0.0	0.0	8,528.2	8,288.2	0.0%
FLAT RATE SALES								
COMMERCIAL			0.0	0.0	0.0	0.0	0.0	0.0%
PUBLIC AUTHORITY	0.0	0.0	6.6	0.0	0.0	0.0	0.0	0.0%
PRIVATE FIRE PROTECTION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
	0.0	0.0	0.0	0.0		0.0	0.0	0.0%
UNACCOUNTED FOR WATER 6.74%		424.4	420.5		0.0	420.5	410.2	0.0%
USED IN OPERATIONS	0.0	9.6	9.6	0.0	0.0	9.6	9.9	0.0%
	9.6	0.0	9.6	0.0	0.0	9.6	9.9	0.0%
TOTAL DELIVERED		6,305.8	6,248.1		0.0	6,248.1	6,095.4	0.0%
	8,963.2	0.0	8,528.2	0.0	0.0	8,528.2	8,056.0	0.0%
SUPPLY								
WELLS			4,874.2	4,998.5	0.0	4,998.5	4,712.7	0.0%
PURCHASED 7,400.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
SURFACE 0.0	0.0	1,431.4	1,249.6	171.8	0.0	1,249.6	1,385.8	0.0%
	1,431.4	0.0	1,249.6	171.8	0.0	1,249.6	1,385.8	0.0%
TOTAL SUPPLY		6,305.8	6,248.1		0.0	6,248.1	6,095.4	0.0%
	8,963.2	0.0	8,528.2	0.0	0.0	8,528.2	8,056.0	0.0%

TABLE D-2. AMERICAN WATER COMPANY
CALIFORNIA-AMERICAN WATER CO.- MONTEREY
TOTAL SALES AND SUPPLY
1998

ITEM	UTILITY REVISED ORIGINAL	UTILITY REVISED ORIGINAL	ORIGIN DIFFERENCE	ORIGIN REVISED	ORIGIN REVISED	UTILITY EXCEEDS BRANCH DIFFERENCE	UTILITY REVISED ORIGINAL	UTILITY EXCEEDS BRANCH PERCENT
METERED SALES (KCCF)								
RESIDENTIAL	5,802.5	0.0	5,802.5	5,802.5	0.0	0.0	5,802.5	0.0%
MULTI-RESIDENTIAL	0.0	0.0	3,117.9	2,972.9	-145.0	0.0	2,972.9	0.0%
COMMERCIAL NORMAL	0.0	0.0	730.6	730.6	0.0	0.0	730.6	0.0%
HIDDEN HILLS	0.0	0.0	1,312.2	1,293.7	-18.5	0.0	1,293.7	0.0%
RYAN RANCH	0.0	0.0	23.6	23.6	0.0	0.0	23.6	0.0%
INDUSTRIAL	0.0	0.0	37.2	37.2	0.0	0.0	37.2	0.0%
PUBLIC AUTHORITY - NORMAL	0.0	0.0	527.5	527.5	0.0	0.0	527.5	0.0%
VISCAJNO RECLAMATION TANK	0.0	0.0	0.0	70.0	-70.0	0.0	70.0	0.0%
GOLF COURSES	0.0	0.0	58.2	91.4	-33.2	0.0	91.4	0.0%
CONSTRUCTION	0.0	0.0	7.0	7.0	0.0	0.0	7.0	0.0%
SALE FOR RESALE	0.0	0.0	3.7	3.7	0.0	0.0	3.7	0.0%
OTHER	0.0	0.0	8.7	8.7	0.0	0.0	8.7	0.0%
TOTAL METERED SALES	5,885.2	0.0	5,818.2	5,818.2	0.0	0.0	5,825.0	0.0%
FLAT RATE SALES								
COMMERCIAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
PUBLIC AUTHORITY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
PRIVATE FIRE PROTECTION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
UNACCOUNTED FOR WATER USED IN OPERATIONS	0.0	0.0	425.3	421.0	-4.3	0.0	421.0	0.0%
TOTAL DELIVERED	6,255.9	0.0	6,255.9	6,255.9	0.0	0.0	6,255.9	0.0%
SUPPLY								
WELLS	2,802.4	0.0	2,602.4	2,548.4	-54.0	0.0	5,004.7	0.0%
PURCHASED	0.0	0.0	4,885.7	5,004.7	-119.0	0.0	0.0	0.0%
SURFACE	0.0	0.0	0.0	0.0	0.0	0.0	1,251.2	0.0%
TOTAL SUPPLY	6,688.1	0.0	1,434.7	1,251.2	-183.5	0.0	6,255.9	0.0%

TABLE E-1
CALIFORNIA AMERICAN WATER CO.-MONTEREY
YEAR 1997-98
YEAR 1997 ESTIMATED
AT PROPOSED RATES
ESTIMATE BASIS

ITEM	ITEM	YTD	YTD	DRA	AP-3	UTILITY EXCEEDS BRANCH DIFFERENCE	UTILITY	UTILITY EXCEEDS BRANCH DIFFERENCE	REVISED ORIGINAL PERCENTAGE	
		1997-98	1997-98	ORIG	REVISED		REVISED	ORIGINAL	%	
METERED REVENUES										
Residential		11,118.6	10,643.0	0.0	10,643.0	10,643.0	10,643.0	10,643.0	0.0%	
Multi-Residential		1,793.5	1,793.5	0.0	1,793.5	1,793.5	1,793.5	1,793.5	0.0%	
Commercial - Normal		4,012.5	3,797.1	0.0	3,797.1	3,797.1	3,797.1	3,797.1	0.0%	
Hidden Hills		2,358.5	2,358.5	0.0	2,358.5	2,358.5	2,358.5	2,358.5	0.0%	
Ryan Ranch		1,904.5	1,603.5	0.0	1,603.5	1,603.5	1,603.5	1,603.5	0.0%	
Industrial		57.5	57.5	0.0	57.5	57.5	57.5	57.5	0.0%	
Public Authority - Normal		1,519.2	1,519.2	0.0	1,519.2	1,519.2	1,519.2	1,519.2	0.0%	
Vacano Reclamation Tank		1,184.4	1,184.4	0.0	1,184.4	1,184.4	1,184.4	1,184.4	0.0%	
Golf Courses		13,217.7	13,217.7	0.0	13,217.7	13,217.7	13,217.7	13,217.7	0.0%	
Construction		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
Sale for Resale		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
TOTAL METERED		52.0	52.0	0.0	52.0	52.0	52.0	52.0	0.0%	
ELAT RATE REVENUES										
Construction		29.0	29.0	0.0	29.0	29.0	29.0	29.0	0.0%	
Fire Hydrant		53.5	53.5	0.0	53.5	53.5	53.5	53.5	0.0%	
Private Fire Protection		1,197.5	1,197.5	0.0	1,197.5	1,197.5	1,197.5	1,197.5	0.0%	
225.5		225.5	225.5	0.0	225.5	225.5	225.5	225.5	0.0%	
TOTAL FLAT RATE		0.0	262.0	262.0	0.0	262.0	262.0	262.0	262.0	0.0%
MISCELLANEOUS										
Mac Services		7.0	7.0	0.0	7.0	7.0	7.0	7.0	0.0%	
Rent		11.5	11.5	0.0	11.5	11.5	11.5	11.5	0.0%	
Other OT		329.0	307.5	0.0	347.7	337.0	337.0	337.0	0.0%	
Rev. from Contracts		29.5	29.5	0.0	29.5	29.5	29.5	29.5	0.0%	
63.5		63.5	63.5	0.0	63.5	63.5	63.5	63.5	0.0%	
Revenue Accrued		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
Supply Bill Accrued		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
TOTAL MISC.		0.0	302.5	301.5	0.0	301.2	301.2	301.2	301.2	0.0%
TOTAL REVENUES		0.0	19,729.7	19,631.0	0.0	19,631.0	19,631.0	19,631.0	19,631.0	0.0%
REVISED TOTAL REVENUE		0.0	19,729.7	19,631.0	0.0	19,631.0	19,631.0	19,631.0	19,631.0	0.0%

TABLE E-2
CALIFORNIA AMERICAN WATER CO.-MONTEREY
YEAR 1997-98
OPERATING REVENUES
BY YEAR 1997 ESTIMATED
AT PROPOSED RATES
ESTIMATE BASIS

ITEM	ITEM	YTD	YTD	DRA	AP-3	UTILITY EXCEEDS BRANCH DIFFERENCE	UTILITY	UTILITY EXCEEDS BRANCH DIFFERENCE	REVISED ORIGINAL PERCENTAGE	
		1997-98	1997-98	ORIG	REVISED		REVISED	ORIGINAL	%	
METERED REVENUES										
Residential		12,558.9	12,217.0	0.0	12,217.0	12,217.0	12,217.0	12,217.0	0.0%	
Multi-Residential		2,073.5	1,767.5	0.0	1,767.5	1,767.5	1,767.5	1,767.5	0.0%	
Commercial - Normal		4,545.0	4,144.5	0.0	4,144.5	4,144.5	4,144.5	4,144.5	0.0%	
Hidden Hills		249.5	249.5	0.0	249.5	249.5	249.5	249.5	0.0%	
Ryan Ranch		1,110.5	1,040.5	0.0	1,040.5	1,040.5	1,040.5	1,040.5	0.0%	
Industrial		102.0	92.0	0.0	92.0	92.0	92.0	92.0	0.0%	
Public Authority - Normal		1,730.0	1,560.0	0.0	1,560.0	1,560.0	1,560.0	1,560.0	0.0%	
Vacano Reclamation Tank		11,252.5	11,177.5	0.0	11,177.5	11,177.5	11,177.5	11,177.5	0.0%	
Golf Courses		178.5	240.5	0.0	240.5	240.5	240.5	240.5	0.0%	
Construction		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
Sale for Resale		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
Other		14.5	13.5	0.0	13.5	13.5	13.5	13.5	0.0%	
0.5		20.5	21.5	0.0	21.5	21.5	21.5	21.5	0.0%	
TOTAL METERED		0.0	21,003.5	20,824.5	1,153.5	0.0	20,624.5	21,193.5	1,569.0	
ELAT RATE REVENUES										
Construction		32.0	32.5	0.0	32.5	32.5	32.5	32.5	0.0%	
Fire Hydrant		56.0	57.5	0.0	57.2	57.2	57.2	57.2	0.0%	
Private Fire Protection		221.7	212.5	0.0	212.5	212.5	212.5	212.5	0.0%	
225.5		225.5	225.5	0.0	225.5	225.5	225.5	225.5	0.0%	
TOTAL FLAT RATE		0.0	313.0	300.5	12.5	0.0	300.5	313.5	1.569.0	
MISCELLANEOUS										
Mac Services		7.0	7.0	0.0	7.0	7.0	7.0	7.0	0.0%	
Rent		127.5	122.5	0.0	122.5	122.5	122.5	122.5	0.0%	
Other OT		27.5	27.5	0.0	27.5	27.5	27.5	27.5	0.0%	
Rev. from Contracts		25.5	25.5	0.0	25.5	25.5	25.5	25.5	0.0%	
125		125	125	0.0	125	125	125	125	0.0%	
Revenue Accrued		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
Supply Bill Accrued		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
TOTAL MISC.		0.0	47.5	47.0	0.0	47.0	47.0	47.0	47.0	0.0%
TOTAL REVENUES		0.0	21,964.7	20,871.0	1,193.5	0.0	20,671.0	21,492.0	1,569.0	0.0%
REVISED TOTAL REVENUE		0.0	21,964.7	20,871.0	1,193.5	0.0	20,671.0	21,492.0	1,569.0	0.0%

ITEM		2033013 REVISED AMOUNT	2033013 ORIGINAL AMOUNT	DRA	UTILITY EXCEEDS BRANCH	UTILITY	UTILITY EXCEEDS BRANCH
		2033013 REVISED AMOUNT	2033013 ORIGINAL AMOUNT	ORG REvised DRA	DIFFERENCE	REVISED AMOUNT	ORIGINAL AMOUNT
METERED REVENUES							
200 Residential	\$0	11,303.0	10,557.0		0.0	10,857.0	10,857.0
200 Multi-Residential	\$0	1,709.0	1,709.0		0.0	1,709.0	1,709.0
200 Commercial - Normal	\$0	4,018.0	3,673.0		0.0	3,875.0	3,703.0
200 Hidden Hills	\$0	237.0	237.0		0.0	237.0	237.0
200 Ryan Ranch	\$0	1,028.0	1,028.0		0.0	1,028.0	1,028.0
200 Industrial	\$0	1,121.0	1,121.0		0.0	1,121.0	1,121.0
200 Public Authority - Normal	\$0	1,532.0	1,511.0		0.0	1,518.0	1,511.0
200 Vacant Land/Development	\$0	119.0	119.0		0.0	165.0	165.0
200 Golf Courses	\$0	152.0	229.0		0.0	229.0	229.0
200 Construction	\$0	166.0	166.0		0.0	0.0	0.0
200 Sale for Resale	\$0	131.0	131.0		0.0	131.0	131.0
200 Other	\$0	23,173.0	23,173.0		0.0	23,173.0	23,173.0
200 TOTAL METERED	\$0	38,684.0	38,684.0		0.0	38,684.0	38,684.0
FLAT RATE REVENUES							
200 Construction	\$0	119.0	119.0		0.0	119.0	119.0
200 Fire Hydrant	\$0	219.0	219.0		0.0	219.0	219.0
200 Private Fire Protection	\$0	231.0	231.0		0.0	231.0	231.0
200 TOTAL FLAT RATE	\$0	569.0	569.0		0.0	569.0	569.0
MISCELLANEOUS							
200 Mac Services	\$0	0.0	0.0		0.0	0.0	0.0
200 Rent	\$0	130.0	125.0		0.0	125.0	125.0
200 Other	\$0	271.0	271.0		0.0	271.0	271.0
200 Rev. Park Control	\$0	231.0	231.0		0.0	231.0	231.0
200 Revenue Accrued	\$0	0.0	0.0		0.0	0.0	0.0
200 Supply Bal. Accru.	\$0	0.0	0.0		0.0	0.0	0.0
200 TOTAL MIS.	\$0	670.0	670.0		0.0	670.0	670.0
200 TOTAL REVENUES	\$0	18,764.0	18,678.0		0.0	18,678.0	18,597.0

13-3 TABLE E4 - 2033013
CALIFORNIA AMERICAN WATER CO - MONTEREY
OPERATING REVENUES
ESTIMATED FOR THE YEAR 1991 ESTIMATED
AT PROPOSED RATES

ITEM		2033013 REVISED AMOUNT	2033013 ORIGINAL AMOUNT	DRA	UTILITY EXCEEDS BRANCH	UTILITY	UTILITY EXCEEDS BRANCH
		2033013 REVISED AMOUNT	2033013 ORIGINAL AMOUNT	ORG REvised DRA	DIFFERENCE	REVISED AMOUNT	ORIGINAL AMOUNT
METERED REVENUES							
200 Residential	\$0	12,857.0	12,529.0		0.0	12,529.0	12,529.0
200 Multi-Residential	\$0	2,121.0	2,008.0		0.0	1,908.0	2,074.0
200 Commercial - Normal	\$0	4,842.0	4,243.0		0.0	4,243.0	4,942.0
200 Hidden Hills	\$0	254.0	256.0		0.0	256.0	254.0
200 Ryan Ranch	\$0	118.0	108.0		0.0	108.0	113.7
200 Industrial	\$0	503.0	453.0		0.0	453.0	503.0
200 Public Authority - Normal	\$0	1,783.0	1,629.0		0.0	1,526.4	1,765.8
200 Vacant Land/Development	\$0	116.0	101.0		0.0	101.4	111.8
200 Golf Courses	\$0	181.0	240.0		0.0	240.0	181.8
200 Construction	\$0	0.0	0.0		0.0	0.0	0.0
200 Sale for Resale	\$0	152.0	147.0		0.0	147.0	152.0
200 Other	\$0	270.0	248.0		0.0	248.0	270.0
200 TOTAL METERED	\$0	22,107.0	21,138.0		0.0	21,138.0	21,627.7
FLAT RATE REVENUES							
200 Construction	\$0	32.0	31.5		0.0	31.1	32.4
200 Fire Hydrant	\$0	31.0	31.0		0.0	30.6	31.0
200 Private Fire Protection	\$0	211.0	220.0		0.0	222.0	211.1
200 TOTAL FLAT RATE	\$0	323.0	311.7		0.0	311.7	323.0
MISCELLANEOUS							
200 Mac Services	\$0	0.0	0.0		0.0	0.0	0.0
200 Rent	\$0	130.0	125.0		0.0	125.0	130.0
200 Other	\$0	271.0	271.0		0.0	271.0	271.0
200 Rev. Park Control	\$0	231.0	231.0		0.0	231.0	231.0
200 Revenue Accrued	\$0	0.0	0.0		0.0	0.0	0.0
200 Supply Bal. Accru.	\$0	0.0	0.0		0.0	0.0	0.0
200 TOTAL MIS.	\$0	478.0	473.0		0.0	473.0	484.0
200 TOTAL REVENUES	\$0	22,611.0	21,497.0		0.0	21,497.0	21,999.0

TABLE F-1
CALIFORNIA AMERICAN WATER CO., MONTEREY
OPERATIONS & MAINTENANCE EXPENSES
FOR THE YEAR 1997

ITEM	ORIGINAL	REVISED	DRA EXCEEDS BUDGET	ASO EXCEEDS BUDGET	UTILITY EXCEEDS BRANCH DIFFERENCE	UTILITY	UTILITY EXCEEDS BRANCH PERCENT
						REVISED / ORIGINAL	
AT PRESENT RATES							
Operating Revenues							AT PRESENT RATES
Uncollectible Rate ¹	\$223.01	0.0	19,729.7	19,625.9	0.1	19,628.0	-\$19,329.71 or -6.0%
Uncollectibles ^{1,0}	\$223.0	0.0	0.2869%	0.2869%	0.0	0.2869%	0.2869%
	223	0.0	56.6	56.3	0.0	56.3	155.5 or 0.0%
Operation Expenses							AT PRESENT RATES
Source of Supply Expense							AT PRESENT RATES
Source of Supply - Misc ^{1,2}	0.0	28.9	28.9	0.0	0.0	28.9	28.9 to 28.9 or 0.0%
Purchased Power	0.0	17.0	17.0	0.0	0.0	17.0	17.0 to 17.0 or 0.0%
Pumping Expense ¹	2,003.1	0.0	1,364.4	1,398.3	0.0	1,398.3	1,333.3 or 0.0%
Water Treatment - Misc ^{1,2,3}	0.0	116.8	116.8	0.0	0.0	116.8	116.8 to 116.8 or 0.0%
Chemicals ^{1,2,3}	0.05	0.0	19.7	19.7	0.0	19.7	19.7 to 19.7 or 0.0%
Storage Facilities Expenses ^{1,2}	0.0	241.7	244.9	0.0	0.0	244.9	241.7 to 244.9 or 0.0%
Trans. & Dist. Lines ^{1,2}	0.0	4.8	4.8	0.0	0.0	4.8	4.8 to 4.8 or 0.0%
Trans. & Dist. Meters ^{1,2}	0.0	63.8	63.6	0.0	0.0	63.8	63.8 to 63.8 or 0.0%
Trans. & Dist. Customer Installation							AT PRESENT RATES
Trans. & Dist. & Misc ^{1,2}	0.0	2.2	2.2	0.0	0.0	2.2	2.2 to 2.2 or 0.0%
Customer Accts. - Meter Reading	0.0	85.6	85.6	0.0	0.0	85.6	85.6 to 85.6 or 0.0%
Customer Accts. - Misc ^{1,2}	0.0	3.1	3.1	0.0	0.0	3.1	3.1 to 3.1 or 0.0%
Customer Accts. - Uncollectibles	0.0	25.5	25.5	0.0	0.0	25.5	25.5 to 25.5 or 0.0%
Operations - Labor	1.82	0.0	58.8	58.3	0.0	58.3	58.3 to 58.3 or 0.0%
	1.82	0.0	2,012.8	2,012.8	0.0	2,012.8	2,012.8 to 2,012.8 or 0.0%
Total Operation Expenses							AT PRESENT RATES
	6,830.4	0.0	4,057.9	4,091.2	0.0	4,091.2	4,022.2 or -6.0%
Maintenance Expenses							AT PRESENT RATES
Source of Supply - Structures							AT PRESENT RATES
Source of Supply - Collection	0.0	0.2	0.2	0.0	0.0	0.2	0.2 to 0.2 or 0.0%
Source of Supply - Wells ^{1,2,3}	0.0	25.9	25.9	0.0	0.0	25.9	41.3 to 25.9 or -0.0%
Pumping - Structures ^{1,2}	0.0	48.3	48.3	0.0	0.0	48.3	48.3 to 48.3 or 0.0%
Pumping - Pumping Equipment	0.0	9.8	9.8	0.0	0.0	9.8	9.8 to 9.8 or 0.0%
Water Treatment + Structures ^{1,2}	0.0	122.8	122.8	0.0	0.0	122.8	122.8 to 122.8 or 0.0%
Water Treatment - Other ^{1,2}	0.0	8.7	8.7	0.0	0.0	8.7	8.7 to 8.7 or 0.0%
Trans. & Dist. - Reserv. & Tanks	0.0	33.7	38.7	0.0	0.0	38.7	43.9 to 38.7 or -0.0%
Trans. & Dist. - Mains ^{1,2,3}	0.0	177.0	177.0	0.0	0.0	177.0	177.0 to 177.0 or 0.0%
Trans. & Dist. - Services ^{1,2,3}	0.0	137.5	137.5	0.0	0.0	137.5	137.5 to 137.5 or 0.0%
Trans. & Dist. - Meters ^{1,2}	0.0	148.1	148.1	0.0	0.0	148.1	148.1 to 148.1 or 0.0%
Trans. & Dist. - Hydrants ^{1,2}	0.0	3.2	3.2	0.0	0.0	3.2	3.2 to 3.2 or 0.0%
Maintenance Labor	0.01	0.01	10.0	10.0	0.0	10.0	10.0 to 10.0 or 0.0%
	2,658	0.0	804.9	804.9	0.0	804.9	804.9 to 804.9 or 0.0%
Total Maintenance Expense							AT PRESENT RATES
	1,823.1	0.0	1,528.1	1,529.1	0.0	1,529.1	1,565.0 or -6.0%
Total O & M Expenses (incl. uncollectibles) ²	1,057.2	0.0	5,584.0	5,620.3	0.0	5,620.3	5,597.2 or 0.0%
							(excluding labor)
AT PROPOSED RATES							
Operating Revenues							AT PROPOSED RATES
Uncollectible Rate ^{1,2,3}	1,514.15	0.0	21,964.6	20,948.7	0.0	20,948.7	21,492.7 or -6.0%
Uncollectibles ^{1,2,3,0}	2,552.0	0.0	0.2869%	0.2869%	0.0	0.2869%	0.2869%
	1.0	0.0	63.0	60.1	0.0	60.1	61.7 or 0.0%
TOTAL O & M EXPENSES							
	1,057.2	0.0	5,590.4	5,624.1	(0.0)	5,624.1	5,593.4 M & O JA 0.0%

TABLE F-2
CALIFORNIA AMERICAN WATER CO., MONTEREY
OPERATIONS & MAINTENANCE EXPENSES
YEAR 1998

ITEM	DESCRIPTION	UNIT	ORIGINAL	REVISED	O&M	Utility Exceeds Branch Difference	UTILITY		Utility Exceeds Branch Percent
							MTU	Original	
AT PRESENT RATES									
Operating Revenues	\$ 650.81	10	19,763.4	19,653.4	5,953.81	0.0	19,653.4	19,357.13	0.0%
Uncollectible Rate	0.2869%	0.0	0.2869%	0.2869%	0.0	0.0	0.2869%	0.2869%	0.0%
Uncollectibles	€ 63	0.0	58.7	58.4	0.0	0.0	58.4	55.5	0.0%
Operation Expense									
Source of Supply Expenses	0.0		29.45	29.45	0.0	0.0			
Source of Supply - Misc.	0.0		17.3	17.3	0.0	0.0	29.3	29.3	0.0%
Purchased Power	2,695.1	0.0	1,370.0	1,400.5	11	0.0	1,400.5	1,334.8	0.0%
Pumping Expense	6,811	0.0	121.0	121.0	0.0	0.0	121.0	121.0	0.0%
Water Treatment - Misc.	1.81	0.0	20.0	20.0	0.0	0.0	20.0	20.0	0.0%
Chemicals	1.145	0.0	242.0	245.2	0.0	0.0	245.2	242.0	0.0%
Storage Facilities Expenses	0.0		9.9	9.9	0.0	0.0	9.9	9.9	0.0%
Trans. & Dist. Lines	8.1	0.0	4.9	4.9	0.0	0.0	4.9	4.9	0.0%
Trans. & Dist. f Meters	8.63	0.0	64.7	64.7	0.0	0.0	64.7	64.7	0.0%
Trans. & Dist. f Customer Installation	0.0		2.3	2.3	0.0	0.0	2.3	2.3	0.0%
Trans. & Dist. f Misc.	0.28	0.0	87.0	87.0	0.0	0.0	87.0	87.0	0.0%
Customer Accts. - Meter Reading	0.0		3.1	3.1	0.0	0.0	3.1	3.1	0.0%
Customer Accts. - Misc.	0.25	0.0	25.4	25.9	0.0	0.0	25.9	25.9	0.0%
Customer Accts. - Uncollectibles	0.0		58.7	58.4	0.0	0.0	58.4	54.7	0.0%
Operations - Labor	3,510.5	0.0	2,071.9	2,071.9	0.0	0.0	2,071.9	2,071.9	0.0%
Total Operation Expenses	160.8	0.0	4,125.5	4,159.4	2120.8	0.0	4,159.4	4,088.8	0.0%
Maintenance Expenses									
Source of Supply - Structures	0.0		0.0	0.0	0.0	0.0			
Source of Supply - Collection	0.0		26.4	26.4	0.0	0.0	26.4	26.4	0.0%
Source of Supply - Wells	0.0		47.2	47.2	0.0	0.0	47.2	47.2	0.0%
Pumping - Structures	3.9	0.0	9.9	9.9	0.0	0.0	9.9	9.9	0.0%
Pumping - Pumping Equipment	0.0		125.0	125.0	0.0	0.0	125.0	125.0	0.0%
Water Treatment - Structures	0.0		8.8	8.8	0.0	0.0	8.8	8.8	0.0%
Water Treatment - Other	1.83	0.0	34.3	37.3	0.0	0.0	37.3	44.7	0.0%
Trans. & Dist. Reserv. & Tanks	2.181	0.0	235.2	235.2	0.0	0.0	235.2	235.2	0.0%
Trans. & Dist. Mains	2.181	0.0	140.0	140.0	0.0	0.0	140.0	140.0	0.0%
Trans. & Dist. Services	1.821	0.0	148.7	148.7	0.0	0.0	148.7	148.7	0.0%
Trans. & Dist. Meters	5.8	0.0	3.3	3.3	0.0	0.0	3.3	3.3	0.0%
Trans. & Dist. Hydrants	0.01	0.0	10.2	10.2	0.0	0.0	10.2	10.2	0.0%
Maintenance f Labor	2.403	0.0	828.5	828.5	0.0	0.0	828.5	828.5	0.0%
Total Maintenance Expenses	652.1	0.0	1,817.7	1,620.7	1,652.1	0.0	1,620.7	1,657.3	0.0%
Total O & M Expenses (incl. uncollectibles)	€ 052.2	0.0	5,743.2	5,780.1	0.423.2	0.0	5,780.1	5,748.1	0.0%
AT PROPOSED RATES									
Operating Revenues	\$ 649.05	0.0	22,480.9	21,472.4	4,002.15	0.0	21,472.4	21,999.4	0.0%
Uncollectible Rate	0.2869%	0.0	0.2869%	0.2869%	0.0	0.0	0.2869%	0.2869%	0.0%
Uncollectibles	€ 63	0.0	64.5	61.6	0.0	0.0	61.6	63.1	0.0%
TOTAL O & M EXPENSES	€ 052.2	(0.0)	5,751.0	5,785.3	0.022.2	0.0	5,785.3	5,753.7	0.0%

TABLE B-1
CALIFORNIA-AMERICAN WATER CO., MONTEREY
ADMINISTRATIVE & GENERAL EXPENSES
S-O YEAR 1997
CALIFORNIA-AMERICAN WATER CO., MONTEREY
ADMINISTRATIVE & GENERAL EXPENSES

ITEM	UTILITY	ORIGINAL		UTILITY EXCEEDS BRANCH DIFFERENCE	UTILITY		UTILITY EXCEEDS BRANCH PERCENT
		REVISED	EXCESS OVER BRANCH		REVISED	ORIGINAL	
AT PRESENT RATES							
Operating Revenues less Uncoll.		19,671.0	19,569.6	0.0	19,569.6	19,274.2	0.0%
Local Franchise Tax Rate		0.0000%	0.0000%	0.0	0.0000%	0.0000%	0.0%
Local Franchise Tax		0.0	0.0	0.0	0.0	0.0	0.0%
Office Supplies & Expenses	2,102.81	2,022.81	0.0	(192.5)	192.5	192.5	0.0%
Property Insurance	0.0000	0.0000	0.0	0.0000	0.0000	0.0000	0.0%
Injuries & Damages	0.0	0.0	0.0	(12.9)	(12.9)	(12.9)	0.0%
Pensions & Benefits	0.000	1,295.5	1,295.5	0.0	1,295.5	1,295.5	0.0%
Business Meals	0.0	0.000	0.0	0.000	0.0	0.0	0.0%
Regulatory Expenses	(1.61)	0.37.1	37.1	(4.80)	37.1	50.8	0.0%
Outside Services	13.1	80.2	80.2	2.00	80.2	80.2	0.0%
Miscellaneous	0.0	250.7	250.7	0.0	250.7	250.7	0.0%
Alloc Gen Office Expense	2.18	2,170.1	2,208.6	37.6	2,208.6	2,338.1	0.0%
Other Minc of Gen Plant	0.18	0.41.7	41.7	2.00	41.7	41.7	0.0%
Rent	0.225	296.5	296.5	0.0	296.5	298.5	0.0%
A&G Expenses Capitalized	1.65.5	0.000	0.000	0.000	0.0	0.0	0.0%
A&G Labor	0.54	577.6	577.6	0.0	577.6	577.6	0.0%
Total A & G Expenses	4,208	4,929.0	4,967.5	0.0	4,967.5	5,108.9	0.0%
(Incl. Local Franchise Taxes)	4,208	4,929.0	4,967.5	0.0	4,967.5	5,108.9	0.0%
AT PROPOSED RATES							
Operating Revenues less Uncoll.	2,110.2	0.0	2,110.2	1,560.2	2,110.2	2,110.2	0.0%
Local Franchise Tax Rate	0.0000%	0.0000%	0.0	0.0000%	0.0000%	0.0000%	0.0%
Local Franchise Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Office Supplies & Expenses	2,110.2	0.0	2,014.15	2,110.2	2,110.2	2,110.2	0.0%
Property Insurance	0.0000	0.0000	0.0	0.0000	0.0000	0.0000	0.0%
Injuries & Damages	0.0	0.0	0.0	0.0000	0.0000	0.0000	0.0%
Pensions & Benefits	0.000	1,295.5	1,295.5	0.0	1,295.5	1,295.5	0.0%
Business Meals	0.0	0.000	0.0	0.000	0.0	0.0	0.0%
Regulatory Expenses	(1.61)	0.37.1	37.1	(4.80)	37.1	50.8	0.0%
Outside Services	13.1	80.2	80.2	2.00	80.2	80.2	0.0%
Miscellaneous	0.0	250.7	250.7	0.0	250.7	250.7	0.0%
Alloc Gen Office Expense	2.18	2,170.1	2,208.6	37.6	2,208.6	2,338.1	0.0%
Other Minc of Gen Plant	0.18	0.41.7	41.7	2.00	41.7	41.7	0.0%
Rent	0.225	296.5	296.5	0.0	296.5	298.5	0.0%
A&G Expenses Capitalized	1.65.5	0.000	0.000	0.000	0.0	0.0	0.0%
A&G Labor	0.54	577.6	577.6	0.0	577.6	577.6	0.0%
Total A & G Expenses	4,208	4,929.0	4,967.5	0.0	4,967.5	5,108.9	0.0%
(Incl. Local Franchise Taxes)	4,208	4,929.0	4,967.5	0.0	4,967.5	5,108.9	0.0%
TOTAL A & G EXPENSES							
At Present Rates	2,110.2	0.0	2,110.2	1,560.2	2,110.2	2,110.2	0.0%
At Proposed Rates	2,110.2	0.0	2,014.15	2,110.2	2,110.2	2,110.2	0.0%

CALIFORNIA-AMERICAN WATER CO.-MONTEREY

ADMINISTRATIVE & GENERAL EXPENSES

YEAR 1998-99

ITEM	ITEM	UTILITY			UTILITY	UTILITY	UTILITY		
		ORIGINAL	REVISED	Difference				PERCENT	
Operating Revenues less Uncoll.	Operating Revenues less Uncoll.	8,632.1	8,632.1	0.0	0.0	0.0	0.0	0.0	0.0%
Local Franchise Tax Rate	Local Franchise Tax Rate	0.0000%	0.0000%	0.0	0.0	0.0	0.0	0.0	0.0%
Local Franchise Tax	Local Franchise Tax	2.501	2.501	0.0	0.0	0.0	0.0	0.0	0.0%
Office Supplies & Expenses	Office Supplies & Expenses	(2.51)	(2.51)	0.0	0.0	0.0	0.0	0.0	0.0%
Property Insurance	Property Insurance	225.1	198.0	19.597.0	0.0	19.597.0	19,301.5	0.0	0.0%
Injuries & Damages	Injuries & Damages	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Pensions & Benefits	Pensions & Benefits	1.30	(13.4)	1.311.5	0.0	(13.4)	(13.4)	0.0	0.0%
Business Meals	Business Meals	2.08	1,311.5	1,311.5	0.0	1,311.5	1,311.5	0.0	0.0%
Regulatory Expenses	Regulatory Expenses	5.035	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Outside Services	Outside Services	2,503.5	0.377	37,760.5	0.0	37.7	50.8	0.0	0.0%
Miscellaneous	Miscellaneous	2.115	81.5	81.5	0.0	81.5	81.5	0.0	0.0%
Alloc Gen Office Expense	Alloc Gen Office Expense	2.095	255.0	255.0	0.0	255.0	255.0	0.0	0.0%
Other Minc of Gen Plant	Other Minc of Gen Plant	0.0	2,221.3	2,281.10	0.0	2,281.10	2,398.0	0.0	0.0%
Rent	Rent	0.115	42.6	42.6	0.0	42.6	42.6	0.0	0.0%
A&G Expenses Capitalized	A&G Expenses Capitalized	2,102.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
A&G Labor	A&G Labor	2,601.2	694.5	594.5	0.0	594.5	594.5	0.0	0.0%
Total A & G Expenses	Total A & G Expenses		5,032.1	5,071.9	0.0	5,071.9	5,222.1	0.0	0.0%
(Incl. local Franchise Taxes)	(Incl. local Franchise Taxes)		5,032.1	5,071.9	0.0	5,071.9	5,222.1	0.0	0.0%
AT PROPOSED RATES	AT PROPOSED RATES	8,638.05	0.0	8,638.05	8,102.15	8,102.15	8,102.15	0.0	0.0%
Operating Revenues less Uncoll.	Operating Revenues less Uncoll.	22,418.4	21,410.8	0.0	21,410.8	21,936.2	0.0	0.0	0.0%
Local Franchise Tax Rate	Local Franchise Tax Rate	0.0000%	0.0000%	0.0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Local Franchise Tax	Local Franchise Tax	2.501.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total A & G Expenses	Total A & G Expenses		5,032.1	5,071.9	0.0	5,071.9	5,222.1	0.0	0.0%
(Incl. local Franchise Taxes)	(Incl. local Franchise Taxes)		5,032.1	5,071.9	0.0	5,071.9	5,222.1	0.0	0.0%

TABLE H
CALIFORNIA AMERICAN WATER CO. MONTEREY
TAXES OTHER THAN INCOME
YEAR 1997 & 1998

ITEM	UTILITY	REVENUE	BETWEEN THE DRA			UTILITY EXCEEDS BRANCH DIFFERENCE	UTILITY	UTILITY EXCEEDS BRANCH PERCENT
			ORIGINAL	REVISED	CHANGE			
TEST YEAR 1997 \$00.00								
Ad Valorem taxes	\$ 203.2	00	568.1	571.5	3.4	0.0	571.5	591.2 0.81%
Loc Fran Taxes (pres rates)	\$ 00	00	0.0	0.0	0.0	0.0	0.0	0.0%
Loc Fran Taxes (prop rates)	\$ 00	00	0.0	0.0	0.0	0.0	0.0	0.0%
Miscellaneous Tax	\$ 11.2	00	0.6	75.0	74.4	0.0	75.0	75.0 0.0%
Gross Payroll taxes	\$ 00	00	287.7	287.7	0.0	0.0	287.7	287.7 0.0%
Taxes other than Income (present rates)	\$ 00	00	835.8	835.8	0.0	0.0	914.2	848.9 -8.4%
Taxes other than Income (proposed rates)	\$ 00	00	835.8	914.2	78.4	0.0	914.2	848.9 -8.4%
TEST YEAR 1998 \$00.00								
Ad Valorem taxes	\$ 203.2	00	575.3	579.3	4.0	0.0	579.3	593.1 0.68%
Loc Fran Taxes (pres rates)	\$ 00	00	0.0	0.0	0.0	0.0	0.0	0.0%
Loc Fran Taxes (prop rates)	\$ 00	00	0.0	0.0	0.0	0.0	0.0	0.0%
Miscellaneous Tax	\$ 11.2	00	0.0	75.0	75.0	0.0	75.0	75.0 0.0%
Gross Payroll taxes	\$ 203.2	00	275.1	275.1	0.0	0.0	275.1	275.1 0.0%
Taxes other than Income (present rates)	\$ 00	00	850.4	929.4	79.0	0.0	929.4	868.2 -6.0%
Taxes other than Income (proposed rates)	\$ 00	00	850.4	929.4	79.0	0.0	929.4	868.2 -6.0%
Total	\$ 406.4	00	0.0	0.0	0.0	0.0	0.0	0.0%
OTI	\$ 00	00	0.0	0.0	0.0	0.0	0.0	0.0%
OTR	\$ 00	00	0.0	0.0	0.0	0.0	0.0	0.0%
OTB	\$ 00	00	0.0	0.0	0.0	0.0	0.0	0.0%
Total Taxes	\$ 00	00	0.0	0.0	0.0	0.0	0.0	0.0%
Total Utilities	\$ 00	00	0.0	0.0	0.0	0.0	0.0	0.0%
Total Total	\$ 00	00	0.0	0.0	0.0	0.0	0.0	0.0%

TABLE I-1
CALIFORNIA AMERICAN WATER COMPANY, MONTEREY
YEARLY STATE AND LOCAL TAXES BASED ON INCOME
BUDGET AND ACTUAL PAYABLE
SEPTEMBER 1967

ITEM	ORIGINAL	REVISED	PRESENT RATES			UTILITY EXCEEDS BRANCH PERCENTAGE		
			UTILITY	EXCESS	Utility			
	AMOUNT	EXCESS	EXCESS	ORIGINAL	REVISED	ORIGINAL	PERCENTAGE	
Operating Revenues			19,729.7	19,651.0	0.0	19,651.0	19,329.7	0.0%
Deductions:								
O & M Expenses	\$ 152	0.0	5,584.0	5,605.8	0.0	5,605.8	5,587.1	0.0%
A & O Expenses		0.0	4,929.0	4,967.5	0.0	4,967.5	4,913.5	0.0%
Depreciation & Amortization		0.0	2,555.8	2,500.9	0.0	2,500.9	2,501.8	0.0%
Taxes Not on Inc.		0.0	835.8	914.2	0.0	914.2	848.9	0.0%
Book Depreciation	0.25	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Interest 5.185	5.185	0.0	2,469.2	2,439.3	0.0	2,439.3	2,521.0	0.0%
Income before taxes \$ 312		0.0	3,355.9	3,223.3	0.0	3,223.3	2,682.9	0.0%
California Corp. Franchise Tax	\$ 158	0.0	541.0	828.8				
State Tax Depreciation			0.0	0.0	0.0	0.0	0.0	0.0%
Taxable Income for CCFT			3,355.9	3,223.3	0.0	3,223.3	2,682.0	0.0%
CCFT Rate			9.30%	9.30%		9.30%	9.30%	
CCFT 1.602	1.602	0.0	312.1	299.8	0.0	299.8	249.4	0.0%
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Less Deferred Taxes	0.0	0.0	4.070	4.070	0.0	(4.07)	(4.07)	0.0%
Total State Income Taxes	0.0	0.0	308.11	295.81	0.0	295.8	245.4	0.0%
Federal Income Tax	\$ 158	0.0	3,852	5,033				
Federal Tax Deductions	\$ 832	0.0	369.3	340.3	0.0	340.3	307.5	0.0%
Taxable income for FIT			2,986.8	2,683.0	0.0	2,683.0	2,374.5	0.0%
FIT Rate			35.00%	35.00%		35.00%	35.00%	
FIT			1,045.3	1,009.1	0.0	1,009.1	831.1	0.0%
Less:								
ITC			44.7	44.7	0.0	44.7	44.7	0.0%
Deferred Taxes			13.7	13.7	0.0	13.7	13.7	0.0%
Reverse South Georgia			26.6	26.6	0.0	26.6	26.6	0.0%
Total Federal Income Tax			960.3	924.1	0.0	924.1	748.1	0.0%
Total FIT and CCFT			1,268.4	1,219.9	0.0	1,219.9	991.5	0.0%

CALIFORNIA-AMERICAN WATER COMPANY-MONTEREY
TAXES BASED ON INCOME
2001

**1997
PRESENT RATES
PROPOSED RATES**

ITEM	UTILITY	REVENUE	CREDIT	EXCESS 2001	BRAVON	DRA	ASO	UTILITY EXCEEDS BRANCH			UTILITY	EXCEEDS BRANCH
								ORIGINAL	REVISED	Difference		
Operating Revenues	\$122,61	\$122,61	00		21,964.6	20,971.8	0.0	20,971.8	21,492.7	521.9	0.0%	
Deductions:					1,031.2	1,031.2						
O & M expenses	\$1,031.2	\$1,031.2	00		5,590.4	5,609.6	\$10.2		5,609.6	5,593.3	-16.3	0.0%
A & O Expenses	\$1,031.2	\$1,031.2	00		4,929.0	4,967.5	\$38.5		4,967.5	5,108.9	\$141.4	0.0%
Depreciation & Amortization	\$1,031.2	\$1,031.2	00		2,555.8	2,500.9	\$54.9		2,500.9	2,581.8	\$80.9	0.0%
Taxes not on Inc.	0.0	0.0			835.0	914.2			914.2	848.9	-65.3	0.0%
Book Depreciation	\$835.0	\$835.0	00		0.0	0.0			0.0	0.0		0.0%
Interest	\$835.0	\$835.0	00		2,469.2	2,439.3	\$29.9		2,439.3	2,521.2	\$81.9	0.0%
Income before Taxes	\$835.0	\$835.0	00		5,584.4	4,540.3	\$144.1		4,540.3	4,838.6	\$308.3	0.0%
California Corp. Franchise Tax	0.0	0.0			0.0	0.0						
State Tax Depreciation	\$835.0	\$1,155.5	00		0.0	0.0			0.0	0.0		0.0%
Taxable Income for CCFT	\$1,155.5	\$1,155.5	00		5,584.4	4,540.3	\$144.1		4,540.3	4,838.6	\$308.3	0.0%
CCFT Rate	9.30%	9.30%	00		9.30%	9.30%			9.30%	9.30%		
CCFT	\$1,155.5	\$1,155.5	00		519.3	422.3	\$97.0		422.3	450.0	\$27.7	0.0%
Less Deferred Taxes	0.0	0.0			0.0	0.0			0.0	0.0		0.0%
Total State Income Taxes	\$1,155.5	\$1,155.5	00		515.3	418.3	\$97.0		418.3	446.0	\$27.7	0.0%
Federal Income Tax	\$814.0	\$814.0	00		6,814	6,814						
Federal Tax Deductions	\$235.1	\$1,007.5	00		369.3	340.3	\$29.0		340.3	307.5	-32.8	0.0%
Taxable Income for FIT	\$1,007.5	\$1,007.5	00		5,215.1	4,200.0	\$1,015.1		4,200.0	4,531.1	\$331.1	0.0%
FIT Rate	35.00%	35.00%	00		35.00%	35.00%			35.00%	35.00%		
FIT	\$1,007.5	\$1,007.5	00		1,825.3	1,470.1	\$355.2		1,470.1	1,585.9	\$115.8	0.0%
Less:	\$1.3	\$1.3	00		5.23	5.23						
ITC	\$1.3	\$1.3	00		44.7	44.7			44.7	44.7		
Deferred Taxes	\$0.0	\$0.0			13.7	13.7			13.7	13.7		0.0%
Reverse South Georgia	\$0.0	\$0.0			26.6	26.6			26.6	26.6		0.0%
Total Federal Income Tax	\$814.0	\$814.0	00		1,740.3	1,385.1	\$355.2		1,385.1	1,500.9	\$115.8	0.0%
Total FIT and CCFT	\$814.0	\$814.0	00		2,255.6	1,803.4	\$452.2		1,803.4	1,946.9	\$143.0	0.0%

TABLE I-3
CALIFORNIA-AMERICAN WATER COMPANY-MONTEREY
TAXES BASED ON INCOME RATES
CALIFORNIA NO. 03224 TAXES ON INCOME
1993

**1993
PRESENT RATES**

2030 RATES

	UTILITY	UTILITY EXCEEDS BRANCH PERCENTAGE	DRA			UTILITY EXCEEDS BRANCH PERCENTAGE		
			ORIGINAL	REVISED	DRA CHARGE			
Operating Revenues	\$ 552.5	0.0	19,769.4	19,678.5	0.0	19,678.5	19,357.1	0.0%
Deductions:								
O & M Expenses			5,743.3	5,760.1	0.0	5,760.1	5,746.1	0.0%
A & G Expenses			5,032.1	5,032.1	5,057.1	5,057.1	5,222.1	0.0%
Depreciation & Amortization			2,661.3	2,661.3	2,608.9	2,606.9	2,703.4	0.0%
Taxes not on Inc.			850.4	850.4	929.3	929.4	868.2	0.0%
Book Depreciation			0.0	0.0	0.0	0.0	0.0	0.0%
Interest			2,540.0	2,483.9	0.0	2,483.6	2,614.4	0.0%
Income before Taxes	\$ 552.5	0.0	2,938.2	2,921.4	0.0	2,821.4	2,202.9	0.0%
California Corp. Franchise Tax			0.0	0.0	0.0	0.0	0.0	0.0%
State Tax Depreciation			0.0	0.0	0.0	0.0	0.0	0.0%
Taxable Income for CCFT	0.0	0.0	2,938.2	2,921.4	0.0	2,821.4	2,202.9	0.0%
CCFT Rate	0.0033	0.0	9.30%	9.30%	0.0	9.30%	9.30%	0.0%
CCFT			273.1	262.4	0.0	262.4	204.9	0.0%
Less Deferred Taxes			4.0	4.0	0.0	4.0	4.0	0.0%
Total State Income Taxes	0.0	0.0	269.1	258.4	0.0	258.4	200.9	0.0%
Federal Income Tax			0.0	0.0	0.0	0.0	0.0	0.0%
Federal Tax Deductions			515.3	418.3	0.0	418.3	446.0	0.0%
Taxable income for FIT	0.015	0.0	2,420.9	2,403.1	0.0	2,403.1	1,758.9	0.0%
FIT Rate	0.0051	0.0	35.00%	35.00%	0.0	35.00%	35.00%	0.0%
FIT			847.5	841.1	0.0	841.1	614.9	0.0%
Less:			1,618.1	1,658.1				
ITC			44.7	44.7	0.0	44.7	44.7	0.0%
Deferred Taxes			13.7	13.7	0.0	13.7	13.7	0.0%
Reverse South Georgia			26.6	26.6	0.0	26.6	26.6	0.0%
Total Federal Income Tax	0.0	0.0	762.3	756.1	0.0	756.1	529.9	0.0%
Total FIT and CCFT	1,622.1	0.0	1,031.4	1,014.5	0.0	1,014.5	730.8	0.0%
			1,603.1	1,625.5				

**CALIFORNIA AMERICAN WATER COMPANY - MONTEREY
TAXES BASED ON INCOME**

YTD 1990		YTD 1990		1990		PROPOSED RATES		UTILITY EXCEEDS BRANCH DIFFERENCE		UTILITY EXCEEDS BRANCH DIFFERENCE	
REVENUE	EXPENSE	REVENUE	EXPENSE	REVENUE	EXPENSE	DRA	REVSEQ	PERCENTAGE	REVISI	ORIGINAL	PERCENTAGE
\$152.02	0152.02	00		22,400.9	21,497.5			0.0	21,497.5	21,999.4	0.0%
Operating Revenues											
Deductions:											
O & M Expenses	8163.6	00		5,730.5	5,705.6			0.0	5,770.5	5,733.7	0.0%
A & G Expenses	00	00		5,032.1	5,011.9			0.0	5,071.9	5,222.1	0.0%
Depreciation & Amortization	00			2,606.9	2,606.9			0.0	2,606.9	2,703.4	0.0%
Taxes not on Inc.	(1,115)	00		630.4	629.4			0.0	929.4	2,068.2	0.0%
Book Depreciation	1,012.6	00		00	00			0.0	0.0	0.0	0.0%
Interest	8,203	1,814	00	2,546.1	2,483.6			0.0	2,483.6	2,614.4	0.0%
Income before Taxes	8,115.8	1,815.8	00	5,640.0	4,635.2			0.0	4,635.2	4,837.6	0.0%
California Corp Franchise Tax											
State Tax Depreciation	\$ 111.58	\$ 125.12	00	00	00			0.0	0.0	0.0	0.0%
Taxable Income for CCFT				5,640.0	4,635.2			0.0	4,635.2	4,837.6	0.0%
CCFT Rate				9.30%	9.30%				9.30%	9.30%	
CCFT				524.5	431.1			0.0	431.1	449.0	0.0%
Less Deferred Taxes				40.2	40			0.0	4.0	4.0	0.0%
Total State Income Taxes				520.5	427.1			0.0	427.1	445.9	0.0%
Federal Income Tax											
Federal Tax Deductions				515.3	418.3			0.0	418.3	446.0	0.0%
Taxable Income for FIT				5,124.7	4,216.9			0.0	4,216.9	4,391.6	0.0%
FIT Rate				35.00%	35.00%				35.00%	35.00%	
FIT	0510.82	0180.82	00	1,793.0	1,475.9			0.0	1,475.9	1,537.1	0.0%
Cost	0001	0001	00								
Less:	6515.72	1,815.82	00	1,055.72	652.58						
ITC				44.7	44.7			0.0	44.7	44.7	0.0%
Deferred Taxes				13,745.6	13,745.6			0.0	13.7	13,745.6	0.0%
Reverse South Georgia	00	00		26.6	26.6			0.0	26.6	26.6	0.0%
Total Federal Income Tax	0001	0001	00	1,706.6	1,390.9			0.0	1,390.9	1,452.1	0.0%
Total FIT and CCFT	0315.82	0180.82	00	2,220.1	1,818.0			0.0	1,818.0	1,898.0	0.0%
Cost	1,818.0	0180.82	00								
	8,833.58	5,111.68	00	5,111.68	9,815.82						
	2,555.82	1,815.82		1,815.82	1,815.82						
	8,233.82	2,614.42	00	2,614.42	8,233.82						

TABLE J-1
CALIFORNIA-AMERICAN WATER COMPANY - MONTEREY
PLANT IN SERVICE TEST YEAR 1997

ITEM	EDF DRA			UTILITY EXCEEDS BRANCH DIFFERENCE		UTILITY		UTILITY EXCEEDS BRANCH PERCENT
	ORIGINAL		REVISED	REVISED	ORIGINAL	REVISED	ORIGINAL	
	PLANT IN SERVICE B.O.Y.	YTD TU	YTD UTILITY EXCEEDS BRANCH DIFFERENCE	PLANT IN SERVICE B.O.Y.	YTD UTILITY EXCEEDS BRANCH DIFFERENCE	REVISED	ORIGINAL	PERCENT
PLANT IN SERVICE B.O.Y.	89,618.3	89,618.3	0.0	89,671.0	90,404.2	0.0%	0.0%	
CMP	140.0	140.0	0.0	140.0	140.0	0.0%	0.0%	
BEGINNING OF THE YEAR BALANCE	90,029.4	90,029.4	0.0	90,029.4	90,404.2	0.0%	0.0%	
ADDITIONS								
Utility Funded	3,554.5	3,681.5	0.0	3,681.5	4,012.5	0.0%	0.0%	
Advances	205.2	0.0	0.0	0.0	0.0	0.0%	0.0%	
Contributions	2110.2	0.0	160.0	0.0	160.0	0.0	0.0%	
Change in CMP	2,023.5	0.0	(271.1)	0.0	(271.1)	0.0	0.0%	
TOTAL ADDITIONS	1,659.0	0.0	3,453.4	3,570.4	3,570.4	3,901.4	0.0%	
LESS:	0.0	0.0	486.0	419.1	419.1	504.8	0.0%	
Retirements of Plant Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
END OF YEAR BALANCE	92,586.2	93,233.4	0.0	93,233.4	94,211.0	0.0%	0.0%	
WEIGHTING FACTOR			38.24%	38.24%	38.24%	38.24%	38.24%	
WTD. AVG. PLANT IN SERVICE	0.0	91,180.1	91,287.2	0.0	91,287.2	92,114.2	0.0%	
ITEM	89,618.3	89,618.3	0.0	89,618.3	94,072.0	0.0%	0.0%	
	140.0	140.0	0.0	140.0	140.0	0.0%	0.0%	
	90,029.4	90,029.4	0.0	90,029.4	94,212.0	0.0%	0.0%	
	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	
	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	
	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	
	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	
	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	
ITEM	EDF DRA	REVISED	DIFFERENCE	REVISED	ORIGINAL	REVISED	ORIGINAL	EXCEEDS BRANCH PERCENT
PLANT IN SERVICE B.O.Y.	92,848.3	93,093.4	0.0	93,093.4	94,072.0	11.1	0.0%	
CMP	140.0	140.0	0.0	140.0	140.0	0.0	0.0%	
BEGINNING OF THE YEAR BALANCE	92,989.3	93,233.4	0.0	93,233.4	94,212.0	22.1	0.0%	
ADDITIONS	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
Utility Funded	3,250.0	3,263.0	0.0	3,263.0	3,740.0	15.6	0.0%	
Advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
Contributions	170.0	170.0	0.0	170.0	170.0	0.0	0.0%	
Change in CMP	2,023.1	0.0	(140.0)	0.0	(140.0)	(140.0)	0.0%	
TOTAL ADDITIONS	3,280.0	3,293.0	0.0	3,293.0	3,778.0	17.5	0.0%	
LESS:	0.803.1	0.818.1	0.0	0.618.1	1,055.8	0.0	0.0%	
Retirements of Plant	0.0	480.0	385.3	0.0	385.3	488.1	0.0%	
END OF YEAR BALANCE	95,776.0	96,141.7	0.0	96,141.7	97,489.9	1.4	0.0%	
WEIGHTING FACTOR		38.24%	38.24%	38.24%	38.24%	38.24%	38.24%	
WTD. AVG. PLANT IN SERVICE	94,053.4	94,345.5	0.0	94,345.5	95,465.5	1.1	0.0%	

TABLE K-1 MORTGAGE
CALIFORNIA AMERICAN WATER COMPANY - MONTEREY
DEPRECIATION RESERVE & EXPENSE
TEST YEAR 1997

ITEM	UTILITY	UTILITY	UTILITY			UTILITY	UTILITY	UTILITY
			ORIGINAL	REVISED	DRA	EXCEEDS BRANCH PERCENT	REVISED	ORIGINAL
DEPRECIATION RESERVE, E.O.Y.	\$ 0.0	\$ 0.0	25,810.4	25,881.5	1,071.1	0.0	25,881.5	25,760.6
ACCRLALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Clearing Accounts	\$ 152.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contributions	\$ 120.7	0.0	246.2	257.2	11.0	0.0	257.2	259.4
Depreciation Expense	\$ 1,674.2	0.0	2,555.6	2,500.9	55.5	0.0	2,500.9	2,581.6
Total Accruals			2,802.0	2,758.1	(43.9)	0.0	2,758.1	2,841.3
RETIREMENTS & SALVAGE	(\$ 250.75)	0.0	(589.9)	(511.2)	(78.7)	0.0	(511.2)	(819.4)
(\$ 691.8)	(\$ 691.8)	0.0	(1,201.6)	(1,123.2)	(78.4)	0.0	(1,123.2)	(1,201.6)
DEPRECIATION RESERVE - E.O.Y.	0.0	0.0	28,022.5	28,108.4	85.9	0.0	28,108.4	27,982.4
WEIGHTING FACTOR	0.0	0.0	54.07%	54.07%	0.0	0.0	54.07%	54.07%
WTD. AVG. DEPRECIATION RESERVE	0.0	0.0	27,003.5	27,085.6	82.1	0.0	27,085.6	27,085.6
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(0.010.5)	(0.018.1)	0.0	(1,018.1)	(0.010.5)	(1,018.1)	0.0	(0.010.5)	(0.010.5)
(0.011)	(0.011)	0.0	(1,011)	(0.011)	(1,011)	0.0	(0.011)	(0.011)
(0.720.58) (1,018.16) 0.0	(\$ 560.82) 0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(TABLE K-2) CALIFORNIA-AMERICAN WATER COMPANY - MONTEREY DEPRECIATION RESERVE & EXPENSE TEST YEAR 1998								
DEPRECIATION RESERVE, E.O.Y.	0.0	0.0	28,022.5	28,108.3	85.9	0.0	28,108.3	27,982.4
ACCRLALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Clearing Accounts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contributions	249.5	260.7	-	-	0.0	260.7	262.8	0.0%
Depreciation Expense	2,661.3	2,608.9	-	-	0.0	2,608.9	2,703.4	0.0%
Total Accruals	2,910.8	2,667.6	-	-	0.0	2,667.6	2,966.2	0.0%
RETIREMENTS & SALVAGE	(\$ 60.6)	(\$ 502.6)	-	-	0.0	(\$ 502.6)	(\$ 617.0)	0.0%
DEPRECIATION RESERVE - E.O.Y.	30,352.6	30,473.3	-	-	0.0	30,473.3	30,331.6	0.0%
WEIGHTING FACTOR	54.07%	54.07%	-	-	0.0	54.07%	54.07%	0.0%
WTD. AVG. DEPRECIATION RESERVE	29,282.5	29,387.1	-	-	0.0	29,387.1	29,252.6	0.0%

TABLE L-1
CALIFORNIA-AMERICAN WATER CO., MONTEREY
MONTHLY WEIGHTED AVERAGE DEPRECIATED RATE BASE
DEPRER 8 REVENUE EXPENSE
TEST MARCH 1981

ITEM	UTILITY	EXCESS	ORIGIN	REVISED	DIFFERENCE	UTILITY	REVISED	ORIGINAL	UTILITY EXCEEDS BRANCH PERCENT
						ORIGINAL			
WTD AVG PLANT IN SERVICE	\$ 00	91,160.1	\$ 191,267.2	+ 018.25	0.0	\$ 0.0	91,267.2	92,114.2	0.0%
MATERIALS & SUPPLIES		170.1	170.1		0.0		170.1	170.1	0.0%
WORKING CASH, OPERATIONAL	\$ 00	1,427.2	\$ 00	1,427.2	0.0		1,427.2	1,427.2	0.0%
WORKING CASH, LEAD-LAG	\$ 00	1,567.9	\$ 23.5	1,651.2	\$ 83.3		1,651.2	1,732.2	0.0%
SUBTOTALS FEB 8	\$ 00	94,325.3	\$ 94,635.7	- 8.222.5	0.0		94,535.7	95,443.7	0.0%
LESS DEDUCTIONS FROM RATE BASE		1,621.5	565.0						Total Average
WTD AVG DEPR RESERVE		(27,008.5)	(27,065.6)		0.0		(27,085.6)	(28,961.9)	0.0%
ADVANCES	\$ 00	(317.6)	(317.6)	(317.6)	0.0		(317.6)	(317.6)	0.0%
CONTRIBUTIONS		(8,199.8)	(8,200.4)		0.0		(8,200.4)	(8,199.8)	0.0%
GENERAL OFFICE ALLOC	\$ 00	229.5	1,801.229.2	1,571.7	0.0		1,229.2	1,241.7	0.0%
INVEST IN OTHER WTR COS		0.0	0.0	0.0	0.0		0.0	0.0	0.0%
DEFERRED RATE CASE EXPENSE		0.0	210.43	210.43	0.0		0.0	0.0	0.0%
ACRS & MACRS DEPRECIATION									WTD AVG DEPRECIATION RESERVE
UNAMORTIZED LTC 220.55	\$ 0.0	0.0	0.000.1	0.0	0.000.0		0.0	0.0	
CAPITALIZED ITEMS		0.0	0.0	0.0	0.0		0.0	0.0	
SILVER		0.0	0.0	0.0	0.0		0.0	0.0	
DEFERRED REVENUES		0.0	0.0	0.0	0.0		0.0	0.0	
ACCUM. DEFERRED FIT		(2,013.0)	(1,873.1)		0.0		(1,873.1)	(2,013.0)	
ACCUM. DEFERRED SIT		(110.4)	(122.6)		0.0		(122.6)	(110.4)	
SUBTOTAL DEDUCTIONS		(37,417.0)	(37,370.1)		0.0		(37,370.1)	(37,361.0)	0.0%
AVERAGE RATE BASE		56,907.5	57,165.6		0.0		57,165.6	58,082.7	0.0%
INTEREST CALCULATION:									
AVG RATE BASE		56,907.5	57,165.6		0.0		57,165.6	58,082.7	0.0%
LESS WORKING CASH		3,299.1	3,078.4		0.0		3,078.4	3,159.4	0.0%
X LTD COST	\$ 532.55	0.001.65	4.58%	3.55%	0.0		0.0	0.0	0.0%
INTEREST		2,469.2	2,439.3		0.0		2,439.3	2,521.0	0.0%
	0.0	0.0	0.0	0.0	0.0				CARRYING ACCOUNT
	8.585	0.001.65	4.58%	3.55%	0.0				Carrying Account
	1,503.5	0.003.5	0.0	0.003.5	0.003.5				Debt/Equity Effects
	8,632.5	8,503.5	0.0	8,523.5	8,618.5				Total Average
	(0.115)	(0.053)	0.0	(0.053)	(0.053)				REBATE/RETURNS & SERVICE
	8,133.00	8,174.05	0.0	8,154.00	8,225.05				DEPRECIATION RESERVE - E.O.Y.
	8.532.55	8.402.55	0.0	8.432.55	8.512.55				WEIGHTING FACTOR
	8,525.8	8,503.8	0.0	8,535.8	8,585.8				WTD AVG DEPRECIATION RESERVE

**PUBLIC UTILITIES
CALIFORNIA-AMERICAN WATER CO.-MONTEREY
WEIGHTED AVERAGE DEPRECIATED RATE BASE
YEAR 1998**

TABLE M-1
CALIFORNIA-AMERICAN WATER COMPANY
UTILITY PLANT ADDITIONS
 CALIFORNIA-AMERICAN WATER COMPANY - MONTEREY
 MUNICIPAL AVERAGE DEBT RATE STATE
 YEAR 1996

1996

Item No.	Budget No.	Description	Acct No.	DRA	Cal-Am	Stipulated
1	93066	Chemical Spill Containment	332	\$100,000	\$200,000	\$100,000
2	11111	Retrofit Filter Pressure Access	332	\$100,000	\$200,000	\$100,000
3	032	Structural Improvement Pressure Tank	342	\$0	\$50,000	\$50,000
4	1A2	Mains 12" & More	343.3	\$20,000	\$40,000	\$20,000
5	18	Services	345	\$275,000	\$300,000	\$275,000
6	1C000	Meters 00	2210.10	105,000	205,000	115,000
7	2	Computers, Etc.	391	\$11,700	\$39,000	\$31,700
8	3	Transportation Equipment	392	\$102,500	\$189,500	\$181,100
9	5	Miscellaneous Equipment	321 & 325	\$43,500	\$60,000	\$60,000
10	8	CE3.1	883.1	JAN 1996	JAN 1996	JAN 1996
		Total	0223.10	\$757,500	\$1,283,500	ATO \$882,800

REVERSE OUTLAYS FROM RATE BASE
WTO AND DEPR RESERVE

Item No.	Budget No.	Description	Acct No.	DRA	Cal-Am	Stipulated
(6 523.05)	(1 182.03)	00	(1 523.05)	(2 225.05)	AVAMOES	
(10 101.0)	(1 182.03)	00	(1 095)	(1 095)	WTO 1996	
10 101.0	(1 182.03)	Seaside Basin Yield Study	317	105,000	\$100,000	\$0
2 525	00	Improve Hilby Tank	342	175,000	175,000	\$0
3 00	00	Structural Improvement Distribution Tan	342	150,000	150,000	\$0
4 00	1A2	Mains 12" & More	343.3	\$20,000	\$43,000	\$20,000
5	1B	Services	345	\$260,000	\$310,000	\$260,000
6 00	1C 00	Meters 00	348	\$110,000	\$110,000	\$120,000
7 00	2 00	Computers, Etc.	391	\$12,500	\$37,500	\$32,500
8 00	3 00	Transportation Equipment	392	\$214,000	\$214,000	\$174,000
9 00	4 00	General Equipment	394	\$34,500	\$40,000	\$34,500
10 (555.05)	5 00	Miscellaneous Equipment	321 & 325	\$30,500	\$40,000	\$35,500
(8 22)	(1 18)	00	(1 18)	(1 18)	(1 18)	(1 18)
		Total	0210.52	\$701,500	\$1,147,500	ATO \$716,500

REVERSE OUTLAYS FROM RATE BASE

Item No.	Budget No.	Description	Acct No.	DRA	Cal-Am	Stipulated
1	2 113.03	0.8 1200' of 12" Main Devisadero Street	333	\$0	\$100,000	\$0
2	0 112.0	1. Improve Hilby Tank	342	125,000	75,000	\$0
3	2 633.4	2. Structural Improvement Distribution Tan	342	\$0	\$50,000	\$0
4	1A2	Mains 12" & More	343.3	\$20,000	\$46,000	\$20,000
5	2 612.5	1B Services 00	345	\$265,000	\$320,000	\$265,000
6	1C	Meters	348	\$115,000	\$215,000	\$125,000
7	2	Computers, Etc.	391	\$12,500	\$37,500	\$24,500
8	3	Transportation Equipment	392	\$212,000	\$240,000	\$175,000
9	4	General Equipment	394	\$13,600	\$50,000	\$31,600
10	5	Miscellaneous Equipment	321 & 325	\$39,500	\$60,000	\$49,500
		Total	0210.52	\$897,600	\$1,193,500	\$710,600

APPENDIX B8 (Page 65.A)

WYRAM Residential Service Charge Variation

Month	1 Authorized Consumption (CCF) -	2 Actual Consumption (CCF)	3 = 2 - 1	4 = 2 x 1	5 = 3 x 4	6 = 3 x 4 Over/(Under) Collection	Accrual (\$)
January	252,250	211,890	(40,360)	0.8347	(33,688)	(33,688)	
February	252,250	181,620	(70,630)	0.8347	(58,955)	(92,643)	
March	252,250	151,350	(100,900)	0.8347	(84,221)	(178,864)	
April	252,250	181,620	(70,630)	0.8347	(58,955)	(235,819)	
May	252,250	211,890	(40,360)	0.8347	(33,688)	(269,507)	
June	252,250	272,430	20,180	0.8347	16,844	(252,663)	
July	252,250	302,700	50,450	0.8347	42,111	(210,552)	
August	252,250	363,240	110,990	0.8347	92,843	(117,909)	
September	252,250	363,240	110,990	0.8347	92,843	(25,266)	
October	252,250	302,700	50,450	0.8347	42,111	16,845	
November	252,250	272,430	20,180	0.8347	16,844	33,689	
December	252,250	211,890	(40,360)	0.8347	(33,688)	0	
Total	3,027,000	3,027,000	0	0	0		

Authorized Consumption Per Decision 98.

TABLE O
WRAM Program for Alternate Rate Variation

Month	1 PAR Customers 5/8" Meter	2 Authorized Residential 5/8" Meter Charge (\$/Meter)	3 = 1 x 2 5/8" Meter Undercollection (\$)	4 PAR Customers 1" Meter	5 Authorized Residential 1" Meter Charge (\$/Meter)	6 = 4 x 5 (Total Over/(Under) Collection (\$))	7 = 3 + 6 (Total Over/(Under) Collection (\$))	8 Annual (\$)	9 Additional Collection (\$)	10 Annual Collection (\$)
January	60	5.63	(338)	15	14.08	(211)	(549)	(549)	(549)	(549)
February	62	5.63	(349)	15	14.08	(211)	(560)	(560)	(560)	(560)
March	65	5.63	(366)	20	14.08	(282)	(648)	(648)	(648)	(648)
April	66	5.63	(372)	20	14.08	(282)	(654)	(654)	(654)	(654)
May	70	5.63	(394)	20	14.08	(282)	(676)	(676)	(676)	(676)
June	70	5.63	(394)	20	14.08	(282)	(676)	(676)	(676)	(676)
July	70	5.63	(394)	20	14.08	(282)	(676)	(676)	(676)	(676)
August	70	5.63	(394)	20	14.08	(282)	(676)	(676)	(676)	(676)
September	70	5.63	(394)	20	14.08	(282)	(676)	(676)	(676)	(676)
October	70	5.63	(394)	20	14.08	(282)	(676)	(676)	(676)	(676)
November	70	5.63	(394)	20	14.08	(282)	(676)	(676)	(676)	(676)
December	70	5.63	(394)	20	14.08	(282)	(676)	(676)	(676)	(676)
Total			(4,577)							

Annual Collection
(\$)

TABLE P-9
WRAM Residual 0.8 Ccf Variation

Month	1		2		3 = 2 x 1		Actual Consumption (Units)	Authorized Rate	Over/(Under) Variance	Collection	Accrual	Over 18 Block Accrual	Monthly
	0-8 Block	Consumption (Units)	(\$/CCF)	(\$/CCF)	(\$/CCF)	(\$)							
January	103,103	128,890	\$2.5	\$2.5	\$2.5	\$2.5	128,890	\$2.5	\$0.5951	(76,702)	\$1,000	\$1,000	January
February	103,219	98,620	\$2.5	\$2.5	\$2.5	\$2.5	98,620	\$2.5	\$0.5951	(58,689)	\$1,000	\$1,000	February
March	103,264	68,350	\$2.5	\$2.5	\$2.5	\$2.5	68,350	\$2.5	\$0.5951	(40,676)	\$1,000	\$1,000	March
April	103,265	98,620	\$2.5	\$2.5	\$2.5	\$2.5	98,620	\$2.5	\$0.5951	(58,689)	\$1,000	\$1,000	April
May	103,285	128,890	\$2.5	\$2.5	\$2.5	\$2.5	128,890	\$2.5	\$0.5951	(76,702)	\$1,000	\$1,000	May
June	103,408	189,430	\$2.5	\$2.5	\$2.5	\$2.5	189,430	\$2.5	\$0.5951	(112,730)	\$1,000	\$1,000	June
July	103,532	219,700	\$2.5	\$2.5	\$2.5	\$2.5	219,700	\$2.5	\$0.5951	(130,743)	\$1,000	\$1,000	July
August	103,656	280,240	\$2.5	\$2.5	\$2.5	\$2.5	280,240	\$2.5	\$0.5951	(168,771)	\$1,000	\$1,000	August
September	103,718	280,240	\$2.5	\$2.5	\$2.5	\$2.5	280,240	\$2.5	\$0.5951	(168,771)	\$1,000	\$1,000	September
October	103,820	219,700	\$2.5	\$2.5	\$2.5	\$2.5	219,700	\$2.5	\$0.5951	(130,743)	\$1,000	\$1,000	October
November	103,880	189,430	\$2.5	\$2.5	\$2.5	\$2.5	189,430	\$2.5	\$0.5951	(112,730)	\$1,000	\$1,000	November
December	103,930	128,890	\$2.5	\$2.5	\$2.5	\$2.5	128,890	\$2.5	\$0.5951	(76,702)	\$1,000	\$1,000	December
Total		2,031,000									432,000		Total

Authorized Rate Variance = Over 18 Ccf Ratio - Base Ratio
Authorized Rate Variance = \$4.181 - \$2.3805

● Authorized Rate Variance = 0.8 Ccf Rate - Base Rate
Authorized Rate Variance = \$1.7854 - \$2.3805

WRAM Residential Over 18 Ccf Usage Statement

Month	Actual Consumption Over 18 Block Usage (CCF)	Authorized Rate Over 18 Block Usage (\$/CCF)	Variance (\$/CCF)	3 = 2 x 1		Month
				Actual Consumption Over 18 Block (CCF)	Authorized Rate Over 18 Block Usage (\$/CCF)	
January	21,890	2.3805	2.3805	52,109.88	52,109	January
February	(505,61)	2.3805	2.3805	51,468.88	103,676	February
March	(100,831)	2.3805	2.3805	27,019.88	130,694	March
April	(620,071)	2.3805	2.3805	75,271.88	205,865	April
May	(225,425)	2.3805	2.3805	87,817.88	293,682	May
June	(31,114)	2.3805	2.3805	101,005.88	394,687	June
July	(42,430)	2.3805	2.3805	113,550.88	508,237	July
August	(47,700)	2.3805	2.3805	128,738.88	634,976	August
September	(53,240)	2.3805	2.3805	150,643.88	785,618	September
October	(63,240)	2.3805	2.3805	125,452.88	510,970	October
November	(52,700)	2.3805	2.3805	77,200.88	488,170	November
December	(32,430)	2.3805	2.3805	52,199.88	1,040,279	December
Total	437,000			000,100.5		Total

Authorized Rate Variance= Over 18 Ccf Rate - Base Rate

Authorized Rate Variance= \$4.761 - \$2.3805

Authorized Rate Variance= \$1.3824 - \$2.3805

Authorized Rate Variance= -\$0.9176 + \$2.3805

APPENDIX B
WRAM Pebble Beach Contract

Month	1 Collection (\$)-	2 Accrual (\$)
January	0	0
February	0	0
March	0	0
April	0	0
May	160,000	160,000
June	0	160,000
July	0	160,000
August	0	160,000
September	0	160,000
October	0	160,000
November	0	160,000
December	0	160,000
Total	160,000	

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TABLE 8
WRAM SUMMARY

Month	1 Residential Service Charge Variation Over/(Under) Collection	2 Program Alternate Rates Variation Over/(Under) Collection	3 Residential 0-8 Ccf Variation Over/(Under) Collection	4 Residential Over 18 Ccf Variation Over/(Under) Collection	5 Pebble Beach Contract Over/(Under) Collection	6 Prior Month Interest Accrual Balance	7=1+2+3+4+5+6 Sub-total Over/(Under) Collection	8 90 Day Commercial Paper Rate (%)	9=7x8 Interest Calculation	10=7+9 Total Over/(Under) Collection	11 Accrual (\$)
January	(33,688)	(549)	(76,702)	52,109	0	0	(58,830)	0.47%	(277)	(59,107)	(59,107)
February	(58,955)	(560)	(58,689)	51,466	0	(277)	(67,015)	0.48%	(322)	(67,337)	(126,444)
March	(34,221)	(648)	(40,675)	27,019	0	(599)	(99,124)	0.47%	(466)	(99,590)	(226,034)
April	(58,955)	(654)	(58,689)	75,271	0	(1,065)	(44,092)	0.46%	(203)	(44,295)	(270,329)
May	(33,688)	(676)	(76,702)	87,817	160,000	(1,268)	135,483	0.45%	610	136,093	(134,236)
June	16,844	(676)	(112,730)	101,005	0	(658)	3,785	0.45%	17	3,802	(130,434)
July	42,111	(676)	(130,743)	119,550	0	(541)	23,601	0.46%	109	23,710	(106,724)
August	92,643	(676)	(166,771)	126,738	0	(532)	51,402	0.46%	236	51,638	(55,066)
September	92,643	(676)	(166,771)	150,543	0	(296)	75,443	0.47%	355	75,798	20,712
October	42,111	(676)	(130,743)	125,452	0	59	36,203	0.48%	174	36,377	57,089
November	16,844	(676)	(112,730)	77,200	0	233	(19,129)	0.49%	(92)	(19,221)	37,868
December	(33,688)	(676)	(76,702)	52,109	0	(141)	(58,816)	0.48%	(282)	(59,098)	(21,230)
Total	0	(7,819)	(1,203,647)	1,040,279	160,000		(21,089)	0	(141)	(21,230)	

JANUARY
 FEBRUARY
 MARCH
 APRIL
 MAY
 JUNE
 JULY
 AUGUST
 SEPTEMBER
 OCTOBER
 NOVEMBER
 DECEMBER
 JANUARY
 FEBRUARY
 MARCH
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 MAY
 JUNE
 JULY
 AUGUST
 SEPTEMBER
 OCTOBER
 NOVEMBER
 DECEMBER

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APPENDIX B

Page 71

CH. U. C. SPEC. NO.

CH. U. C. SPEC. NO.

CH. U. C. SPEC. NO.

GENERAL METERED SERVICE

AMERICAN WATER

TOKU

Rate Structure Section

Rate Schedule

0.1030	Elevation Zone 1, per 100 cu. ft.
0.3041	Elevation Zone 5, per 100 cu. ft.
1.1524	Residential
5.3502	For fire next 800 cu. ft., per 100 cu. ft.
4.1910	Over 1,600 cu. ft., per 100 cu. ft.
0.8343	Services Charge, per 100 cu. ft.
1.1524	Loadout for Williams River (PAR)
2.0325	For fire next 800 cu. ft., per 100 cu. ft.
0.3510	For fire next 800 cu. ft., per 100 cu. ft.
1.1524	Services Charge, per 100 cu. ft.
4.1910	Over 1,600 cu. ft., per 100 cu. ft.
0.8343	CALIFORNIA-AMERICAN WATER CO.
1.1524	Residence & Multi-family
5.3502	For all water delivery, per 100 cu. ft.

(continued)

Design No.

Date

D.B. STEPHENSON

Address Letter No.

Description No.

Date

DIRECTOR-RATES & REVENUES

Address Letter No.

Date

Description No.

Address Letter No.

Cancelling _____

C.P.U.C. Sheet No.

Schedule No. MO-1

Monterey District Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all water furnished on a metered basis.

TERRITORY

The incorporated cities of Monterey, Pacific Grove, Carmel-by-the-Sea, Del Rey Oaks, Sand City, a portion of Seaside, and certain unincorporated areas in the County of Monterey.

RATES

Quantity Rates:

Per Meter Per Month

Elevation Zone Surcharge:

Elevation Zone 1, per 100 cu. ft.,	\$0.1099
Elevation Zone 2, per 100 cu. ft.,	0.3071

Residential:

For the first 800 cu. ft., per 100 cu. ft.	1.7854
For the next 800 cu. ft., per 100 cu. ft.	2.3805
Over 1,600 cu. ft., per 100 cu. ft.	4.7610
Service Charge, per 100 cu. ft.	0.8347

Program for Alternative Rates (PAR):

For the first 800 cu. ft., per 100 cu. ft.	1.7854
For the next 800 cu. ft., per 100 cu. ft.	2.3805
Over 1,600 cu. ft., per 100 cu. ft.	4.7610

Service Charge, per 100 cu. ft.

Apartments & Multi-Family:

For all water delivered, per 100 cu. ft.

All Other:

For all water delivered, per 100 cu. ft.

(continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY C.P.U.C.)

Advice Letter No. _____

D.P. STEPHENSON

NAME

Date Filed _____

Decision No. _____

DIRECTOR-RATES & REVENUES

TITLE

Effective _____

Resolution No. _____

Schedule No. MO-1 (continued)

Monterey District Tariff Area
GENERAL METERED SERVICE

<u>RATES (continued)</u>	000.81	000.00S	000.00S
<u>Meter Charge:</u>		Per Meter Per Month	
		<u>Residential Customers</u>	<u>Program for Alternate Rates</u>
000.81	000.81	\$5.63	\$0.00
(For 5/8 x 3/4-inch meter 000.81	000.81	8.45	0.00
(For 3/4-inch meter 000.00	000.00	14.08	0.00
(For 1 1/2-inch meter 000.1	000.1	28.15	0.00
(For 1 1/2-inch meter 000.1	000.1	45.04	0.00
(For 2-inch meter 000.0	000.0	84.45	0.00
(For 4-inch meter 000.75	000.75	140.75	0.00
(For 8-inch meter 000.0	000.0	281.50	0.00
For 8-inch meter 000.81	000.81	450.40	0.00
000.81	000.81		0.00

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

SPECIAL CONDITIONS 000.88 000.00S

1. The boundaries of the three zones in which the above rates apply are as set forth in the Preliminary Statement and delineated on the Tariff Service Area Maps filed as a part of these tariff schedules.
2. Any residential customer who has been required to install a Residential Fire Sprinkler System (R.F.S.S.) at their place of residence by local fire ordinances will be allowed to have their monthly service charge reduced by one meter size, provided it has been requested by the customer and verified by the Company that the lower size of meter would be large enough to provide adequate service to the residence. The R.F.S.S. Service is not considered a fire service by the Company, but is considered an oversized general metered service and therefore, only the rules and conditions of service for general metered service apply.
3. Due to an undercollection in the balancing account, a surcharge of \$0.1088 per Ccf is to be added to the quantity rates for 12 months from the effective date of Advice Letter No. 484.
4. A surcharge is included on each bill to collect franchise taxes and/or business license fees paid to various municipalities. The amount collected is based on a percentage of the gross revenues of each bill. The percentages are as follows: City of Monterey and Ryan Ranch 2.05%, City of Pacific Grove 0.10%, City of Carmel-by-the-Sea 2.15%, City of Seaside 1.00%, City of Del Rey Oaks 0.11%, City of Sand City 0.14%, and unincorporated areas of Monterey County 1.00%.
5. Customers must apply with the Company for acceptance into the Program for Alternate Rates (PAR). Company will analyze applications based upon proof of acceptance into the California Alternate Rates for Energy Program of Pacific Gas and Electric.
6. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY C.P.U.C.)

Advice Letter No. _____

D.P. STEPHENSON

Date Filed _____

Decision No. _____

DIRECTOR-RATES & REVENUES

Effective _____

title

Resolution No. _____

CPUC Sheet No. 90

		Income Statement 1995		Income Statement 1997	
		Adjustments			
Revenues		249,600	73,000	322,600	RATES FOR SERVICE
Expenses					WATER CHARGES
Services		19,200		19,200	
Maintenance	22.25	18,200		18,200	
Utilities	10.83	50,000		60,000	
Office Expense	21.83	1,800		1,800	
Insurance	20.00	4,000		4,000	
Taxes, Licenses	80.00	9,000		9,000	
Depreciation	20.165	27,700		60,300	
Total Operating Expenses	102.40	129,900		152,500	
Pre-Tax Income		119,600		170,000	
Interest Expense		33,200		63,100	SPECIAL CONDITIONS
State Income Taxes		8,035		9,942	
Federal Income Taxes		27,428		33,935	
Utility Operating Income		100,207		146,007	
Average Rate Base		735,400	644,600	1,380,000	
Rate of Return				10.68%	

Adjustments are made for additional capital requirements and increase in revenue associated with new rate structure.

10.68% rate of return is higher than 9.03% rate of return stipulated in this General Rate Case.

Utilities will receive 10.68% rate of return on its investment in the utility system.

All rates for utility companies will be adjusted to reflect the new rates of return.

All rates for utility companies will be adjusted to reflect the new rates of return.

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All rates for utility companies will be adjusted to reflect the new rates of return.

All rates for utility companies will be adjusted to reflect the new rates of return.

D. STEPHENSON

Date Filed

12/20/97

Adams Letter No.

12/20/97

12/20/97

12/20/97

12/20/97

12/20/97

12/20/97

12/20/97

12/20/97

APPENDIX B Page(75.0-A)A
MONTEREY RATE CASE
COMPARISON OF HIDDEN HILLS RATES

	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Change</u>	<u>Meter Charge</u>
5/8" Meter Charge	23.00	5.63	14.37	\$3.00
First 8 Ccf	0.00	2.9272	2.9272	0.00
9 - 16 Ccf		3.5223	3.5223	
Over 16 Ccf		5.9028	5.9028	
9 - 35 Ccf	3.74			3.74
Over 35 Ccf	6.98			6.98

5/8 X 3/4" Meter

	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Difference</u>	<u>Percent Variance</u>
0	\$23.00	\$0.8(5.63)	\$0.(-17.37)	-75.62%
1	\$23.00	\$0.8(8.56)	\$0.(-14.44)	-62.78%
2	\$23.00	\$0.8(11.48)	\$0.(-11.52)	-50.09%
3	\$23.00	\$0.8(14.41)	\$0.(-8.59)	-37.35%
4	\$23.00	\$0.8(17.34)	\$0.(-5.66)	-24.61%
5	\$23.00	\$0.8(20.27)	\$0.(-2.73)	-11.87%
6	\$23.00	\$0.8(23.19)	\$0.0.19	0.83%
7	\$23.00	\$0.8(26.12)	\$0.3.12	13.57%
8	\$23.00	\$0.8(29.05)	\$0.6.05	26.30%
9	\$26.74	\$0.8(32.57)	\$0.5.83	21.80%
10	\$30.48	\$0.8(36.09)	\$0.4.61	18.41%
12	\$37.96	\$0.8(43.14)	\$0.1.18	13.65%
14	\$45.44	\$0.8(50.18)	\$0.8.74	10.43%
16	\$52.92	\$0.8(57.23)	\$0.8.31	13.14%
18	\$60.40	\$0.8(69.03)	\$0.8.83	14.29%
20	\$67.88	\$0.8(80.84)	\$0.8.96	19.09%
25	\$86.58	\$0.8(110.35)	\$0.8.77	27.45%
30	\$105.28	\$0.8(139.87)	\$0.8.59	32.88%
35	\$123.98	\$0.8(169.38)	\$0.8.40	36.62%
40	\$153.88	\$0.8(198.89)	\$0.8.01	29.25%
45	\$183.78	\$0.8(228.41)	\$0.8.83	24.28%
50	\$213.68	\$0.8(257.92)	\$0.8.24	20.70%
60	\$273.48	\$0.8(316.95)	\$0.8.47	15.90%

	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Proposed Difference</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
1" Meter Charge	23.00	14.08	\$8.92	33.00	28.18 (Major Change)
First 8 Ccf	0.00	2.9272	\$2.9272	0.00	First 8 Ccf
9 - 16 Ccf		3.5223	\$3.5223		9 - 16 Ccf
Over 16 Ccf		5.9028	\$5.9028		Over 16 Ccf
9 - 35 Ccf	3.74			3.74	3.74 (Major Change)
Over 35 Ccf	5.98			5.98	5.98 (Major Change)

	<u>1" Meter</u>			
	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Difference</u>	<u>Percent Variance</u>
0	23.00	14.08	\$8.92 (8.92)	0%38.78% 0
1	23.00	17.01	\$6.8 (5.99)	0%26.04% 1
2	23.00	19.93	\$8.1 (3.07)	0%13.35% 2
3	23.00	22.86	\$1.8 (0.14)	0%0.61% 3
4	23.00	25.79	\$2.79 (2.79)	0%12.13% 4
5	23.00	28.72	\$5.72 (5.72)	0%24.87% 5
6	23.00	31.64	\$8.18 (8.64)	0%37.57% 6
7	23.00	34.57	\$1.57 (11.57)	0%50.30% 7
8	23.00	37.50	\$2.50 (14.50)	0%63.04% 8
9	26.74	41.02	\$4.28 (14.28)	0%63.40% 9
10	30.48	44.64	\$4.16 (14.06)	0%46.13% 10
12	37.98	51.59	\$3.61 (13.63)	0%35.91% 12
14	45.44	58.63	\$3.19 (13.19)	0%29.03% 14
16	52.92	65.68	\$2.76 (12.76)	0%24.11% 16
18	60.40	77.48	\$7.08 (17.08)	0%28.28% 18
20	67.88	89.29	\$11.41 (21.41)	0%31.64% 20
25	86.58	118.80	\$32.22 (32.22)	0%37.21% 25
30	105.28	148.32	\$43.04 (43.04)	0%40.88% 30
35	123.98	177.83	\$53.85 (53.85)	0%43.43% 35
40	153.88	207.34	\$53.46 (53.46)	0%47.74% 40
45	183.78	236.88	\$53.08 (53.08)	0%48.88% 45
50	213.68	266.37	\$52.69 (52.69)	0%46.66% 50
60	273.48	325.40	\$51.92 (51.92)	0%18.98% 60

RESIDENTIAL CLASSIFICATION

Quantity of Subscriptions	Meter Charges	Proposed Rates Current Rates	Proposed Rates New Structure		Proposed Rates Old Structure
			Proposed Rates Old Structure	Proposed Rates New Structure	
11	5/8x3/4" Meter	10.80 08.01	5.63	3/4x3/4" M.	11.26
10	3/4" Meter	16.20 08.01	8.45	3/4" M.	16.89
12	1" Meter	30.00 00.03	14.08	1" M.	28.15
18	1-1/2" Meter	55.00 00.25	28.15	1-1/2" M.	56.30
30	2" Meter	91.00 00.10	45.04	2" M.	90.08
30	3" Meter	172.00 00.51	84.45	3" M.	168.90
50	4" Meter	284.00 00.25	140.76	4" M.	281.50
50	6" Meter	490.00 00.00	281.60	6" M.	563.00
80	8" Meter	740.00 00.00	450.40	8" M.	900.80

Consumption

Consumption

First 800 cu. ft.	1.7854	1.7854	100 cu. ft.	2.0742
Over 800 cu. ft.	2.2354	0		2.5242
900 cu. ft. - 1,600 cu. ft.	0	2.3805		0
Over 1,600 cu. ft.	0	4.761		0
Fixed per 100 cu. ft.	0	0.8347		0

MULTI-RESIDENTIAL CLASSIFICATION

Type of Service Rates	Proposed Current Rates	Proposed New Structure		Proposed Old Structure
		Proposed New Structure	Proposed Old Structure	
Meter Charges				
0.11	5/8x3/4" Meter	10.80	8.01	11.26
0.81	3/4" Meter	16.20	12.01	16.89
2.85	1" Meter	30.00	20.00	28.15
0.30	1-1/2" Meter	55.00	30.00	56.30
80.00	2" Meter	91.00	60.00	90.08
00.80	3" Meter	172.00	112.00	168.90
02.10	4" Meter	264.00	164.00	281.50
00.60	6" Meter	490.00	300.00	563.00
08.00	8" Meter	740.00	480.00	900.80

Consumption

			Consumption
SM Per 100 cu. ft.	4285.1	1.7854	Over 800 cu. ft. 2.0742
Over 2,500 cu. ft.	0	2.5384	Over 800 cu. ft.
0	2085.5	0	Over 1,000 cu. ft.
0	1025.4	0	Over 1,000 cu. ft.
0	1488.0	0	Fixed per 100 cu. ft.

COMMERCIAL CLASSIFICATION

	Current Rates	Proposed Rates New Structure	Proposed Rates Old Structure
Meter Charges			
5/8x3/4" Meter	10.80	11.26	11.26
3/4" Meter	16.20	16.89	16.89
1" Meter	30.00	28.15	28.15
1-1/2" Meter	55.00	56.30	66.30
2" Meter	91.00	90.08	90.08
3" Meter	172.00	168.90	168.90
4" Meter	264.00	281.50	281.50
6" Meter	490.00	563.00	563.00
8" Meter	740.00	900.80	900.80
Consumption			
Per 100 cu. ft.	2.2354	2.3805	2.5242

MONTEREY RATE CASE
1997 RATE STRUCTURE

0 100 200 300 400 500 600 700 800 900 1000 1100 1200

MONTEREY RATE CASE
1997 MONTHLY RATE COMPARISON

RESIDENTIAL CUSTOMERS

	Current Rates	6 1/8" x 3 1/4" Meter			1" Meter			Percent Variance
		Proposed Rates New Structure	Difference	Percent Variance	Proposed Rates Old Structure	Difference	Proposed Rates New Structure	
0	10.80	5.63	(5.17)	-47.87%	11.26	5.63	(5.63)	-50.00%
1	12.65	8.25	(4.40)	-34.78%	13.33	8.25	(5.08)	-38.13%
2	14.49	10.07	(3.62)	-24.98%	15.41	10.07	(4.34)	-29.45%
3	16.34	13.49	(2.85)	-17.44%	17.48	13.49	(3.99)	-22.04%
4	18.18	16.11	(2.07)	-11.39%	19.56	16.11	(3.45)	-17.62%
5	20.03	18.73	(1.30)	-6.49%	21.63	18.73	(2.90)	-9.04%
6	21.87	21.35	(0.52)	-2.38%	23.71	21.35	(2.36)	-1.02%
7	23.72	23.97	0.25	1.05%	25.78	23.97	(1.81)	-4.64%
8	25.56	26.59	1.03	4.03%	27.85	26.59	(1.26)	0.36%
10	30.15	33.02	2.87	9.52%	32.00	33.02	0.12	7.66%
15	41.63	49.10	7.47	17.94%	45.52	49.10	3.58	8.07%
16	43.92	52.31	8.39	19.10%	48.06	52.31	4.26	14.51%
17	46.22	57.91	11.69	25.29%	50.57	57.91	7.34	28.48%
20	53.11	74.70	21.59	40.65%	58.14	74.70	16.56	81.20%
50	121.97	242.67	120.60	98.88%	133.87	242.67	108.70	100.64%
100	236.73	622.35	285.62	120.65%	260.08	622.35	162.27	

	Proposed Rates New Structure	Proposed Rates Old Structure	Proposed Rates New Structure	Proposed Rates Old Structure	Percent Variance
0	30.00	14.08	(15.92)	-53.07%	
1	31.65	16.70	(15.15)	-47.57%	
2	33.69	19.32	(14.37)	-42.65%	
3	35.54	21.94	(13.60)	-38.27%	
4	37.38	24.56	(12.82)	-34.30%	
5	39.23	27.18	(12.05)	-30.72%	
6	41.07	29.80	(11.27)	-27.44%	
7	42.92	32.42	(10.50)	-24.46%	
8	44.76	35.04	(9.72)	-21.72%	
10	49.35	41.47	(7.88)	-15.97%	
15	60.83	57.55	(3.28)	-5.39%	
16	63.12	60.76	(2.36)	-3.74%	
17	65.42	66.36	0.94	1.44%	
20	72.31	83.15	10.84	14.99%	
50	141.17	251.02	109.85	77.81%	
100	255.93	530.80	274.87	107.40%	

MOTOCROSS LAURENCO

100	1812.30	\$1409.02	293.32	MONTEREY RATE CASE	5223.32	\$409.02	(143.30)	2.02%	
200	823.02	1,512.40	322.32	1997 MONTHLY RATE COMPARISON	1,518.40	(11.82)	2.21%		
300	431.22	933.30	121.62		933.30	(22.05)	2.42%		
400	339.02	604.32	102.12	MULTI-RESIDENTIAL CUSTOMERS	231.00	204.32	(19.34)	2.30%	
500	302.60	392.53	39.41		392.53	(51.82)	2.30%		
100	314.27	500.50	21.61	1/2" X 3/4" Meter	360.01	360.00	(1.00)	-1.00%	
200	169.10	500.00	33.33		513.41	500.00	(10.35)	-1.00%	
300	135.31	Proposed	34.81	20.00%	121.32	115.12	(7.18)	-1.00%	
400	135.31	Proposed	15.45	18.00%	111.20	111.20	(0.00)	-1.00%	
500	135.31	Current Rates	11.23	Percent	11.23	11.23	(0.00)	-3 Percent	
500	135.31	Proposed	12.23	Variance	12.23	12.23	(0.00)	-3 Variance	
		New Structure	Difference	Variance	Old Structure	New Structure	Difference	Variance	
100	12.00	21.26	3.21	3.54%	22.30	21.00	(1.44)	-3.54%	
200	24.12.65	32.13.05	(0.5) 0.46	-0.10% 4.26%	32.53	31.26	(0.43) 0.00	-1.31% 0.00%	
300	37.49	35.14.03	(0.3) 0.40	-0.33% 3.16%	33.50	33.33	(0.50) (0.28)	-0.61% 2.13%	
400	34.16.34	32.16.62	(1.0) 0.34	-1.11% 2.35%	30.81	31.41	(0.11) (0.58)	-0.43% 3.75%	
500	32.20.03	32.20.19	(1.2) 0.28	-0.13% 1.71%	38.12	17.48	0.00 (0.86)	0.00% 2.93%	
100	29.25	29.11	(0.14)	-0.48%	32.00	29.11	(2.89)	-6.66%	
150	68.48	38.04	(0.44)	-1.14%	42.37	38.04	(4.33)	-9.04%	
200	47.71	46.97	(0.74)	-1.55%	52.74	46.97	(5.77)	-10.95%	
250	68.93	65.90	(1.03)	-3.81%	63.12	65.60	(7.21)	-11.43%	
300	68.30	68.25	(2.06)	-1.11% 2.32%	98.38	88.25	(12.13)	-12.33%	
400	103.07	100.63	(2.54)	-2.46%	114.97	100.53	(14.44)	-12.56%	
500	195.33	189.80	(5.53)	-2.83%	218.68	189.80	(28.88)	-13.21%	
100	287.60	279.07	(8.53)	-2.97%	322.39	279.07	(43.32)	-13.44%	
200	379.88	364.34	(11.52)	-3.62% 3.03%	312.92	326.10	5331 (57.76)	-2.91% 3.56%	
300	472.13	457.61	(11.52)	-3.53% 3.08%	453.52	459.81	1501 (72.20)	-2.91% 3.63%	
400	603.45	603.96	(29.49)	-39.11% 3.16%	615.04	618.36	802 (44.40)	-2.21% 3.77%	
500	735.13	691.30	(31.82)	-39.30%	718.10	731.32	(39.34)	-2.21%	
100	233.69	193.30	30.30	39.30%	218.10	233.32	(31.82)	-2.23%	
200	383.90	303.34	80.54	39.05%	323.63	389.31	(14.31)	-2.42%	
300	422.33	513.31	72.03	33.61%	503.69	313.31	(14.31)	-2.31%	
400	410.50	423.60	40.60	33.71%	500.22	193.60	(10.31)	-2.31%	
500	402.03	400.52	33.35	39.41%	431.13	132.50	(11.19)	-2.55%	
100	Proposed	13.13	30.22%	Proposed	Proposed	(2.1)	-2.00%		
200	Current Rates	13.13	30.22%	Proposed	Proposed	(3.60)	-3.60%		
300	Rates	13.13	30.22%	Percent	Percent				
500		13.13	30.22%	Variance	Variance				
100	336.00	26.15	2.05	13.00%	32.20	32.01	(1.44)	-3.00%	
200	131.65	129.94	3 (1.85)	15.01% 6.17%	13.2.28.15	18.1.28.15	(0.43) 0.00	-3.3% 0.00%	
300	133.69	131.72	1 (1.91)	10.22% 6.00%	12.3.30.22	16.0.29.94	(0.5) (0.28)	-2.3% 0.94%	
400	135.54	133.51	0 (2.03)	1.82% 5.85%	13.1.32.30	13.0.31.72	(0.1) (0.58)	-1.00% 1.79%	
500	139.23	137.08	0 (2.15)	1.50% 5.71%	11.5.34.37	11.5.33.51	0.0 (0.86)	0.00% 2.61%	
100	48.45	46.00	(2.45)	-4.06%	38.52	37.08	(1.44)	-3.74%	
150	63.68	54.93	(2.75)	-14.77%	48.89	46.00	6368 (2.89)	-5.92%	
200	66.91	63.66	(3.05)	-4.56%	59.26	54.93	(4.33)	-8.31%	
250	78.13	72.79	(3.34)	-4.39%	69.63	63.66	(5.77)	-6.29%	
300	107.50	103.14	(4.36)	-4.06%	80.01	72.79	(7.21)	-9.02%	
400	122.27	117.42	(4.85)	-3.97%	115.27	103.14	(12.13)	-10.52%	
500	214.53	206.69	(7.84)	-3.65%	131.66	117.42	(14.44)	-10.95%	
100	306.80	295.96	(10.84)	-3.53%	235.57	206.69	(28.88)	-12.26%	
200	399.06	385.23	(13.83)	-3.47%	339.28	295.96	(43.32)	-12.77%	
250	491.33	474.50	(16.83)	-3.43%	442.99	385.23	(57.76)	-13.04%	
500	952.65	920.65	(31.80)	-3.34%	545.70	474.50	(72.20)	-13.21%	
					1,065.25	920.85	(144.40)	-13.56%	

A.Y.U.-U-8
CALIFORNIA-AMERICAN WATER COMPANY
MONTEREY DISTRICT
COST OF SERVICE ALLOCATION

APPENDIX B Page 83

CALIFORNIA-AMERICAN WATER COMPANY
MONTEREY DISTRICT
DEPT. OF MONTEREY DISTRICT
Allocation of Water Service Charges
Table 12-2

	6821	1021	PRESENT RATES	Allocation of Water Service Charges 1997	1998	1999
1.	Total Water Service Revenue Requirements	\$2,048.7	20,948.7	21,472.4	21,938.7	
2.	Less Fixed Costs:	\$0.00				
3.	Operation not volume related, Maintenance & uncollectables	\$1,103.1	1,103.1	1,177.6	1,252.1	
4.	Payroll	\$1,395.2	3,395.2	3,495.0	3,594.8	
5.	Administrative and General & General Office	4,389.9	4,389.9	4,477.4	4,564.9	
6.	Depreciation	2,500.9	2,500.9	2,608.9	2,712.9	
7.	Property tax expense	571.5	571.5	579.3	587.1	
8.	Deferred income tax expense	4.8	4.8	19.0	33.2	
9.	Gross return on investment	5,161.7	5,161.7	5,288.0	5,410.3	
10.	110.00	552.25	TOTAL	17,641.21	18,155.3	
11.			TOTAL FIXED COSTS			
12.	0.1	0.1	\$1,103.1			
13.	Balance: Variable Costs	\$1,395.2	3,819.6	3,831.2	3,783.4	
14.	2.5	2.5				
15.	FIXED COST RECOVERABLE FROM FIRE SERVICES & HYDRANTS					
16.	0.8	0.8				
17.	Private Fire Protection Service (Schedule No. MO-4)					
18.	Proposed Rates	0.25				
19.	0.4-inch and smaller	0	\$20.30	\$21.67	\$22.18	\$22.62
20.	0.6-inch	0.03	\$43.10	\$43.67	\$44.00	\$45.79
21.	8-inch		\$65.00	\$69.37	\$71.01	\$72.42
22.	2210-inch	SOFTIE	\$92.00	\$98.19	\$100.51	\$102.51
23.	0.12-inch	0.03	\$0.00	\$0.00	\$0.00	\$0.00
24.	Projected Number of Units					
25.	0.4-inch and smaller	SFT		278.0	284.0	284.0
26.	0.6-inch	0.03		154.0	159.0	159.0
27.	8-inch	0.03		70.0	70.0	70.0
28.	2210-inch	0.03		1.0	1.0	1.0
29.	0.12-inch	0.03		0.0	0.0	0.0
30.	Months Per Year	0.03		TOTAL	12.0	12.0
31.	Private Fire Protection Service Revenue			212,812.0	222,113.2	226,519.2
32.						
33.	Private Fire Hydrant Service (SCHEDULE NO. MO-4H)					
34.	Proposed Rates		\$19.60	\$20.92	\$21.41	\$21.84
35.	Projected Number of Hydrants			228.0	228.0	228.0
36.	Number of Months			12.0	12.0	12.0
37.	Private Fire Hydrant Revenues			57,237.1	58,577.8	59,754.2
38.						
39.	TOTAL PRIVATE FIRE SERVICE REVENUES					
40.	52.11	65.11		270.0	280.7	288.3
41.	TOTAL OTHER SERVICE REVENUE		\$11.4	12.2	12.5	12.7
42.	MISC. SERVICE REVENUE			9.7	9.7	9.7
43.	BALANCE, FIXED COSTS LESS PRIVATE FIRE SERVICE REV & OTHER			16,835.2	17,338.4	17,848.6
44.	10.50	60.00				
45.	41.17% OF FIXED COSTS ALLOWED SERVICE CHARGE REVENUE			6,931.1	7,138.2	7,347.4
46.	0.265	0.316				
47.	TOTAL REVENUE TO BE RECOVERED IN QUANTITY RATES			13,723.7	14,031.4	14,282.6
48.	0.658	0.800				

**CALIFORNIA-AMERICAN WATER COMPANY
MONTEREY DISTRICT
COMPUTATION OF METER SERVICE CHARGES**

APPENDIX B Page 84

AMERICAN WATER COMPANY

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GOALS OF SERVICE AFRICA

COMMERCIAL METER RATES

COMMERCIAL METER RATES			1H2	1H3	1H4
TYPE	SIZE	RATE	\$78 x 3/4	\$78 x 3/4	\$78 x 3/4
GENERAL	1/2	1	\$10.20	\$11.50	\$11.92
GENERAL	1/2	3/4	\$10.69	\$17.37	\$17.64
GENERAL	1/2	1	\$21.39	\$28.95	\$29.40
GENERAL	1/2	1 1/2	\$21.39	\$57.90	\$59.60
GENERAL	1/2	2	\$21.39	\$92.64	\$93.30
GENERAL	1/2	3	\$21.39	\$173.70	\$178.80
GENERAL	1/2	4	\$21.39	\$209.50	\$208.00
GENERAL	1/2	6	\$21.39	\$598.00	\$598.00
GENERAL	1/2	8	\$21.39	\$926.40	\$933.60
COMMERCIAL METERS					
GENERAL	1/2	1	\$10.20	\$11.50	\$11.92
GENERAL	1/2	3/4	\$10.69	\$17.37	\$17.64
GENERAL	1/2	1	\$21.39	\$28.95	\$29.40
GENERAL	1/2	1 1/2	\$21.39	\$57.90	\$59.60
GENERAL	1/2	2	\$21.39	\$92.64	\$93.30
GENERAL	1/2	3	\$21.39	\$173.70	\$178.80
GENERAL	1/2	4	\$21.39	\$209.50	\$208.00
GENERAL	1/2	6	\$21.39	\$598.00	\$598.00
GENERAL	1/2	8	\$21.39	\$926.40	\$933.60
COMMERCIAL METER REVENUE					
GENERAL	1/2	1	\$10.20	\$11.50	\$11.92
GENERAL	1/2	3/4	\$10.69	\$17.37	\$17.64
GENERAL	1/2	1	\$21.39	\$28.95	\$29.40
GENERAL	1/2	1 1/2	\$21.39	\$57.90	\$59.60
GENERAL	1/2	2	\$21.39	\$92.64	\$93.30
GENERAL	1/2	3	\$21.39	\$173.70	\$178.80
GENERAL	1/2	4	\$21.39	\$209.50	\$208.00
GENERAL	1/2	6	\$21.39	\$598.00	\$598.00
GENERAL	1/2	8	\$21.39	\$926.40	\$933.60
RESIDENTIAL METER RATES					
GENERAL	1/2	5/8 x 3/4	\$5.63	\$5.79	\$5.90
GENERAL	1/2	3/4	\$6.45	\$8.69	\$8.84
GENERAL	1/2	1	\$14.08	\$14.48	\$14.50
GENERAL	1/2	1 1/2	\$21.39	\$28.95	\$29.00
GENERAL	1/2	2	\$45.04	\$45.32	\$47.64
GENERAL	1/2	3	\$44.45	\$46.85	\$49.40
GENERAL	1/2	4	\$140.75	\$144.75	\$149.00
GENERAL	1/2	6	\$211.50	\$219.50	\$205.00
GENERAL	1/2	8	\$450.40	\$463.20	\$478.80
RESIDENTIAL METERS					
GENERAL	1/2	5/8 x 3/4	\$5.63	\$28.453	\$28.453
GENERAL	1/2	3/4	\$6.45	\$33	\$33
GENERAL	1/2	1	\$14.08	\$2,748	\$2,748
GENERAL	1/2	1 1/2	\$21.39	\$263	\$263
GENERAL	1/2	2	\$47	\$97	\$97
GENERAL	1/2	3	\$0	\$0	\$0
GENERAL	1/2	4	\$1	\$1	\$1
GENERAL	1/2	6	\$0	\$0	\$0
GENERAL	1/2	8	\$0	\$0	\$0
RESIDENTIAL METER REVENUE					
GENERAL	1/2	5/8 x 3/4	\$5.63	\$1,919,244	\$1,976,914
GENERAL	1/2	3/4	\$6.45	\$3,346	\$3,441
GENERAL	1/2	1	\$14.08	\$453,964	\$477,492
GENERAL	1/2	1 1/2	\$21.39	\$68,641	\$67,366
GENERAL	1/2	2	\$47	\$52,427	\$53,918
GENERAL	1/2	3	\$0	\$0	\$0
GENERAL	1/2	4	\$1	\$1,668	\$1,737
GENERAL	1/2	6	\$0	\$0	\$0
GENERAL	1/2	8	\$0	\$0	\$0
TOTAL					
GENERAL	1/2	5/8 x 3/4	\$5.63	\$2,529,311	\$2,604,660
GENERAL	1/2	3/4	\$6.45	\$0	\$0
GENERAL	1/2	1	\$14.08	\$4,604,504	\$4,534,257
GENERAL	1/2	1 1/2	\$21.39	\$7,138,200	\$7,347,400
GENERAL	1/2	2	\$47	\$2,528,594	\$2,603,643
GENERAL	1/2	3	\$0	\$0	\$0
GENERAL	1/2	4	\$1	\$1,668	\$1,737
GENERAL	1/2	6	\$0	\$0	\$0
GENERAL	1/2	8	\$0	\$0	\$0
TOTAL METERED REVENUE					
GENERAL	1/2	5/8 x 3/4	\$5.63	\$4,604,504	\$4,534,257
GENERAL	1/2	3/4	\$6.45	\$0	\$0
GENERAL	1/2	1	\$14.08	\$7,138,200	\$7,347,400
GENERAL	1/2	1 1/2	\$21.39	\$2,528,594	\$2,603,643
GENERAL	1/2	2	\$47	\$1,668	\$1,737
GENERAL	1/2	3	\$0	\$0	\$0
GENERAL	1/2	4	\$1	\$0	\$0
GENERAL	1/2	6	\$0	\$0	\$0
GENERAL	1/2	8	\$0	\$0	\$0
TOTAL REQUIRED METER REVENUE					
GENERAL	1/2	5/8 x 3/4	\$5.63	\$8,931,100	\$8,667,800
GENERAL	1/2	3/4	\$6.45	\$0	\$0
GENERAL	1/2	1	\$14.08	\$17,862,200	\$17,347,400
GENERAL	1/2	1 1/2	\$21.39	\$8,528,594	\$8,603,643
GENERAL	1/2	2	\$47	\$1,668	\$1,737
GENERAL	1/2	3	\$0	\$0	\$0
GENERAL	1/2	4	\$1	\$0	\$0
GENERAL	1/2	6	\$0	\$0	\$0
GENERAL	1/2	8	\$0	\$0	\$0
DEFICIT					
GENERAL	1/2	5/8 x 3/4	\$5.63	\$-1,327,596	\$-1,063,750
GENERAL	1/2	3/4	\$6.45	\$0	\$0
GENERAL	1/2	1	\$14.08	\$-1,133,900	\$-1,063,750
GENERAL	1/2	1 1/2	\$21.39	\$-1,133,900	\$-1,063,750
GENERAL	1/2	2	\$47	\$0	\$0
GENERAL	1/2	3	\$0	\$0	\$0
GENERAL	1/2	4	\$1	\$0	\$0
GENERAL	1/2	6	\$0	\$0	\$0
GENERAL	1/2	8	\$0	\$0	\$0
TOTAL RESIDENTIAL CONSUMPTION					
GENERAL	1/2	5/8 x 3/4	\$5.63	3,027,000	3,031,500
GENERAL	1/2	3/4	\$6.45	0	0
GENERAL	1/2	1	\$14.08	0	0
GENERAL	1/2	1 1/2	\$21.39	0	0
GENERAL	1/2	2	\$47	0	0
GENERAL	1/2	3	\$0	0	0
GENERAL	1/2	4	\$1	0	0
GENERAL	1/2	6	\$0	0	0
GENERAL	1/2	8	\$0	0	0
REQUIRED UNIT SURCHARGE					
GENERAL	1/2	5/8 x 3/4	\$5.63	0.8347	0.850
GENERAL	1/2	3/4	\$6.45	0	0
GENERAL	1/2	1	\$14.08	0	0
GENERAL	1/2	1 1/2	\$21.39	0	0
GENERAL	1/2	2	\$47	0	0
GENERAL	1/2	3	\$0	0	0
GENERAL	1/2	4	\$1	0	0
GENERAL	1/2	6	\$0	0	0
GENERAL	1/2	8	\$0	0	0

CALIFORNIA AUTOMOBILE INSURANCE COMPANY
BOATING DISTRICT - THREE RATE CLASS
BY THE CALCULATION AT PROPOSED RATES

CALCULATION OF GROWTH RATE
APPENDIX B
A-87839878-C

	1988	1989	1990	1991	1992
Total Revenue in Quality Rates	\$1,533,700	\$1,625,400	\$1,715,600	\$1,805,200	\$1,895,000
Gross Booked Costs Recovery	303,251	303,251	303,251	303,251	303,251
Total to Recover in QA Rates	1,230,448	1,312,153	1,381,343	1,472,943	1,591,748

	1988	1989	1990	1991	1992
Multi-Ratebook Computation	\$330,000	\$330,000	\$330,000	\$330,000	\$330,000
Other Multi-Ratebook	108,100	108,100	108,100	108,100	108,100
Total Multi-Ratebook	438,100	438,100	438,100	438,100	438,100
Gas Ratebook	1824	1824	1824	1824	1824
Total Multi-Ratebook	1824	1824	1824	1824	1824

	1988	1989	1990	1991	1992
Multi-Ratebook Computation	151,084.5	151,084.5	151,084.5	151,084.5	151,084.5
Other Multi-Ratebook	151,084.5	151,084.5	151,084.5	151,084.5	151,084.5
Total Multi-Ratebook	302,169.0	302,169.0	302,169.0	302,169.0	302,169.0

	1988	1989	1990	1991	1992
Check					

	1988	1989	1990	1991	1992
Check					

	1988	1989	1990	1991	1992
Check					

	1988	1989	1990	1991	1992
Check					

	1988	1989	1990	1991	1992
Check					

	1988	1989	1990	1991	1992
Check					

	1988	1989	1990	1991	1992
Check					

	1988	1989	1990	1991	1992
Check					

	1988	1989	1990	1991	1992
Check					

**1996 MONTEREY RATE CASE
CALCULATION OF QUANTITY BASE RATE**

	1997	1998	1999
Revenues In Quantity Rates	13,723,700	14,031,400	14,282,600
Less: Booster Costs Recovered	309,557	309,557	309,557
Total to be recovered in Qty Rates	13,414,143	13,721,843	13,973,043
Multi-Residential Consumption	730,600	730,600	730,600
All Other Consumption	6,087,100	5,094,400	5,094,400
Total Consumption	5,817,700	5,825,000	5,825,000
Base Rate	2.3805	2.4319	2.4765
Multi-Residential Rate	1.7854	1.8239	1.8574
Multi-Residential Revenue	1304413	1332641	1357016
All Other Revenue	12109842	12389071	12616282
Total Revenue	13,414,255	13,721,612	13,973,298
Check	112	-231	255

1996 MONTEREY DISTRICT RATE CASE LIFT ZONE SURCHARGE DUE TO BOOSTER COSTS

(END OF APPENDIX B)

A-96-03-008
MONTEREY DISTRICT
PUMPING PLANTS

APPENDIX B
LIT ZONE SURCHARGE DUE TO BOOSTERS
LIT Zone #2 and Greater

		od	kwh	Cost		od	kwh	Cost	
Eardley #1	A6P	485,294	450,885	49,287.10					Lit Zone Due to Combination
Mesa #2	A6P	177,159	208,473	21,658.12					
Carmel Way #3	A1P	14,277	19,528	2,442.56					
Crespi #4A	A10	77,333	103,945.67	14,647.42					
Pebble Beach #6	A10	8,435	14,900	1,182.00					
Castro #7A	A10	8,435	50,018	7,875.34	16,393.979	182,178	192,265	21,529.45	Lit Zone Due to Combination
Carmel Woods #8	A6P	0	200,125						
Nueve #9	A6P	67,812	84,286	9,098.07	182,178	72,369		7,821.53	
Rancho Blvd #10A	A1P								
Viscaino #11	A1P	51,309	21,441	3,490.41					
Withers #12	A1P	0	282,001						
Corona #13	A6P								
Cypress #14	A1P	9,208	12,024	1,767.80					
Via Contenta #16	A6P	88,315	118,69,666	7,457.211					
Lower Alway #17	A6P	0							
Carmel Valley #19	A1P		1018,202.1						
Monte Vista #21	A6P								
Huckleberry #23A	A1P								
Lower Robles #26	A1P	15,623	46,830	6,970.60					
Boyd #26A	A1								
Hilby #27A	A6P	307,047	101,39,622	4,642.73					
Del Rey Terrace #28	A1P	0	80,42,801	234.17					
Munras #30	A10	308,087	103,28,031	30,281.67					
Lower Toyon #32	A6P								
Padre Lane #33	A1P	5,659	25,250	1,358.09	43,581	58,974		6,403.88	
Carmel Knolls #34	A10	148,122	115,158,778	16,151.44					
Rancho Mar Monte #35	A10	0	883.4						
Cortez #36	A1P								
Dry Creek #37	A1P	0							
Tierra Grande #38	A1P	13,865	115,22,529	3,431.27					
L. Tierra Grande #39	A6P								
Mid Tierra Grande #40	A1P	0							
Lower Walden #41	A1P	7,304	111,6,631	1,379.10					
Del Mesa #42	A1P	41,278	32,642	4,802.35					
U. Tierra Grande #44	A1P								
High Meadows #45	A6P								
Highland #47	A1P		805,001						
Eddy Road #49	A1P	3,167	8,397	1,045.48					
Los Tulares #50	A6P	14,391	114,848	4,587.92					
L. Los Tulares #51	A6P		802.02						
U. Los Tulares #52	A6P		803.82						
Tierra Vista #53	A1P		115,55						
Encina #54	A6								
Los Encinas #55	A1P	1,680	118,8,785	1,353.87					
Segunda #58	A10	0	115,034						
Mercurio #59	A1P	3,130	116,170	880.28					
Old Ranch #60	A6P	23,431	116,881	7,168.13					
Rancho Fiesta #61	A6P	4,262	113,14,368	1,720.76					
Rancho Fiesta #62	A6	104	112,15,182						
Quail Meadows #68	A1P	0	967	288.59					
Sub-Total		1,873,272	1,757,949	204,008.84	698,865	668,481	79,579.55		
Water West Pumping Plants									
U. Middle Canyon #64	A6P		114,889,015						
Ridgeway #65	A1P		114,930,1						
Boronda #67	A6P	63,659	1123,457	12,981.63	15,098	23,638	1,050.97	3,483.27	
Sub-Total		63,659	1123,457	12,981.63	15,098	31,600	4,533.34		
Hidden Hills Pumping Plants									
Simpson #70	A6P		114,989,14						
Carola #71	A1P		114,989,312						
Boots Tank #73	A1P	0	114,989,312	0.00	124,932	71,900	144.00	8,456.25	
Sub-Total		0	114,989,312	0.00	124,932	71,900	144.00	8,456.25	
TOTAL		1,936,931	1,881,406	216,988.47	838,893	771,987	92,569.14		

(END OF APPENDIX B)