

**Minimum Data Requirements for Utility
General Rate Case Application and Testimony**

DRA Water will provide a red-lined version of this document as part of DRA's reply comments. DRA will also provide copies of the red-lined version of the document to parties by February 22, 2007. Within the list of Minimum Data Requirements included below, DRA included additional information excerpted from the existing Master Data Request. DRA strongly recommends that the additional information should be included in the Minimum Data Requirements. Alternatively, DRA could include such additional information in a supplemental Master Data Request. Because this information is crucial to the DRA review, the resulting supplemental Master Data Request needs to be subject to deficiency review of the Proposed Application.

The Water Action Plan, adopted on December 15, 2005, includes four principles: (1) safe high quality water; (2) highly reliable water supplies; (3) efficient use of water; and (4) reasonable rates and viable utilities. In order to ensure that Class A water utilities adhere to the four principles as well as providing sufficient information to promote sound decision-making, the following information must be included in the utility's Results of Operations Report when a GRC is filed. Testimony served concurrently with the GRC application must include data responsive to the specific topics and questions listed below. The application and testimony need not respond to the minimum data requirements in the order presented below, but must include a cross reference that identifies where each topic and question is addressed in the testimony. Provide responses both on a company aggregate and individual district basis.

I. General Rate Case Application Requirements

The application must contain the following summary information:

A. Summary of Requested Revenue Requirement and Rate Base Changes

Compare the proposed amounts to the last adopted and last recorded amounts to determine the difference in dollars and percentages. Show the difference, i.e., the proposed change, in a table, as set out below.

Difference Between Proposed Test Year and Last Test Year Adopted and Last Recorded Year			
	Last Test Year Adopted	Last Recorded Year ¹	% Change
Total Rev Req \$			
Rate Base \$			
Operating Expenses \$			
Rate of Return			

B. Primary Cost Increases

List the six most significant issues, in dollar terms that the utility believes require a rate change. Identify the cause of cost increases.

C. Issues of Controversy

List the major controversial issues included in the GRC filing. Include the dollar impact of these issues, and a brief summary of the utility’s rationale on this subject.

D. Proposed Notice to Customers

Include in the Proposed Application proposed notices to customers that will be submitted for review by the Commission’s Public Advisor upon filing of the application. The proposed notices should describe the reasons for the requested rate change and estimated average bill changes for a typical customer in each district by customer class.

¹ Use most recent 12 months of available data; revise with complete calendar year data when available.

II. Testimony Requirements

A. Basic Information

All significant² changes between last adopted figures and recorded amounts shall be explained. Forecasted amounts shall include an explanation of the forecasting method.

1. Number of customers and percentage of customer increase for last authorized test years, last six years recorded data (DRA requests six years recorded data to reflect two GRC cycles), proposed test year³ and one escalation year⁴.
2. Total water sales in hundred cubic feet (“CCF”) for the last authorized test years, last six years recorded data, proposed test year⁵ and one escalation year.
3. Revenue requirement authorized for last test and escalation years proposed test year, and escalation year
4. Recorded revenues for last six years proposed test year, and escalation year forecast⁶

² A significant expense is equal to or greater than 1% of test year gross revenues.

³ Forecast customers using a six-year average of the change in the number of customers by customer class. Should an unusual event occur, or be expected to occur, such as the implementation or removal of limitation on the number of customers, then an adjustment to the six-year average will be made. Calculate customer consumption by using a multiple regression (any commonly used multiple regression software could be employed, e.g., Eviews, SAS, TSP, Excel, Lotus), based on the material in the “Standard Practice No. U-2” and the “Supplement to Standard Practice No. Utilities-25” with the following improvements:

- A. Use monthly data for ten years, if available. If ten years’ data is not available, use all available data, but not less than six years of data. If less than six years of data is available, the utility and DRA will have to jointly decide on an appropriate method to forecast the projected level of average consumption.
- B. Use 30-year average for forecast values for temperature and rain.
- C. Remove periods from the historical data in which sales restrictions (e.g., rationing) were imposed or the Commission provided the utility with sales adjustment compensation (e.g., a drought memorandum account), but replace with additional historical data to obtain ten years of monthly data, if available.

⁴ For escalation year expenses, provide the escalation factor used to calculate the expense.

⁵ Forecast water sales for all classes of customers for utilities that are under government-mandated production limitations based on that limitation and consideration of unaccounted for water and historical production reserves while under the imposed limitation. Water sales for customer classes other than residential, multifamily, and business (such as industrial, irrigation, public authority, reclaimed, and other) will be forecast on total consumption by class using the best available data.

5. Revenues per number of customer service connection for last authorized test years, last six years recorded data, proposed test year, and escalation year
6. Number of general office employees and percent increase for the last authorized test years, last six years recorded data, proposed test year, and escalation year
7. Number of district employees and percent increase for the last authorized test years, last six years recorded data, proposed test year, and escalation year
8. List each rate change since the last GRC decision by district, including the date, percentage change to typical residential customer bill, percentage change to revenue requirement, total dollar change, and citations to authority for each increase, and sum to arrive at cumulative rate change by district since last GRC

B. Revenue Requirement: Operations & Maintenance, Administrative & General, General Office

As part of the Results of Operation Report, all significant changes between last adopted figures and recorded amounts shall be explained. Show results of operation in summary table as specified by the Water Division. Forecasted amounts shall include an explanation of the forecasting method.⁷ Expenses shall include the proposed test year and the first escalation year, providing the escalation factor used to calculate the expenses. Among other information to support the utility's request, provide the following data:

1. Identify Operation and Maintenance (O&M) Expenses for the last authorized test year, last six years recorded data, proposed test year, and escalation year.
2. Identify O&M expense per number of customer service connection for last authorized test year, last six years recorded data, proposed test year, and escalation year.
3. Identify maintenance expense and percent increase/decrease for last authorized test year, last six years recorded data, proposed test year, and escalation year.
4. Identify maintenance expense per number of customer service connection and percent increase/decrease for last authorized test year, last six years recorded data, proposed test year, and escalation year.
5. A&G Expenses and percent increase for the last authorized test year, last six years recorded data, proposed test year, and escalation year.

⁶ Estimate test year sales revenues based on the test year sales and customer forecast. Estimate other revenues using the best available data.

⁷ For district and general office expenses, excluding water production related expenses, parties may forecast using traditional estimating methodologies (historical averages, trends, and specific test year estimates). In addition to any other methodology the utility may wish to use, the utility shall also present, in its workpapers, an inflation adjusted simple six-year average for all administrative and O&M expenses, with the exception of off-settable expenses and salaries.

6. A&G Expense per number of customer service connection and percent increase for the last authorized test year, last six years recorded data, proposed test year, and escalation year.
7. Number of district employees per thousand customer service connections and percent increase for the last authorized test year, last six years recorded data, proposed test year, and escalation year.
8. District employee's total payroll expenses and percent increase for the last authorized test year, last six years recorded data, proposed test year, and escalation year.
9. District employee's payroll expenses per thousand customer service connections and percent increase for the last authorized test year, last six years recorded data, proposed test year, and escalation year.
10. District employee's expensed payroll and percent increase for the last authorized test year, last six years recorded data, proposed test year, and escalation year.
11. District employee's capitalized payroll and percent increase for the last authorized test year, last six years recorded data, proposed test year, and escalation year.
12. Number of general office employees per thousand customer service connections and percent increase for the last authorized test year, last six years recorded data, proposed test year, and escalation year.
13. General office payroll expense and percent increase for the last authorized test year, last six years recorded data, proposed test year, and escalation year.
14. General office payroll expense per thousand customer service connections and percent increase for the last authorized test year, last six years recorded data, proposed test year, and escalation year.
15. General office expensed payroll and percent increase for the last authorized test year, last six years recorded data, proposed test year, and escalation year.
16. General office capitalized payroll per thousand customer service connections and percent increase for the last authorized test year, last six years recorded data, proposed test year, and escalation year.
17. Number of supervisory, managerial and executive employees in General Office for the last authorized test year, last six years recorded data, proposed test year, and escalation year.
18. Number of supervisory, managerial and executive employees in General Office per thousand customer service connections for the last authorized test year, last six years recorded data, proposed test year, and escalation year.
19. Provide the following information for each district and/or the general office, if applicable:
20. An operation and maintenance organizational chart describing responsibilities and duties for each position. Indicate changes in the organization from the last rate case with full explanation and justification. A table showing additional employees authorized in the last GRC and those actually hired. Include also the corresponding

- payroll expenses. Also provide the time allocation of each position between job activities that are expensed and that are capitalized.
21. Utility maintenance and service policies and programs on all utility facilities and equipment, and Preventive Maintenance Plan⁸
 22. The recorded number of operation and maintenance employees by classification for each of the last six recorded years, including a table delineating allocated man-days, labor dollar amounts, overhead dollar amounts, material amounts, and total costs. Please indicate whether these employees are full time or part time and the number of vacancies that exist. Additionally, provide the estimation of the same information for the test year.
 23. Operation and maintenance employees assigned to perform any work for affiliates, and the percentage of time allocated to this work.
 24. List the operation and maintenance employees assigned to perform any work for affiliates and non-regulated utility activities, and the percentage of time allocated to this work for last 5 recorded years and the test year.
 25. Recorded labor, non-labor and other operation and maintenance expenses for the past six years, indicating any unusual non-recurring expenses. Breakdown of expenses included in any general source of supply, such as "miscellaneous", "other", etc.
 26. Operation and maintenance expenses that were reimbursed by a third party (e.g. affiliates, polluters, developers, insurance companies, etc)
 27. Recorded quantities and percentages of all sources of water (Ccf) used by the utility in the last six years by year, and source. . The source breakdown should be as follows:
 - a. Purchased water - Identify each seller and the quantity of water purchased, together with a copy of each seller's current rate schedule(s) and contracts.
 - b. Wells - Indicate water produced from each well. Additionally, list all wells in service during the last six years and all wells anticipated to be in service during the test year. Also, provide pumping capacities and recorded annual water production for the wells in service for the last six years and the test year. Describe any unusual increases and decreases in the water production of each well. Also provide a copy of the most recent report of the Department of Health Services (DHS) regarding the districts in question.
 - c. Springs and Horizontal Wells - Indicate water produced from each source for the last 10 years.
 - d. Surface water - Indicate amount of water produced at each intake point for the last 10 years. Surface water sources include rivers (streams, brooks), lakes (ponds),

⁸ DRA recommends that this information may be submitted electronically or via company website via controlled secure access.

collecting and impounding reservoirs.

28. If the utility has experienced any contamination in any of its water supply sources, provide full documentation of the source of the contamination, efforts to cleanup the problem, expenses of alternative sources, litigation related to the contamination, and how changing water quality standards will affect the supply situation.
29. If the percentage of water used from each source (mix) has changed over the last six years by year, explain in detail. Also indicate if further changes in the mix are to take place in the test year with full explanation as to why.
30. A list of all water rights, including all that are used, unused, leased, and/or sold.
31. A copy of most recent tests for each pump larger than 7.5 horsepower.
32. Power Consumption:
 - a) A description of all operational changes that have taken place since the last GRC that had an effect on power consumption.
 - b) A description of all operational changes expected in the test year that will effect power consumption.
 - c) A detailed explanation of how pumping power consumption is estimated in the test year.
 - d) Recorded power consumption for the last six years for each pump in the water system, identifying each pump by location, size hp), type and use (well, booster, etc.).
 - e) A copy of each power bill for the most recent January and July.
33. Recorded labor, non-labor and other pumping expenses for the past six years, showing separately each unusual or non-recurring expense. Breakdown of expenses included in general pumping expense categories, such as "miscellaneous", "other", etc.
34. Explanation of water treatment required in system. Insure that the following information is included:
 - a) Location of each treatment facility,
 - b) Contaminant(s) (source if known)
 - c) Treatment required
35. Complete list of water testing required by the State Department of Health Services and the cost of each test.
36. Recorded labor, non-labor and other water treatment expenses for the past six years, showing separately each unusual or non-recurring expense.
37. Breakdown of expenses included in general water treatment expense categories such as "miscellaneous", "other", etc.

38. A description of the main flushing program, including the amount of water used and the criteria for determining when and how often main flushing is needed
39. Recorded labor, non-labor and other transmission and distribution expenses of the past six years. Show all unusual and non-recurring expenses, separately. Include breakdown of expenses included in general transmission and distribution expense categories such as "miscellaneous", "other", etc.
40. An explanation of the billing procedure from meter reading to receipt of payment. Include performance metrics regarding the revenue cycle such as timeliness of customer payment and aging of bills. e.g. percentage paid on time, percentage paid 30 days past due, paid 60 days past due, etc. Provide 6 years of data.
41. Provide a description of the procedures for responding to and resolving customer complaints, together with a tabulation of customer complaints received since the last GRC.
42. Recorded labor, non-labor and other customer account expenses for the past six years. One-time or unusual non-recurring expenses are to be shown separately.
43. Recorded uncollectible rates for each customer class per year for the last six years, explaining basis for uncollectible estimates in the test years.
44. Breakdown of expenses of general customer account expense categories such as "miscellaneous", "other", etc.
45. Recorded postage expense, number of bills sent and their corresponding postage rates for the past six years.
46. Recorded labor, non-labor and other sales expenses for the past six years. One-time or unusual non-recurring expenses are to be shown separately.
47. Breakdown of expenses of general sales expense category such as "miscellaneous", "other", etc.
48. Detailed explanation of how each item in 1 and 2 above is estimated in the test year. If trending is used, explain the method and show statistical significance.

ADMINISTRATIVE AND GENERAL EXPENSES (Excluding Pension and Benefits)

Provide the following information for each district and/or the general office if applicable:

1. Detail narrative of how the company forecasts its A&G expenses for the test year.
2. Current organizational chart showing name, title of all employees in the GO, regional office, and affected districts, by classification for each of the last six recorded years. Also indicates whether these employees are full time or part time and the number of vacancies that exist. Explain all changes from last GRC. Also provide the time allocation of each position between job activities that are expensed and that are capitalized.

3. The compensation (salaries, bonuses, and other consideration for services) for each employee identified in item 1 for the last six years of recorded data. Additionally, provide this same information on a forecasted basis for the next three years. .
4. The effective date and major provisions of each wage negotiation with represented employees. Also provide a copy of the most recent labor agreement.
5. A table showing employees authorized in the last GRC and those actually hired. Include also the corresponding payroll expenses.
6. List the administrative and general employees assigned to perform any work for affiliates, and the percentage of time allocated to this work for last 5 recorded years and the test year.
7. List the administrative and general employees assigned to perform any work for affiliates and non-regulated activities, and the percentage of time allocated to this work for last 5 recorded years and the test year.
8. Administrative and general expenses that were reimbursed by a third party (e.g. affiliates, polluters, developers, insurance companies, etc)
9. A copy of all rental agreements, including square footage, number of employees, and corporate department identification. Also describe any affiliation between the lessee and the utility.
10. Provide copies of all leases, and a listing of the following :
 - a. termination date
 - b. Building square footage
 - c. Annual base rent and rent escalation rate
 - d. Cost per square foot
 - e. Operating costs
 - f. Operating cost as a percentage of base rent
 - g. Number of management and non-management personnel
 - h. At each lease site
 - i. Vacancy rates of rental properties
 - j. Commercial vacancy rates of major markets in which the company rents property.
 - k. Space utilization per employee.
 - l. Describe any affiliation between the lessor and the utility.
11. For all new leases, provide all studies that support rental space acquisitions.
12. What is the current overall company useable square footage/person standard for the company, both actual and targeted for the projected years.
13. Information on all renegotiated leases at lower rates, if applicable.

14. Identify which leases are set to expire in the test period which will not be renewed, specifying whether offices in these locations will be relocated or eliminated.
15. Provide information on what type of computer hardware used by the company (mainframes, minis, and microcomputers, disk storage, etc...)
16. Indicate upcoming replacements and/or expansion of computer system. Include salvage value for "obsolete" hardware. Indicate where in the workpapers this revenue is reflected
17. Current and historical (last 5 years) information on the number of PC's-to-total workforce (and percentage) and number of PC's-to-professional workforce (and percentage), indicating primary uses for the PC's as a percentage of total PC users and as a percentage of professional PC users.
18. Six-year recorded office supplies and other expenses. Any supplies which the utility believes were purchased as a result of increased activity should be specifically justified by activity. This includes all supplies and other expenses incurred in connection with the general administration of the utility's operations which are assignable to specific administrative or general departments and are not specifically provided for in other accounts. These accounts may be subdivided into the following:
 - a) Automobile service, including company policy (leasing or purchasing) for replacing vehicles. Also, provide number and type of vehicles used.
 - b) Books, periodicals, bulletins, and subscriptions.
 - c) Building service expenses (not including rent) for customer accounts, sales and A&G.
 - d) Cost of individual items of office equipment used by general departments which are of small value or short life.
 - e) Office supplies and expenses.
 - f) Postage, printing and stationery.
 - g) Transportation, meals, and incidental expenses.
 - h) Utility services.
19. A complete explanation of major accounting changes that have occurred since the last GRC which affect the level of expenditures in any of the A&G accounts, documenting where the expense had been billed in the past, where it is currently being billed, and the level of overall expenditure in the sub-account over time. The utility should also inform the staff witness which utility witness is responsible for the expenses that have been transferred into or out of specific A&G accounts.
20. The most recent copy of all property, and injuries and damages insurance coverage, including Director and Officers insurance coverage. Include the amount of coverage for each class of insurance carried, the property the policy covers, and all applicable premiums. Recorded insurance compensation payments received for injuries and damages for the last 5 years.

21. Data on losses relating to crime, machinery, general liability, and worker's compensation for the last 5 years.
22. A discussion of claims investigation policies and settlement history. Regarding the latter, provide data on trends in the number of claims filed, size of the claims, major categories of claims and the percentage of those who file claims against the utility that ultimately collect from the utility for the last six years.
23. A discussion of alternative risk financing techniques that the utility has explored as a means of controlling the cost of insurance coverage.
24. Franchise fees paid to each municipality, and gross revenues for that municipality for the past six years.
25. Information on significant new incorporations of local cities in its service territory and data on the financial impact of these corporations for the past six years.
26. Information on all major changes in federal and/or state legislation or regulations which will have a significant effect on the level of A&G expenses in the test year. The Company should summarize the key provisions of the legislation or regulation and provide details on when the measure was passed and became effective for the past six years.
27. A list of all regulatory Commission expenses identified with actual proceeding numbers, and the nature of the proceeding for the past six years.
28. Data on all major rate and other proceedings the utility has pending or anticipates will be filed. For both recorded and estimated years, list as follows:
29. Salaries, fees, retainers and expenses of all those involved in the prosecution of, or defense against petitions or complaints presented to regulatory bodies or anything connected with such cases.
30. Expenses, such as supplies, payments to public service or other regulatory commissions, expenses for correspondence and travel, and other expenses directly incurred in connection with formal cases before the Commission.
31. For the most recent year applicable, a list of all dues and donations the company expects to pay, the names of the organizations, and descriptions of the organizations' activities. Also describe why the company is a member of said organization OR why the company is making a contribution to this organization.
32. All consultants that the utility hired to assist it in monitoring or commenting on pending legislation or regulations. Where information could be obtained through the use of utility personnel the decision to use outside consulting services shall be fully justified. Identifying the department for which the consultants were utilized.
33. For Other Outside Services, provide a list of each outside service employed for the last 5 years, including fees and the purpose for using the service. Identify the corporate department which utilized the service. All other information pertaining to miscellaneous general expenses, as referred to in Account 799.
34. Provide a representation letter on all pending lawsuits/litigation in your service area.

35. A list of non-regulated contracts, with information including,
 - a) Date each contract began, terminated, or renewed.
 - b) Type of contract: i.e. meter reading, etc.
 - c) Expense allocation method (original and renewed contract)
 - d) Revenue sharing mechanism (original and renewed contract)
 - e) Recorded revenues from each contract for the past six years.
 - f) Recorded expenses (both directly billed and allocated) for each contract for the past six years.
36. A list of the most recent GRC decisions on regulated affiliates in other states. Include information such as decision numbers, when were the decisions adopted and the state authorities that issued the decisions.

C. Revenue Requirement: Water Sales and Production

As part of the Results of Operation Report, all significant changes between last adopted figures and recorded amounts shall be explained. Show results of operation in summary table as specified by the Water Division. Forecasted amounts shall include an explanation of the forecasting method. Among other information to support the utility's request, provide the following data:

1. Total water production in CCF for the last authorized test year, last six years recorded data, proposed test year, and escalation year.
2. Total purchased water in CCF for the last authorized test year, last six years recorded data, proposed test year, and escalation year.
3. Total pumped water pumped in CCF for the last authorized test year, last six years recorded data, proposed test year, and escalation year.
4. Total treated water in CCF for the last authorized test year, last six years recorded data, proposed test year, and escalation year.
5. Sales per customer for different customer classes (in CCF/customer) for the last authorized test year, last six years recorded data, proposed test year, and escalation year.²

D. Escalation Year Methodology

Utilize the following methods for preparing escalation year requests:¹⁰

² The utility and DRA shall use the "New Committee Method" to forecast per customer usage for the residential and small commercial customer classes in general rate cases. "New Committee Method," which relies on a multiple regression methodology based on Standard Practice No. U-2 and Supplement to Standard Practice No. U-25.

1. Estimate escalation year labor expenses by the most recent labor inflation factors as published by the DRA
2. Estimate non-labor escalation year expenses, excluding water production related expenses, by the most recent composite non-labor 60%/compensation per hour 40% inflation factors published by DRA
3. Estimate escalation year water production related expenses based on escalation year sales
4. Remove all non-recurring and significant expense items prior to escalation. A significant expense is equal to or greater than 1% of test year gross revenues
5. Expense items subject to recovery via offset accounts, e.g., balancing accounts, shall not be escalated
6. Estimate escalation year expenses not specifically addressed in DRA's published inflation factors, (such as insurance) based on CPI-U for most recently available 12 months, as provided in the decision
7. Escalation year expenses may also be increased by the most recent six-year average customer growth
8. For the first escalation year, estimate customers by adding the six-year average change in customers by customer class to the test year customers. For the second escalation year, estimate customers by adding the six-year average change in customers by customer class to the first escalation year customers
9. Estimate sales for the escalation years for the residential, multifamily, and business classes by multiplying the number of customers for each escalation year by the test year sales per customer. Use the test year sales for all other customer classes for both escalation years
10. Forecast sales revenues for the escalation years based on each year's forecast of sales and customers. Other revenues will be estimated using a six-year average of recorded other revenue

E. Rate Base

All significant changes between last adopted figures and recorded amounts shall be explained. Forecasted amounts shall include an explanation of the forecasting method.¹¹ All significant capital additions shall be identified and justified, and must include need analysis, cost comparison

¹⁰ In each water utility's escalation year advice letter filing the most recent DRA inflation factors will be used.

¹¹ In addition to any other methodology the utility may wish to use, the utility shall derive the test years and attrition year estimates by taking the year-end properly recorded plant balance of the latest recorded year and adding to it the average plant additions of the last six years. The results of this methodology may be included in workpapers.

and evaluation, conceptual designs, and overall budget. Also include a comparison of the forecasted capital additions by project adopted in the last GRC and actual capital additions by project.

1. Authorized Rate base and percentage of increases for the past six years;
2. Recorded ratebase for the past six years;
3. Proposed ratebase for the proposed test years;
4. Authorized Rate base per number of customer service connection; for the past six years and percentage of increases for past six years;
5. Recorded ratebase per number of customer service connections for the past six years;
6. Forecasted ratebase per number of customer service connections for the proposed test years;
7. Authorized Plant- in Service and percentage of increases for past six years; recorded plant-in service for the past six years;
8. Forecasted plant in service for the proposed test years.
9. Plant-in Service per customer service connection and percentage of increases for past six years;
10. Recorded plant in service per customer service connection for the past six years;
11. Forecasted plant in service per customer service connection for the proposed test years.
12. List the plant improvements itemized by project and cost, authorized in most recent GRC test years but not built, explain why projects were not built and identify any alternative projects that were substituted.
13. List plant improvements built in most recent test years but not authorized and explain reasons why not authorized.
14. List all items in Plant-in Service included in rate base not “used and useful” in the last six years proposed test year, and escalation years.
 - a) Provide a depreciation study supporting: Average Service Lives for like kinds of properties and sub-groups of same kinds of properties.
 - b) Net Salvage Rates
 - c) Survival Curve Studies
 - d) Gross Salvage and Cost of Removal Values
15. Provide the following for each District and the General Office:
16. Recorded Depreciation and Amortization Reserve for the last 6 years broken down into end of year balances by individual plant depreciation reserve accounts.
17. A list of projects previously authorized by the Commission that have not yet been completed. (Please include all relevant information concerning the individual projects, including, but not limited to the year projects were authorized and the expected

completion date of these projects.) Also provide reasons why projects were delayed or cancelled.

18. A list of projects previously authorized by the Commission, for which the same projects are being requested again in this GRC. (Please include all relevant information concerning the individual projects, including, but not limited to why the projects were not built before, what the projects' previously authorized capital budgets were used for instead, and/or why the previously not-built projects now need to be built.)
19. A detailed description of the construction budgeting and approval process.
20. Copy of the most current approved six-year construction budget which includes a narrative explaining the budget expenditures. Also provide actual amounts constructed for these six years.
21. Maps for each district showing capital additions for the last six years and those budgeted for the next three years.
22. Calculation of overhead loading for the construction projects for the last recorded six years and next forecasted three years, include a description of each type of loading as well as all assumptions used in the calculations.
23. Calculation of contingency for the construction projects for the last recorded six years and next forecasted three years. Include a definition of contingency and how it is estimated by the company. Describe the contingency controls used by the company.
24. For major projects in excess of \$100,000 (wells, water mains reservoirs, treatment facilities, etc.) and office/equipment projects in excess of \$10,000, please provide:
 - a) A copy of each work order with latest estimated completion dates, including a detailed justification of the need for each project,
 - b) A detailed cost breakdown (supported by appropriate calculations), and
 - c) Justification of the cost, together with all relevant studies such as project alternatives and cost benefit analyses, with three contractor bids or vendor quotes to show competitiveness to the extent available. If less than three contractor bids, please provide reasons explaining why three contractor bids are not available. Also list all the contractor bids that were submitted and a copy of the winning bid.
25. For each construction project that expect to save O&M expenses, the calculation of all savings should be shown. Also reference the savings to the appropriate O&M account(s) and workpaper page numbers.
26. All assumptions and data used in developing non-specific construction budgets, together with a six-year history of expenditures for each non-specific construction budgets.
27. Describe the basis for each on-going plant replacement program such as main/service replacement, meter replacement, vehicle replacement, etc.
28. The last six years of recorded information on utility property as follows:

29. All “plant held for future use” indicating the following for each property: Date of purchase, Purchase price, Seller of the property acquired and whether seller is an affiliate, Actual in service date or intended use, and the time table for such use. Specific in-service dates for each plant addition for which interest during construction (IDC) was booked in Utility plant.
30. Provide recorded interest during construction booked in utility plant in service for the last six years and for the forecasted test years by project. Provide all information explaining how IDC is calculated.
31. Provide the monthly balance of CWIP and the IDC accrued each month for the last 6 years.
32. Fully explain how customer growth is estimated in the test years for each district.
33. Provide the following information regarding property development which is currently under way or proposed during the tests years within each district:
34. Type of development (residential, commercial, industrial, agricultural, etc.).
35. Number and class of new customers expected in each development including, when and where new customers will come on line.
36. Provide the Beginning of Year (BOY) plant balance, plant additions, retirements, salvage values, and the End of Year (EOY) plant balance, by PUC account, for the last 6years and 3 estimated years. If the BOY plant balance does not match the EOY plant balance of the prior year for the same account, please explain in detail why.
37. Identify all General Office and district plants/rate bases, separately and by PUC account, that are allocated to non-utility related operations, non-regulated contracts and services, for other entities and affiliates, and regulated out of state activities.
38. Advances and Contributions - Provide the following information for each district and the general office:
 - a) Recorded monthly debits, credits, and balances for advances and contributions for the last six years.
 - b) All assumptions and calculations which were used to estimate advances and contributions in the test years. (If trending was used, explain the method and show the statistical significance).
 - c) Provide staff with advances and contributions information on a CD using EXCEL spreadsheets for an IBM or compatible PC, together with hard copies of information. Provide the underlying formulas used to support all calculations
39. Materials & Supplies (M&S) - Provide the following information for each district and the general office:
 - a) Recorded monthly debits, credits, and balances for materials and supply for the last six years.
 - b) A list of M&S that has been in the M&S account more than three years.
 - c) Average turn over rate of M&S over the last six years.

- d) A statement of the company's inventory policy, outlining the length of time items should ideally remain in M&S.
 - e) Detailed explanations of all unusual increases and decreases in M&S for the past six years.
40. Working Cash Allowance - Provide the following information for each district:
- a) A detailed explanation of the estimate of each element of the operational cash, together with supporting workpapers.
 - b) Funds supplied by the stockholder:
 - c) Special deposits
 - d) Working funds
 - e) Notes receivable
 - f) Prepayments
 - g) Deferred debits
 - h) Funds supplied by the ratepayer:
 - i) Customers' deposits
 - j) Insurance reserves
 - k) Deferred credits
 - l) Accrued vacation and sick leave
 - m) Amounts withheld from employees
 - n) Taxes accrued
 - o) Accounts payable
 - p) A description of how the expense lead-lag days were derived, showing which expenses (providing workpaper references) are included in each lead-lag expense estimate, and including all assumptions and calculations.
 - q) A description of how the revenue lead-lag days were derived, including all assumptions and calculations.
 - r) If minimum bank balance is used in the development of working cash allowance, provide a description of how the minimum bank balance was derived. If the options of paying a bank fee or maintaining a minimum bank balance are available, which would be the preferred option and why.

F. Supply and Distribution Infrastructure Status and Planning

- 1. A map showing the entire Transmission and Distribution mains in the district, along with information on type of pipe used in the system and length of mains.

2. Identify unaccounted for water in CCF and percentage of total water production for the last authorized test year, last six years recorded data, proposed test year, and escalation year amounts
3. Submit the results of a water loss audit performed no more than 60 days in advance of the submission. The audit report will be prepared using the free Audit Software developed by the American Water Works Association (AWWA) and available on the AWWA website
4. If unaccounted for water is more than $\approx 7\%$ for each district or service area, submit a plan to reduce to a specific performance target. Show cost and benefit.
5. Identify specific measures taken to reduce unaccounted for water in the last six years proposed test year, and escalation year
6. Provide maps and identify number of leaks in the last six years providing data by location of leak (main or service), pipe data (material, vintage, diameter, operating pressure), cause of leak, and repair type, date, address, map location.
7. Describe leak detection program including definitions of the leak data that is tracked by the company, (e.g. breaks, leaks, circumferential breaks, longitudinal breaks, etc) and repair methods (clamp, pipe replacement, etc);
8. Provide leak repair cost and time statistics for last six years
9. Identify specific measures taken to reduce number of leaks in the last six years and proposed test year
10. Calculate the number of leaks per hundred feet of distribution main by pipe material;
11. To support any requests for increased infrastructure replacement funding and to validate the age of the system, provide a table that inventories the distribution pipe statistics by decade: number of feet of distribution main remaining in the distribution system by vintage (1900 – 1909, 1910 – 1919, 1920-1929, 1930-1939, etc, to present), by diameter, and by pipe material.
12. List number of feet of and size of mains replaced for last authorized test years, last six years recorded data, proposed test years, and escalation year amounts
13. List (concisely) all major water sources, including the permit number or contract, remaining duration of the entitlement, and any pending proceedings or litigation concerning any major source. Location of the source need not be included
14. Identify water supply (in gpm) added to system for the last three years and proposed test years
15. Identify storage volume (in million gallons) added to water system for the last three years and proposed test years
16. Identify treatment volume (in million gallons) added to water system in the last three years and proposed test years
17. Include a copy of the latest Department of Water Resources Water Management Plan
18. Provide confirmation of compliance with EPA Vulnerability Assessment and Office of Emergency Services Response Plan

19. Provide evidence that the Department of Water Resources accepted or approved the Urban Water Management plan (if already approved) or, as a minimum, provide a documented self-assessment of the adequacy of the submitted Urban Water Management Plan according to DWR UWMP Review Sheets.
20. Submit a plan indicating the company's objectives and progress towards implementing comprehensive asset management procedures according to the United States General Accounting Office March 2004 GAO-04-461 study (DRA recommends that the Commission validate whether this is the correct cite referencing the "comprehensive asset management plan" that they expect to receive in the MinDR.)
21. Submit a 6-year capital asset management plan, (eventually move in the direction to submit a 10-year Comprehensive Asset Management Plan)¹² to identify and address aging infrastructure needs
22. Identify the recommended system improvements for the next six years (2 GRC cycles), including data about system condition, proposed solutions, estimated costs, and forecasted rate impacts.

G. Conservation and Efficiency

1. Confirm membership in the California Urban Water Conservation Council. ("CUWCC")
2. Specific measures taken to promote water conservation in the last six years proposed test year, and escalation years. Include a cost-benefit analysis and business case justifying the selection of water conservation measures based on the technical guidance provided in the CUWCC Best management practices.
3. Using CUWCC technical guidance, forecast the operation and maintenance expenses and water production expenses that may be reduced due to water conservation program measures.

¹² According to the United States General Accounting Office study performed in March 2004, comprehensive asset management involves the systematic collection of key data and the application of analytical tools such as life-cycle cost analysis and risk assessment. Asset management thus provides information that managers can use to make sound decisions about their capital assets and allows decision makers to better identify and manage needed investments in their organization's infrastructure. By following this approach, organizations also change the process they use to make decisions, including the types of information they bring to bear and which segments of the organization participate in the decision-making process. Using a fully integrated decision process, many segments of an organization, including accounting, engineering, finance, maintenance, and operations, are expected to exchange relevant information, share in the decision making, and take an organization-wide view when setting goals and priorities. For drinking water and wastewater utilities, an integral part of a comprehensive asset management program is ensuring that adequate funds are available through user rates or other means so that asset management decisions can be implemented (e.g., ensuring that planned maintenance can be conducted and capital assets can be repaired, replaced, or upgraded on schedule). Comprehensive asset management is a relatively new concept

4. Identify a specific target for reducing average per capita water use over the three year GRC cycle for each district based on district-specific demographics and consumption.
5. Identify the percentage of metered customers in aggregate and by district and your plan to convert customers to metered service
 - a) For those companies that are a member of CUWCC, submit copy of the periodic report to the CUWCC that list the company's compliance with the 14 BMPs
 - b) For those companies that are not members of CUWCC, submit a Separate Report on the implementation of CUWCC's BMPs)
6. Specific measures taken to promote energy conservation in the last six years proposed test year, and escalation year
7. Identify and assess options to improve energy efficiency of water pumping, purification systems, and other energy intensive water processes
8. Submit plan that includes specific numeric targets by district to achieve reduction in energy use per ccf over three year GRC cycle
9. Identify number of water pumps rated in pump efficiency tests as "Low", "Normal" and "High" in the last six years
10. Identify number of low efficiency pumps replaced for the last authorized test years, the last six years and proposed test year
11. Calculate delivery factors (kWh/CCF) for the (1) total system, (2) wells only, and (3) boosters only, for the last authorized test year, last six years recorded data, proposed test year, and escalation year

H. Water Quality

1. Summarize any non-compliance with maximum contaminant levels (MCLs) since the last GRC
2. Summarize any Treatment Techniques or Action Level exceedances
3. Summarize any Notification Levels or Response Level exceedances
4. Provide copy of the distributed Consumer Confidence Report (CCR) for each year not covered by the last GRC
5. Provide copies of California Department of Health Services ("CDHS") citations issued to the system, if any
6. Provide copy of last CDHS inspection report and letters of violation
7. Provide information on all actions taken to comply with CDHS requests
8. Provide an explanation as to how regulations expected to be promulgated in the next six years may affect your operations
9. Provide copy of CDHS State Revolving Funds Needs Survey Documentation

I. Service Quality

1. Number of customer complaints received in last three years, categorized by type of complaint (customer inquiry, complaint, informal complaint, formal complaint) and by major subject areas such as high bill complaint, water quality, etc.
2. Measures taken to reduce the number of complaints in the last three years and plan for GRC cycle

J. Corporate and Unregulated Activities

1. Identify and explain all transactions with corporate affiliates involving utility employees or assets, or resulting in costs included in revenue requirement over the last six years. Include all documentation, including a list of all such contracts, and accounting detail necessary to demonstrate that any services provided by utility officers or employees to corporate affiliates are reimbursed at fully allocated costs
2. To the extent the utility uses assets or employees included in revenue requirement for unregulated activities, identify, document, and account for all such activities, including all costs and resulting revenue, and provide a list of all contracts over the last six years

K. Rate Design

Testimony should describe how the proposed rate design promotes customer conservation and low-income water user affordability. At a minimum, the proposed rate design should include:

1. Conservation rate design (increasing block rates) for metered customers
2. Low-Income tariff
3. Identify opportunities and options for consolidation of district tariffs, where appropriate
4. General Format Guidelines: Use Excel and provide a copy of the model used. Present your data organized by meter size and customer class (see sample table).

Where applicable please present your data organized by meter size and customer class (see sample table)

If you do not have any customers in a meter size or class please indicate with N/A; do not delete rows/columns if not applicable

5. Months in Sample & Historical Comparison
 - a) Use a 12 month sample period
 - b) One calendar year
 - c) Use a 5 to 10 year historical comparison
 - d) 10 years preferred
 - e) Only aggregate data needed for historical comparison
6. What to Include
7. Metered and Unmetered Customers:

- a) A list showing the number of metered and unmetered customers by meter size and customer class (by district)
 - b) if applicable, tell us how you estimated consumption for unmetered customers in your proposed conservation rate design
8. Definitions of customer classes and number of tariffs
- a) How much revenue comes from each customer class
 - b) If possible broken down by district
9. Relationship of Metering to Billing
- a) Did you use billing records or meter readings to develop your proposed rate design
 - b) How are meter readings entered into the billing system?
 - c) Is usage, as recorded by the meter reading, ever adjusted in order to adjust a bill/billing error
 - d) Can you identify customers with multiple meters?
10. Relationship of Metering to Billing
- a) Does each account represent one meter?
 - b) Is it possible for an account to capture the usage of more than one meter
 - c) Large users: Identify the top 10 users in each district
 - d) Show them by customer class, number and size of meters, and include their usage
 - e) Show revenue for each customer
 - f) Show bill impact analysis for large users
11. Number of Meters in the System
- a) How many meters are currently in your system
 - b) Show meter count by meter size and customer class for each district and for your company as a whole
 - c) All meters are defined as all of the meters in your system regardless of whether they are in use or not; if they are installed count them
 - d) If there are meters in place that are not being used or read please provide a brief narrative
12. Regular vs. Fire Meters
- a) Are you able to differentiate between potable water and fire service meters?
 - b) If so, please show break down
 - c) Did you include fire meters in your rate design?
 - d) If you did, tell us how many fire meters are in the rate design sample
 - e) State your rationale for inclusion/exclusion

13. Meters Used in Proposed Conservation Rate Design
 - a) Provide a count of all meters that were included in your rate design
 - b) Show number and percent of total meters that were used in your rate design
 - c) Outliers/abnormal data points
 - d) Did you eliminate any meters as outliers
 - e) If so, please state your inclusion/exclusion criteria
 - f) If not, please tell us why you decided to include all meters
14. Meter malfunctions/error rate -
 - a) How do you define meter error/malfunction/failure?
 - b) How do you know when there is a meter error/malfunction/failure?
 - c) Show meter malfunction/error rate by district
 - d) What happens when a meter malfunctions?
 - e) What is your process for addressing malfunction?
 - f) Is usage ever adjusted to account for meter malfunction
 - g) If so, can you identify the accounts where this has taken place
 - h) Did you include 'adjusted' accounts in your proposed rate design
15. Usage in Proposed Rate Design
 - a) Same information & format as meter counts but showing usage
 - b) Show usage for each district and for your company as a whole
 - c) All usage is defined as all usage, as recorded in the original meter readings, regardless of adjustments, for the sample period
 - d) If there are meters in place that are not being used or read please provide a brief narrative
16. Usage Analysis in Proposed Conservation Rate Design
 - a) Please provide the frequency distribution tables you used in rate design for each district by customer class and meter size
 - b) Please provide a copy of the histograms used in rate design
 - c) Usage can be in blocks (e.g. 0-5 ccf/mo, 6-10 ccf/mo, etc) if it follows your rate design
17. Seasonality & Other
 - a) Did you evaluate seasonality in your rate design?
 - b) If so, provide the criteria or definition you use for seasonality
 - c) If not, explain why you did not evaluate seasonality

- d) For block rate design - How did you establish the breakpoints in the block/tiered rate design?
 - e) Show all calculations and discuss what you considered in establishing the breakpoints; for instance, if the break-points were selected as proxies of indoor/essential water use discuss how you defined essential/indoor water use. (if they are included in your model please specify where they can be found)
 - f) Were the break points adjusted to ensure a certain portion of customers fell within each tier?
18. Regarding ability to implement conservation rates
- a) Please describe your billing processes. Include a description of any software, hardware, and third-party vendor involvement.
 - b) Please describe whether any changes to your billing system or processes would be necessary to implement your proposed rate design;
 - c) Would your billing system require changes to implement a rate structure with more than one volumetric charge?
 - d) If changes are involved, describe the changes, how they would be done, who would be involved in making the changes, how long it would take, and the estimated costs.

Sample Format	Customer Class 1	Customer Class 2	Customer Class 3	Customer Class 4	Total
Size					
5/8x3/4"					
3x4"					
1"					
1.5"					
2"					
3"					
4"					
6"					
8"					
X"					
Totals	0	0	0	0	

L. Other

1. Describe any adopted mechanism to remove the water utility financial disincentive to promote conservation or adjust for conservation impacts on sale revenues
2. Propose a method (or methods) to remove the water utility financial disincentive to promote conservation, if one is not currently adopted¹³

¹³ May include a water revenue adjustment mechanism, shareholder/ratepayer conservation incentives, or other approaches.

3. Identify Class C and D or mutual water companies adjacent to current service territories and opportunities for interconnection or acquisition
4. List the major policies, programs, plant additions, and improvements proposed in the GRC that promote achievement of the four Water Action Plan Principles

M. Taxes

All responses should be for 5 recorded years, plus the base year, and the test year, unless specifically stated otherwise. The recorded years are for the 5 most recent closed years where complete data can be derived. The base year is the year prior to the test years of the case and the one that determines estimates for the test years. The test year is defined as the first year in which the company is seeking rate increases.

1. Total Tax Depreciation
 - a. Federal
 - b. State
2. Interest Deductions
 - a. Federal
 - b. State
 - c. Show the exact interest calculation. The calculation should be based on the product of weighted cost of debt times weighted average net rate base in conformance with convention applicable to your company (interest synchronization, option 1 or 2 for ITC treatment, etc.).
3. Estimates of cost of removal and percentage repair allowance for the base and test years, plus recorded amounts for the last 5 completed years.
 - a. Federal- 1980 and Prior Plant
 - b. State – all vintage years
 - c. All test year flow-through and/or normalized tax deductions allowed under the Internal Revenue Code, as amended, and applicable State Law.
 - d. Federal
 - e. State
4. All charitable contributions and other tax deductions allowed as actual tax return deductions, but not allowed for ratemaking purposes. This item pertains to the 6 recorded years.
5. Recorded Federal and State deferred tax balances and ITC credits for the applicable years including:
 - a. Deferred taxes related to normalized tax depreciation which are deducted from rate base.
 - b. ITC
 - i. *Option 1 companies – the annual ITC to be deducted from rate base.*

ii. Option 2 companies – the amount to be deducted from cost of service (income taxes).

6. Provide the State tax depreciation rates used to calculate State tax depreciation, by class of plant.
7. Payroll and Property Taxes:
 - a. Provide a detailed explanation of the method used to project payroll and property taxes in the base, test and escalation years.
 - b. Provide a detailed explanation of the capitalized portion of these taxes.
 - c. Provide an estimate for the test year deduction for state income taxes, and how it was derived.
8. Provide a description of newly adopted or proposed State or Federal legislations which would have any effect on the test year estimates for regulated income taxes for federal and state purposes.

N. Workpapers

Include all supporting analysis, documentation, calculations, back-up detail, and any other information relied on but not readily available to other parties. Electronic copies of all spreadsheets or other analytical methods necessary to fully calculate the effect of any revenue requirement change on final rates should be included. All workpapers must include a table of contents, page numbering, and cross-references to issues discussed in testimony, and must be arranged in a logical fashion.

**Minimum Data Requirements for Utility
Cost of Capital Application and Testimony**

Testimony served concurrently with the cost of capital application must include data responsive to the specific topics and questions listed below, among other information necessary to support the request. The application and testimony need not respond to the minimum data requirements in the order presented below, but must include a cross reference that identifies where each topic and question is addressed in the testimony. Provide responses both on a company aggregate and individual district basis as appropriate.

- A. List most recent authorized return on equity and rate of return on rate base, with reference to decision number.
- B. Report actual return on equity and rate of return on rate base annually for the past 5 years.
- C. Describe the proposed capital structure and rate of return. Identify and explain all significant changes from last adopted capital structure and cost of capital. Report cost of capital information in summary table as set out below:

	Test Year ____ Escalation Years ____ and ____		
	Capital Structure	Cost	Weighted Cost
Debt			
Preferred Stock			
Common Equity			
Total	100.00 %		

- D. Regarding long-term debt:
 - 1. List the sinking fund amounts for each issue, by issue, by year
 - 2. List the retirements by issue, for the current year
 - 3. List the interest rates for each issue, by issue
 - 4. List the terms of each issue, by issue, with issue date and date due
 - 5. List the cost of issuance for each issue, by issue
 - 6. List name of lender for each issue, by issue
 - 7. Provide the formula used to determine the cost of new issues of long-term debt (Example: 30-year Treasury Bond + 100 basis points), as well as the reason for using the particular rate and basis point premium
 - 8. If company or affiliate is rated by S&P, provide rating. If not rated, what would be rating based on forecast cost of new debt?

- E. Are company stocks, bonds, or company as a whole rated or commented on by any organization or agency?
 - a) If so, provide name(s) and phone number(s) of rating/commenting organization(s) and the ratings/comments received in the past 12 months
 - b) Provide this information on an ongoing basis
- F. List actual rate base for the past 5 years, by year, by district
- G. Provide your dividend payout ratio by year for the past 10 years.
- H. Workpapers are served but not part of the application and should include:
 - 1. Copies of all publications, articles, book references, regulations, and decisions, referenced in testimony
 - 2. Supporting documentation for all models used to determine return on equity