

Docket:	:	A.16-07-002
Exhibit Number	:	ORA - _____
Commissioner	:	M. Picker
Administrative Law Judge	:	S. Park
ORA Witness	:	M. Dawadi & S. Rose



## **RESULTS OF OPERATIONS TABLES**

**Application 16-07-002**

**San Francisco, California  
February 13, 2017**



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## MEMORANDUM

1           The requests and data presented by California American Water (“Cal Am”) in  
2 Application (“A.”) A.16-07-002 were examined in order to provide the Commission with  
3 recommendations that represent the interests of ratepayers for safe and reliable service at  
4 lowest cost. Suzie Rose is ORA’s project lead for the proceeding. Richard Rauschmeier  
5 is ORA’s oversight supervisor. Paul Angelopulo and Kerriann Sheppard are ORA’s legal  
6 counsels.

7           Although ORA made every effort to comprehensively review, analyze and provide  
8 the Commission with recommendations on each ratemaking and policy aspect presented  
9 in the application, the absence from ORA’s testimony of any particular issue does not  
10 necessarily constitute its endorsement or acceptance of the underlying request,  
11 methodology, or policy position related to that issue.

1 **I. RESULTS OF OPERATIONS MODEL**

2 In developing the Results of Operations (“RO”) Tables presented in this Report,  
3 ORA utilized the RO Model provided by Cal Am. ORA made adjustments to the  
4 necessary cells to reflect the recommendations presented in its testimony. However, due  
5 to limitations of the existing model, ORA was not able to make all the adjustments  
6 necessary to reflect its recommendations. Additionally, ORA found an output error in the  
7 RO Model that remains unresolved.

8 Issues and limitations of the RO Model include:

- 9 1. The RO Model lacks the ability to automatically adjust rates for changes in  
10 rate design. Rates for each division or district are set at a hard-coded  
11 percentage of the Standard Quantity Rate (“SQR”). Therefore, changes to  
12 the tier breakpoints and/or consumption distribution percentages in each  
13 tier do not change the rates for the tiers. When the consumption  
14 distribution in each tier is adjusted, the amount of revenue collected in each  
15 tier changes; however, because the rates do not change, the revenues  
16 collected no longer match the revenue requirement. Since changing these  
17 fields does not produce a revenue-neutral output, ORA did not make any  
18 changes to the rate design in the model to reflect its recommendations  
19 regarding the consumption distribution percentages in each tier.<sup>1</sup>
- 20 2. In the Central Division, ORA’s RO Model output shows approximately a  
21 \$1.2 million difference between the revenue requirement and the revenues  
22 collected. While there are other small differences in the RO Model outputs  
23 that are likely due to rounding error, the \$1.2 million discrepancy in the  
24 Central Division is too large to be the result of a rounding error.
- 25 3. Cal Am utilizes the same uncollectable amounts for its present and  
26 proposed rates. ORA adjusted the RO Model to utilize separate  
27 uncollectable amounts for present rates than for proposed rates for its own

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<sup>1</sup> As discussed in the Testimony of Wenli Wei.

1 recommendations. However, ORA did not make these adjustments to Cal  
2 Am's proposed amounts.

- 3 4. In accordance with the Rate Case Plan, in this General Rate Case ("GRC")  
4 application, 2018 is the test year for expenses.<sup>2</sup> As discussed in the  
5 Testimony of Julia Ende, it is not appropriate to determine expenses for  
6 2019 in this GRC. Instead, expenses for the test year should be utilized.  
7 Expenses for 2019 and 2020 are calculated and adopted in Cal Am's Step  
8 Increase filings for these years. However, in some places, the RO Model  
9 utilizes an expense forecast to calculate 2019 expenses. ORA did not  
10 adjust this erroneous methodology in the RO model. Therefore, the RO  
11 Model output does not accurately reflect some of ORA's recommendations  
12 for 2019 expenses. One category that this applies to is labor expenses for  
13 2019. The resulting RO Model outputs overstate ORA's recommended  
14 amounts for 2019.

15 The Commission and the Water Division should work to ensure that the above  
16 issues are resolved before creating the final Results of Operations tables for this GRC.  
17 ORA looks forward to working with Cal Am, the Water Division, and intervenors in this  
18 proceeding to resolve the output error described above, and to make any other  
19 adjustments necessary to ensure that the RO Model outputs accurately reflect ORAs  
20 recommendations presented in testimony.

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<sup>2</sup> D.04-06-018 and subsequent D.07-05-062 (the "Rate Case Plan") provide for "one test year and two escalation years program for expenses."

## **II. NORTHERN DIVISION - RESULTS OF OPERATIONS TABLES**

**NORTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 1-1  
SUMMARY OF EARNINGS - TEST YEAR**

Test Year 2018 (\$000)	ORA- Present Rates	Cal Am- Present Rates	Cal Am > ORA	
<b>Total Revenue</b>	<b>51,391.7</b>	<b>51,274.6</b>	(117.0)	-0.2%
<b>Operation and Maintenance Expenses:</b>				
Labor	6,446.7	7,229.9	783.2	12.1%
Purchased Water	2,288.7	2,606.2	317.5	13.9%
Purchased Power	2,277.2	2,325.6	48.4	2.1%
Chemicals	276.1	277.6	1.5	0.5%
Operation and Maintenance	3,743.5	4,122.0	378.5	10.1%
Customer Accounting	591.0	603.9	12.9	2.2%
Uncollectibles	347.9	290.6	(57.3)	-16.5%
<b>General and Administrative Expenses:</b>				
Insurance	927.2	1,129.6	202.4	21.8%
Pensions and Benefits	1,853.3	2,099.4	246.2	13.3%
Regulatory Expense	154.5	143.7	(10.8)	-7.0%
Rents	307.6	325.4	17.8	5.8%
Outside Services	419.7	427.8	8.1	1.9%
Other Administrative & General	2,605.1	2,745.4	140.3	5.4%
Subtotal	22,238.4	24,327.2	2,088.8	9.4%
Service Company	3,409.2	4,616.8	1,207.6	35.4%
Citizens Acquisition Premium	1,442.4	1,442.4	0.0	0.0%
GO Return on Rate Base	611.7	932.9	321.2	52.5%
Reserved	0.0	0.0	0.0	0.0%
<b>Total O&amp;M and G&amp;A Expenses</b>	<b>27,701.7</b>	<b>31,319.3</b>	<b>3,617.6</b>	<b>13.1%</b>
Depreciation	10,701.4	10,706.3	4.9	0.0%
General Taxes	2,317.4	2,343.5	26.1	1.1%
<b>Total Operating Expenses</b>	<b>40,720.4</b>	<b>44,369.0</b>	<b>3,648.6</b>	<b>9.0%</b>
<b>Income before taxes</b>	<b>10,671.3</b>	<b>6,905.6</b>	(3,765.6)	-35.3%
State Income Taxes	501.0	139.9	(361.1)	-72.1%
Federal Income Taxes	649.8	388.8	(261.0)	-40.2%
<b>Income After Tax</b>	<b>9,520.4</b>	<b>6,376.8</b>	<b>(3,143.6)</b>	<b>-33.0%</b>
Weighted Average Rate Base	161,454.0	171,675.7	10,221.7	6.3%
<b>Return on Rate Base at Present Rates</b>	<b>5.90%</b>	<b>3.71%</b>	<b>-2.18%</b>	<b>-37.0%</b>
<b>Test Year 2018 (\$000)</b>				
	<b>ORA- Proposed Rates</b>	<b>Cal Am- Proposed Rates</b>	<b>Cal Am &gt; ORA</b>	
<b>Total Revenue</b>	<b>56,687.6</b>	<b>65,269.5</b>	8,581.9	15.1%
<b>Operation and Maintenance Expenses:</b>				
Labor	6,446.7	7,229.9	783.2	12.1%
Purchased Water	2,288.7	2,606.2	317.5	13.9%
Purchased Power	2,277.2	2,325.6	48.4	2.1%
Chemicals	276.1	277.6	1.5	0.5%
Operation and Maintenance	3,743.5	4,122.0	378.5	10.1%
Customer Accounting	591.0	603.9	12.9	2.2%
Uncollectibles	380.8	362.5	(18.3)	-4.8%
<b>General and Administrative Expenses:</b>				
Insurance	927.2	1,129.6	202.4	21.8%
Pensions and Benefits	1,853.3	2,099.4	246.2	13.3%
Regulatory Expense	154.5	143.7	(10.8)	-7.0%
Rents	307.6	325.4	17.8	5.8%
Outside Services	419.7	427.8	8.1	1.9%
Other Administrative & General	2,605.1	2,745.4	140.3	5.4%
Subtotal	22,271.4	24,399.1	2,127.7	9.6%
Service Company	3,409.2	4,616.8	1,207.6	35.4%
Citizens Acquisition Premium	1,442.4	1,442.4	0.0	0.0%
GO Return on Rate Base	611.7	932.9	321.2	52.5%
Reserved	0.0	0.0	0.0	0.0%
<b>Total O&amp;M and G&amp;A Expenses</b>	<b>27,734.7</b>	<b>31,391.2</b>	<b>3,656.5</b>	<b>13.2%</b>
Depreciation	10,701.4	10,706.3	4.9	0.0%
General Taxes	2,317.4	2,343.5	26.1	1.1%
<b>Total Operating Expenses</b>	<b>40,753.4</b>	<b>44,440.9</b>	<b>3,687.5</b>	<b>9.0%</b>
<b>Income before taxes</b>	<b>15,934.2</b>	<b>20,828.6</b>	4,894.3	30.7%
State Income Taxes	966.3	1,370.7	404.5	41.9%
Federal Income Taxes	1,391.5	5,019.9	3,628.4	260.8%
<b>Income After Tax</b>	<b>13,576.5</b>	<b>14,438.0</b>	861.5	6.3%
Weighted Average Rate Base	161,454.0	171,675.7	10,221.7	6.3%
<b>Return on Rate Base at Proposed Rates</b>	<b>8.41%</b>	<b>8.41%</b>	<b>0.00%</b>	<b>0.0%</b>



**TABLE 1-2  
SUMMARY OF EARNINGS - ESCALATION YEARS**

For Illustrative Purposes (\$000)	ORA 2019	ORA 2020	2019-2020 Increase	
<b>Total Revenue</b>	<b>59,165.7</b>	<b>62,243.6</b>	<b>3,077.9</b>	<b>5.2%</b>
<b>Operation and Maintenance Expenses:</b>				
Labor	7,411.0	7,500.0	88.9	1.2%
Purchased Water	2,308.0	2,360.6	52.6	2.3%
Purchased Power	2,370.7	2,424.8	54.1	2.3%
Chemicals	284.5	291.0	6.5	2.3%
Operation and Maintenance	3,838.5	3,926.1	87.5	2.3%
Customer Accounting	609.0	622.9	13.9	2.3%
Uncollectibles	396.3	398.3	2.0	0.5%
<b>General and Administrative Expenses:</b>				
Insurance	955.4	977.2	21.8	2.3%
Pensions and Benefits	2,311.2	2,363.9	52.7	2.3%
Regulatory Expense	154.5	158.0	3.5	2.3%
Rents	311.0	318.1	7.1	2.3%
Outside Services	432.4	442.3	9.9	2.3%
Other Administrative & General	2,683.6	2,744.8	61.2	2.3%
Subtotal	<b>24,066.1</b>	<b>24,527.8</b>	461.7	1.9%
Service Company	3,514.5	3,594.6	80.1	2.3%
Citizens Acquisition Premium	1,451.8	1,484.9	33.1	2.3%
GO Return on Rate Base	578.1	891.2	313.1	54.2%
San Clemente Dam	578.1	591.3	13.2	2.3%
<b>Total O&amp;M and G&amp;A Expenses</b>	<b>30,188.7</b>	<b>31,089.9</b>	901.2	3.0%
Depreciation	11,205.7	11,461.2	255.5	2.3%
General Taxes	2,339.6	2,393.0	53.3	2.3%
<b>Total Operating Expenses</b>	<b>43,734.0</b>	<b>44,944.0</b>	1,210.0	2.8%
<b>Income before taxes</b>	<b>15,431.6</b>	<b>17,299.6</b>	1,867.9	12.1%
Total Income Taxes	2,436.0	2,385.6	(50.4)	-2.1%
<b>Income After Tax</b>	<b>12,995.7</b>	<b>14,914.0</b>	1,918.3	14.8%
Weighted Average Rate Base	161,421.7	177,336.0	15,914.3	9.9%
<b>Return on Rate Base</b>	<b>8.05%</b>	<b>8.41%</b>	<b>0.0</b>	<b>4.5%</b>

\* Assumed escalation factors of 2.28% for composite and 1.20% for labor, for 2018.

Net-to-Gross (NTG) Multiplier for Other Offset Filings	with income tax effect	w/o income tax effect	Calculations
1 Uncollectibles Rate	0.51410%	0.51410%	
2 100% - (Uncollectibles Rate)	99.48590%	99.48590%	100% - [1]
3 Local Franchise Tax Rate	0.00000%	0.00000%	
4 Local Franchise Tax	0.00000%	0.00000%	[2] x [3]
5 Business License Rate	0.00000%	0.00000%	
6 Business License cost	0.00000%	0.00000%	[2] x [5]
7 Subtotal	0.51410%	0.51410%	[1+4+6]
8 100% - Subtotal	99.48590%	99.48590%	100% - [7]
Amount subject to California Franchise Tax (CCFT) and Federal Income Tax (FIT)			
9 California Corporate Franchise Tax Rate	8.84%		
10 California Corporate Franchise Tax	8.79455%		[8] x [9]
11 American Jobs Creation Act Rate	0.00%		
12 American Jobs Creation Act deductions *	0.00000%		[8-1]x[11]xprod%
13 Federal Income Tax Rate	15.00%		
14 Federal Income Tax	13.60370%		[8-10-12] x 13
15 Total Taxes Paid	22.91236%	0.51410%	[7+10+14]
16 Net After Taxes	77.08764%	99.48590%	100% - [15]
<b>NTG Multiplier</b>	<b>1.29722</b>	<b>1.00517</b>	1 / [16]
<b>Capital Structure</b>			
	<b>NTG Multiplier</b>		
Debt	47.0%	1.00517	0.47243 w/o income taxes
Equity	53.0%	1.29722	0.68753 with income taxes
Total	100.0%	<b>1.15996</b>	<b>Wtd. NTG Multiplier</b>

\* prod% = ratio of total well and surface water to total water supply.

**NORTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 2-1  
AVERAGE WATER SALES PER CUSTOMER (OR PER CONNECTION)**

Test Year 2018 (CCF/connection/year)*	ORA	Cal Am	Cal Am > ORA	
<b>Metered Average Water Sales:</b>				
Residential	128.9	128.9	(0.0)	0.0%
Multiresidential	0.0	0.0	0.0	0.0%
Commercial	688.1	688.1	0.0	0.0%
Industrial	222,237.9	222,237.9	0.0	0.0%
Public Authority	1,773.4	1,773.4	0.0	0.0%
Sales for Resale	0.0	0.0	0.0	0.0%
Other	0.0	0.0	0.0	0.0%
Construction	0.0	0.0	0.0	0.0%
Golf Courses	0.0	0.0	0.0	0.0%
Irrigation Gravity	0.0	0.0	0.0	0.0%
Irrigation Pressure	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Unmetered Customers	0.0	0.0	0.0	0.0%
<b>Private Fire Service Water Sales:</b>				
1"	0.0	0.0	0.0	0.0%
1-1/2"	0.0	0.0	0.0	0.0%
2"	5.0	5.0	0.0	0.0%
3"	0.0	0.0	0.0	0.0%
4"	0.0	0.0	0.0	0.0%
6"	0.3	0.3	0.0	0.0%
8"	0.5	0.5	0.0	0.0%
10"	0.1	0.1	0.0	0.0%
12"	0.1	0.1	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Hydrants	0.0	0.0	0.0	0.0%
<b>Escalation Year 2019 (CCF/connection/year)*</b>				
<b>Metered Average Water Sales:</b>				
Residential	128.9	128.9	(0.0)	0.0%
Multiresidential	0.0	0.0	0.0	0.0%
Commercial	688.1	688.1	0.0	0.0%
Industrial	222,237.9	222,237.9	0.0	0.0%
Public Authority	1,773.4	1,773.4	0.0	0.0%
Sales for Resale	0.0	0.0	0.0	0.0%
Other	0.0	0.0	0.0	0.0%
Construction	0.0	0.0	0.0	0.0%
Golf Courses	0.0	0.0	0.0	0.0%
Irrigation Gravity	0.0	0.0	0.0	0.0%
Irrigation Pressure	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Unmetered Customers	0.0	0.0	0.0	0.0%
<b>Private Fire Service Water Sales:</b>				
1"	0.0	0.0	0.0	0.0%
1-1/2"	0.0	0.0	0.0	0.0%
2"	5.0	5.0	0.0	0.0%
3"	0.0	0.0	0.0	0.0%
4"	0.0	0.0	0.0	0.0%
6"	0.3	0.3	0.0	3.7%
8"	0.5	0.5	0.0	0.6%
10"	0.1	0.1	0.0	3.5%
12"	0.1	0.1	0.0	2.7%
Reserved	0.0	0.0	0.0	0.0%
Hydrants	0.0	0.0	0.0	0.0%

**NORTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 2-2  
AVERAGE NUMBER OF CUSTOMERS (SERVICE CONNECTIONS)**

Test Year 2018	ORA	Cal Am	Cal Am > ORA	
<b>Metered Customers (Service Connections):</b>				
Residential	58,497	58,355	(142)	0%
Multiresidential	0	0	0	0%
Commercial	5,223	5,223	0	0%
Industrial	1	1	0	0%
Public Authority	358	358	0	0%
Sales for Resale	0	0	0	0%
Other	4	4	0	0%
Construction	0	0	0	0%
Golf Courses	0	0	0	0%
Irrigation Gravity	0	0	0	0%
Irrigation Pressure	0	0	0	0%
Reserved	0	0	0	0%
Reserved	0	0	0	0%
Unmetered Customers	0	0	0	0%
<b>Subtotal: Metered Customers</b>	<b>64,083</b>	<b>63,941</b>	<b>(142)</b>	<b>0%</b>
<b>Private Fire Service (Service Connections):</b>				
1"	0	0	0	0%
1-1/2"	1	1	0	0%
2"	0	0	0	0%
3"	0	0	0	0%
4"	136	136	0	0%
6"	346	346	0	0%
8"	453	453	0	0%
10"	37	37	0	0%
12"	15	15	0	0%
Reserved	0	0	0	0%
Hydrants	0	0	0	0%
<b>Subtotal: Private Fire Service</b>	<b>988</b>	<b>988</b>	<b>0</b>	<b>0%</b>
<b>Total Service Connections</b>	<b>65,071</b>	<b>64,929</b>	<b>(142)</b>	<b>0%</b>
<b>Escalation Year 2019</b>				
	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
<b>Metered Customers (Service Connections):</b>				
Residential	59,515	59,373	(142)	0%
Multiresidential	0	0	0	0%
Commercial	5,222	5,222	0	0%
Industrial	1	1	0	0%
Public Authority	357	357	0	0%
Sales for Resale	0	0	0	0%
Other	4	4	0	0%
Construction	0	0	0	0%
Golf Courses	0	0	0	0%
Irrigation Gravity	0	0	0	0%
Irrigation Pressure	0	0	0	0%
Reserved	0	0	0	0%
Reserved	0	0	0	0%
Unmetered Customers	0	0	0	0%
<b>Subtotal: Metered Customers</b>	<b>65,099</b>	<b>64,957</b>	<b>(142)</b>	<b>(0)</b>
<b>Private Fire Service (Service Connections):</b>				
1"	0	0	0	0%
1-1/2"	1	1	0	0%
2"	0	0	0	0%
3"	0	0	0	0%
4"	141	141	0	0%
6"	359	359	0	0%
8"	469	469	0	0%
10"	38	38	0	0%
12"	16	16	0	0%
Reserved	0	0	0	0%
Hydrants	0	0	0	0%
<b>Subtotal: Private Fire Service</b>	<b>1,024</b>	<b>1,024</b>	<b>0</b>	<b>0%</b>
<b>Total Service Connections</b>	<b>66,123</b>	<b>65,981</b>	<b>(142)</b>	<b>0%</b>

**NORTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 2-3  
TOTAL SALES AND SUPPLY**

Test Year 2018 (KCCF)	ORA	Cal Am	Cal Am > ORA	
<b>Metered Customers (Service Connections):</b>				
Residential	7,539,458	7,521,012	(18,446)	0%
Multiresidential	0	0	0	0%
Commercial	3,594,032	3,594,032	0	0%
Industrial	222,238	222,238	0	0%
Public Authority	634,874	634,874	0	0%
Sales for Resale	0	0	0	0%
Other	0	0	0	0%
Construction	0	0	0	0%
Golf Courses	0	0	0	0%
Irrigation Gravity	0	0	0	0%
Irrigation Pressure	0	0	0	0%
Reserved	0	0	0	0%
Reserved	0	0	0	0%
Unmetered Customers	0	0	0	0%
<b>Subtotal: Metered Customers</b>	<b>11,990,601</b>	<b>11,972,155</b>	<b>(18,446)</b>	<b>0%</b>
<b>Private Fire Service (Service Connections):</b>				
1"	0	0	0	0%
1-1/2"	0	0	0	0%
2"	0	0	0	0%
3"	0	0	0	0%
4"	0	0	0	0%
6"	116	116	0	0%
8"	209	209	0	0%
10"	4	4	0	0%
12"	2	2	0	0%
Reserved	0	0	0	0%
Hydrants	0	0	0	0%
<b>Subtotal: Private Fire Service</b>	<b>331</b>	<b>331</b>	<b>0</b>	<b>0%</b>
<b>Total Sales</b>	<b>11,990,932</b>	<b>11,972,486</b>	<b>(18,446)</b>	<b>0%</b>
Unaccounted for water rate	3.1999%	3.2048%	0	0%
Unaccounted for water	383,700	383,700	0	0%
<b>Total Requirement (Sales + Unaccounted Water)</b>	<b>12,374,632</b>	<b>12,356,186</b>	<b>(18,446)</b>	<b>-0.1%</b>
Total Requirement in Acre Feet	28,408.2	28,365.9	(42)	-0.1%
<b>WATER SUPPLY MIX:</b>				
Produced Water	9,869,005.6	9,850,559.8	(18,446)	0%
Purchased Water	2,505,626.6	2,505,626.6	0	0%
<b>Total Supply **</b>	<b>12,374,632.2</b>	<b>12,356,186.4</b>	<b>(18,446)</b>	<b>0%</b>
<b>Escalation Year 2019 (KCCF)</b>				
	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
<b>Metered Customers (Service Connections):</b>				
Residential	7,671,580	7,653,134	(18,446)	0%
Multiresidential	0	0	0	0%
Commercial	3,593,322	3,593,322	0	0%
Industrial	222,238	222,238	0	0%
Public Authority	633,094	633,094	0	0%
Sales for Resale	0	0	0	0%
Other	0	0	0	0%
Construction	0	0	0	0%
Golf Courses	0	0	0	0%
Irrigation Gravity	0	0	0	0%
Irrigation Pressure	0	0	0	0%
Reserved	0	0	0	0%
Reserved	0	0	0	0%
Unmetered Customers	0	0	0	0%
<b>Subtotal: Metered Customers</b>	<b>12,120,234</b>	<b>12,101,788</b>	<b>(18,446)</b>	<b>0%</b>
<b>Private Fire Service (Service Connections):</b>				
1"	0	0	0	0%
1-1/2"	0	0	0	0%
2"	0	0	0	0%
3"	0	0	0	0%
4"	0	0	0	0%
6"	116	116	0	0%
8"	216	216	0	0%
10"	4	4	0	0%
12"	2	2	0	0%
Reserved	0	0	0	0%
Hydrants	0	0	0	0%
<b>Subtotal: Private Fire Service</b>	<b>338</b>	<b>338</b>	<b>0</b>	<b>0%</b>
<b>Total Sales</b>	<b>12,120,572</b>	<b>12,102,126</b>	<b>(18,446)</b>	<b>0%</b>
Unaccounted for water rate	3.1657%	3.1705%	0	0%
Unaccounted for water	383,700.0	383,700.0	0	0%
<b>Total Requirement (Sales + Unaccounted Water)</b>	<b>12,504,272</b>	<b>12,485,826</b>	<b>(18,446)</b>	<b>0%</b>
Total Requirement in Acre Feet	28,705.9	28,663.5	(42)	0%
			0	0%
<b>WATER SUPPLY MIX:</b>				
Produced Water	9,972,994	9,954,548	(18,446)	0%
Purchased Water	2,531,278	2,531,278	0	0%
<b>Total Supply **</b>	<b>12,504,272</b>	<b>12,485,826</b>	<b>(18,446)</b>	<b>0%</b>
<i>** Total Requirement and Total Supply may differ slightly due to rounding.</i>				

NORTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002

TABLE 2-4  
OPERATING REVENUES AT PRESENT RATES

Test Year 2018 (\$000)	ORA	Cal Am	Cal Am > ORA	
<b>METERED SALES REVENUE</b>				
Residential	31,711.1	31,594.1	(117.0)	-0.4%
Multiresidential	0.0	0.0	0.0	0.0%
Con Business	14,846.0	14,846.0	(0.0)	0.0%
Industrial	645.1	645.1	0.0	0.0%
Public Authority	2,360.7	2,360.7	(0.0)	0.0%
Sales for Resale	0.0	0.0	0.0	0.0%
Other	137.6	137.6	(0.0)	0.0%
Construction	0.0	0.0	0.0	0.0%
Golf Courses	0.0	0.0	0.0	0.0%
Irrigation Gravity	0.0	0.0	0.0	0.0%
Irrigation Pressure	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Unmetered Customers	0.0	0.0	0.0	0.0%
<b>Total Metered Revenues</b>	<b>49,700.5</b>	<b>49,583.5</b>	<b>(117.0)</b>	<b>-0.2%</b>
<b>OTHER</b>				
Private Fire	1,526.5	1,526.5	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
<b>Total Water Revenue</b>	<b>51,227.0</b>	<b>51,110.0</b>	<b>(117.0)</b>	<b>-0.2%</b>
<b>OTHER REVENUE</b>				
Method 5 Revenues	28.0	28.0	0.0	0.0%
Contract Revenues	0.0	0.0	0.0	0.0%
Antenna Leases	0.0	0.0	0.0	0.0%
Additional NTPS Rev	0.0	0.0	0.0	0.0%
Misc Service Revenues	136.6	136.6	0.0	0.0%
Late Payment Penalty	0.0	0.0	0.0	0.0%
Reconnect Fees After Hours	0.0	0.0	0.0	0.0%
Mather Tank	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Subtotal	164.6	164.6	0.0	0.0%
Surcharge Revenues	0.0	0.0	0.0	0.0%
<b>Total Other Revenues</b>	<b>164.6</b>	<b>164.6</b>	<b>0.0</b>	<b>0.0%</b>
<b>TOTAL OPERATING REVENUES</b>	<b>51,391.7</b>	<b>51,274.6</b>	<b>(117.0)</b>	<b>-0.2%</b>
<b>Revenues per Avg Customer</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Total Revenues at Present Rates, Test Year 2018</b>	<b>51,391.7</b>	<b>51,274.6</b>	<b>(117.0)</b>	<b>-0.2%</b>
<b>Escalation Year 2019 (\$000)</b>				
	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
<b>METERED SALES REVENUE</b>				
Residential	35,728.1	41,196.5	5,468.4	15.3%
Multiresidential	0.0	0.0	0.0	0.0%
Con Business	16,504.7	19,101.1	2,596.4	15.7%
Industrial	766.7	888.3	121.5	15.9%
Public Authority	2,660.0	3,086.4	426.4	16.0%
Sales for Resale	0.0	0.0	0.0	0.0%
Other	126.0	147.7	21.7	17.2%
Construction	0.0	0.0	0.0	0.0%
Golf Courses	0.0	0.0	0.0	0.0%
Irrigation Gravity	0.0	0.0	0.0	0.0%
Irrigation Pressure	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Unmetered Customers	0.0	0.0	0.0	0.0%
<b>Total Metered Revenues</b>	<b>55,785.6</b>	<b>64,420.0</b>	<b>8,634.5</b>	<b>15.5%</b>
<b>OTHER</b>				
Private Fire	1,392.8	1,392.8	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
<b>Total Water Revenue</b>	<b>57,178.4</b>	<b>65,812.9</b>	<b>8,634.5</b>	<b>15.1%</b>
<b>OTHER REVENUE</b>				
Method 5 Revenues	26.9	26.9	0.0	0.0%
Contract Revenues	0.0	0.0	0.0	0.0%
Antenna Leases	0.0	0.0	0.0	0.0%
Additional NTPS Rev	0.0	0.0	0.0	0.0%
Misc Service Revenues	136.6	136.6	0.0	0.0%
Late Payment Penalty	0.0	0.0	0.0	0.0%
Reconnect Fees After Hours	0.0	0.0	0.0	0.0%
Mather Tank	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Subtotal	163.5	163.5	0.0	0.0%
Surcharge Revenues	0.0	0.0	0.0	0.0%
<b>Total Other Revenues</b>	<b>163.5</b>	<b>163.5</b>	<b>0.0</b>	<b>0.0%</b>
<b>TOTAL OPERATING REVENUES</b>	<b>57,341.9</b>	<b>65,976.3</b>	<b>8,634.5</b>	<b>15.1%</b>
<b>Revenues per Avg Customer</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Total Revenues at Present Rates, Escal. Year 2019</b>	<b>57,341.9</b>	<b>65,976.3</b>	<b>8,634.5</b>	<b>15.1%</b>

**NORTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 3-1  
OPERATIONS & MAINTENANCE EXPENSES - TEST YEAR**

Test Year 2018 (\$000)	ORA	Cal Am	Cal Am > ORA	
<b>Expenses(Operation, Maintenance, and A&amp;G):</b>				
Labor	6,446.7	7,229.9	783.2	12.1%
Purchased Water	2,288.7	2,606.2	317.5	13.9%
Purchased Power	2,277.2	2,325.6	48.4	2.1%
Chemicals	276.1	277.6	1.5	0.5%
Operation and Maintenance	3,743.5	4,122.0	378.5	10.1%
Customer Accounting	591.0	603.9	12.9	2.2%
Insurance (Property and Injuries & Damages)	927.2	1,129.6	202.4	21.8%
Pensions and Benefits	1,853.3	2,099.4	246.2	13.3%
Regulatory Expense	154.5	143.7	(10.8)	-7.0%
Rents	307.6	325.4	17.8	5.8%
Other Administrative and General	3,024.8	3,173.2	148.4	4.9%
Subtotal	21,890.6	24,036.6	2,146.0	9.8%
Service Company	3,409.2	4,616.8	1,207.6	35.4%
Citizens Acquisition Premium	1,442.4	1,442.4	0.0	0.0%
GO Return on Rate Base	611.7	932.9	321.2	52.5%
Reserved	-	-		
<b>Total Expenses excluding Uncollectibles</b>	<b>27,353.8</b>	<b>31,028.7</b>	<b>3,674.9</b>	<b>13.4%</b>
<b>At Present Rates</b>				
Total Revenues (including deferred Revenue on CIAC)	51,391.7	51,274.6	(117.0)	-0.2%
Uncollectible Rate	0.6227%	0.5141%	-0.1086%	-17.4%
Uncollectibles Expense	320.0	263.6	(56.4)	-17.6%
Leak Adjustment - Uncollectibles	27.9	27.9	0.0	0.0%
Total Uncollectibles Expense	347.9	291.5	(56.4)	-16.2%
<b>Total Expenses including Uncollectibles (at Present Rate)</b>	<b>27,701.7</b>	<b>31,320.2</b>	<b>3,618.5</b>	<b>13.1%</b>
<b>At Proposed Rates</b>				
Total Revenues (including deferred Revenue on CIAC)	56,687.6	65,269.5	8,581.9	15.1%
Uncollectible Rate	0.6227%	0.5141%	-0.1086%	-17.4%
Uncollectibles Expense	353.0	335.6	(17.4)	-4.9%
Leak Adjustment - Uncollectibles	27.9	27.9	0.0	0.0%
Total Uncollectibles Expense	380.8	363.4	(17.4)	-4.6%
<b>Total Expenses including Uncollectibles (at Proposed Rate)</b>	<b>27,734.7</b>	<b>31,392.1</b>	<b>3,657.4</b>	<b>13.2%</b>

**NORTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 4-1  
TOTAL EXPENSES EXCLUDING PAYROLL  
(For Information Only)**

Test Year 2018	(\$000)	ORA	Cal Am	Cal Am > ORA	
<b>Operation Expenses (Excluding Payroll):</b>					
702	SS Operation Labor and Expenses	0.0	0.0	0.0	0.0%
703	SS Miscellaneous Expenses	213.9	218.8	4.9	2.3%
704	SS Purchased Water	2,288.7	2,606.2	317.5	13.9%
722	PP Power production Labor and Exp	0.0	0.0	0.0	0.0%
724	PP Pumping Labor and Expenses	0.0	0.0	0.0	0.0%
725	PP Miscellaneous Expenses	12.2	22.1	9.9	81.5%
726	PP Fuel or Power Purchased for Pumping	2,277.2	2,325.6	48.4	2.1%
742	WT Operation Labor and Expenses	7.6	7.8	0.2	2.3%
743	WT Miscellaneous Expenses	659.6	677.0	17.3	2.6%
744	WT Chemicals and Filtering Materials	276.1	277.6	1.5	0.5%
752	TD Storage Facilities Expenses	0.0	0.0	0.0	0.0%
753	TD Transmission and Distribution	0.0	0.0	0.0	2.3%
754	TD Meter Expenses	0.0	0.0	0.0	2.3%
755	TD Customer Installations Expense	0.0	0.0	0.0	0.0%
756	TD Miscellaneous Expenses	399.0	594.6	195.6	49.0%
772	CA Meter Reading Expenses	2.6	2.7	0.1	2.3%
773	CA Customer Records and Collection	97.8	99.9	2.1	2.2%
774	CA Miscellaneous Customer Account	490.7	501.3	10.7	2.2%
775	CA Uncollectible Accounts	291.2	290.6	(0.6)	-0.2%
999	Divisional Allocation	0.0	0.0	0.0	0.0%
<b>Total Operation Expenses (Excluding Payroll)</b>		<b>7,016.5</b>	<b>7,624.1</b>	<b>607.6</b>	<b>8.7%</b>
<b>Maintenance Expense</b>					
707	SS Maintenance of Structures and Impr	0.2	0.2	0.0	2.3%
708	SS Maint of Collecting and Imp Resrv	0.0	0.0	0.0	0.0%
709	SS Maintenance of Lake, River and Intakes	0.0	0.0	0.0	0.0%
710	SS Maintenance of Springs and Tunnels	0.0	0.0	0.0	0.0%
711	SS Maintenance of Wells	0.8	0.8	0.0	2.3%
712	SS Maintenance of Supply Mains	0.0	0.0	0.0	0.0%
713	SS Maintenance of Other Source of Supply	28.2	53.2	25.0	88.6%
730	PP Maintenance of Structures and Impr	0.3	0.3	0.0	2.3%
731	PP Maintenance of Power Production	2.3	2.4	0.1	2.3%
733	PP Maintenance of Other Pumping	233.9	239.2	5.3	2.3%
747	WT Maintenance of Structures and Impr	(0.0)	(0.0)	(0.0)	2.3%
748	WT Maintenance of Wter Treatment	1,437.2	1,512.1	74.9	5.2%
759	TD Maintenance of Structures and Impr	0.0	0.0	0.0	0.0%
760	TD Maintenance of Reservoirs and Tanks	0.1	0.1	0.0	2.3%
761	TD Maintenance of Transmission and Distr	54.2	55.4	1.2	2.3%
762	TD Maintenance of Fire Mains	0.0	0.0	0.0	0.0%
763	TD Maintenance of Services	31.7	54.8	23.2	73.2%
764	TD Maintenance of Meters	22.6	23.1	0.5	2.3%
765	TD Maintenance of Hydrants	9.7	10.0	0.2	2.3%
766	TD Maintenance of Miscellaneous Plant	630.0	650.3	20.2	3.2%
<b>Total Maintenance Expense</b>		<b>2,451.2</b>	<b>2,601.8</b>	<b>150.6</b>	<b>6.1%</b>
<b>Administrative &amp; General Expenses:</b>					
791	AG Admin and General Salaries	0.0	0.0	0.0	0.0%
792	AG Office Supplies and Other Exp	153.8	156.3	2.5	1.6%
793	AG Property Insurance	147.3	150.5	3.2	2.2%
794	AG Injuries and Damages	779.9	979.1	199.2	25.5%
795	AG Employees' Pensions and Benefits	1,853.3	2,099.4	246.2	13.3%
797	AG Regulatory Commission Expenses	154.5	143.7	(10.8)	-7.0%
798	AG Outside Services Employed	419.7	427.8	8.1	1.9%
799	AG Miscellaneous General Expenses	2,308.6	2,444.2	135.7	5.9%
805	AG Maintenance of General Plant	142.8	144.9	2.1	1.5%
811	AG Rents	307.6	325.4	17.8	5.8%
<b>Total Administrative and General Expenses</b>		<b>6,267.4</b>	<b>6,871.4</b>	<b>604.0</b>	<b>9.6%</b>

Escalation Year 2019 (\$000)		ORA	Cal Am	Cal Am > ORA	
<b>Operation Expenses (Excluding Payroll):</b>					
702	SS Operation Labor and Expenses	0.0	0.0	0.0	0.0%
703	SS Miscellaneous Expenses	220.4	225.4	5.0	2.3%
704	SS Purchased Water	2,308.0	2,628.5	320.6	13.9%
722	PP Power production Labor and Exp	0.0	0.0	0.0	0.0%
724	PP Pumping Labor and Expenses	0.0	0.0	0.0	0.0%
725	PP Miscellaneous Expenses	12.5	22.8	10.2	81.5%
726	PP Fuel or Power Purchased for Pumping	2,370.7	2,421.2	50.4	2.1%
742	WT Operation Labor and Expenses	7.8	8.0	0.2	2.3%
743	WT Miscellaneous Expenses	679.7	697.3	17.6	2.6%
744	WT Chemicals and Filtering Materials	284.5	289.0	4.5	1.6%
752	TD Storage Facilities Expenses	0.0	0.0	0.0	0.0%
753	TD Transmission and Distribution	0.0	0.0	0.0	2.3%
754	TD Meter Expenses	0.0	0.0	0.0	2.3%
755	TD Customer Installations Expense	0.0	0.0	0.0	0.0%
756	TD Miscellaneous Expenses	411.0	615.8	204.8	49.8%
772	CA Meter Reading Expenses	2.7	2.7	0.1	2.3%
773	CA Customer Records and Collection	100.8	102.9	2.2	2.2%
774	CA Miscellaneous Customer Account	505.6	516.6	11.0	2.2%
775	CA Uncollectible Accounts	321.5	366.2	44.7	13.9%
999	Divisional Allocation	0.0	0.0	0.0	0.0%
<b>Total Operation Expenses (Excluding Payroll)</b>		<b>7,225.1</b>	<b>7,896.4</b>	<b>671.2</b>	<b>9.3%</b>
<b>Maintenance Expense</b>					
707	SS Maintenance of Structures and Impr	0.2	0.2	0.0	2.3%
708	SS Maint of Collecting and Imp Resrv	0.0	0.0	0.0	0.0%
709	SS Maintenance of Lake, River and Intakes	0.0	0.0	0.0	0.0%
710	SS Maintenance of Springs and Tunnels	0.0	0.0	0.0	0.0%
711	SS Maintenance of Wells	0.8	0.8	0.0	2.3%
712	SS Maintenance of Supply Mains	0.0	0.0	0.0	0.0%
713	SS Maintenance of Other Source of Supply	29.1	54.8	25.7	88.6%
730	PP Maintenance of Structures and Impr	0.3	0.3	0.0	2.3%
731	PP Maintenance of Power Production	2.4	2.4	0.1	2.3%
733	PP Maintenance of Other Pumping	241.0	246.5	5.5	2.3%
747	WT Maintenance of Structures and Impr	(0.0)	(0.0)	(0.0)	2.3%
748	WT Maintenance of Wter Treatment	1,480.2	1,555.0	74.9	5.1%
759	TD Maintenance of Structures and Impr	0.0	0.0	0.0	0.0%
760	TD Maintenance of Reservoirs and Tanks	0.1	0.1	0.0	2.3%
761	TD Maintenance of Transmission and Distr	55.9	57.1	1.3	2.3%
762	TD Maintenance of Fire Mains	0.0	0.0	0.0	0.0%
763	TD Maintenance of Services	32.6	56.5	23.9	73.2%
764	TD Maintenance of Meters	23.3	23.8	0.5	2.3%
765	TD Maintenance of Hydrants	10.0	10.3	0.2	2.3%
766	TD Maintenance of Miscellaneous Plant	631.3	657.3	26.0	4.1%
<b>Total Maintenance Expense</b>		<b>2,507.1</b>	<b>2,665.1</b>	<b>158.1</b>	<b>6.3%</b>
<b>Administrative &amp; General Expenses:</b>					
791	Salaries	0.0	0.0	0.0	0.0%
792	Office Supplies	158.4	161.0	2.6	1.6%
793	Property Insurance	151.8	155.1	3.3	2.2%
794	Injuries and Damages	803.6	1,036.3	232.7	29.0%
795	Pensions,Benefits & PBOP	2,311.2	2,314.5	3.3	0.1%
797	Regulatory Commission	154.5	574.9	420.3	272.0%
798	Outside Services	432.4	440.8	8.4	1.9%
799	General Corporate	2,378.0	2,513.1	135.1	5.7%
805	Dues & Membership	147.1	149.3	2.2	1.5%
811	Rents	311.0	328.8	17.8	5.7%
<b>Total Administrative and General Expenses</b>		<b>6,848.1</b>	<b>7,673.7</b>	<b>825.6</b>	<b>12.1%</b>



**NORTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 5-1  
TAXES OTHER THAN INCOME**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
<b>OTHER TAXES</b>				
Ad Valorem	1,780.8	1,792.5	11.7	0.7%
Franchise Taxes	0.0	7.7	7.7	0.0%
Payroll Taxes	522.8	529.2	6.4	1.2%
Other	13.8	14.1	0.3	2.3%
Non-Utility	0.0	0.0	0.0	0.0%
<b>Total Taxes Other Than Income, At Proposed Rates</b>	<b>2,317.4</b>	<b>2,343.5</b>	<b>26.1</b>	<b>1.1%</b>
<b>Escalation Year 2019 (\$000)</b>				
<b>OTHER TAXES</b>				
Ad Valorem	1,791.0	1,825.7	34.7	1.9%
Franchise Taxes	0.0	7.9	7.9	0.0%
Payroll Taxes	534.4	540.8	6.4	1.2%
Other	14.2	14.5	0.3	2.3%
Non-Utility	0.0	0.0	0.0	0.0%
<b>Total Taxes Other Than Income, At Proposed Rates</b>	<b>2,339.6</b>	<b>2,389.0</b>	<b>49.4</b>	<b>2.1%</b>

**NORTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 6-1  
TAXES BASED ON INCOME - TEST YEAR AT PRESENT RATES**

Test Year 2018 (\$000)	ORA	Cal Am	Cal Am > ORA	
Operating Revenue at Present Rates	51,391.7	51,391.7	0.0	0.0%
<b>Deductions:</b>				
Operating Exps less uncollectibles	27,353.8	31,028.7	3,674.9	13.4%
Uncollectibles	347.9	290.6	(57.3)	-16.5%
Domestic Production Activity Deduct	70.1	0.0	(70.1)	-100.0%
Book Depreciation	10,701.4	10,706.3	4.9	0.0%
Interest Expense	5,037.4	5,356.3	318.9	6.3%
General Taxes	2,317.4	2,343.5	26.1	1.1%
Non-deductible Meals	(33.8)	(33.8)	0.0	0.0%
<b>Total Deductions</b>				
Total Deductions for Federal Tax	45,794.1	49,691.5	3,897.4	8.5%
Total Deductions for State Tax	45,724.0	49,691.5	3,967.5	8.7%
Taxable Income - State	5,667.6	1,700.1	(3,967.5)	-70.0%
State Income Tax @ (see below)	501.0	150.3	(350.7)	-70.0%
Less: Amort Deferred State ITC	0.0	0.0	0.0	0.0%
<b>STATE INCOME TAXES</b>	501.0	150.3	(350.7)	-70.0%
Estimated State tax for 2017	1,265.5	472.1	(793.4)	-62.7%
Taxable Income - Federal	4,332.0	1,228.0	(3,104.0)	-71.7%
Federal Income Tax @ (See below)	649.8	184.2	(465.6)	-71.7%
Less: Amort Deferred Federal ITC	0.0	0.0	0.0	0.0%
<b>FEDERAL INCOME TAX</b>	649.8	184.2	(465.6)	-71.7%
<i>State Income Tax Rate</i>	8.84%	8.84%	0.0%	0.0%
<i>Federal Income Tax Rate</i>	15.00%	15.00%	0.0%	0.0%
<b>Total Income Taxes for Revenues at Present Rates</b>	<b>1,150.8</b>	<b>334.5</b>	<b>(816.3)</b>	<b>-70.9%</b>

**NORTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 6-2  
TAXES BASED ON INCOME - TEST YEAR AT PROPOSED RATES**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Operating Revenue at Proposed Rates	56,687.6	65,269.5	8,581.9	15.1%
<b>Deductions:</b>				
Operating Expenses excluding uncollectibles	27,353.8	31,028.7	3,674.9	13.4%
Uncollectibles	380.8	362.5	(18.3)	-4.8%
Domestic Production Activity Deduct	388.7	691.4	302.8	77.9%
Book Depreciation	10,701.4	10,706.3	4.9	0.0%
Interest Expense	5,037.4	5,356.3	318.9	6.3%
General Taxes	2,317.4	2,343.5	26.1	1.1%
Non-deductible Meals	(33.8)	(33.8)	0.0	0.0%
<b>Total Deductions</b>				
Total Deductions for Federal Tax	46,145.7	50,454.9	4,309.2	9.3%
Total Deductions for State Tax	45,757.0	49,763.5	4,006.5	8.8%
<b>Taxable Income - State</b>	<b>10,930.6</b>	<b>15,506.0</b>	<b>4,575.4</b>	<b>41.9%</b>
State Income Tax @ (see below)	966.3	1,370.7	404.5	41.9%
Less: Amort Deferred State ITC	0.0	0.0	0.0	0.0%
<b>STATE INCOME TAXES</b>	<b>966.3</b>	<b>1,370.7</b>	<b>404.5</b>	<b>41.9%</b>
Estimated State tax for 2017	1,265.5	472.1	(793.4)	-62.7%
<b>Taxable Income - Federal</b>	<b>9,276.5</b>	<b>14,342.5</b>	<b>5,066.0</b>	<b>54.6%</b>
Federal Income Tax @ (See below)	1,391.5	2,151.4	759.9	54.6%
Less: Amort Deferred Federal ITC	0.0	0.0	0.0	0.0%
<b>FEDERAL INCOME TAX</b>	<b>1,391.5</b>	<b>2,151.4</b>	<b>759.9</b>	<b>54.6%</b>
<i>State Income Tax Rate</i>	<i>8.84%</i>	<i>8.84%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Federal Income Tax Rate</i>	<i>15.00%</i>	<i>15.00%</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Total Income Taxes for Revenues at Proposed Rates</b>	<b>2,357.7</b>	<b>3,522.1</b>	<b>1,164.4</b>	<b>49.4%</b>

**NORTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 7-1  
UTILITY PLANT IN SERVICE**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Plant in Service - Beginning of Year	341,208.7	341,185.2	(23.5)	0.0%
Gross Additions during a year	10,030.1	10,534.4	504.4	5.0%
Retirement and Other Adjustments:				
Retirements	250.5	264.5	14.0	5.6%
Sales and Adjustments	0.0	0.0	0.0	0.0%
Capitalized Interest During Construction	0.0	0.0	0.0	0.0%
<b>Net Additions</b>	<b>9,779.5</b>	<b>10,269.9</b>	<b>490.4</b>	<b>5.0%</b>
Construction Work in Progress Beginning Balance	78.6	8,454.5	8,375.9	10660.6%
Construction Work in Progress Ending Balance	285.1	8,897.5	8,612.4	3021.3%
Construction Work in Progress Net Additions	206.5	443.0	236.5	114.5%
Plant in Service - End of Year	349,124.3	351,455.0	2,330.8	0.7%
<i>Plant Weighting Factor</i>	<i>40.94%</i>	<i>40.94%</i>	0.0%	0.0%
<b>Weighted Average Plant in Service</b>	<b>345,375.4</b>	<b>354,025.7</b>	<b>8,650.3</b>	<b>2.5%</b>
<b>Escalation Year 2019 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Plant in Service - Beginning of Year	349,124.3	351,455.0	2,330.8	0.7%
Gross Additions during a year	15,450.4	19,831.1	4,380.7	28.4%
Retirement and Other Adjustments:				
Retirements	359.4	493.1	133.7	37.2%
Sales and Adjustments	0.0	0.0	0.0	0.0%
Capitalized Interest During Construction	0.0	0.0	0.0	0.0%
<b>Net Additions</b>	<b>15,091.1</b>	<b>19,338.1</b>	<b>4,247.0</b>	<b>28.1%</b>
Construction Work in Progress Beginning Balance	285.1	8,897.5	8,612.4	3021.3%
Construction Work in Progress Ending Balance	(769.8)	7,665.0	8,434.8	-1095.8%
Construction Work in Progress Net Additions	(1,054.8)	(1,232.5)	(177.7)	16.8%
Plant in Service - End of Year	349,124.3	370,793.1	21,668.9	6.2%
<i>Plant Weighting Factor</i>	<i>40.96%</i>	<i>40.94%</i>	0.0%	-0.1%
<b>Weighted Average Plant in Service</b>	<b>355,159.3</b>	<b>367,765.4</b>	<b>12,606.1</b>	<b>3.5%</b>

**NORTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 8-1  
DEPRECIATION RESERVE & EXPENSE**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Depreciation Reserve - Beginning of Year	125,225.6	125,225.8	0.2	0.0%
Annual Accruals including Contribution Depreciation	10,352.5	10,359.2	6.7	0.1%
Retirements/Debits to Depreciation	250.5	264.5	14.0	5.6%
(Salvage) Cost of Removal	(251.3)	(251.3)	0.0	0.0%
Depreciation Reserve Adjustment	0.0	0.0	0.0	0.0%
<b>Net Accrual</b>	<b>9,850.7</b>	<b>9,843.3</b>	<b>(7.3)</b>	<b>-0.1%</b>
Depreciation Reserve - End of Year	135,076.2	135,069.1	(7.1)	0.0%
<i>Depreciation Reserve Weighting Factor (6-Year Average)</i>	<i>47.53%</i>	<i>47.53%</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Weighted Average Depreciation Reserve</b>	<b>129,907.6</b>	<b>129,904.3</b>	<b>(3.3)</b>	<b>0.0%</b>
<i>Deprec. expense related to CIAC</i>	<i>924.0</i>	<i>924.0</i>	<i>0.0</i>	<i>0.0%</i>
<i>Allocated GO Depreciation Expense</i>	<i>1,272.8</i>	<i>1,271.1</i>	<i>(1.8)</i>	<i>-0.1%</i>
<i>Deprec. expense for summary of earnings calc.</i>	<b>10,701.4</b>	<b>10,706.3</b>	<b>4.9</b>	<b>0.0%</b>
<b>Escalation Year 2019 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Depreciation Reserve - Beginning of Year	135,076.2	135,069.1	(7.1)	0.0%
Annual Accruals including Contribution Depreciation	10,681.1	10,748.3	67.2	0.6%
Retirements/Debits to Depreciation	359.4	493.1	133.7	37.2%
Salvage/Cost of Removal	(275.4)	(275.4)	0.0	0.0%
Depreciation Reserve Adjustment	0.0	0.0	0.0	0.0%
<b>Net Accrual</b>	<b>10,046.3</b>	<b>9,979.8</b>	<b>(66.5)</b>	<b>-0.7%</b>
Depreciation Reserve - End of Year	145,122.5	145,048.9	(73.6)	-0.1%
<i>Depreciation Reserve Weighting Factor (6-Year Average)</i>	<i>47.53%</i>	<i>47.53%</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Weighted Average Depreciation Reserve</b>	<b>139,851.2</b>	<b>139,812.5</b>	<b>(38.7)</b>	<b>0.0%</b>
<i>Deprec. expense related to CIAC</i>	<i>927.9</i>	<i>927.9</i>	<i>0.0</i>	<i>0.0%</i>
<i>Allocated GO Depreciation Expense</i>	<i>1,452.6</i>	<i>1,450.6</i>	<i>(1.9)</i>	<i>-0.1%</i>
<i>Deprec. expense for summary of earnings calc.</i>	<b>11,205.7</b>	<b>11,271.0</b>	<b>6524.8%</b>	<b>0.6%</b>

**NORTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 9-1  
WEIGHTED AVERAGE RATE BASE - TEST YEAR**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Weighted Average Plant In Service including advances for construction	345,375.4	354,025.7	8,650.3	2.5%
<b>Additions to Rate Base:</b>				
Materials and Supplies	264.6	270.6	6.0	2.3%
Working Cash, Operational	2,353.2	2,455.1	101.9	4.3%
Working Cash, Lead Lag	1,470.5	2,969.5	1,499.0	101.9%
Total Additions to Rate Base	4,088.3	5,695.2	1,607.0	39.3%
<b>Deductions from Rate Base:</b>				
Weighted Average Depreciation Reserve	(129,907.6)	(129,904.3)	3.3	0.0%
Advances for Construction	(9,288.5)	(9,288.5)	0.0	0.0%
Unamortized Advances (20-Year Amortization)	(4,414.5)	(4,414.5)	0.0	0.0%
Contribution In Aid of Construction (Including Def Rev on CAC)	(15,465.8)	(15,465.8)	0.0	0.0%
Unamortized Contribution (20-Year Amortization)	(1,487.0)	(1,487.0)	0.0	0.0%
Accumulated Deferred Federal Income Taxes	(21,486.4)	(21,522.0)	(35.6)	0.2%
Accumulated Deferred State Income Taxes	(5,960.1)	(5,963.3)	(3.3)	0.1%
Total Deductions from Rate Base	(188,009.7)	(188,045.2)	(35.6)	0.0%
<b>Weighted Average Rate Base</b>	<b>161,454.0</b>	<b>171,675.7</b>	<b>10,221.7</b>	<b>6.3%</b>
<b>Interest Calculation (for Tax Deductions):</b>				
Weighted Avg. Rate Base less customer deposits in Working Cash	161,454.0	171,675.7	10,221.7	6.3%
Weighted Cost of Debt	3.12%	3.12%	0.0%	0.0%
Interest Expense	5,037.4	5,356.3	318.9	6.3%
<b>Required return after tax (in \$)</b>				
Weighted Cost of Capital	8.41%	8.41%	0.0%	0.0%
Required Return	13,578.3	14,437.9	859.6	6.3%

NORTHERN DIVISION				
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002				
TABLE 9-2				
WEIGHTED AVERAGE RATE BASE - ESCALATION YEAR				
Escalation Year 2019 (\$000)	ORA	Cal Am	Cal Am > ORA	
Weighted Average Plant In Service including advances for construction	355,159.3	367,765.4	12,606.1	3.5%
<u>Additions to Rate Base:</u>				
Materials and Supplies	272.7	278.9	6.2	2.3%
Working Cash, Operational	2,064.4	2,258.1	193.7	9.4%
Working Cash, Lead Lag	1,711.5	3,230.2	1,518.6	88.7%
Total Additions to Rate Base	4,048.5	5,767.2	1,718.6	42.4%
<u>Deductions from Rate Base:</u>				
Weighted Average Depreciation Reserve	(139,851.2)	(139,812.5)	38.7	0.0%
Advances for Construction	(9,047.7)	(9,047.7)	0.0	0.0%
Unamortized Advances (20-Year Amortization)	(3,153.2)	(3,153.2)	0.0	0.0%
Contribution In Aid of Construction (Including Def Rev on CAC)	(14,642.6)	(14,642.6)	0.0	0.0%
Unamortized Contribution (20-Year Amortization)	(1,062.5)	(1,062.5)	0.0	0.0%
Accumulated Deferred Federal Income Taxes	(23,793.2)	(24,114.5)	(321.3)	1.4%
Accumulated Deferred State Income Taxes	(6,235.9)	(6,250.4)	(14.5)	0.2%
Total Deductions from Rate Base	(197,786.2)	(198,083.3)	(297.1)	0.2%
<b>Weighted Average Rate Base</b>	<b>161,421.7</b>	<b>175,449.2</b>	<b>14,027.6</b>	<b>8.7%</b>
<u>Interest Calculation (for Tax Deductions):</u>				
Weighted Avg. Rate Base less customer deposits in Working Cash	161,421.7	175,449.2	14,027.6	8.7%
Weighted Cost of Debt	3.12%	3.12%	0.0%	0.0%
Interest Expense	5,036.4	5,474.0	437.7	8.7%
<u>Required return after tax (in \$)</u>				
Weighted Cost of Capital	8.41%	8.41%	0.0%	0.0%
Required Return	13,575.6	14,755.3	1,179.7	8.7%





### **III. CENTRAL DIVISION – RESULTS OF OPERATIONS TABLES**

**CENTRAL DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 1-1  
SUMMARY OF EARNINGS - TEST YEAR**

Test Year 2018 (\$000)	ORA- Present Rates	Cal Am- Present Rates	Cal Am > ORA	
<b>Total Revenue</b>	<b>62,125.1</b>	<b>61,505.5</b>	(619.7)	-1.0%
<b>Operation and Maintenance Expenses:</b>				
Labor	7,680.8	8,335.1	654.3	8.5%
Purchased Water	1,211.8	1,211.8	0.0	0.0%
Purchased Power	2,223.8	2,196.3	(27.4)	-1.2%
Chemicals	369.3	409.8	40.4	10.9%
Operation and Maintenance	3,217.8	4,324.9	1,107.1	34.4%
Customer Accounting	365.0	373.7	8.7	2.4%
Uncollectibles	357.7	1,732.9	1,375.2	384.5%
<b>General and Administrative Expenses:</b>				
Insurance	613.2	741.8	128.6	21.0%
Pensions and Benefits	2,456.8	2,708.0	251.2	10.2%
Regulatory Expense	96.4	89.9	(6.6)	-6.8%
Rents	633.9	647.7	13.8	2.2%
Outside Services	721.2	737.5	16.3	2.3%
Other Administrative & General	2,287.0	2,383.9	96.9	4.2%
Subtotal	22,234.7	25,893.3	3,658.6	16.5%
Service Company	2,127.1	2,886.9	759.8	35.7%
Citizens Acquisition Premium	752.7	752.7	0.0	0.0%
GO Return on Rate Base	381.7	583.4	201.7	52.8%
San Clemente Dam	9,011.5	9,062.5	51.0	0.6%
<b>Total O&amp;M and G&amp;A Expenses</b>	<b>34,507.6</b>	<b>39,178.7</b>	<b>4,671.1</b>	<b>13.5%</b>
Depreciation	7,301.4	7,303.2	1.9	0.0%
General Taxes	2,246.4	2,257.9	11.5	0.5%
<b>Total Operating Expenses</b>	<b>44,055.4</b>	<b>48,739.8</b>	<b>4,684.4</b>	<b>10.6%</b>
<b>Income before taxes</b>	<b>18,069.7</b>	<b>12,765.6</b>	(5,304.1)	-29.4%
State Income Taxes	1,197.0	712.5	(484.5)	-40.5%
Federal Income Taxes	1,693.5	2,386.5	693.0	40.9%
<b>Income After Tax</b>	<b>15,179.3</b>	<b>9,666.7</b>	<b>(5,512.6)</b>	<b>-36.3%</b>
Weighted Average Rate Base	146,094.3	151,764.2	5,669.9	3.9%
<b>Return on Rate Base at Present Rates</b>	<b>10.39%</b>	<b>6.37%</b>	<b>-4.02%</b>	<b>-38.7%</b>
<b>Test Year 2018 (\$000)</b>				
	<b>ORA- Proposed Rates</b>	<b>Cal Am- Proposed Rates</b>	<b>Cal Am &gt; ORA</b>	
<b>Total Revenue</b>	<b>58,374.5</b>	<b>66,570.7</b>	8,196.1	14.0%
<b>Operation and Maintenance Expenses:</b>				
Labor	7,680.8	8,335.1	654.3	8.5%
Purchased Water	1,211.8	1,211.8	0.0	0.0%
Purchased Power	2,223.8	2,196.3	(27.4)	-1.2%
Chemicals	369.3	409.8	40.4	10.9%
Operation and Maintenance	3,217.8	4,324.9	1,107.1	34.4%
Customer Accounting	365.0	373.7	8.7	2.4%
Uncollectibles	339.6	1,758.9	1,419.3	417.9%
<b>General and Administrative Expenses:</b>				
Insurance	613.2	741.8	128.6	21.0%
Pensions and Benefits	2,456.8	2,708.0	251.2	10.2%
Regulatory Expense	96.4	89.9	(6.6)	-6.8%
Rents	633.9	647.7	13.8	2.2%
Outside Services	721.2	737.5	16.3	2.3%
Other Administrative & General	2,287.0	2,383.9	96.9	4.2%
Subtotal	22,216.7	25,919.3	3,702.6	16.7%
Service Company	2,127.1	2,886.9	759.8	35.7%
Citizens Acquisition Premium	752.7	752.7	0.0	0.0%
GO Return on Rate Base	381.7	583.4	201.7	52.8%
San Clemente Dam	9,011.5	9,062.5	51.0	0.6%
<b>Total O&amp;M and G&amp;A Expenses</b>	<b>34,489.6</b>	<b>39,204.7</b>	<b>4,715.1</b>	<b>13.7%</b>
Depreciation	7,301.4	7,303.2	1.9	0.0%
General Taxes	2,246.4	2,257.9	11.5	0.5%
<b>Total Operating Expenses</b>	<b>44,037.4</b>	<b>48,765.8</b>	<b>4,728.5</b>	<b>10.7%</b>
<b>Income before taxes</b>	<b>14,337.2</b>	<b>17,804.9</b>	3,467.7	24.2%
State Income Taxes	867.0	1,157.9	290.9	33.6%
Federal Income Taxes	1,182.6	3,883.5	2,700.9	228.4%
<b>Income After Tax</b>	<b>12,287.5</b>	<b>12,763.4</b>	475.9	3.9%
Weighted Average Rate Base	146,094.3	151,764.2	5,669.9	3.9%
<b>Return on Rate Base at Proposed Rates</b>	<b>8.41%</b>	<b>8.41%</b>	<b>0.00%</b>	<b>0.0%</b>

**CENTRAL DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 1-2  
SUMMARY OF EARNINGS - ESCALATION YEARS**

For Illustrative Purposes (\$'000)	ORA 2019	ORA 2020	2019-2020 Increase	
<b>Total Revenue</b>	<b>60,949.9</b>	<b>54,237.8</b>	<b>(6,712.0)</b>	<b>-11.0%</b>
<b>Operation and Maintenance Expenses:</b>				
Labor	8,540.2	8,642.7	102.5	1.2%
Purchased Water	1,225.9	1,253.9	28.0	2.3%
Purchased Power	2,291.4	2,343.6	52.2	2.3%
Chemicals	380.6	389.2	8.7	2.3%
Operation and Maintenance	3,287.2	3,362.2	74.9	2.3%
Customer Accounting	376.0	384.6	8.6	2.3%
Uncollectibles	352.0	353.8	1.8	0.5%
<b>General and Administrative Expenses:</b>				
Insurance	631.8	646.2	14.4	2.3%
Pensions and Benefits	3,031.7	3,100.8	69.1	2.3%
Regulatory Expense	96.4	98.6	2.2	2.3%
Rents	649.5	664.3	14.8	2.3%
Outside Services	743.1	760.1	16.9	2.3%
Other Administrative & General	2,353.8	2,407.4	53.7	2.3%
Subtotal	<b>23,959.7</b>	<b>24,407.6</b>	447.8	1.9%
Service Company	2,192.8	2,242.8	50.0	2.3%
Citizens Acquisition Premium	757.6	774.9	17.3	2.3%
GO Return on Rate Base	360.7	557.3	196.6	54.5%
San Clemente Dam	360.7	369.0	8.2	2.3%
<b>Total O&amp;M and G&amp;A Expenses</b>	<b>27,631.6</b>	<b>28,351.4</b>	719.9	2.6%
Depreciation	7,724.0	7,900.1	176.1	2.3%
General Taxes	2,294.9	2,347.2	52.3	2.3%
<b>Total Operating Expenses</b>	<b>37,650.4</b>	<b>38,598.7</b>	948.3	2.5%
<b>Income before taxes</b>	<b>23,299.4</b>	<b>15,639.1</b>	(7,660.4)	-32.9%
Total Income Taxes	2,234.9	2,156.6	(78.3)	-3.5%
<b>Income After Tax</b>	<b>21,064.6</b>	<b>13,482.5</b>	(7,582.1)	-36.0%
Weighted Average Rate Base	147,635.8	160,314.6	12,678.8	8.6%
<b>Return on Rate Base</b>	<b>14.27%</b>	<b>8.41%</b>	<b>(0.1)</b>	<b>-41.1%</b>

\* Assumed escalation factors of 2.28% for composite and 1.20% for labor, for 2018.

Net-to-Gross (NTG) Multiplier for Other Offset Filings		with income tax effect	w/o income tax effect	Calculations
1	Uncollectibles Rate	0.51410%	0.51410%	
2	100% - (Uncollectibles Rate)	99.48590%	99.48590%	100% - [1]
3	Local Franchise Tax Rate	0.00000%	0.00000%	
4	Local Franchise Tax	0.00000%	0.00000%	[2] x [3]
5	Business License Rate	0.00000%	0.00000%	
6	Business License cost	0.00000%	0.00000%	[2] x [5]
7	Subtotal	0.51410%	0.51410%	[1 + 4 + 6]
8	100% - Subtotal	99.48590%	99.48590%	100% - [7]
Amount subject to California Franchise Tax (CCFT) and Federal Income Tax (FIT)				
9	California Corporate Franchise Tax Rate	8.84%		
10	California Corporate Franchise Tax	8.79455%		[8] x [9]
11	American Jobs Creation Act Rate	0.00%		
12	American Jobs Creation Act deductions *	0.00000%		[8-1] x [11] x prod%
13	Federal Income Tax Rate	15.00%		
14	Federal Income Tax	13.60370%		[8-10-12] x 13
15	Total Taxes Paid	22.91236%	0.51410%	[7+10+14]
16	Net After Taxes	77.08764%	99.48590%	100% - [15]
<b>NTG Multiplier</b>		<b>1.29722</b>	<b>1.00517</b>	1 / [16]
<b>Capital Structure</b>				
		<b>NTG Multiplier</b>		
Debt	47.0%	1.00517	0.47243	w/o income taxes
Equity	53.0%	1.29722	0.68753	with income taxes
Total	100.0%		1.15996	<b>Wtd. NTG Multiplier</b>

\* prod% = ratio of total well and surface water to total water supply.

**CENTRAL DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 2-1  
AVERAGE WATER SALES PER CUSTOMER (OR PER CONNECTION)**

Test Year 2018 (CCF/connection/year)*	ORA	Cal Am	Cal Am > ORA	
<b>Metered Average Water Sales:</b>				
Residential	69.9	67.1	(2.8)	-4.0%
Multiresidential	428.2	405.9	(22.3)	-5.2%
Commercial	366.1	358.3	(7.8)	-2.1%
Industrial	3,569.3	3,487.3	(82.0)	-2.3%
Public Authority	399.1	399.1	0.0	0.0%
Sales for Resale	2,911.0	2,911.0	0.0	0.0%
Other	0.0	0.0	0.0	0.0%
Construction	243.7	227.3	(16.4)	-6.7%
Golf Courses	11,040.3	7,454.2	(3,586.1)	-32.5%
Irrigation Gravity	0.0	0.0	0.0	0.0%
Irrigation Pressure	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Unmetered Customers	0.0	0.0	0.0	0.0%
<b>Private Fire Service Water Sales:</b>				
1"	0.0	0.0	0.0	0.0%
1-1/2"	0.0	0.0	0.0	0.0%
2"	0.0	0.0	0.0	0.0%
3"	0.0	0.0	0.0	0.0%
4"	0.0	0.0	0.0	0.0%
6"	0.0	0.0	0.0	0.0%
8"	0.0	0.0	0.0	0.0%
10"	0.0	0.0	0.0	0.0%
12"	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Hydrants	0.0	0.0	0.0	0.0%
<b>Escalation Year 2019 (CCF/connection/year)*</b>				
<b>Metered Average Water Sales:</b>				
Residential	69.9	67.1	(2.8)	-4.0%
Multiresidential	428.2	405.9	(22.3)	-5.2%
Commercial	366.1	358.3	(7.8)	-2.1%
Industrial	3,569.3	3,487.3	(82.0)	-2.3%
Public Authority	399.1	399.1	0.0	0.0%
Sales for Resale	2,911.0	2,911.0	0.0	0.0%
Other	0.0	0.0	0.0	0.0%
Construction	243.7	227.3	(16.4)	-6.7%
Golf Courses	11,040.3	7,454.2	(3,586.1)	-32.5%
Irrigation Gravity	0.0	0.0	0.0	0.0%
Irrigation Pressure	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Unmetered Customers	0.0	0.0	0.0	0.0%
<b>Private Fire Service Water Sales:</b>				
1"	0.0	0.0	0.0	0.0%
1-1/2"	0.0	0.0	0.0	0.0%
2"	0.0	0.0	0.0	0.0%
3"	0.0	0.0	0.0	0.0%
4"	0.0	0.0	0.0	0.0%
6"	0.0	0.0	0.0	0.0%
8"	0.0	0.0	0.0	0.0%
10"	0.0	0.0	0.0	0.0%
12"	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Hydrants	0.0	0.0	0.0	0.0%

**CENTRAL DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 2-2  
AVERAGE NUMBER OF CUSTOMERS (SERVICE CONNECTIONS)**

<b>Test Year 2018</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
<b>Metered Customers (Service Connections):</b>				
Residential	34,252	34,252	0	0%
Multiresidential	1,495	1,495	0	0%
Commercial	3,295	3,295	0	0%
Industrial	4	4	0	0%
Public Authority	517	517	0	0%
Sales for Resale	1	1	0	0%
Other	0	0	0	0%
Construction	18	18	0	0%
Golf Courses	4	4	0	0%
Irrigation Gravity	0	0	0	0%
Irrigation Pressure	0	0	0	0%
Reserved	0	0	0	0%
Reserved	0	0	0	0%
Unmetered Customers	0	0	0	0%
<b>Subtotal: Metered Customers</b>	<b>39,586</b>	<b>39,586</b>	<b>0</b>	<b>0%</b>
<b>Private Fire Service (Service Connections):</b>				
1"	25	25	0	0%
1-1/2"	2	2	0	0%
2"	2	2	0	0%
3"	0	0	0	0%
4"	428	428	0	0%
6"	252	252	0	0%
8"	94	94	0	0%
10"	2	2	0	0%
12"	0	0	0	0%
Reserved	0	0	0	0%
Hydrants	209	209	0	0%
<b>Subtotal: Private Fire Service</b>	<b>1,014</b>	<b>1,014</b>	<b>0</b>	<b>0%</b>
<b>Total Service Connections</b>	<b>40,600</b>	<b>40,600</b>	<b>0</b>	<b>0%</b>
<b>Escalation Year 2019</b>				
	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
<b>Metered Customers (Service Connections):</b>				
Residential	34,252	34,252	0	0%
Multiresidential	1,495	1,495	0	0%
Commercial	3,295	3,295	0	0%
Industrial	4	4	0	0%
Public Authority	517	517	0	0%
Sales for Resale	1	1	0	0%
Other	0	0	0	0%
Construction	18	18	0	0%
Golf Courses	4	4	0	0%
Irrigation Gravity	0	0	0	0%
Irrigation Pressure	0	0	0	0%
Reserved	0	0	0	0%
Reserved	0	0	0	0%
Unmetered Customers	0	0	0	0%
<b>Subtotal: Metered Customers</b>	<b>39,586</b>	<b>39,586</b>	<b>0</b>	<b>0</b>
<b>Private Fire Service (Service Connections):</b>				
1"	25	25	0	0%
1-1/2"	2	2	0	0%
2"	2	2	0	0%
3"	0	0	0	0%
4"	428	428	0	0%
6"	252	252	0	0%
8"	94	94	0	0%
10"	2	2	0	0%
12"	0	0	0	0%
Reserved	0	0	0	0%
Hydrants	209	209	0	0%
<b>Subtotal: Private Fire Service</b>	<b>1,014</b>	<b>1,014</b>	<b>0</b>	<b>0%</b>
<b>Total Service Connections</b>	<b>40,600</b>	<b>40,600</b>	<b>0</b>	<b>0%</b>

**CENTRAL DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 2-3  
TOTAL SALES AND SUPPLY**

Test Year 2018 (KCCF)	ORA	Cal Am	Cal Am > ORA	
<b>Metered Customers (Service Connections):</b>				
Residential	2,394,215	2,298,309	(95,906)	-4%
Multiresidential	640,159	606,821	(33,339)	-5%
Commercial	1,206,300	1,180,599	(25,701)	-2%
Industrial	14,277	13,949	(328)	-2%
Public Authority	206,335	206,335	0	0%
Sales for Resale	2,911	2,911	0	0%
Other	0	0	0	0%
Construction	4,387	4,091	(295)	-7%
Golf Courses	44,161	29,817	(14,344)	-32%
Irrigation Gravity	0	0	0	0%
Irrigation Pressure	0	0	0	0%
Reserved	0	0	0	0%
Reserved	0	0	0	0%
Unmetered Customers	0	0	0	0%
<b>Subtotal: Metered Customers</b>	<b>4,512,744</b>	<b>4,342,831</b>	<b>(169,913)</b>	<b>-4%</b>
<b>Private Fire Service (Service Connections):</b>				
1"	0	0	0	0%
1-1/2"	0	0	0	0%
2"	0	0	0	0%
3"	0	0	0	0%
4"	0	0	0	0%
6"	0	0	0	0%
8"	0	0	0	0%
10"	0	0	0	0%
12"	0	0	0	0%
Reserved	0	0	0	0%
Hydrants	0	0	0	0%
<b>Subtotal: Private Fire Service</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Total Sales</b>	<b>4,512,744</b>	<b>4,342,831</b>	<b>(169,913)</b>	<b>-4%</b>
Unaccounted for water rate	8,0563%	8,3715%	0	4%
Unaccounted for water	363,562	363,562	0	0%
<b>Total Requirement (Sales + Unaccounted Water)</b>	<b>4,876,306</b>	<b>4,706,393</b>	<b>(169,913)</b>	<b>-3.5%</b>
Total Requirement in Acre Feet	11,194.5	10,804.4	(390)	-3.5%
<b>WATER SUPPLY MIX:</b>				
Produced Water	4,876,305.8	4,706,393.1	(169,913)	-3%
Purchased Water	0.0	0.0	0	0%
<b>Total Supply **</b>	<b>4,876,305.8</b>	<b>4,706,393.1</b>	<b>(169,913)</b>	<b>-3%</b>
<b>Escalation Year 2019 (KCCF)</b>				
	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
<b>Metered Customers (Service Connections):</b>				
Residential	2,394,215	2,298,309	(95,906)	-4%
Multiresidential	640,159	606,821	(33,339)	-5%
Commercial	1,206,300	1,180,599	(25,701)	-2%
Industrial	14,277	13,949	(328)	-2%
Public Authority	206,335	206,335	0	0%
Sales for Resale	2,911	2,911	0	0%
Other	0	0	0	0%
Construction	4,387	4,091	(295)	-7%
Golf Courses	44,161	29,817	(14,344)	-32%
Irrigation Gravity	0	0	0	0%
Irrigation Pressure	0	0	0	0%
Reserved	0	0	0	0%
Reserved	0	0	0	0%
Unmetered Customers	0	0	0	0%
<b>Subtotal: Metered Customers</b>	<b>4,512,744</b>	<b>4,342,831</b>	<b>(169,913)</b>	<b>-4%</b>
<b>Private Fire Service (Service Connections):</b>				
1"	0	0	0	0%
1-1/2"	0	0	0	0%
2"	0	0	0	0%
3"	0	0	0	0%
4"	0	0	0	0%
6"	0	0	0	0%
8"	0	0	0	0%
10"	0	0	0	0%
12"	0	0	0	0%
Reserved	0	0	0	0%
Hydrants	0	0	0	0%
<b>Subtotal: Private Fire Service</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Total Sales</b>	<b>4,512,744</b>	<b>4,342,831</b>	<b>(169,913)</b>	<b>-4%</b>
Unaccounted for water rate	8,0563%	8,3715%	0	4%
Unaccounted for water	363,561.8	363,561.8	0	0%
<b>Total Requirement (Sales + Unaccounted Water)</b>	<b>4,876,306</b>	<b>4,706,393</b>	<b>(169,913)</b>	<b>-3%</b>
Total Requirement in Acre Feet	11,194.5	10,804.4	(390)	-3%
<b>WATER SUPPLY MIX:</b>				
Produced Water	4,876,306	4,706,393	(169,913)	-3%
Purchased Water	0	0	0	0%
<b>Total Supply **</b>	<b>4,876,306</b>	<b>4,706,393</b>	<b>(169,913)</b>	<b>-3%</b>
** Total Requirement and Total Supply may differ slightly due to rounding.				

CENTRAL DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002

TABLE 2-4  
OPERATING REVENUES AT PRESENT RATES

Test Year 2018 (\$000)	ORA	Cal Am	Cal Am > ORA	
<b>METERED SALES REVENUE</b>				
Residential	35,698.4	35,502.9	(195.5)	-0.5%
Multiresidential	7,619.4	6,515.5	(1,103.9)	-14.5%
Con Business	13,996.0	14,625.7	629.7	4.5%
Industrial	145.5	152.9	7.4	5.1%
Public Authority	3,127.5	3,285.0	157.5	5.0%
Sales for Resale	57.5	60.8	3.3	5.7%
Other	0.0	0.0	0.0	0.0%
Construction	126.3	125.7	(0.6)	-0.5%
Golf Courses	438.0	320.4	(117.6)	-26.8%
Irrigation Gravity	0.0	0.0	0.0	0.0%
Irrigation Pressure	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Unmetered Customers	0.0	0.0	0.0	0.0%
<b>Total Metered Revenues</b>	<b>61,208.5</b>	<b>60,588.8</b>	<b>(619.7)</b>	<b>-1.0%</b>
<b>OTHER</b>				
Private Fire	683.7	683.7	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
<b>Total Water Revenue</b>	<b>61,892.2</b>	<b>61,272.5</b>	<b>(619.7)</b>	<b>-1.0%</b>
<b>OTHER REVENUE</b>				
Method 5 Revenues	2.0	2.0	0.0	0.0%
Contract Revenues	0.0	0.0	0.0	0.0%
Antenna Leases	77.8	77.8	0.0	0.0%
Additional NTPS Rev	0.0	0.0	0.0	0.0%
Misc Service Revenues	153.2	153.2	0.0	0.0%
Late Payment Penalty	0.0	0.0	0.0	0.0%
Reconnect Fees After Hours	0.0	0.0	0.0	0.0%
Mather Tank	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Subtotal	232.9	232.9	0.0	0.0%
Surcharge Revenues	0.0	0.0	0.0	0.0%
<b>Total Other Revenues</b>	<b>232.9</b>	<b>232.9</b>	<b>0.0</b>	<b>0.0%</b>
<b>TOTAL OPERATING REVENUES</b>	<b>62,125.1</b>	<b>61,505.5</b>	<b>(619.7)</b>	<b>-1.0%</b>
<b>Revenues per Avg Customer</b>	<b>1,530.0</b>	<b>1,515.0</b>	<b>(15.0)</b>	<b>-1.0%</b>
<b>Total Revenues at Present Rates, Test Year 2018</b>	<b>62,125.1</b>	<b>61,505.5</b>	<b>(619.7)</b>	<b>-1.0%</b>
<b>Escalation Year 2019 (\$000)</b>				
<b>METERED SALES REVENUE</b>				
Residential	35,723.4	39,766.2	4,042.8	11.3%
Multiresidential	6,431.7	7,155.7	724.0	11.3%
Con Business	12,917.6	14,712.1	1,794.4	13.9%
Industrial	131.3	149.6	18.3	13.9%
Public Authority	2,974.4	3,422.4	448.0	15.1%
Sales for Resale	31.9	36.8	4.9	15.4%
Other	0.0	0.0	0.0	0.0%
Construction	139.5	156.0	16.6	11.9%
Golf Courses	393.7	312.2	(81.5)	-20.7%
Irrigation Gravity	0.0	0.0	0.0	0.0%
Irrigation Pressure	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Unmetered Customers	0.0	0.0	0.0	0.0%
<b>Total Metered Revenues</b>	<b>58,743.5</b>	<b>65,711.1</b>	<b>6,967.5</b>	<b>11.9%</b>
<b>OTHER</b>				
Private Fire	659.7	659.7	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
<b>Total Water Revenue</b>	<b>59,403.3</b>	<b>66,370.8</b>	<b>6,967.5</b>	<b>11.7%</b>
<b>OTHER REVENUE</b>				
Method 5 Revenues	1.9	1.9	0.0	0.0%
Contract Revenues	0.0	0.0	0.0	0.0%
Antenna Leases	77.8	77.8	0.0	0.0%
Additional NTPS Rev	0.0	0.0	0.0	0.0%
Misc Service Revenues	153.2	153.2	0.0	0.0%
Late Payment Penalty	0.0	0.0	0.0	0.0%
Reconnect Fees After Hours	0.0	0.0	0.0	0.0%
Mather Tank	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Subtotal	232.8	232.8	0.0	0.0%
Surcharge Revenues	0.0	0.0	0.0	0.0%
<b>Total Other Revenues</b>	<b>232.8</b>	<b>232.8</b>	<b>0.0</b>	<b>0.0%</b>
<b>TOTAL OPERATING REVENUES</b>	<b>59,636.0</b>	<b>66,603.6</b>	<b>6,967.5</b>	<b>11.7%</b>
<b>Revenues per Avg Customer</b>	<b>1,469.0</b>	<b>1,640.0</b>	<b>171.0</b>	<b>11.6%</b>
<b>Total Revenues at Present Rates, Escal. Year 2019</b>	<b>59,636.0</b>	<b>66,603.6</b>	<b>6,967.5</b>	<b>11.7%</b>

**CENTRAL DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 3-1  
OPERATIONS & MAINTENANCE EXPENSES - TEST YEAR**

Test Year 2018 (\$000)	ORA	Cal Am	Cal Am > ORA	
<b>Expenses(Operation, Maintenance, and A&amp;G):</b>				
Labor	7,680.8	8,335.1	654.3	8.5%
Purchased Water	1,211.8	1,211.8	0.0	0.0%
Purchased Power	2,223.8	2,196.3	(27.4)	-1.2%
Chemicals	369.3	409.8	40.4	10.9%
Operation and Maintenance	3,217.8	4,324.9	1,107.1	34.4%
Customer Accounting	365.0	373.7	8.7	2.4%
Insurance (Property and Injuries & Damages)	613.2	741.8	128.6	21.0%
Pensions and Benefits	2,456.8	2,708.0	251.2	10.2%
Regulatory Expense	96.4	89.9	(6.6)	-6.8%
Rents	633.9	647.7	13.8	2.2%
Other Administrative and General	3,008.2	3,121.4	113.2	3.8%
Subtotal	21,877.0	24,160.4	2,283.4	10.4%
Service Company	2,127.1	2,886.9	759.8	35.7%
Citizens Acquisition Premium	752.7	752.7	0.0	0.0%
GO Return on Rate Base	381.7	583.4	201.7	52.8%
San Clemente Dam	9,011.5	9,062.5	51.0	0.6%
<b>Total Expenses excluding Uncollectibles</b>	<b>34,150.0</b>	<b>37,445.8</b>	<b>3,295.8</b>	<b>9.7%</b>
<b>At Present Rates</b>				
Total Revenues (including deferred Revenue on CIAC)	62,125.1	61,505.5	(619.7)	-1.0%
Uncollectible Rate	0.4803%	0.5141%	0.0338%	7.0%
Uncollectibles Expense	298.4	316.2	17.8	6.0%
Leak Adjustment - Uncollectibles	59.3	1,417.9	1,358.7	2293.0%
Total Uncollectibles Expense	357.7	1,734.1	1,376.5	384.8%
<b>Total Expenses including Uncollectibles (at Present Rate)</b>	<b>34,507.6</b>	<b>39,179.9</b>	<b>4,672.3</b>	<b>13.5%</b>
<b>At Proposed Rates</b>				
Total Revenues (including deferred Revenue on CIAC)	58,374.5	66,570.7	8,196.1	14.0%
Uncollectible Rate	0.4803%	0.5141%	0.0338%	7.0%
Uncollectibles Expense	280.4	342.2	61.8	22.1%
Leak Adjustment - Uncollectibles	59.3	1,417.9	1,358.7	2293.0%
Total Uncollectibles Expense	339.6	1,760.2	1,420.5	418.2%
<b>Total Expenses including Uncollectibles (at Proposed Rate)</b>	<b>34,489.6</b>	<b>39,206.0</b>	<b>4,716.3</b>	<b>13.7%</b>



**CENTRAL DIVISION  
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**TABLE 4-1  
TOTAL EXPENSES EXCLUDING PAYROLL  
(For Information Only)**

Test Year 2018	(\$000)	ORA	Cal Am	Cal Am > ORA	
<b>Operation Expenses (Excluding Payroll):</b>					
702	SS Operation Labor and Expenses	0.0	0.0	0.0	0.0%
703	SS Miscellaneous Expenses	32.1	481.1	449.0	1398.2%
704	SS Purchased Water	1,211.8	1,211.8	0.0	0.0%
722	PP Power production Labor and Exp	0.0	0.0	0.0	0.0%
724	PP Pumping Labor and Expenses	0.0	0.0	0.0	0.0%
725	PP Miscellaneous Expenses	77.9	136.1	58.3	74.8%
726	PP Fuel or Power Purchased for Pumping	2,223.8	2,196.3	(27.4)	-1.2%
742	WT Operation Labor and Expenses	63.0	64.4	1.4	2.3%
743	WT Miscellaneous Expenses	433.9	496.6	62.7	14.4%
744	WT Chemicals and Filtering Materials	369.3	409.8	40.4	10.9%
752	TD Storage Facilities Expenses	0.0	0.0	0.0	0.0%
753	TD Transmission and Distribution	0.2	0.2	0.0	2.3%
754	TD Meter Expenses	0.0	0.0	0.0	0.0%
755	TD Customer Installations Expense	0.0	0.0	0.0	0.0%
756	TD Miscellaneous Expenses	292.5	604.9	312.3	106.8%
772	CA Meter Reading Expenses	0.0	0.0	0.0	0.0%
773	CA Customer Records and Collection	61.0	62.5	1.5	2.4%
774	CA Miscellaneous Customer Account	303.9	311.2	7.3	2.4%
775	CA Uncollectible Accounts	377.4	1,732.9	1,355.5	359.2%
999	Divisional Allocation	0.0	0.0	0.0	0.0%
<b>Total Operation Expenses (Excluding Payroll)</b>		<b>5,446.7</b>	<b>7,707.7</b>	<b>2,261.0</b>	<b>41.5%</b>
<b>Maintenance Expense</b>					
707	SS Maintenance of Structures and Impr	0.0	0.0	0.0	0.0%
708	SS Maint of Collecting and Imp Resrv	0.0	0.0	0.0	0.0%
709	SS Maintenance of Lake, River and Intakes	0.0	0.0	0.0	0.0%
710	SS Maintenance of Springs and Tunnels	0.0	0.0	0.0	0.0%
711	SS Maintenance of Wells	0.0	0.0	0.0	0.0%
712	SS Maintenance of Supply Mains	0.0	0.0	0.0	0.0%
713	SS Maintenance of Other Source of Supply	706.5	714.6	8.2	1.2%
730	PP Maintenance of Structures and Impr	0.0	0.0	0.0	2.3%
731	PP Maintenance of Power Production	0.0	0.0	0.0	0.0%
733	PP Maintenance of Other Pumping	174.2	348.5	174.3	100.0%
747	WT Maintenance of Structures and Impr	0.0	0.0	0.0	0.0%
748	WT Maintenance of Wter Treatment	98.4	100.7	2.2	2.3%
759	TD Maintenance of Structures and Impr	0.0	0.0	0.0	0.0%
760	TD Maintenance of Reservoirs and Tanks	0.0	0.0	0.0	0.0%
761	TD Maintenance of Transmission and Distr	43.3	44.3	1.0	2.3%
762	TD Maintenance of Fire Mains	0.0	0.0	0.0	0.0%
763	TD Maintenance of Services	18.6	19.0	0.4	2.3%
764	TD Maintenance of Meters	0.0	0.0	0.0	0.0%
765	TD Maintenance of Hydrants	0.0	0.0	0.0	0.0%
766	TD Maintenance of Miscellaneous Plant	1,277.4	1,314.7	37.3	2.9%
<b>Total Maintenance Expense</b>		<b>2,318.4</b>	<b>2,541.7</b>	<b>223.4</b>	<b>9.6%</b>
<b>Administrative &amp; General Expenses:</b>					
791	AG Admin and General Salaries	0.0	0.0	0.0	0.0%
792	AG Office Supplies and Other Exp	71.2	72.9	1.7	2.3%
793	AG Property Insurance	90.8	93.0	2.2	2.4%
794	AG Injuries and Damages	522.4	648.7	126.4	24.2%
795	AG Employees' Pensions and Benefits	2,456.8	2,708.0	251.2	10.2%
797	AG Regulatory Commission Expenses	96.4	89.9	(6.6)	-6.8%
798	AG Outside Services Employed	721.2	737.5	16.3	2.3%
799	AG Miscellaneous General Expenses	2,143.9	2,237.5	93.5	4.4%
805	AG Maintenance of General Plant	71.9	73.6	1.7	2.4%
811	AG Rents	633.9	647.7	13.8	2.2%
<b>Total Administrative and General Expenses</b>		<b>6,808.6</b>	<b>7,308.8</b>	<b>500.2</b>	<b>7.3%</b>

Escalation Year 2019 (\$000)		ORA	Cal Am	Cal Am > ORA	
<b>Operation Expenses (Excluding Payroll):</b>					
702	SS Operation Labor and Expenses	0.0	0.0	0.0	0.0%
703	SS Miscellaneous Expenses	33.1	485.2	452.1	1366.3%
704	SS Purchased Water	1,225.9	1,225.9	0.0	0.0%
722	PP Power production Labor and Exp	0.0	0.0	0.0	0.0%
724	PP Pumping Labor and Expenses	0.0	0.0	0.0	0.0%
725	PP Miscellaneous Expenses	80.2	140.3	60.0	74.8%
726	PP Fuel or Power Purchased for Pumping	2,291.4	2,263.1	(28.2)	-1.2%
742	WT Operation Labor and Expenses	64.9	66.4	1.5	2.3%
743	WT Miscellaneous Expenses	447.1	511.7	64.6	14.4%
744	WT Chemicals and Filtering Materials	380.6	422.2	41.6	10.9%
752	TD Storage Facilities Expenses	0.0	0.0	0.0	0.0%
753	TD Transmission and Distribution	0.2	0.2	0.0	2.3%
754	TD Meter Expenses	0.0	0.0	0.0	0.0%
755	TD Customer Installations Expense	0.0	0.0	0.0	0.0%
756	TD Miscellaneous Expenses	301.4	627.2	325.8	108.1%
772	CA Meter Reading Expenses	0.0	0.0	0.0	0.0%
773	CA Customer Records and Collection	62.9	64.4	1.5	2.4%
774	CA Miscellaneous Customer Account	313.2	320.7	7.5	2.4%
775	CA Uncollectible Accounts	364.7	1,757.1	1,392.4	381.8%
999	Divisional Allocation	0.0	0.0	0.0	0.0%
<b>Total Operation Expenses (Excluding Payroll)</b>		<b>5,565.4</b>	<b>7,884.2</b>	<b>2,318.8</b>	<b>41.7%</b>
<b>Maintenance Expense</b>					
707	SS Maintenance of Structures and Impr	0.0	0.0	0.0	0.0%
708	SS Maint of Collecting and Imp Resrv	0.0	0.0	0.0	0.0%
709	SS Maintenance of Lake, River and Intakes	0.0	0.0	0.0	0.0%
710	SS Maintenance of Springs and Tunnels	0.0	0.0	0.0	0.0%
711	SS Maintenance of Wells	0.0	0.0	0.0	0.0%
712	SS Maintenance of Supply Mains	0.0	0.0	0.0	0.0%
713	SS Maintenance of Other Source of Supply	717.4	725.8	8.4	1.2%
730	PP Maintenance of Structures and Impr	0.0	0.0	0.0	2.3%
731	PP Maintenance of Power Production	0.0	0.0	0.0	0.0%
733	PP Maintenance of Other Pumping	179.5	359.1	179.6	100.0%
747	WT Maintenance of Structures and Impr	0.0	0.0	0.0	0.0%
748	WT Maintenance of Wter Treatment	101.4	103.7	2.3	2.3%
759	TD Maintenance of Structures and Impr	0.0	0.0	0.0	0.0%
760	TD Maintenance of Reservoirs and Tanks	0.0	0.0	0.0	0.0%
761	TD Maintenance of Transmission and Distr	44.6	45.6	1.0	2.3%
762	TD Maintenance of Fire Mains	0.0	0.0	0.0	0.0%
763	TD Maintenance of Services	19.1	19.6	0.4	2.3%
764	TD Maintenance of Meters	0.0	0.0	0.0	0.0%
765	TD Maintenance of Hydrants	0.0	0.0	0.0	0.0%
766	TD Maintenance of Miscellaneous Plant	1,298.4	1,408.4	110.1	8.5%
<b>Total Maintenance Expense</b>		<b>2,360.4</b>	<b>2,662.2</b>	<b>301.8</b>	<b>12.8%</b>
<b>Administrative &amp; General Expenses:</b>					
791	Salaries	0.0	0.0	0.0	0.0%
792	Office Supplies	73.4	75.1	1.7	2.3%
793	Property Insurance	93.6	95.9	2.2	2.4%
794	Injuries and Damages	538.2	685.6	147.4	27.4%
795	Pensions,Benefits & PBOP	3,031.7	3,035.2	3.4	0.1%
797	Regulatory Commission	96.4	359.5	263.0	272.8%
798	Outside Services	743.1	759.9	16.8	2.3%
799	General Corporate	2,206.3	2,302.7	96.4	4.4%
805	Dues & Membership	74.1	75.8	1.7	2.4%
811	Rents	649.5	663.6	14.2	2.2%
<b>Total Administrative and General Expenses</b>		<b>7,506.3</b>	<b>8,053.2</b>	<b>546.9</b>	<b>7.3%</b>

**CENTRAL DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 5-1  
TAXES OTHER THAN INCOME**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
<b>OTHER TAXES</b>				
Ad Valorem	1,613.3	1,617.5	4.2	0.3%
Franchise Taxes	0.0	0.0	0.0	0.0%
Payroll Taxes	632.0	639.3	7.3	1.2%
Other	1.1	1.1	0.0	2.4%
Non-Utility	0.0	0.0	0.0	0.0%
<b>Total Taxes Other Than Income, At Proposed Rates</b>	<b>2,246.4</b>	<b>2,257.9</b>	<b>11.5</b>	<b>0.5%</b>
<b>Escalation Year 2019 (\$000)</b>				
<b>OTHER TAXES</b>				
Ad Valorem	1,647.8	1,656.1	8.4	0.5%
Franchise Taxes	0.0	0.0	0.0	0.0%
Payroll Taxes	646.0	653.3	7.3	1.1%
Other	1.1	1.1	0.0	2.4%
Non-Utility	0.0	0.0	0.0	0.0%
<b>Total Taxes Other Than Income, At Proposed Rates</b>	<b>2,294.9</b>	<b>2,310.6</b>	<b>15.7</b>	<b>0.7%</b>

**CENTRAL DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 6-1  
TAXES BASED ON INCOME - TEST YEAR AT PRESENT RATES**

Test Year 2018 (\$000)	ORA	Cal Am	Cal Am > ORA	
Operating Revenue at Present Rates	62,125.1	62,125.1	0.0	0.0%
<b>Deductions:</b>				
Operating Exps less uncollectibles	34,150.0	37,445.8	3,295.8	9.7%
Uncollectibles	357.7	1,732.9	1,375.2	384.5%
Domestic Production Activity Deduct	813.6	0.0	(813.6)	-100.0%
Book Depreciation	7,301.4	7,303.2	1.9	0.0%
Interest Expense	4,558.1	4,735.0	176.9	3.9%
General Taxes	2,246.4	2,257.9	11.5	0.5%
Non-deductible Meals	(28.8)	(28.8)	0.0	0.0%
<b>Total Deductions</b>				
Total Deductions for Federal Tax	49,398.3	53,446.0	4,047.7	8.2%
Total Deductions for State Tax	48,584.7	53,446.0	4,861.3	10.0%
Taxable Income - State	13,540.4	8,679.1	(4,861.3)	-35.9%
State Income Tax @ (see below)	1,197.0	767.2	(429.7)	-35.9%
Less: Amort Deferred State ITC	0.0	0.0	0.0	0.0%
<b>STATE INCOME TAXES</b>	1,197.0	767.2	(429.7)	-35.9%
Estimated State tax for 2017	1,139.0	1,113.2	(25.8)	-2.3%
Taxable Income - Federal	11,587.8	7,565.9	(4,021.9)	-34.7%
Federal Income Tax @ (See below)	1,738.2	1,134.9	(603.3)	-34.7%
Less: Amort Deferred Federal ITC	(44.7)	(44.7)	0.0	0.0%
<b>FEDERAL INCOME TAX</b>	1,693.5	1,090.2	(603.3)	-35.6%
<i>State Income Tax Rate</i>	8.84%	8.84%	0.0%	0.0%
<i>Federal Income Tax Rate</i>	15.00%	15.00%	0.0%	0.0%
<b>Total Income Taxes for Revenues at Present Rates</b>	<b>2,890.5</b>	<b>1,857.4</b>	<b>(1,033.0)</b>	<b>-35.7%</b>

**CENTRAL DIVISION  
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**TABLE 6-2  
TAXES BASED ON INCOME - TEST YEAR AT PROPOSED RATES**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Operating Revenue at Proposed Rates	58,374.5	66,570.7	8,196.1	14.0%
<b>Deductions:</b>				
Operating Expenses excluding uncollectibles	34,150.0	37,445.8	3,295.8	9.7%
Uncollectibles	339.6	1,758.9	1,419.3	417.9%
Domestic Production Activity Deduct	486.7	761.9	275.2	56.5%
Book Depreciation	7,301.4	7,303.2	1.9	0.0%
Interest Expense	4,558.1	4,735.0	176.9	3.9%
General Taxes	2,246.4	2,257.9	11.5	0.5%
Non-deductible Meals	(28.8)	(28.8)	0.0	0.0%
<b>Total Deductions</b>				
Total Deductions for Federal Tax	49,053.4	54,234.0	5,180.6	10.6%
Total Deductions for State Tax	48,566.7	53,472.1	4,905.4	10.1%
<b>Taxable Income - State</b>	<b>9,807.9</b>	<b>13,098.6</b>	<b>3,290.8</b>	<b>33.6%</b>
State Income Tax @ (see below)	867.0	1,157.9	290.9	33.6%
Less: Amort Deferred State ITC	0.0	0.0	0.0	0.0%
<b>STATE INCOME TAXES</b>	<b>867.0</b>	<b>1,157.9</b>	<b>290.9</b>	<b>33.6%</b>
Estimated State tax for 2017	1,139.0	1,113.2	(25.8)	-2.3%
<b>Taxable Income - Federal</b>	<b>8,182.1</b>	<b>11,223.5</b>	<b>3,041.3</b>	<b>37.2%</b>
Federal Income Tax @ (See below)	1,227.3	1,683.5	456.2	37.2%
Less: Amort Deferred Federal ITC	(44.7)	(44.7)	0.0	0.0%
<b>FEDERAL INCOME TAX</b>	<b>1,182.6</b>	<b>1,638.8</b>	<b>456.2</b>	<b>38.6%</b>
<i>State Income Tax Rate</i>	<i>8.84%</i>	<i>8.84%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Federal Income Tax Rate</i>	<i>15.00%</i>	<i>15.00%</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Total Income Taxes for Revenues at Proposed Rates</b>	<b>2,049.7</b>	<b>2,796.8</b>	<b>747.1</b>	<b>36.5%</b>

**CENTRAL DIVISION  
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**TABLE 7-1  
UTILITY PLANT IN SERVICE**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Plant in Service - Beginning of Year	288,376.9	288,360.3	(16.6)	0.0%
Gross Additions during a year	8,878.9	9,317.4	438.5	4.9%
Retirement and Other Adjustments:				
Retirements	270.3	275.8	5.4	2.0%
Sales and Adjustments	0.0	0.0	0.0	0.0%
Capitalized Interest During Construction	0.0	0.0	0.0	0.0%
Net Additions	8,608.6	9,041.6	433.0	5.0%
Construction Work in Progress Beginning Balance	655.2	3,167.4	2,512.2	383.5%
Construction Work in Progress Ending Balance	802.6	4,423.7	3,621.1	451.2%
Construction Work in Progress Net Additions	147.4	1,256.3	1,108.9	752.2%
Plant in Service - End of Year	296,603.7	297,401.9	798.3	0.3%
<i>Plant Weighting Factor</i>	<i>31.27%</i>	<i>31.27%</i>	0.0%	0.0%
<b>Weighted Average Plant in Service</b>	<b>291,770.1</b>	<b>294,747.8</b>	<b>2,977.8</b>	<b>1.0%</b>
<b>Escalation Year 2019 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Plant in Service - Beginning of Year	296,603.7	297,401.9	798.3	0.3%
Gross Additions during a year	14,316.7	14,739.3	422.6	3.0%
Retirement and Other Adjustments:				
Retirements	453.5	459.4	5.8	1.3%
Sales and Adjustments	0.0	0.0	0.0	0.0%
Capitalized Interest During Construction	0.0	0.0	0.0	0.0%
Net Additions	13,863.2	14,279.9	416.7	3.0%
Construction Work in Progress Beginning Balance	802.6	4,423.7	3,621.1	451.2%
Construction Work in Progress Ending Balance	1,672.2	10,558.5	8,886.3	531.4%
Construction Work in Progress Net Additions	869.6	6,134.8	5,265.2	605.5%
Plant in Service - End of Year	296,603.7	311,681.9	15,078.2	5.1%
<i>Plant Weighting Factor</i>	<i>31.27%</i>	<i>31.27%</i>	0.0%	0.0%
<b>Weighted Average Plant in Service</b>	<b>302,013.2</b>	<b>308,209.3</b>	<b>6,196.1</b>	<b>2.1%</b>

**CENTRAL DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 8-1  
DEPRECIATION RESERVE & EXPENSE**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Depreciation Reserve - Beginning of Year	102,669.7	102,670.2	0.4	0.0%
Annual Accruals including Contribution Depreciation	7,301.7	7,302.9	1.2	0.0%
Retirements/Debits to Depreciation	270.3	275.8	5.4	2.0%
(Salvage) Cost of Removal	(296.7)	(296.7)	0.0	0.0%
Depreciation Reserve Adjustment	0.0	0.0	0.0	0.0%
<b>Net Accrual</b>	<b>6,734.6</b>	<b>6,730.5</b>	<b>(4.2)</b>	<b>-0.1%</b>
Depreciation Reserve - End of Year	109,404.3	109,400.6	(3.7)	0.0%
<i>Depreciation Reserve Weighting Factor (6-Year Average)</i>	<i>47.01%</i>	<i>47.01%</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Weighted Average Depreciation Reserve</b>	<b>105,835.7</b>	<b>105,834.1</b>	<b>(1.5)</b>	<b>0.0%</b>
<i>Deprec. expense related to CIAC</i>	<i>794.5</i>	<i>794.5</i>	<i>0.0</i>	<i>0.0%</i>
<i>Allocated GO Depreciation Expense</i>	<i>794.2</i>	<i>794.8</i>	<i>0.6</i>	<i>0.1%</i>
<i>Deprec. expense for summary of earnings calc.</i>	<b>7,301.4</b>	<b>7,303.2</b>	<i>1.9</i>	<i>0.0%</i>
<b>Escalation Year 2019 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Depreciation Reserve - Beginning of Year	109,404.3	109,400.6	(3.7)	0.0%
Annual Accruals including Contribution Depreciation	7,621.1	7,625.6	4.6	0.1%
Retirements/Debits to Depreciation	453.5	459.4	5.8	1.3%
Salvage/Cost of Removal	(243.6)	(243.6)	0.0	0.0%
Depreciation Reserve Adjustment	0.0	0.0	0.0	0.0%
<b>Net Accrual</b>	<b>6,923.9</b>	<b>6,922.7</b>	<b>(1.3)</b>	<b>0.0%</b>
Depreciation Reserve - End of Year	116,328.3	116,323.3	(5.0)	0.0%
<i>Depreciation Reserve Weighting Factor (6-Year Average)</i>	<i>47.01%</i>	<i>47.01%</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Weighted Average Depreciation Reserve</b>	<b>112,659.3</b>	<b>112,655.0</b>	<b>(4.3)</b>	<b>0.0%</b>
<i>Deprec. expense related to CIAC</i>	<i>803.4</i>	<i>803.4</i>	<i>0.0</i>	<i>0.0%</i>
<i>Allocated GO Depreciation Expense</i>	<i>906.3</i>	<i>907.1</i>	<i>0.8</i>	<i>0.1%</i>
<i>Deprec. expense for summary of earnings calc.</i>	<b>7,724.0</b>	<b>7,729.3</b>	<i>533.3%</i>	<i>0.1%</i>

**CENTRAL DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 9-1  
WEIGHTED AVERAGE RATE BASE - TEST YEAR**

Test Year 2018 (\$000)	ORA	Cal Am	Cal Am > ORA	
Weighted Average Plant In Service including advances for construction	291,770.1	294,747.8	2,977.8	1.0%
<b>Additions to Rate Base:</b>				
Materials and Supplies	272.7	278.9	6.2	2.3%
Working Cash, Operational	2,885.7	3,239.8	354.2	12.3%
Working Cash, Lead Lag	1,419.6	3,780.9	2,361.2	166.3%
Total Additions to Rate Base	4,578.0	7,299.6	2,721.6	59.5%
<b>Deductions from Rate Base:</b>				
Weighted Average Depreciation Reserve	(105,835.7)	(105,834.1)	1.5	0.0%
Advances for Construction	(1,004.7)	(1,004.7)	0.0	0.0%
Unamortized Advances (20-Year Amortization)	0.0	0.0	0.0	0.0%
Contribution In Aid of Construction (Including Def Rev on CAC)	(18,821.4)	(18,821.4)	0.0	0.0%
Unamortized Contribution (20-Year Amortization)	0.0	0.0	0.0	0.0%
Accumulated Deferred Federal Income Taxes	(18,990.1)	(19,018.6)	(28.5)	0.2%
Accumulated Deferred State Income Taxes	(5,602.0)	(5,604.4)	(2.5)	0.0%
Total Deductions from Rate Base	(150,253.7)	(150,283.2)	(29.5)	0.0%
<b>Weighted Average Rate Base</b>	<b>146,094.3</b>	<b>151,764.2</b>	<b>5,669.9</b>	<b>3.9%</b>
<b>Interest Calculation (for Tax Deductions):</b>				
Weighted Avg. Rate Base less customer deposits in Working Cash	146,094.3	151,764.2	5,669.9	3.9%
Weighted Cost of Debt	3.12%	3.12%	0.0%	0.0%
Interest Expense	4,558.1	4,735.0	176.9	3.9%
<b>Required return after tax (in \$)</b>				
Weighted Cost of Capital	8.41%	8.41%	0.0%	0.0%
Required Return	12,286.5	12,763.4	476.8	3.9%



**CENTRAL DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 9-2  
WEIGHTED AVERAGE RATE BASE - ESCALATION YEAR**

Escalation Year 2019 (\$000)	ORA	Cal Am	Cal Am > ORA	
Weighted Average Plant In Service including advances for construction	302,013.2	308,209.3	6,196.1	2.1%
<b>Additions to Rate Base:</b>				
Materials and Supplies	280.9	287.3	6.4	2.3%
Working Cash, Operational	2,449.2	3,784.1	1,334.8	54.5%
Working Cash, Lead Lag	1,625.0	4,009.9	2,385.0	146.8%
Total Additions to Rate Base	4,355.1	8,081.4	3,726.2	85.6%
<b>Deductions from Rate Base:</b>				
Weighted Average Depreciation Reserve	(112,659.3)	(112,655.0)	4.3	0.0%
Advances for Construction	(969.4)	(969.4)	0.0	0.0%
Unamortized Advances (20-Year Amortization)	0.0	0.0	0.0	0.0%
Contribution In Aid of Construction (Including Def Rev on CAC)	(18,395.7)	(18,395.7)	0.0	0.0%
Unamortized Contribution (20-Year Amortization)	0.0	0.0	0.0	0.0%
Accumulated Deferred Federal Income Taxes	(20,812.3)	(20,901.0)	(88.7)	0.4%
Accumulated Deferred State Income Taxes	(5,895.8)	(5,905.1)	(9.3)	0.2%
Total Deductions from Rate Base	(158,732.5)	(158,826.1)	(93.6)	0.1%
<b>Weighted Average Rate Base</b>	<b>147,635.8</b>	<b>157,464.5</b>	<b>9,828.7</b>	<b>6.7%</b>
<b>Interest Calculation (for Tax Deductions):</b>				
Weighted Avg. Rate Base less customer deposits in Working Cash	147,635.8	157,464.5	9,828.7	6.7%
Weighted Cost of Debt	3.12%	3.12%	0.0%	0.0%
Interest Expense	4,606.2	4,912.9	306.7	6.7%
<b>Required return after tax (in \$)</b>				
Weighted Cost of Capital	8.41%	8.41%	0.0%	0.0%
Required Return	12,416.2	13,242.8	826.6	6.7%



#### **IV. SOUTHERN DIVISION – RESULTS OF OPERATIONS TABLES**

**SOUTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE I-1  
SUMMARY OF EARNINGS - TEST YEAR**

Test Year 2018 (\$000)	ORA- Present Rates	Cal Am- Present Rates	Cal Am > ORA	
<b>Total Revenue</b>	<b>97,624.8</b>	<b>97,687.0</b>	62.1	0.1%
<b>Operation and Maintenance Expenses:</b>				
Labor	6,861.7	7,718.7	856.9	12.5%
Purchased Water	46,843.0	46,938.9	96.0	0.2%
Purchased Power	2,460.6	2,516.7	56.0	2.3%
Chemicals	97.0	93.6	(3.4)	-3.5%
Operation and Maintenance	3,240.9	4,699.3	1,458.4	45.0%
Customer Accounting	685.5	701.9	16.4	2.4%
Uncollectibles	489.6	550.3	60.7	12.4%
<b>General and Administrative Expenses:</b>				
Insurance	1,006.8	1,231.8	225.0	22.3%
Pensions and Benefits	2,240.3	2,551.9	311.6	13.9%
Regulatory Expense	167.5	156.1	(11.4)	-6.8%
Rents	844.3	858.7	14.3	1.7%
Outside Services	463.0	473.3	10.3	2.2%
Other Administrative & General	2,114.3	2,284.8	170.5	8.1%
Subtotal	67,514.6	70,776.0	3,261.4	4.8%
Service Company	3,696.1	5,016.3	1,320.2	35.7%
Citizens Acquisition Premium	1,322.9	1,322.9	0.0	0.0%
GO Return on Rate Base	663.2	1,013.7	350.5	52.8%
Reserved	0.0	0.0	0.0	0.0%
<b>Total O&amp;M and G&amp;A Expenses</b>	<b>73,196.8</b>	<b>78,128.9</b>	<b>4,932.1</b>	<b>6.7%</b>
Depreciation	9,076.4	9,075.9	(0.5)	0.0%
General Taxes	2,176.7	2,194.4	17.7	0.8%
<b>Total Operating Expenses</b>	<b>84,449.9</b>	<b>89,399.2</b>	<b>4,949.3</b>	<b>5.9%</b>
<b>Income before taxes</b>	<b>13,174.9</b>	<b>8,287.8</b>	(4,887.2)	-37.1%
State Income Taxes	742.7	273.6	(469.1)	-63.2%
Federal Income Taxes	1,016.3	787.7	(228.7)	-22.5%
<b>Income After Tax</b>	<b>11,415.9</b>	<b>7,226.6</b>	<b>(4,189.4)</b>	<b>-36.7%</b>
Weighted Average Rate Base	153,946.8	167,401.3	13,454.4	8.7%
<b>Return on Rate Base at Present Rates</b>	<b>7.42%</b>	<b>4.32%</b>	<b>-3.10%</b>	<b>-41.8%</b>
<b>Test Year 2018 (\$000)</b>				
	<b>ORA- Proposed Rates</b>	<b>Cal Am- Proposed Rates</b>	<b>Cal Am &gt; ORA</b>	
<b>Total Revenue</b>	<b>99,648.8</b>	<b>109,866.7</b>	10,217.8	10.3%
<b>Operation and Maintenance Expenses:</b>				
Labor	6,861.7	7,718.7	856.9	12.5%
Purchased Water	46,843.0	46,938.9	96.0	0.2%
Purchased Power	2,460.6	2,516.7	56.0	2.3%
Chemicals	97.0	93.6	(3.4)	-3.5%
Operation and Maintenance	3,240.9	4,699.3	1,458.4	45.0%
Customer Accounting	685.5	701.9	16.4	2.4%
Uncollectibles	498.8	613.3	114.5	23.0%
<b>General and Administrative Expenses:</b>				
Insurance	1,006.8	1,231.8	225.0	22.3%
Pensions and Benefits	2,240.3	2,551.9	311.6	13.9%
Regulatory Expense	167.5	156.1	(11.4)	-6.8%
Rents	844.3	858.7	14.3	1.7%
Outside Services	463.0	473.3	10.3	2.2%
Other Administrative & General	2,114.3	2,284.8	170.5	8.1%
Subtotal	67,523.8	70,839.0	3,315.3	4.9%
Service Company	3,696.1	5,016.3	1,320.2	35.7%
Citizens Acquisition Premium	1,322.9	1,322.9	0.0	0.0%
GO Return on Rate Base	663.2	1,013.7	350.5	52.8%
Reserved	0.0	0.0	0.0	0.0%
<b>Total O&amp;M and G&amp;A Expenses</b>	<b>73,205.9</b>	<b>78,191.9</b>	<b>4,985.9</b>	<b>6.8%</b>
Depreciation	9,076.4	9,075.9	(0.5)	0.0%
General Taxes	2,176.7	2,194.4	17.7	0.8%
<b>Total Operating Expenses</b>	<b>84,459.0</b>	<b>89,462.2</b>	<b>5,003.2</b>	<b>5.9%</b>
<b>Income before taxes</b>	<b>15,189.8</b>	<b>20,404.5</b>	5,214.7	34.3%
State Income Taxes	920.8	1,344.7	423.9	46.0%
Federal Income Taxes	1,318.6	4,981.8	3,663.2	277.8%
<b>Income After Tax</b>	<b>12,950.4</b>	<b>14,078.0</b>	1,127.6	8.7%
Weighted Average Rate Base	153,946.8	167,401.3	13,454.4	8.7%
<b>Return on Rate Base at Proposed Rates</b>	<b>8.41%</b>	<b>8.41%</b>	<b>0.00%</b>	<b>0.0%</b>

**SOUTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 1-2  
SUMMARY OF EARNINGS - ESCALATION YEARS**

For Illustrative Purposes (\$000)	ORA 2019	ORA 2020	2019-2020 Increase	
<b>Total Revenue</b>	<b>103,892.8</b>	<b>109,742.2</b>	<b>5,849.5</b>	<b>5.6%</b>
<b>Operation and Maintenance Expenses:</b>				
Labor	7,911.4	8,006.4	94.9	1.2%
Purchased Water	46,925.8	47,995.7	1,069.9	2.3%
Purchased Power	2,536.3	2,594.1	57.8	2.3%
Chemicals	99.9	102.2	2.3	2.3%
Operation and Maintenance	3,247.5	3,321.5	74.0	2.3%
Customer Accounting	706.4	722.5	16.1	2.3%
Uncollectibles	517.9	520.6	2.7	0.5%
<b>General and Administrative Expenses:</b>				
Insurance	1,037.4	1,061.1	23.7	2.3%
Pensions and Benefits	2,854.3	2,919.4	65.1	2.3%
Regulatory Expense	167.5	171.3	3.8	2.3%
Rents	864.1	883.8	19.7	2.3%
Outside Services	477.1	487.9	10.9	2.3%
Other Administrative & General	2,177.2	2,226.8	49.6	2.3%
Subtotal	<b>69,522.8</b>	<b>71,013.4</b>	1,490.5	2.1%
Service Company	3,810.2	3,897.1	86.9	2.3%
Citizens Acquisition Premium	1,331.6	1,361.9	30.4	2.3%
GO Return on Rate Base	626.8	968.3	341.5	54.5%
San Clemente Dam	626.8	641.1	14.3	2.3%
<b>Total O&amp;M and G&amp;A Expenses</b>	<b>75,918.2</b>	<b>77,881.8</b>	1,963.6	2.6%
Depreciation	9,984.0	10,211.6	227.6	2.3%
General Taxes	2,327.2	2,380.2	53.1	2.3%
<b>Total Operating Expenses</b>	<b>88,229.4</b>	<b>90,473.6</b>	2,244.3	2.5%
<b>Income before taxes</b>	<b>15,663.4</b>	<b>19,268.6</b>	3,605.2	23.0%
Total Income Taxes	2,496.4	2,657.1	160.7	6.4%
<b>Income After Tax</b>	<b>13,167.0</b>	<b>16,611.4</b>	3,444.5	26.2%
Weighted Average Rate Base	164,008.5	197,520.0	33,511.5	20.4%
<b>Return on Rate Base</b>	<b>8.03%</b>	<b>8.41%</b>	<b>0.0</b>	<b>4.8%</b>

\* Assumed escalation factors of 2.28% for composite and 1.20% for labor, for 2018.

Net-to-Gross (NTG) Multiplier for Other Offset Filings	with income tax effect	w/o income tax effect	Calculations
1 Uncollectibles Rate	0.51410%	0.51410%	
2 100% - (Uncollectibles Rate)	99.48590%	99.48590%	100% - [1]
3 Local Franchise Tax Rate	0.00000%	0.00000%	
4 Local Franchise Tax	0.00000%	0.00000%	[2] x [3]
5 Business License Rate	0.00000%	0.00000%	
6 Business License cost	0.00000%	0.00000%	[2] x [5]
7 Subtotal	0.51410%	0.51410%	[1+4+6]
8 100% - Subtotal	99.48590%	99.48590%	100% - [7]
Amount subject to California Franchise Tax (CCFT) and Federal Income Tax (FIT)			
9 California Corporate Franchise Tax Rate	8.84%		
10 California Corporate Franchise Tax	8.79455%		[8] x [9]
11 American Jobs Creation Act Rate	0.00%		
12 American Jobs Creation Act deductions *	0.00000%		[8-1]x[11]xprod%
13 Federal Income Tax Rate	15.00%		
14 Federal Income Tax	13.60370%		[8-10-12] x 13
15 Total Taxes Paid	22.91236%	0.51410%	[7+10+14]
16 Net After Taxes	77.08764%	99.48590%	100% - [15]
<b>NTG Multiplier</b>	<b>1.29722</b>	<b>1.00517</b>	1 / [16]

<b>Capital Structure</b>		<b>NTG Multiplier</b>	
Debt	47.0%	<b>1.00517</b>	0.47243
Equity	53.0%	<b>1.29722</b>	0.68753
<b>Total</b>	<b>100.0%</b>	<b>1.15996</b>	<b>Wtd. NTG Multiplier</b>

\* prod% = ratio of total well and surface water to total water supply.

**SOUTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 2-1  
AVERAGE WATER SALES PER CUSTOMER (OR PER CONNECTION)**

Test Year 2018 (CCF/connection/year)*	ORA	Cal Am	Cal Am > ORA	
<b>Metered Average Water Sales:</b>				
Residential	189.6	189.6	0.0	0.0%
Multiresidential	0.0	0.0	0.0	0.0%
Commercial	840.3	840.3	0.0	0.0%
Industrial	3,602.7	3,602.7	0.0	0.0%
Public Authority	1,884.8	1,884.8	0.0	0.0%
Sales for Resale	0.0	0.0	0.0	0.0%
Other	1,484.3	1,484.3	0.0	0.0%
Construction	771.0	771.0	0.0	0.0%
Golf Courses	0.0	0.0	0.0	0.0%
Irrigation Gravity	0.0	0.0	0.0	0.0%
Irrigation Pressure	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Unmetered Customers	0.0	0.0	0.0	0.0%
<b>Private Fire Service Water Sales:</b>				
1"	0.0	0.0	0.0	0.0%
1-1/2"	0.0	0.0	0.0	0.0%
2"	0.0	0.0	0.0	0.0%
3"	0.0	0.0	0.0	0.0%
4"	0.0	0.0	0.0	0.0%
6"	0.0	0.0	0.0	0.0%
8"	0.0	0.0	0.0	0.0%
10"	0.0	0.0	0.0	0.0%
12"	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Hydrants	0.0	0.0	0.0	0.0%
<b>Escalation Year 2019 (CCF/connection/year)*</b>				
<b>Metered Average Water Sales:</b>				
Residential	189.5	189.5	0.0	0.0%
Multiresidential	0.0	0.0	0.0	0.0%
Commercial	841.0	841.0	0.0	0.0%
Industrial	3,602.7	3,602.7	0.0	0.0%
Public Authority	1,884.2	1,884.2	0.0	0.0%
Sales for Resale	0.0	0.0	0.0	0.0%
Other	1,538.5	1,538.5	0.0	0.0%
Construction	771.0	771.0	0.0	0.0%
Golf Courses	0.0	0.0	0.0	0.0%
Irrigation Gravity	0.0	0.0	0.0	0.0%
Irrigation Pressure	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Unmetered Customers	0.0	0.0	0.0	0.0%
<b>Private Fire Service Water Sales:</b>				
1"	0.0	0.0	0.0	0.0%
1-1/2"	0.0	0.0	0.0	0.0%
2"	0.0	0.0	0.0	0.0%
3"	0.0	0.0	0.0	0.0%
4"	0.0	0.0	0.0	0.0%
6"	0.0	0.0	0.0	0.0%
8"	0.0	0.0	0.0	0.0%
10"	0.0	0.0	0.0	0.0%
12"	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Hydrants	0.0	0.0	0.0	0.0%

**SOUTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 2-2  
AVERAGE NUMBER OF CUSTOMERS (SERVICE CONNECTIONS)**

<b>Test Year 2018</b>		<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
<b>Metered Customers (Service Connections):</b>					
Residential		62,637	62,637	0	0%
Multiresidential		0	0	0	0%
Commercial		5,692	5,692	0	0%
Industrial		228	228	0	0%
Public Authority		810	810	0	0%
Sales for Resale		1	1	0	0%
Other		14	14	0	0%
Construction		5	5	0	0%
Golf Courses		0	0	0	0%
Irrigation Gravity		2	2	0	0%
Irrigation Pressure		44	44	0	0%
Reserved		0	0	0	0%
Reserved		0	0	0	0%
Unmetered Customers		0	0	0	0%
<b>Subtotal: Metered Customers</b>		<b>69,433</b>	<b>69,433</b>	<b>0</b>	<b>0%</b>
<b>Private Fire Service (Service Connections):</b>					
1"		0	0	0	0%
1-1/2"		0	0	0	0%
2"		0	0	0	0%
3"		0	0	0	0%
4"		315	315	0	0%
6"		317	317	0	0%
8"		237	237	0	0%
10"		31	31	0	0%
12"		0	0	0	0%
Reserved		0	0	0	0%
Hydrants		210	210	0	0%
<b>Subtotal: Private Fire Service</b>		<b>1,110</b>	<b>1,110</b>	<b>0</b>	<b>0%</b>
<b>Total Service Connections</b>		<b>70,543</b>	<b>70,543</b>	<b>0</b>	<b>0%</b>
<b>Escalation Year 2019</b>					
		<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
<b>Metered Customers (Service Connections):</b>					
Residential		62,749	62,749	0	0%
Multiresidential		0	0	0	0%
Commercial		5,695	5,695	0	0%
Industrial		228	228	0	0%
Public Authority		812	812	0	0%
Sales for Resale		1	1	0	0%
Other		12	12	0	0%
Construction		5	5	0	0%
Golf Courses		0	0	0	0%
Irrigation Gravity		2	2	0	0%
Irrigation Pressure		44	44	0	0%
Reserved		0	0	0	0%
Reserved		0	0	0	0%
Unmetered Customers		0	0	0	0%
<b>Subtotal: Metered Customers</b>		<b>69,548</b>	<b>69,548</b>	<b>0</b>	<b>0</b>
<b>Private Fire Service (Service Connections):</b>					
1"		0	0	0	0%
1-1/2"		0	0	0	0%
2"		0	0	0	0%
3"		0	0	0	0%
4"		319	319	0	0%
6"		319	319	0	0%
8"		237	237	0	0%
10"		31	31	0	0%
12"		0	0	0	0%
Reserved		0	0	0	0%
Hydrants		210	210	0	0%
<b>Subtotal: Private Fire Service</b>		<b>1,116</b>	<b>1,116</b>	<b>0</b>	<b>0%</b>
<b>Total Service Connections</b>		<b>70,664</b>	<b>70,664</b>	<b>0</b>	<b>0%</b>

**SOUTHERN DIVISION  
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**TABLE 2-3  
TOTAL SALES AND SUPPLY**

Test Year 2018 (KCCF)	ORA	Cal Am	Cal Am > ORA	
<b>Metered Customers (Service Connections):</b>				
Residential	11,875,975	11,875,975	0	0%
Multiresidential	0	0	0	0%
Commercial	4,782,988	4,782,988	0	0%
Industrial	821,416	821,416	0	0%
Public Authority	1,526,688	1,526,688	0	0%
Sales for Resale	0	0	0	0%
Other	20,780	20,780	0	0%
Construction	3,855	3,855	0	0%
Golf Courses	0	0	0	0%
Irrigation Gravity	0	0	0	0%
Irrigation Pressure	0	0	0	0%
Reserved	0	0	0	0%
Reserved	0	0	0	0%
Unmetered Customers	0	0	0	0%
<b>Subtotal: Metered Customers</b>	<b>19,031,702</b>	<b>19,031,702</b>	<b>0</b>	<b>0%</b>
<b>Private Fire Service (Service Connections):</b>				
1"	0	0	0	0%
1-1/2"	0	0	0	0%
2"	0	0	0	0%
3"	0	0	0	0%
4"	0	0	0	0%
6"	0	0	0	0%
8"	0	0	0	0%
10"	0	0	0	0%
12"	0	0	0	0%
Reserved	0	0	0	0%
Hydrants	0	0	0	0%
<b>Subtotal: Private Fire Service</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Total Sales</b>	<b>19,031,702</b>	<b>19,031,702</b>	<b>0</b>	<b>0%</b>
<i>Unaccounted for water rate</i>	<i>7.1218%</i>	<i>7.1218%</i>	<i>0</i>	<i>0%</i>
Unaccounted for water	1,355,400	1,355,400	0	0%
<b>Total Requirement (Sales + Unaccounted Water)</b>	<b>20,387,102</b>	<b>20,387,102</b>	<b>0</b>	<b>0.0%</b>
Total Requirement in Acre Feet	46,802.3	46,802.3	0	0.0%
<b>WATER SUPPLY MIX:</b>				
Produced Water	8,655,967.6	8,655,967.6	0	0%
Purchased Water	11,731,134.0	11,731,134.0	0	0%
<b>Total Supply **</b>	<b>20,387,101.6</b>	<b>20,387,101.6</b>	<b>0</b>	<b>0%</b>
<b>Escalation Year 2019 (KCCF)</b>				
	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
<b>Metered Customers (Service Connections):</b>				
Residential	11,890,936	11,890,936	0	0%
Multiresidential	0	0	0	0%
Commercial	4,789,495	4,789,495	0	0%
Industrial	821,416	821,416	0	0%
Public Authority	1,529,970	1,529,970	0	0%
Sales for Resale	0	0	0	0%
Other	18,462	18,462	0	0%
Construction	3,855	3,855	0	0%
Golf Courses	0	0	0	0%
Irrigation Gravity	0	0	0	0%
Irrigation Pressure	0	0	0	0%
Reserved	0	0	0	0%
Reserved	0	0	0	0%
Unmetered Customers	0	0	0	0%
<b>Subtotal: Metered Customers</b>	<b>19,054,134</b>	<b>19,054,134</b>	<b>0</b>	<b>0%</b>
<b>Private Fire Service (Service Connections):</b>				
1"	0	0	0	0%
1-1/2"	0	0	0	0%
2"	0	0	0	0%
3"	0	0	0	0%
4"	0	0	0	0%
6"	0	0	0	0%
8"	0	0	0	0%
10"	0	0	0	0%
12"	0	0	0	0%
Reserved	0	0	0	0%
Hydrants	0	0	0	0%
<b>Subtotal: Private Fire Service</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Total Sales</b>	<b>19,054,134</b>	<b>19,054,134</b>	<b>0</b>	<b>0%</b>
<i>Unaccounted for water rate</i>	<i>7.1134%</i>	<i>7.1134%</i>	<i>0</i>	<i>0%</i>
Unaccounted for water	1,355,400.0	1,355,400.0	0	0%
<b>Total Requirement (Sales + Unaccounted Water)</b>	<b>20,409,534</b>	<b>20,409,534</b>	<b>0</b>	<b>0%</b>
Total Requirement in Acre Feet	46,853.8	46,853.8	0	0%
<b>WATER SUPPLY MIX:</b>				
Produced Water	8,653,077	8,653,077	0	0%
Purchased Water	11,756,457	11,756,457	0	0%
<b>Total Supply **</b>	<b>20,409,534</b>	<b>20,409,534</b>	<b>0</b>	<b>0%</b>
<i>** Total Requirement and Total Supply may differ slightly due to rounding.</i>				



**SOUTHERN DIVISION  
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**TABLE 2-4  
OPERATING REVENUES AT PRESENT RATES**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
<b>METERED SALES REVENUE</b>				
Residential	59,693.2	59,681.9	(11.3)	0.0%
Multiresidential	0.0	0.0	0.0	0.0%
Con Business	24,515.9	24,515.2	(0.8)	0.0%
Industrial	4,091.3	4,090.9	(0.4)	0.0%
Public Authority	8,042.9	8,042.6	(0.3)	0.0%
Sales for Resale	5.3	5.3	0.0	0.0%
Other	154.0	154.0	0.0	0.0%
Construction	31.6	31.6	(0.0)	0.0%
Golf Courses	0.0	0.0	0.0	0.0%
Irrigation Gravity	4.1	4.1	0.0	0.0%
Irrigation Pressure	101.6	101.6	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Unmetered Customers	0.0	0.0	0.0	0.0%
<b>Total Metered Revenues</b>	<b>96,639.9</b>	<b>96,627.1</b>	<b>(12.8)</b>	<b>0.0%</b>
<b>OTHER</b>				
Private Fire	698.2	773.1	74.9	10.7%
Reserved	0.0	0.0	0.0	0.0%
<b>Total Water Revenue</b>	<b>97,338.1</b>	<b>97,400.2</b>	<b>62.1</b>	<b>0.1%</b>
<b>OTHER REVENUE</b>				
Method 5 Revenues	34.2	34.2	0.0	0.0%
Contract Revenues	0.0	0.0	0.0	0.0%
Antenna Leases	0.0	0.0	0.0	0.0%
Additional NTPS Rev	0.0	0.0	0.0	0.0%
Misc Service Revenues	252.6	252.6	0.0	0.0%
Late Payment Penalty	0.0	0.0	0.0	0.0%
Reconnect Fees After Hours	0.0	0.0	0.0	0.0%
Mather Tank	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Subtotal	286.8	286.8	0.0	0.0%
Surcharge Revenues	0.0	0.0	0.0	0.0%
<b>Total Other Revenues</b>	<b>286.8</b>	<b>286.8</b>	<b>0.0</b>	<b>0.0%</b>
<b>TOTAL OPERATING REVENUES</b>	<b>97,624.8</b>	<b>97,687.0</b>	<b>62.1</b>	<b>0.1%</b>
<b>Revenues per Avg Customer</b>	<b>1,384.0</b>	<b>1,385.0</b>	<b>1.0</b>	<b>0.1%</b>
<b>Total Revenues at Present Rates, Test Year 2018</b>	<b>97,624.8</b>	<b>97,687.0</b>	<b>62.1</b>	<b>0.1%</b>
<b>Escalation Year 2019 (\$000)</b>				
<b>METERED SALES REVENUE</b>				
Residential	60,903.5	67,476.6	6,573.1	10.8%
Multiresidential	0.0	0.0	0.0	0.0%
Con Business	24,825.5	27,274.1	2,448.6	9.9%
Industrial	4,419.8	4,800.3	380.6	8.6%
Public Authority	8,160.3	8,917.5	757.2	9.3%
Sales for Resale	5.1	6.1	1.0	20.4%
Other	140.8	157.3	16.4	11.7%
Construction	33.0	36.9	4.0	12.0%
Golf Courses	0.0	0.0	0.0	0.0%
Irrigation Gravity	7.5	8.6	1.1	14.6%
Irrigation Pressure	170.6	195.9	25.3	14.8%
Reserved	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Unmetered Customers	0.0	0.0	0.0	0.0%
<b>Total Metered Revenues</b>	<b>98,666.0</b>	<b>108,873.3</b>	<b>10,207.3</b>	<b>10.3%</b>
<b>OTHER</b>				
Private Fire	745.3	745.3	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
<b>Total Water Revenue</b>	<b>99,411.3</b>	<b>109,618.6</b>	<b>10,207.3</b>	<b>10.3%</b>
<b>OTHER REVENUE</b>				
Method 5 Revenues	32.4	32.4	0.0	0.0%
Contract Revenues	0.0	0.0	0.0	0.0%
Antenna Leases	0.0	0.0	0.0	0.0%
Additional NTPS Rev	0.0	0.0	0.0	0.0%
Misc Service Revenues	252.6	252.6	0.0	0.0%
Late Payment Penalty	0.0	0.0	0.0	0.0%
Reconnect Fees After Hours	0.0	0.0	0.0	0.0%
Mather Tank	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Reserved	0.0	0.0	0.0	0.0%
Subtotal	285.0	285.0	0.0	0.0%
Surcharge Revenues	0.0	0.0	0.0	0.0%
<b>Total Other Revenues</b>	<b>285.0</b>	<b>285.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>TOTAL OPERATING REVENUES</b>	<b>99,696.3</b>	<b>109,903.7</b>	<b>10,207.3</b>	<b>10.2%</b>
<b>Revenues per Avg Customer</b>	<b>1,411.0</b>	<b>1,555.0</b>	<b>144.0</b>	<b>10.2%</b>
<b>Total Revenues at Present Rates, Escal. Year 2019</b>	<b>99,696.3</b>	<b>109,903.7</b>	<b>10,207.3</b>	<b>10.2%</b>

**SOUTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 3-1  
OPERATIONS & MAINTENANCE EXPENSES - TEST YEAR**

Test Year 2018 (\$000)	ORA	Cal Am	Cal Am > ORA	
<b>Expenses(Operation, Maintenance, and A&amp;G):</b>				
Labor	6,861.7	7,718.7	856.9	12.5%
Purchased Water	46,843.0	46,938.9	96.0	0.2%
Purchased Power	2,460.6	2,516.7	56.0	2.3%
Chemicals	97.0	93.6	(3.4)	-3.5%
Operation and Maintenance	3,240.9	4,699.3	1,458.4	45.0%
Customer Accounting	685.5	701.9	16.4	2.4%
Insurance (Property and Injuries & Damages)	1,006.8	1,231.8	225.0	22.3%
Pensions and Benefits	2,240.3	2,551.9	311.6	13.9%
Regulatory Expense	167.5	156.1	(11.4)	-6.8%
Rents	844.3	858.7	14.3	1.7%
Other Administrative and General	2,577.3	2,758.1	180.8	7.0%
Subtotal	<b>67,025.0</b>	<b>70,225.7</b>	<b>3,200.7</b>	<b>4.8%</b>
Service Company	3,696.1	5,016.3	1,320.2	35.7%
Citizens Acquisition Premium	1,322.9	1,322.9	0.0	0.0%
GO Return on Rate Base	663.2	1,013.7	350.5	52.8%
Reserved	-	-		
<b>Total Expenses excluding Uncollectibles</b>	<b>72,707.2</b>	<b>77,578.6</b>	<b>4,871.4</b>	<b>6.7%</b>
<b>At Present Rates</b>				
Total Revenues (including deferred Revenue on CIAC)	97,624.8	97,687.0	62.1	0.1%
<i>Uncollectible Rate</i>	<i>0.4508%</i>	<i>0.5141%</i>	<i>0.0633%</i>	<i>14.1%</i>
Uncollectibles Expense	440.1	502.2	62.2	14.1%
Leak Adjustment - Uncollectibles	49.6	49.6	0.0	0.0%
Total Uncollectibles Expense	489.6	551.8	62.2	12.7%
<b>Total Expenses including Uncollectibles (at Present Rate)</b>	<b>73,196.8</b>	<b>78,130.4</b>	<b>4,933.5</b>	<b>6.7%</b>
<b>At Proposed Rates</b>				
Total Revenues (including deferred Revenue on CIAC)	99,648.8	109,866.7	10,217.8	10.3%
<i>Uncollectible Rate</i>	<i>0.4508%</i>	<i>0.5141%</i>	<i>0.0633%</i>	<i>14.1%</i>
Uncollectibles Expense	449.2	564.8	115.6	25.7%
Leak Adjustment - Uncollectibles	49.6	49.6	0.0	0.0%
Total Uncollectibles Expense	498.8	614.4	115.6	23.2%
<b>Total Expenses including Uncollectibles (at Proposed Rate)</b>	<b>73,205.9</b>	<b>78,193.0</b>	<b>4,987.0</b>	<b>6.8%</b>

**SOUTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 4-1  
TOTAL EXPENSES EXCLUDING PAYROLL  
(For Information Only)**

Test Year 2018 (\$000)		ORA	Cal Am	Cal Am > ORA	
<b>Operation Expenses (Excluding Payroll):</b>					
702	SS Operation Labor and Expenses	0.0	0.0	0.0	0.0%
703	SS Miscellaneous Expenses	8.8	1,035.7	1,026.9	11674.6%
704	SS Purchased Water	46,843.0	46,938.9	96.0	0.2%
722	PP Power production Labor and Exp	0.0	0.0	0.0	0.0%
724	PP Pumping Labor and Expenses	0.0	0.0	0.0	0.0%
725	PP Miscellaneous Expenses	5.8	6.0	0.1	2.3%
726	PP Fuel or Power Purchased for Pumping	2,460.6	2,516.7	56.0	2.3%
742	WT Operation Labor and Expenses	(0.1)	(0.1)	(0.0)	2.3%
743	WT Miscellaneous Expenses	307.0	312.4	5.4	1.8%
744	WT Chemicals and Filtering Materials	97.0	93.6	(3.4)	-3.5%
752	TD Storage Facilities Expenses	0.6	0.6	0.0	2.3%
753	TD Transmission and Distribution	0.0	0.0	0.0	2.3%
754	TD Meter Expenses	9.5	9.7	0.2	2.3%
755	TD Customer Installations Expense	0.0	0.0	0.0	0.0%
756	TD Miscellaneous Expenses	537.0	862.0	325.0	60.5%
772	CA Meter Reading Expenses	1.2	1.2	0.0	2.3%
773	CA Customer Records and Collection	106.1	108.6	2.5	2.4%
774	CA Miscellaneous Customer Account	578.3	592.1	13.8	2.4%
775	CA Uncollectible Accounts	549.9	550.3	0.3	0.1%
999	Divisional Allocation	0.0	0.0	0.0	0.0%
<b>Total Operation Expenses (Excluding Payroll)</b>		<b>51,504.7</b>	<b>53,027.6</b>	<b>1,522.9</b>	<b>3.0%</b>
<b>Maintenance Expense</b>					
707	SS Maintenance of Structures and Impr	2.0	2.0	0.0	2.3%
708	SS Maint of Collecting and Imp Resrv	0.0	0.0	0.0	0.0%
709	SS Maintenance of Lake, River and Intakes	0.0	0.0	0.0	0.0%
710	SS Maintenance of Springs and Tunnels	0.0	0.0	0.0	0.0%
711	SS Maintenance of Wells	0.7	0.7	0.0	2.3%
712	SS Maintenance of Supply Mains	0.0	0.0	0.0	0.0%
713	SS Maintenance of Other Source of Supply	37.0	37.9	0.8	2.3%
730	PP Maintenance of Structures and Impr	27.8	28.4	0.6	2.3%
731	PP Maintenance of Power Production	2.7	14.9	12.1	444.1%
733	PP Maintenance of Other Pumping	55.3	60.2	4.8	8.7%
747	WT Maintenance of Structures and Impr	1.5	1.5	0.0	2.3%
748	WT Maintenance of Wter Treatment	1,159.0	1,159.3	0.3	0.0%
759	TD Maintenance of Structures and Impr	17.9	18.3	0.4	2.3%
760	TD Maintenance of Reservoirs and Tanks	0.3	0.3	0.0	2.3%
761	TD Maintenance of Transmission and Distr	106.5	157.2	50.7	47.6%
762	TD Maintenance of Fire Mains	0.0	0.0	0.0	0.0%
763	TD Maintenance of Services	30.7	42.4	11.7	38.0%
764	TD Maintenance of Meters	16.3	16.7	0.4	2.3%
765	TD Maintenance of Hydrants	3.8	13.3	9.5	252.4%
766	TD Maintenance of Miscellaneous Plant	910.7	920.0	9.3	1.0%
<b>Total Maintenance Expense</b>		<b>2,372.2</b>	<b>2,473.1</b>	<b>100.9</b>	<b>4.3%</b>
<b>Administrative &amp; General Expenses:</b>					
791	AG Admin and General Salaries	0.0	0.0	0.0	0.0%
792	AG Office Supplies and Other Exp	111.9	114.6	2.6	2.4%
793	AG Property Insurance	160.8	164.7	3.9	2.4%
794	AG Injuries and Damages	846.0	1,067.1	221.1	26.1%
795	AG Employees' Pensions and Benefits	2,240.3	2,551.9	311.6	13.9%
797	AG Regulatory Commission Expenses	167.5	156.1	(11.4)	-6.8%
798	AG Outside Services Employed	463.0	473.3	10.3	2.2%
799	AG Miscellaneous General Expenses	1,898.0	2,063.4	165.4	8.7%
805	AG Maintenance of General Plant	104.4	106.9	2.5	2.4%
811	AG Rents	844.3	858.7	14.3	1.7%
<b>Total Administrative and General Expenses</b>		<b>6,836.3</b>	<b>7,556.7</b>	<b>720.4</b>	<b>10.5%</b>

Escalation Year 2019 (\$000)		ORA	Cal Am	Cal Am > ORA	
<b>Operation Expenses (Excluding Payroll):</b>					
702	SS Operation Labor and Expenses	0.0	0.0	0.0	0.0%
703	SS Miscellaneous Expenses	9.1	1,036.1	1,027.1	1132.6%
704	SS Purchased Water	46,925.8	47,021.8	95.9	0.2%
722	PP Power production Labor and Exp	0.0	0.0	0.0	0.0%
724	PP Pumping Labor and Expenses	0.0	0.0	0.0	0.0%
725	PP Miscellaneous Expenses	6.0	6.1	0.1	2.3%
726	PP Fuel or Power Purchased for Pumping	2,536.3	2,594.0	57.7	2.3%
742	WT Operation Labor and Expenses	(0.1)	(0.2)	(0.0)	2.3%
743	WT Miscellaneous Expenses	316.3	321.9	5.6	1.8%
744	WT Chemicals and Filtering Materials	99.9	96.4	(3.5)	-3.5%
752	TD Storage Facilities Expenses	0.6	0.6	0.0	2.3%
753	TD Transmission and Distribution	0.0	0.0	0.0	2.3%
754	TD Meter Expenses	9.8	10.0	0.2	2.3%
755	TD Customer Installations Expense	0.0	0.0	0.0	0.0%
756	TD Miscellaneous Expenses	553.2	891.3	338.0	61.1%
772	CA Meter Reading Expenses	1.2	1.2	0.0	2.3%
773	CA Customer Records and Collection	109.3	111.9	2.6	2.4%
774	CA Miscellaneous Customer Account	595.9	610.1	14.2	2.4%
775	CA Uncollectible Accounts	560.9	613.7	52.8	9.4%
999	Divisional Allocation	0.0	0.0	0.0	0.0%
<b>Total Operation Expenses (Excluding Payroll)</b>		<b>51,724.2</b>	<b>53,315.1</b>	<b>1,590.9</b>	<b>3.1%</b>
<b>Maintenance Expense</b>					
707	SS Maintenance of Structures and Impr	2.0	2.1	0.0	2.3%
708	SS Maint of Collecting and Imp Resrv	0.0	0.0	0.0	0.0%
709	SS Maintenance of Lake, River and Intakes	0.0	0.0	0.0	0.0%
710	SS Maintenance of Springs and Tunnels	0.0	0.0	0.0	0.0%
711	SS Maintenance of Wells	0.7	0.8	0.0	2.3%
712	SS Maintenance of Supply Mains	0.0	0.0	0.0	0.0%
713	SS Maintenance of Other Source of Supply	38.1	39.0	0.9	2.3%
730	PP Maintenance of Structures and Impr	28.6	29.2	0.7	2.3%
731	PP Maintenance of Power Production	2.8	15.3	12.5	444.1%
733	PP Maintenance of Other Pumping	57.0	62.0	5.0	8.7%
747	WT Maintenance of Structures and Impr	1.6	1.6	0.0	2.3%
748	WT Maintenance of Wter Treatment	1,197.0	1,197.4	0.3	0.0%
759	TD Maintenance of Structures and Impr	18.5	18.9	0.4	2.3%
760	TD Maintenance of Reservoirs and Tanks	0.3	0.4	0.0	2.3%
761	TD Maintenance of Transmission and Distr	109.7	162.0	52.3	47.6%
762	TD Maintenance of Fire Mains	0.0	0.0	0.0	0.0%
763	TD Maintenance of Services	31.6	43.6	12.0	38.0%
764	TD Maintenance of Meters	16.8	17.2	0.4	2.3%
765	TD Maintenance of Hydrants	3.9	13.7	9.8	252.4%
766	TD Maintenance of Miscellaneous Plant	843.8	853.4	9.6	1.1%
<b>Total Maintenance Expense</b>		<b>2,352.6</b>	<b>2,456.5</b>	<b>103.9</b>	<b>4.4%</b>
<b>Administrative &amp; General Expenses:</b>					
791	Salaries	0.0	0.0	0.0	0.0%
792	Office Supplies	115.3	118.0	2.7	2.4%
793	Property Insurance	165.7	169.7	4.0	2.4%
794	Injuries and Damages	871.7	1,129.3	257.6	29.6%
795	Pensions, Benefits & PBOP	2,854.3	2,859.3	5.0	0.2%
797	Regulatory Commission	167.5	624.6	457.1	272.8%
798	Outside Services	477.1	487.7	10.6	2.2%
799	General Corporate	1,954.3	2,121.1	166.8	8.5%
805	Dues & Membership	107.6	110.1	2.6	2.4%
811	Rents	864.1	878.8	14.7	1.7%
<b>Total Administrative and General Expenses</b>		<b>7,577.7</b>	<b>8,498.7</b>	<b>921.0</b>	<b>12.2%</b>

**SOUTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 5-1  
TAXES OTHER THAN INCOME**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
<b>OTHER TAXES</b>				
Ad Valorem	1,617.3	1,628.1	10.9	0.7%
Franchise Taxes	(45.1)	(46.2)	(1.0)	2.3%
Payroll Taxes	553.2	560.0	6.8	1.2%
Other	51.3	52.5	1.2	2.3%
Non-Utility	0.0	0.0	0.0	0.0%
<b>Total Taxes Other Than Income, At Proposed Rates</b>	<b>2,176.7</b>	<b>2,194.4</b>	<b>17.7</b>	<b>0.8%</b>
<b>Escalation Year 2019 (\$000)</b>				
<b>OTHER TAXES</b>				
Ad Valorem	1,755.1	1,795.3	40.2	2.3%
Franchise Taxes	(46.5)	(47.6)	(1.1)	2.3%
Payroll Taxes	565.7	572.4	6.8	1.2%
Other	52.8	54.1	1.2	2.3%
Non-Utility	0.0	0.0	0.0	0.0%
<b>Total Taxes Other Than Income, At Proposed Rates</b>	<b>2,327.2</b>	<b>2,374.2</b>	<b>47.1</b>	<b>2.0%</b>

**SOUTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 6-1  
TAXES BASED ON INCOME - TEST YEAR AT PRESENT RATES**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Operating Revenue at Present Rates	97,624.8	97,624.8	0.0	0.0%
<b>Deductions:</b>				
Operating Exps less uncollectibles	72,707.2	77,578.6	4,871.4	6.7%
Uncollectibles	489.6	550.3	60.6	12.4%
Domestic Production Activity Deduct	0.0	0.0	0.0	0.0%
Book Depreciation	9,076.4	9,075.9	(0.5)	0.0%
Interest Expense	4,803.1	5,222.9	419.8	8.7%
General Taxes	2,176.7	2,194.4	17.7	0.8%
Non-deductible Meals	(29.8)	(29.8)	0.0	0.0%
<b>Total Deductions</b>				
Total Deductions for Federal Tax	89,223.2	94,592.2	5,369.0	6.0%
Total Deductions for State Tax	89,223.2	94,592.2	5,369.0	6.0%
<b>Taxable Income - State</b>	<b>8,401.6</b>	<b>3,032.6</b>	<b>(5,369.0)</b>	<b>-63.9%</b>
State Income Tax @ (see below)	742.7	268.1	(474.6)	-63.9%
Less: Amort Deferred State ITC	0.0	0.0	0.0	0.0%
<b>STATE INCOME TAXES</b>	<b>742.7</b>	<b>268.1</b>	<b>(474.6)</b>	<b>-63.9%</b>
Estimated State tax for 2017	1,379.0	738.4	(640.6)	-46.5%
<b>Taxable Income - Federal</b>	<b>7,022.6</b>	<b>2,294.2</b>	<b>(4,728.4)</b>	<b>-67.3%</b>
Federal Income Tax @ (See below)	1,053.4	344.1	(709.3)	-67.3%
Less: Amort Deferred Federal ITC	(37.1)	(37.1)	0.0	0.0%
<b>FEDERAL INCOME TAX</b>	<b>1,016.3</b>	<b>307.1</b>	<b>(709.3)</b>	<b>-69.8%</b>
<i>State Income Tax Rate</i>	<i>8.84%</i>	<i>8.84%</i>	0.0%	0.0%
<i>Federal Income Tax Rate</i>	<i>15.00%</i>	<i>15.00%</i>	0.0%	0.0%
<b>Total Income Taxes for Revenues at Present Rates</b>	<b>1,759.0</b>	<b>575.2</b>	<b>(1,183.9)</b>	<b>-67.3%</b>

**SOUTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 6-2  
TAXES BASED ON INCOME - TEST YEAR AT PROPOSED RATES**

Test Year 2018 (\$000)	ORA	Cal Am	Cal Am > ORA	ORA
Operating Revenue at Proposed Rates	99,648.8	109,866.7	10,217.8	10.3%
<b>Deductions:</b>				
Operating Expenses excluding uncollectibles	72,707.2	77,578.6	4,871.4	6.7%
Uncollectibles	498.8	613.3	114.5	23.0%
Domestic Production Activity Deduct	0.0	134.0	134.0	0.0%
Book Depreciation	9,076.4	9,075.9	(0.5)	0.0%
Interest Expense	4,803.1	5,222.9	419.8	8.7%
General Taxes	2,176.7	2,194.4	17.7	0.8%
Non-deductible Meals	(29.8)	(29.8)	0.0	0.0%
<b>Total Deductions</b>				
Total Deductions for Federal Tax	89,232.3	94,789.2	5,556.9	6.2%
Total Deductions for State Tax	89,232.3	94,655.3	5,422.9	6.1%
<b>Taxable Income - State</b>	<b>10,416.5</b>	<b>15,211.4</b>	<b>4,794.9</b>	<b>46.0%</b>
State Income Tax @ (see below)	920.8	1,344.7	423.9	46.0%
Less: Amort Deferred State ITC	0.0	0.0	0.0	0.0%
<b>STATE INCOME TAXES</b>	<b>920.8</b>	<b>1,344.7</b>	<b>423.9</b>	<b>46.0%</b>
Estimated State tax for 2017	1,379.0	738.4	(640.6)	-46.5%
<b>Taxable Income - Federal</b>	<b>9,037.5</b>	<b>14,339.1</b>	<b>5,301.6</b>	<b>58.7%</b>
Federal Income Tax @ (See below)	1,355.6	2,150.9	795.2	58.7%
Less: Amort Deferred Federal ITC	(37.1)	(37.1)	0.0	0.0%
<b>FEDERAL INCOME TAX</b>	<b>1,318.6</b>	<b>2,113.8</b>	<b>795.2</b>	<b>60.3%</b>
<i>State Income Tax Rate</i>	<i>8.84%</i>	<i>8.84%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Federal Income Tax Rate</i>	<i>15.00%</i>	<i>15.00%</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Total Income Taxes for Revenues at Proposed Rates</b>	<b>2,239.4</b>	<b>3,458.5</b>	<b>1,219.1</b>	<b>54.4%</b>

**SOUTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 7-1  
UTILITY PLANT IN SERVICE**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Plant in Service - Beginning of Year	290,849.2	290,805.9	(43.2)	0.0%
Gross Additions during a year	25,121.5	26,223.4	1,101.9	4.4%
Retirement and Other Adjustments:				
Retirements	931.5	931.0	(0.5)	-0.1%
Sales and Adjustments	0.0	0.0	0.0	0.0%
Capitalized Interest During Construction	0.0	0.0	0.0	0.0%
<b>Net Additions</b>	<b>24,190.0</b>	<b>25,292.4</b>	<b>1,102.4</b>	<b>4.6%</b>
Construction Work in Progress Beginning Balance	7,085.3	15,862.9	8,777.6	123.9%
Construction Work in Progress Ending Balance	2,441.1	14,587.8	12,146.7	497.6%
Construction Work in Progress Net Additions	(4,644.3)	(1,275.1)	3,369.2	-72.5%
Plant in Service - End of Year	314,071.2	316,098.3	2,027.1	0.6%
<i>Plant Weighting Factor</i>	<i>41.10%</i>	<i>41.10%</i>	0.0%	0.0%
<b>Weighted Average Plant in Service</b>	<b>305,967.8</b>	<b>316,539.9</b>	<b>10,572.2</b>	<b>3.5%</b>
<b>Escalation Year 2019 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Plant in Service - Beginning of Year	314,071.2	316,098.3	2,027.1	0.6%
Gross Additions during a year	22,398.9	26,634.3	4,235.4	18.9%
Retirement and Other Adjustments:				
Retirements	575.9	575.8	(0.1)	0.0%
Sales and Adjustments	0.0	0.0	0.0	0.0%
Capitalized Interest During Construction	0.0	0.0	0.0	0.0%
<b>Net Additions</b>	<b>21,823.1</b>	<b>26,058.5</b>	<b>4,235.4</b>	<b>19.4%</b>
Construction Work in Progress Beginning Balance	2,441.1	14,587.8	12,146.7	497.6%
Construction Work in Progress Ending Balance	4,499.1	28,373.6	23,874.5	530.7%
Construction Work in Progress Net Additions	2,058.0	13,785.8	11,727.8	569.9%
Plant in Service - End of Year	314,071.2	342,156.8	28,085.6	8.9%
<i>Plant Weighting Factor</i>	<i>41.10%</i>	<i>41.10%</i>	0.0%	0.0%
<b>Weighted Average Plant in Service</b>	<b>326,327.4</b>	<b>347,062.2</b>	<b>20,734.7</b>	<b>6.4%</b>



**SOUTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 8-1  
DEPRECIATION RESERVE & EXPENSE**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Depreciation Reserve - Beginning of Year	96,002.0	96,003.0	1.1	0.0%
Annual Accruals including Contribution Depreciation	8,473.3	8,471.6	(1.6)	0.0%
Retirements/Debits to Depreciation	931.5	931.0	(0.5)	-0.1%
(Salvage) Cost of Removal	(1,305.6)	(1,305.6)	0.0	0.0%
Depreciation Reserve Adjustment	0.0	0.0	0.0	0.0%
<b>Net Accrual</b>	<b>6,236.1</b>	<b>6,235.0</b>	<b>(1.1)</b>	<b>0.0%</b>
Depreciation Reserve - End of Year	102,238.1	102,238.0	(0.1)	0.0%
<i>Depreciation Reserve Weighting Factor (6-Year Average)</i>	<i>47.58%</i>	<i>47.58%</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Weighted Average Depreciation Reserve</b>	<b>98,969.1</b>	<b>98,969.6</b>	<b>0.5</b>	<b>0.0%</b>
<i>Deprec. expense related to CIAC</i>	<i>776.8</i>	<i>776.8</i>	<i>0.0</i>	<i>0.0%</i>
<i>Allocated GO Depreciation Expense</i>	<i>1,380.0</i>	<i>1,381.1</i>	<i>1.1</i>	<i>0.1%</i>
<i>Deprec. expense for summary of earnings calc.</i>	<b>9,076.4</b>	<b>9,075.9</b>	<b>(0.5)</b>	<b>0.0%</b>
<b>Escalation Year 2019 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Depreciation Reserve - Beginning of Year	102,238.1	102,238.0	(0.1)	0.0%
Annual Accruals including Contribution Depreciation	9,189.2	9,187.0	(2.2)	0.0%
Retirements/Debits to Depreciation	575.9	575.8	(0.1)	0.0%
Salvage/Cost of Removal	(1,028.0)	(1,028.0)	0.0	0.0%
Depreciation Reserve Adjustment	0.0	0.0	0.0	0.0%
<b>Net Accrual</b>	<b>7,585.3</b>	<b>7,583.2</b>	<b>(2.1)</b>	<b>0.0%</b>
Depreciation Reserve - End of Year	109,823.4	109,821.2	(2.2)	0.0%
<i>Depreciation Reserve Weighting Factor (6-Year Average)</i>	<i>47.58%</i>	<i>47.58%</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Weighted Average Depreciation Reserve</b>	<b>105,847.2</b>	<b>105,846.1</b>	<b>(1.1)</b>	<b>0.0%</b>
<i>Deprec. expense related to CIAC</i>	<i>780.0</i>	<i>780.0</i>	<i>0.0</i>	<i>0.0%</i>
<i>Allocated GO Depreciation Expense</i>	<i>1,574.8</i>	<i>1,576.2</i>	<i>1.3</i>	<i>0.1%</i>
<i>Deprec. expense for summary of earnings calc.</i>	<b>9,984.0</b>	<b>9,983.2</b>	<b>-83.0%</b>	<b>0.0%</b>

**SOUTHERN DIVISION  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 9-1  
WEIGHTED AVERAGE RATE BASE - TEST YEAR**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Weighted Average Plant In Service including advances for construction	305,967.8	316,539.9	10,572.2	3.5%
<b>Additions to Rate Base:</b>				
Materials and Supplies	257.4	292.5	35.0	13.6%
Working Cash, Operational	2,414.9	2,414.9	0.0	0.0%
Working Cash, Lead Lag	(265.8)	2,651.4	2,917.2	-1097.7%
Total Additions to Rate Base	2,406.6	5,358.8	2,952.2	122.7%
<b>Deductions from Rate Base:</b>				
Weighted Average Depreciation Reserve	(98,969.1)	(98,969.6)	(0.5)	0.0%
Advances for Construction	(6,531.4)	(6,531.4)	0.0	0.0%
Unamortized Advances (20-Year Amortization)	0.0	0.0	0.0	0.0%
Contribution In Aid of Construction (Including Def Rev on CAC)	(23,604.7)	(23,604.7)	0.0	0.0%
Unamortized Contribution (20-Year Amortization)	0.0	0.0	0.0	0.0%
Accumulated Deferred Federal Income Taxes	(19,962.1)	(20,032.1)	(70.0)	0.4%
Accumulated Deferred State Income Taxes	(5,360.2)	(5,359.7)	0.6	0.0%
Total Deductions from Rate Base	(154,427.5)	(154,497.4)	(69.9)	0.0%
<b>Weighted Average Rate Base</b>	<b>153,946.8</b>	<b>167,401.3</b>	<b>13,454.4</b>	<b>8.7%</b>
<b>Interest Calculation (for Tax Deductions):</b>				
Weighted Avg. Rate Base less customer deposits in Working Cash	153,946.8	167,401.3	13,454.4	8.7%
Weighted Cost of Debt	3.12%	3.12%	0.0%	0.0%
Interest Expense	4,803.1	5,222.9	419.8	8.7%
<b>Required return after tax (in \$)</b>				
Weighted Cost of Capital	8.41%	8.41%	0.0%	0.0%
Required Return	12,946.9	14,078.4	1,131.5	8.7%

SOUTHERN DIVISION				
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002				
TABLE 9-2				
WEIGHTED AVERAGE RATE BASE - ESCALATION YEAR				
Escalation Year 2019 (\$000)	ORA	Cal Am	Cal Am > ORA	
Weighted Average Plant In Service including advances for construction	326,327.4	347,062.2	20,734.7	6.4%
<u>Additions to Rate Base:</u>				
Materials and Supplies	265.3	301.3	36.1	13.6%
Working Cash, Operational	2,050.4	2,050.4	0.0	0.0%
Working Cash, Lead Lag	(64.5)	2,848.4	2,912.8	-4519.3%
Total Additions to Rate Base	2,251.3	5,200.2	2,948.9	131.0%
<u>Deductions from Rate Base:</u>				
Weighted Average Depreciation Reserve	(105,847.2)	(105,846.1)	1.1	0.0%
Advances for Construction	(6,355.2)	(6,355.2)	0.0	0.0%
Unamortized Advances (20-Year Amortization)	0.0	0.0	0.0	0.0%
Contribution In Aid of Construction (Including Def Rev on CAC)	(22,966.8)	(22,966.8)	0.0	0.0%
Unamortized Contribution (20-Year Amortization)	0.0	0.0	0.0	0.0%
Accumulated Deferred Federal Income Taxes	(23,366.2)	(23,576.6)	(210.4)	0.9%
Accumulated Deferred State Income Taxes	(6,034.9)	(6,037.2)	(2.3)	0.0%
Total Deductions from Rate Base	(164,570.2)	(164,781.9)	(211.7)	0.1%
<b>Weighted Average Rate Base</b>	<b>164,008.5</b>	<b>187,480.4</b>	<b>23,471.9</b>	<b>14.3%</b>
<u>Interest Calculation (for Tax Deductions):</u>				
Weighted Avg. Rate Base less customer deposits in Working Cash	164,008.5	187,480.4	23,471.9	14.3%
Weighted Cost of Debt	3.12%	3.12%	0.0%	0.0%
Interest Expense	5,117.1	5,849.4	732.3	14.3%
<u>Required return after tax (in \$)</u>				
Weighted Cost of Capital	8.41%	8.41%	0.0%	0.0%
Required Return	13,793.1	15,767.1	1,974.0	14.3%



**V. MONTEREY WASTEWATER – RESULTS OF OPERATION  
TABLES**

**MONTEREY WASTEWATER  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 1-1  
SUMMARY OF EARNINGS - TEST YEAR**

Test Year 2018 (\$000)	ORA- Present Rates	Cal Am- Present Rates	Cal Am > ORA	
<b>Total Revenue</b>	<b>3,385.5</b>	<b>3,325.5</b>	(60.0)	-1.8%
<b>Operation and Maintenance Expenses:</b>				
Labor	989.3	1,067.5	78.2	7.9%
Purchased Water	0.0	0.0	0.0	0.0%
Purchased Power	137.3	140.5	3.1	2.3%
Chemicals	250.0	296.0	45.9	18.4%
Operation and Maintenance	438.4	447.7	9.3	2.1%
Customer Accounting	33.6	33.8	0.2	0.5%
Uncollectibles	12.2	17.1	4.9	39.6%
<b>General and Administrative Expenses:</b>				
Insurance	45.1	52.5	7.4	16.4%
Pensions and Benefits	350.0	352.0	2.0	0.6%
Regulatory Expense	6.3	5.7	(0.6)	-9.2%
Rents	9.4	9.4	(0.0)	-0.5%
Outside Services	163.0	166.4	3.4	2.1%
Other Administrative & General	178.7	181.8	3.1	1.7%
Subtotal	2,613.5	2,770.4	156.8	6.0%
Service Company	139.1	184.0	44.9	32.3%
Citizens Acquisition Premium	0.0	0.0	0.0	0.0%
GO Return on Rate Base	25.0	37.2	12.2	49.0%
Reserved	0.0	0.0	0.0	0.0%
<b>Total O&amp;M and G&amp;A Expenses</b>	<b>2,777.6</b>	<b>2,991.6</b>	<b>213.9</b>	<b>7.7%</b>
Depreciation	296.8	295.5	(1.3)	-0.4%
General Taxes	96.8	97.5	0.6	0.7%
<b>Total Operating Expenses</b>	<b>3,171.2</b>	<b>3,384.5</b>	<b>213.3</b>	<b>6.7%</b>
<b>Income before taxes</b>	<b>214.2</b>	<b>(59.1)</b>	(273.3)	-127.6%
State Income Taxes	13.7	(11.1)	(24.8)	-181.4%
Federal Income Taxes	19.4	(42.6)	(62.0)	-319.9%
<b>Income After Tax</b>	<b>181.2</b>	<b>(5.3)</b>	<b>(186.5)</b>	<b>-102.9%</b>
Weighted Average Rate Base	1,943.9	2,189.3	245.3	12.6%
<b>Return on Rate Base at Present Rates</b>	<b>9.32%</b>	<b>-0.24%</b>	<b>-9.56%</b>	<b>-102.6%</b>
<b>Test Year 2018 (\$000)</b>				
	<b>ORA- Proposed Rates</b>	<b>Cal Am- Proposed Rates</b>	<b>Cal Am &gt; ORA</b>	
<b>Total Revenue</b>	<b>3,362.4</b>	<b>3,652.9</b>	290.5	8.6%
<b>Operation and Maintenance Expenses:</b>				
Labor	989.3	1,067.5	78.2	7.9%
Purchased Water	0.0	0.0	0.0	0.0%
Purchased Power	137.3	140.5	3.1	2.3%
Chemicals	250.0	296.0	45.9	18.4%
Operation and Maintenance	438.4	447.7	9.3	2.1%
Customer Accounting	33.6	33.8	0.2	0.5%
Uncollectibles	12.2	18.7	6.5	53.8%
<b>General and Administrative Expenses:</b>				
Insurance	45.1	52.5	7.4	16.4%
Pensions and Benefits	350.0	352.0	2.0	0.6%
Regulatory Expense	6.3	5.7	(0.6)	-9.2%
Rents	9.4	9.4	(0.0)	-0.5%
Outside Services	163.0	166.4	3.4	2.1%
Other Administrative & General	178.7	181.8	3.1	1.7%
Subtotal	2,613.5	2,772.0	158.5	6.1%
Service Company	139.1	184.0	44.9	32.3%
Citizens Acquisition Premium	0.0	0.0	0.0	0.0%
GO Return on Rate Base	25.0	37.2	12.2	49.0%
Reserved	0.0	0.0	0.0	0.0%
<b>Total O&amp;M and G&amp;A Expenses</b>	<b>2,777.5</b>	<b>2,993.2</b>	<b>215.6</b>	<b>7.8%</b>
Depreciation	296.8	295.5	(1.3)	-0.4%
General Taxes	96.8	97.5	0.6	0.7%
<b>Total Operating Expenses</b>	<b>3,171.2</b>	<b>3,386.1</b>	<b>215.0</b>	<b>6.8%</b>
<b>Income before taxes</b>	<b>191.3</b>	<b>266.7</b>	75.5	39.5%
State Income Taxes	11.7	17.7	6.0	51.4%
Federal Income Taxes	16.1	64.9	48.8	302.2%
<b>Income After Tax</b>	<b>163.5</b>	<b>184.2</b>	20.7	12.7%
Weighted Average Rate Base	1,943.9	2,189.3	245.3	12.6%
<b>Return on Rate Base at Proposed Rates</b>	<b>8.41%</b>	<b>8.41%</b>	<b>0.00%</b>	<b>0.0%</b>

**MONTEREY WASTEWATER  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 1-2  
SUMMARY OF EARNINGS - ESCALATION YEARS**

For Illustrative Purposes (\$000)	ORA 2019	ORA 2020	2019-2020 Increase	
<b>Total Revenue</b>	<b>3,575.2</b>	<b>3,700.6</b>	<b>125.4</b>	<b>3.5%</b>
<b>Operation and Maintenance Expenses:</b>				
Labor	1,096.7	1,109.9	13.2	1.2%
Purchased Water	0.0	0.0	0.0	0.0%
Purchased Power	141.5	144.7	3.2	2.3%
Chemicals	257.6	263.5	5.9	2.3%
Operation and Maintenance	452.3	462.6	10.3	2.3%
Customer Accounting	34.6	35.4	0.8	2.3%
Uncollectibles	12.9	13.0	0.1	0.5%
<b>General and Administrative Expenses:</b>				
Insurance	46.4	47.5	1.1	2.3%
Pensions and Benefits	394.8	403.8	9.0	2.3%
Regulatory Expense	6.3	6.4	0.1	2.3%
Rents	9.5	9.7	0.2	2.3%
Outside Services	168.0	171.8	3.8	2.3%
Other Administrative & General	184.1	188.3	4.2	2.3%
Subtotal	<b>2,804.8</b>	<b>2,856.7</b>	51.9	1.8%
Service Company	143.4	146.7	3.3	2.3%
Citizens Acquisition Premium	0.0	0.0	0.0	0.0%
GO Return on Rate Base	23.6	35.5	11.9	50.6%
San Clemente Dam	23.6	24.1	0.5	2.3%
<b>Total O&amp;M and G&amp;A Expenses</b>	<b>2,995.5</b>	<b>3,063.1</b>	67.6	2.3%
Depreciation	309.8	316.9	7.1	2.3%
General Taxes	99.0	101.2	2.3	2.3%
<b>Total Operating Expenses</b>	<b>3,404.3</b>	<b>3,481.2</b>	76.9	2.3%
<b>Income before taxes</b>	<b>170.9</b>	<b>219.4</b>	48.5	28.4%
Total Income Taxes	28.1	30.3	2.2	7.7%
<b>Income After Tax</b>	<b>142.8</b>	<b>189.1</b>	46.3	32.4%
Weighted Average Rate Base	1,979.1	2,248.8	269.7	13.6%
<b>Return on Rate Base</b>	<b>7.22%</b>	<b>8.41%</b>		

\* Assumed escalation factors of 2.28% for composite and 1.20% for labor, for 2018.

Net-to-Gross (NTG) Multiplier for Other Offset Filings	with income tax effect	w/o income tax effect	Calculations
1 Uncollectibles Rate	0.51410%	0.51410%	
2 100% - (Uncollectibles Rate)	99.48590%	99.48590%	100% - [1]
3 Local Franchise Tax Rate	0.00000%	0.00000%	
4 Local Franchise Tax	0.00000%	0.00000%	[2] x [3]
5 Business License Rate	0.00000%	0.00000%	
6 Business License cost	0.00000%	0.00000%	[2] x [5]
7 Subtotal	0.51410%	0.51410%	[1+4+6]
8 100% - Subtotal	99.48590%	99.48590%	100% - [7]
Amount subject to California Franchise Tax (CCFT) and Federal Income Tax (FIT)			
9 California Corporate Franchise Tax Rate	8.84%		
10 California Corporate Franchise Tax	8.79455%		[8] x [9]
11 American Jobs Creation Act Rate	0.00%		
12 American Jobs Creation Act deductions *	0.00000%		[8-1]x[11]xprod%
13 Federal Income Tax Rate	15.00%		
14 Federal Income Tax	13.60370%		[8-10-12] x 13
15 Total Taxes Paid	22.91236%	0.51410%	[7+10+14]
16 Net After Taxes	77.08764%	99.48590%	100% - [15]
<b>NTG Multiplier</b>	<b>1.29722</b>	<b>1.00517</b>	1 / [16]

**MONTEREY WASTEWATER  
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**TABLE 2-2  
AVERAGE NUMBER OF CUSTOMERS (SERVICE CONNECTIONS)**

<b>Test Year 2018</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
<b>Passive Customers</b>				
Village Greens				
Residential	21	21	0	0%
White Oaks				
Residential	40	40	0	0%
Oak Hills				
Residential /Sm Commercial	446	446	0	0%
Spreckels				
Residential / Small Commercial	329	284	(45)	-14%
Large Commercial	40	30	(10)	-25%
Industrial	2	2	0	0%
Public Authority	3	3	0	0%
Sub-Total Spreckels	374	319	(55)	-15%
Sub-Total Passive Customers	881	826	(55)	-6%
<b>Active Customers</b>				
Pasadera				
Residential	255	255	0	0%
Commercial	14	14	0	0%
Sub-Total Pasadera	269	269	0	0%
Las Palmas				
Residential	1,029	1,016	(13)	-1%
Golf Courses (4 EDU's)	1	1	0	0%
Commercial (6 EDU's)	1	1	0	0%
Public Authority 5EDU's)	1	1	0	0%
Sub-Total Las Palmas	1,032	1,019	(13)	-1%
Carmel Valley Ranch				
Residential	300	300	0	0%
Hotel (144 EDU's)	1	1	0	0%
Sub-Total Carmel Valley Ranch	301	301	0	0%
Indian Springs				
Residential	173	173	0	0%
Small Commercial	0	0	0	0%
Sub-Total Indian Springs	173	173	0	0%
Sub-Sub-Total Active Customers	1,775	1,762	(13)	-1%
<b>Total Service Connections</b>	<b>2,656</b>	<b>2,588</b>	<b>(68)</b>	<b>-3%</b>
<b>Escalation Year 2019</b>				
	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
<b>Passive Customers</b>				
Village Greens				
Residential	21	21	0	0%
White Oaks				
Residential	40	40	0	0%
Oak Hills				
Residential /Sm Commercial	446	446	0	0%
Spreckels				
Residential / Small Commercial	327	334	7	2%
Large Commercial	44	30	(14)	-32%
Industrial	2	2	0	0%
Public Authority	3	3	0	0%
Sub-Total Spreckels	376	369	(7)	-2%
Sub-Total Passive Customers	883	876	(7)	-1%
<b>Active Customers</b>				
Pasadera				
Residential	255	255	0	0%
Commercial	14	14	0	0%
Sub-Total Pasadera	269	269	0	0%
Las Palmas				
Residential	1,034	1,016	(18)	-2%
Golf Courses (4 EDU's)	1	1	0	0%
Commercial (6 EDU's)	1	1	0	0%
Public Authority 5EDU's)	1	1	0	0%
Sub-Total Las Palmas	1,037	1,019	(18)	-2%
Carmel Valley Ranch				
Residential	300	300	0	0%
Hotel (144 EDU's)	1	1	0	0%
Sub-Total Carmel Valley Ranch	301	301	0	0%
Indian Springs				
Residential	173	173	0	0%
Small Commercial	0	0	0	0%
Sub-Total Indian Springs	173	173	0	0%
Sub-Sub-Total Active Customers	1,780	1,762	(18)	-1%
<b>Total Service Connections</b>	<b>2,663</b>	<b>2,638</b>	<b>(25)</b>	<b>-1%</b>



MONTEREY WASTEWATER					
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TABLE 2-4					
OPERATING REVENUES AT PRESENT RATES					
Test Year 2018 (\$000)		ORA	Cal Am	Cal Am > ORA	
<b>PASSIVE</b>					
	Village Greens	13.6	13.6	0.0	0.0%
	White Oaks	25.8	25.8	0.0	0.0%
	Oak Hills	288.2	288.2	0.0	0.0%
	Spreckels	274.9	232.9	(42.0)	-15.3%
	Subtotal	602.5	560.5	(42.0)	-7.0%
<b>ACTIVE</b>					
	Pasadera	387.0	387.0	0.0	0.0%
	Las Palmas	1,501.3	1,483.3	(18.0)	-1.2%
	Carmel Valley Ranch	638.8	638.8	0.0	0.0%
	Indian Springs	248.9	248.9	0.0	0.0%
	Subtotal	2,776.0	2,758.0	(18.0)	-0.6%
<b>TOTAL OPERATING REVENUES</b>		<b>3,378.4</b>	<b>3,318.4</b>	(60.0)	-1.8%
<b>Total Revenues at Present Rates, Test Year 2018</b>		<b>3,378.4</b>	<b>3,318.4</b>	<b>(60.0)</b>	<b>-1.8%</b>
Escalation Year 2019 (\$000)		ORA	Cal Am	Cal Am > ORA	
<b>ACTIVE</b>					
	Pasadera	13.5	14.9	1.4	10.6%
	Las Palmas	25.7	28.4	2.7	10.6%
	Carmel Valley Ranch	286.2	316.5	30.3	10.6%
	Indian Springs	276.9	291.3	14.5	5.2%
	Subtotal	602.2	651.1	49.0	8.1%
<b>ACTIVE</b>					
	Pasadera	384.4	425.1	40.7	10.6%
	Las Palmas	1,498.1	1,629.3	131.1	8.8%
	Carmel Valley Ranch	634.4	701.7	67.2	10.6%
	Indian Springs	247.2	273.4	26.2	10.6%
	Subtotal	2,764.1	3,029.4	265.3	9.6%
<b>TOTAL OPERATING REVENUES</b>		<b>3,366.3</b>	<b>3,680.5</b>	314.3	9.3%
<b>Total Revenues at Present Rates, Escal. Year 2019</b>		<b>3,366.3</b>	<b>3,680.5</b>	<b>314.3</b>	<b>9.3%</b>

**MONTEREY WASTEWATER  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 3-1  
OPERATIONS & MAINTENANCE EXPENSES - TEST YEAR**

Test Year 2018 (\$000)	ORA	Cal Am	Cal Am > ORA	
<b>Expenses (Operation, Maintenance, and A&amp;G):</b>				
Labor	989.3	1,067.5	78.2	7.9%
704 Purchased Water	0.0	0.0	0.0	0.0%
726 Purchased Power	137.3	140.5	3.1	2.3%
744 Chemicals	250.0	296.0	45.9	18.4%
Operation and Maintenance	438.4	447.7	9.3	2.1%
Customer Accounting	33.6	33.8	0.2	0.5%
Insurance (Property and Injuries & Damages)	45.1	52.5	7.4	16.4%
795 Pensions and Benefits	350.0	352.0	2.0	0.6%
797 Regulatory Expense	6.3	5.7	(0.6)	-9.2%
811 Rents	9.4	9.4	(0.0)	-0.5%
Other Administrative and General	341.7	348.2	6.5	1.9%
Subtotal	2,601.3	2,753.3	152.0	5.8%
Service Company	139.1	184.0	44.9	32.3%
Citizens Acquisition Premium	-	-	0.0	0.0%
GO Return on Rate Base	25.0	37.2	12.2	49.0%
Reserved	-	-	0.0	0.0%
<b>Total Expenses excluding Uncollectibles</b>	<b>2,765.4</b>	<b>2,974.5</b>	<b>209.1</b>	<b>7.6%</b>
<b>At Present Rates</b>				
Total Revenues (including deferred Revenue on CIAC)	3,385.5	3,325.5	(60.0)	-1.8%
Uncollectible Rate	0.3617%	0.5141%	0.1524%	42.1%
Uncollectibles Expense	12.2	17.1	4.9	39.6%
Leak Adjustment - Uncollectibles	0.0	0.0		
Total Uncollectibles Expense	12.2	17.1		
<b>Total Expenses including Uncollectibles (at Present Rate)</b>	<b>2,777.6</b>	<b>2,991.6</b>	<b>213.9</b>	<b>7.7%</b>
<b>At Proposed Rates</b>				
Total Revenues (including deferred Revenue on CIAC)	3,362.4	3,652.9	290.5	8.6%
Uncollectible Rate	0.3617%	0.5141%	0.1524%	42.1%
Uncollectibles Expense	12.2	18.8	6.6	54.4%
Leak Adjustment - Uncollectibles	0.0	0.0		
Total Uncollectibles Expense	12.2	18.8		
<b>Total Expenses including Uncollectibles (at Proposed Rate)</b>	<b>2,777.5</b>	<b>2,993.3</b>	<b>215.7</b>	<b>7.8%</b>

**MONTEREY WASTEWATER  
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**TABLE 4-1  
TOTAL EXPENSES EXCLUDING PAYROLL  
(For Information Only)**

Test Year 2018	(\$000)	ORA	Cal Am	Cal Am > ORA	
<b>Operation Expenses (Excluding Payroll):</b>					
702	SS Operation Labor and Expenses	0.0	0.0	0.0	0.0%
703	SS Miscellaneous Expenses	6.0	6.2	0.1	2.3%
704	SS Purchased Water	0.0	0.0	0.0	0.0%
722	PP Power production Labor and Exp	0.0	0.0	0.0	0.0%
724	PP Pumping Labor and Expenses	0.0	0.0	0.0	0.0%
725	PP Miscellaneous Expenses	0.6	0.6	0.0	2.2%
726	PP Fuel or Power Purchased for Pumping	137.3	140.5	3.1	2.3%
742	WT Operation Labor and Expenses	1.9	2.0	0.0	2.3%
743	WT Miscellaneous Expenses	236.8	242.2	5.4	2.3%
744	WT Chemicals and Filtering Materials	250.0	296.0	45.9	18.4%
752	TD Storage Facilities Expenses	0.0	0.0	0.0	0.0%
753	TD Transmission and Distribution	0.0	0.0	0.0	0.0%
754	TD Meter Expenses	0.0	0.0	0.0	0.0%
755	TD Customer Installations Expense	0.0	0.0	0.0	0.0%
756	TD Miscellaneous Expenses	44.7	45.0	0.3	0.7%
772	CA Meter Reading Expenses	0.0	0.0	0.0	0.0%
773	CA Customer Records and Collection	4.0	4.0	(0.0)	-0.2%
774	CA Miscellaneous Customer Account	29.6	29.8	0.2	0.6%
775	CA Uncollectible Accounts	17.4	17.1	(0.3)	-1.8%
999	Divisional Allocation	0.0	0.0	0.0	0.0%
<b>Total Operation Expenses (Excluding Payroll)</b>		<b>728.4</b>	<b>783.2</b>	<b>54.8</b>	<b>7.5%</b>
<b>Maintenance Expense</b>					
707	SS Maintenance of Structures and Impr	0.0	0.0	0.0	0.0%
708	SS Maint of Collecting and Imp Resrv	0.0	0.0	0.0	0.0%
709	SS Maintenance of Lake, River and Intakes	0.0	0.0	0.0	0.0%
710	SS Maintenance of Springs and Tunnels	0.0	0.0	0.0	0.0%
711	SS Maintenance of Wells	0.0	0.0	0.0	0.0%
712	SS Maintenance of Supply Mains	0.0	0.0	0.0	0.0%
713	SS Maintenance of Other Source of Supply	9.0	9.2	0.2	2.3%
730	PP Maintenance of Structures and Impr	0.0	0.0	0.0	0.0%
731	PP Maintenance of Power Production	0.0	0.0	0.0	0.0%
733	PP Maintenance of Other Pumping	(0.0)	(0.0)	0.0	-0.2%
747	WT Maintenance of Structures and Impr	0.0	0.0	0.0	0.0%
748	WT Maintenance of Wter Treatment	126.2	129.1	2.9	2.3%
759	TD Maintenance of Structures and Impr	0.0	0.0	0.0	0.0%
760	TD Maintenance of Reservoirs and Tanks	0.0	0.0	0.0	0.0%
761	TD Maintenance of Transmission and Distr	0.0	0.0	0.0	0.0%
762	TD Maintenance of Fire Mains	0.0	0.0	0.0	0.0%
763	TD Maintenance of Services	0.0	0.0	0.0	0.0%
764	TD Maintenance of Meters	0.0	0.0	0.0	0.0%
765	TD Maintenance of Hydrants	0.0	0.0	0.0	0.0%
766	TD Maintenance of Miscellaneous Plant	13.2	13.5	0.3	2.3%
<b>Total Maintenance Expense</b>		<b>148.4</b>	<b>151.8</b>	<b>3.4</b>	<b>2.3%</b>
<b>Administrative &amp; General Expenses:</b>					
791	AG Admin and General Salaries	0.0	0.0	0.0	0.0%
792	AG Office Supplies and Other Exp	4.3	4.3	0.0	0.6%
793	AG Property Insurance	5.9	5.9	(0.0)	-0.2%
794	AG Injuries and Damages	39.1	46.5	7.4	18.9%
795	AG Employees' Pensions and Benefits	350.0	352.0	2.0	0.6%
797	AG Regulatory Commission Expenses	6.3	5.7	(0.6)	-9.2%
798	AG Outside Services Employed	163.0	166.4	3.4	2.1%
799	AG Miscellaneous General Expenses	171.3	174.4	3.1	1.8%
805	AG Maintenance of General Plant	3.1	3.1	(0.0)	-0.2%
811	AG Rents	9.4	9.4	(0.0)	-0.5%
<b>Total Administrative and General Expenses</b>		<b>752.5</b>	<b>767.8</b>	<b>15.3</b>	<b>2.0%</b>

Escalation Year 2019 (\$000)		ORA	Cal Am	Cal Am > ORA	
<b>Operation Expenses (Excluding Payroll):</b>					
702	SS Operation Labor and Expenses	0.0	0.0	0.0	0.0%
703	SS Miscellaneous Expenses	6.2	6.3	0.1	2.3%
704	SS Purchased Water	0.0	0.0	0.0	0.0%
722	PP Power production Labor and Exp	0.0	0.0	0.0	0.0%
724	PP Pumping Labor and Expenses	0.0	0.0	0.0	0.0%
725	PP Miscellaneous Expenses	0.6	0.6	0.0	2.2%
726	PP Fuel or Power Purchased for Pumping	141.5	144.7	3.2	2.3%
742	WT Operation Labor and Expenses	2.0	2.0	0.0	2.3%
743	WT Miscellaneous Expenses	244.0	249.6	5.6	2.3%
744	WT Chemicals and Filtering Materials	257.6	305.0	47.3	18.4%
752	TD Storage Facilities Expenses	0.0	0.0	0.0	0.0%
753	TD Transmission and Distribution	0.0	0.0	0.0	0.0%
754	TD Meter Expenses	0.0	0.0	0.0	0.0%
755	TD Customer Installations Expense	0.0	0.0	0.0	0.0%
756	TD Miscellaneous Expenses	46.6	46.9	0.3	0.7%
772	CA Meter Reading Expenses	0.0	0.0	0.0	0.0%
773	CA Customer Records and Collection	4.1	4.1	(0.0)	-0.2%
774	CA Miscellaneous Customer Account	30.5	30.7	0.2	0.6%
775	CA Uncollectible Accounts	17.3	18.9	1.6	9.2%
999	Divisional Allocation	0.0	0.0	0.0	0.0%
<b>Total Operation Expenses (Excluding Payroll)</b>		<b>750.5</b>	<b>808.8</b>	<b>58.4</b>	<b>7.8%</b>
<b>Maintenance Expense</b>					
707	SS Maintenance of Structures and Impr	0.0	0.0	0.0	0.0%
708	SS Maint of Collecting and Imp Resrv	0.0	0.0	0.0	0.0%
709	SS Maintenance of Lake, River and Intakes	0.0	0.0	0.0	0.0%
710	SS Maintenance of Springs and Tunnels	0.0	0.0	0.0	0.0%
711	SS Maintenance of Wells	0.0	0.0	0.0	0.0%
712	SS Maintenance of Supply Mains	0.0	0.0	0.0	0.0%
713	SS Maintenance of Other Source of Supply	9.3	9.5	0.2	2.3%
730	PP Maintenance of Structures and Impr	0.0	0.0	0.0	0.0%
731	PP Maintenance of Power Production	0.0	0.0	0.0	0.0%
733	PP Maintenance of Other Pumping	(0.0)	(0.0)	0.0	-0.2%
747	WT Maintenance of Structures and Impr	0.0	0.0	0.0	0.0%
748	WT Maintenance of Wter Treatment	130.0	133.0	3.0	2.3%
759	TD Maintenance of Structures and Impr	0.0	0.0	0.0	0.0%
760	TD Maintenance of Reservoirs and Tanks	0.0	0.0	0.0	0.0%
761	TD Maintenance of Transmission and Distr	0.0	0.0	0.0	0.0%
762	TD Maintenance of Fire Mains	0.0	0.0	0.0	0.0%
763	TD Maintenance of Services	0.0	0.0	0.0	0.0%
764	TD Maintenance of Meters	0.0	0.0	0.0	0.0%
765	TD Maintenance of Hydrants	0.0	0.0	0.0	0.0%
766	TD Maintenance of Miscellaneous Plant	13.6	13.9	0.3	2.3%
<b>Total Maintenance Expense</b>		<b>152.9</b>	<b>156.4</b>	<b>3.5</b>	<b>2.3%</b>
<b>Administrative &amp; General Expenses:</b>					
791	Salaries	0.0	0.0	0.0	0.0%
792	Office Supplies	4.4	4.4	0.0	0.6%
793	Property Insurance	6.1	6.1	(0.0)	-0.2%
794	Injuries and Damages	40.3	49.0	8.7	21.6%
795	Pensions, Benefits & PBOP	394.8	394.1	(0.7)	-0.2%
797	Regulatory Commission	6.3	22.9	16.6	263.3%
798	Outside Services	168.0	171.5	3.5	2.1%
799	General Corporate	176.5	179.7	3.2	1.8%
805	Dues & Membership	3.2	3.2	(0.0)	-0.2%
811	Rents	9.5	9.4	(0.0)	-0.5%
<b>Total Administrative and General Expenses</b>		<b>809.1</b>	<b>840.4</b>	<b>31.3</b>	<b>3.9%</b>

**MONTEREY WASTEWATER  
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002**

**TABLE 5-1  
TAXES OTHER THAN INCOME**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
<b>OTHER TAXES</b>				
Ad Valorem	13.3	13.3	(0.0)	0.0%
Franchise Taxes	0.0	0.0	0.0	0.0%
Payroll Taxes	83.4	84.1	0.7	0.8%
Other	0.1	0.1	(0.0)	-0.2%
Non-Utility	0.0	0.0	0.0	0.0%
<b>Total Taxes Other Than Income, At Proposed Rates</b>	<b>96.8</b>	<b>97.5</b>	<b>0.6</b>	<b>0.7%</b>
<b>Escalation Year 2019 (\$000)</b>				
<b>OTHER TAXES</b>				
Ad Valorem	13.6	13.6	(0.0)	0.0%
Franchise Taxes	0.0	0.0	0.0	0.0%
Payroll Taxes	85.3	86.0	0.7	0.8%
Other	0.1	0.1	(0.0)	-0.2%
Non-Utility	0.0	0.0	0.0	0.0%
<b>Total Taxes Other Than Income, At Proposed Rates</b>	<b>99.0</b>	<b>99.6</b>	<b>0.6</b>	<b>0.7%</b>

**MONTEREY WASTEWATER  
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**TABLE 6-1  
TAXES BASED ON INCOME - TEST YEAR AT PRESENT RATES**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Operating Revenue at Present Rates	3,385.5	0.0	(3,385.5)	-100.0%
<b>Deductions:</b>				
Operating Exps less uncollectibles	2,765.4	2,974.5	209.1	7.6%
Uncollectibles	12.2	17.1	4.8	39.3%
Domestic Production Activity Deduct	14.4	0.0	(14.4)	-100.0%
Book Depreciation	296.8	295.5	(1.3)	-0.4%
Interest Expense	60.7	68.3	7.7	12.6%
General Taxes	96.8	97.5	0.6	0.7%
Non-deductible Meals	(1.3)	(1.3)	0.0	0.0%
<b>Total Deductions</b>				
Total Deductions for Federal Tax	3,245.0	3,451.5	206.5	6.4%
Total Deductions for State Tax	3,230.6	3,451.5	220.9	6.8%
Taxable Income - State	154.8	(3,451.5)	(3,606.4)	-2329.0%
State Income Tax @ (see below)	13.7	(305.1)	(318.8)	-2329.0%
Less: Amort Deferred State ITC	0.0	0.0	0.0	0.0%
<b>STATE INCOME TAXES</b>	<b>13.7</b>	<b>(305.1)</b>	<b>(318.8)</b>	<b>-2329.0%</b>
Estimated State tax for 2017	11.3	(4.3)	(15.6)	-138.1%
Taxable Income - Federal	129.2	(3,447.2)	(3,576.4)	-2769.1%
Federal Income Tax @ (See below)	19.4	(517.1)	(536.5)	-2769.1%
Less: Amort Deferred Federal ITC	0.0	0.0	0.0	0.0%
<b>FEDERAL INCOME TAX</b>	<b>19.4</b>	<b>(517.1)</b>	<b>(536.5)</b>	<b>-2769.1%</b>
<i>State Income Tax Rate</i>	<i>8.84%</i>	<i>8.84%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Federal Income Tax Rate</i>	<i>15.00%</i>	<i>15.00%</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Total Income Taxes for Revenues at Present Rates</b>	<b>33.1</b>	<b>(822.2)</b>	<b>(855.3)</b>	<b>-2586.9%</b>

**MONTEREY WASTEWATER  
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**TABLE 6-2  
TAXES BASED ON INCOME - TEST YEAR AT PROPOSED RATES**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Operating Revenue at Proposed Rates	3,362.4	3,652.9	290.5	8.6%
<b>Deductions:</b>				
Operating Expenses excluding uncollectibles	2,765.4	2,974.5	209.1	7.6%
Uncollectibles	12.2	18.7	6.6	54.1%
Domestic Production Activity Deduct	13.0	18.5	5.5	42.4%
Book Depreciation	296.8	295.5	(1.3)	-0.4%
Interest Expense	60.7	68.3	7.7	12.6%
General Taxes	96.8	97.5	0.6	0.7%
Non-deductible Meals	(1.3)	(1.3)	0.0	0.0%
<b>Total Deductions</b>				
Total Deductions for Federal Tax	3,243.5	3,471.7	228.2	7.0%
Total Deductions for State Tax	3,230.5	3,453.2	222.7	6.9%
Taxable Income - State	131.9	199.7	67.8	51.4%
State Income Tax @ (see below)	11.7	17.7	6.0	51.4%
Less: Amort Deferred State ITC	0.0	0.0	0.0	0.0%
<b>STATE INCOME TAXES</b>	<b>11.7</b>	<b>17.7</b>	<b>6.0</b>	<b>51.4%</b>
Estimated State tax for 2017	11.3	(4.3)		
Taxable Income - Federal	107.6	185.5	77.9	72.4%
Federal Income Tax @ (See below)	16.1	27.8	11.7	72.4%
Less: Amort Deferred Federal ITC	0.0	0.0	0.0	0.0%
<b>FEDERAL INCOME TAX</b>	<b>16.1</b>	<b>27.8</b>	<b>11.7</b>	<b>72.4%</b>
<i>State Income Tax Rate</i>	<i>8.84%</i>	<i>8.84%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Federal Income Tax Rate</i>	<i>15.00%</i>	<i>15.00%</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Total Income Taxes for Revenues at Proposed Rates</b>	<b>27.8</b>	<b>45.5</b>	<b>17.7</b>	<b>63.6%</b>

**MONTEREY WASTEWATER  
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**TABLE 7-1  
UTILITY PLANT IN SERVICE**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Plant in Service - Beginning of Year	17,666.8	17,666.3	(0.5)	0.0%
Gross Additions during a year	272.1	272.1	0.0	0.0%
Retirement and Other Adjustments:				
Retirements	8.9	8.9	0.0	0.0%
Sales and Adjustments	0.0	0.0	0.0	0.0%
Capitalized Interest During Construction	0.0	0.0	0.0	0.0%
Net Additions	263.1	263.1	0.0	0.0%
Construction Work in Progress Beginning Balance	(0.0)	0.0	0.0	-100.0%
Construction Work in Progress Ending Balance	(0.0)	0.0	0.0	-300.0%
Construction Work in Progress Net Additions	0.0	0.0	0.0	0.0%
Plant in Service - End of Year	17,929.9	17,929.4	(0.5)	0.0%
<i>Plant Weighting Factor</i>	35.51%	35.51%	0.0%	0.0%
<b>Weighted Average Plant in Service</b>	<b>17,760.2</b>	<b>17,759.7</b>	<b>(0.5)</b>	<b>0.0%</b>
<b>Escalation Year 2019 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Plant in Service - Beginning of Year	17,929.9	17,929.4	(0.5)	0.0%
Gross Additions during a year	259.3	259.3	0.0	0.0%
Retirement and Other Adjustments:				
Retirements	5.9	5.9	0.0	0.0%
Sales and Adjustments	0.0	0.0	0.0	0.0%
Capitalized Interest During Construction	0.0	0.0	0.0	0.0%
Net Additions	253.4	253.4	0.0	0.0%
Construction Work in Progress Beginning Balance	(0.0)	0.0	0.0	-300.0%
Construction Work in Progress Ending Balance	(0.0)	0.0	0.0	-150.0%
Construction Work in Progress Net Additions	(0.0)	(0.0)	0.0	0.0%
Plant in Service - End of Year	17,929.9	18,182.8	252.9	1.4%
<i>Plant Weighting Factor</i>	35.51%	35.51%	0.0%	0.0%
<b>Weighted Average Plant in Service</b>	<b>18,019.9</b>	<b>18,019.4</b>	<b>(0.5)</b>	<b>0.0%</b>



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**TABLE 8-1  
DEPRECIATION RESERVE & EXPENSE**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Depreciation Reserve - Beginning of Year	9,129.5	9,129.5	0.0	0.0%
Annual Accruals including Contribution Depreciation	392.2	392.2	(0.0)	0.0%
Retirements/Debits to Depreciation	8.9	8.9	0.0	0.0%
(Salvage) Cost of Removal	(3.7)	(3.7)	0.0	0.0%
Depreciation Reserve Adjustment	0.0	0.0	0.0	0.0%
<b>Net Acrual</b>	<b>379.5</b>	<b>379.5</b>	<b>(0.0)</b>	<b>0.0%</b>
Depreciation Reserve - End of Year	9,509.1	9,509.1	(0.0)	0.0%
<i>Depreciation Reserve Weighting Factor (6-Year Average)</i>	<i>47.62%</i>	<i>47.62%</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Weighted Average Depreciation Reserve</b>	<b>9,310.3</b>	<b>9,310.3</b>	<b>0.0</b>	<b>0.0%</b>
<i>Deprec. expense related to CIAC</i>	<i>147.3</i>	<i>147.3</i>	<i>0.0</i>	<i>0.0%</i>
<i>Allocated GO Depreciation Expense</i>	<i>51.9</i>	<i>50.7</i>	<i>(1.3)</i>	<i>-2.5%</i>
<i>Deprec. expense for summary of earnings calc.</i>	<b>296.8</b>	<b>295.5</b>	<i>(1.3)</i>	<i>-0.4%</i>
<b>Escalation Year 2019 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Depreciation Reserve - Beginning of Year	9,509.1	9,509.1	(0.0)	0.0%
Annual Accruals including Contribution Depreciation	397.9	397.9	(0.0)	0.0%
Retirements/Debits to Depreciation	5.9	5.9	0.0	0.0%
Salvage/Cost of Removal	(3.7)	(3.7)	0.0	0.0%
Depreciation Reserve Adjustment	0.0	0.0	0.0	0.0%
<b>Net Acrual</b>	<b>388.3</b>	<b>388.3</b>	<b>(0.0)</b>	<b>0.0%</b>
Depreciation Reserve - End of Year	9,897.4	9,897.4	(0.0)	0.0%
<i>Depreciation Reserve Weighting Factor (6-Year Average)</i>	<i>47.62%</i>	<i>47.62%</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Weighted Average Depreciation Reserve</b>	<b>9,694.0</b>	<b>9,694.0</b>	<b>(0.0)</b>	<b>0.0%</b>
<i>Deprec. expense related to CIAC</i>	<i>147.3</i>	<i>147.3</i>	<i>0.0</i>	<i>0.0%</i>
<i>Allocated GO Depreciation Expense</i>	<i>59.3</i>	<i>57.8</i>	<i>(1.5)</i>	<i>-2.5%</i>
<i>Deprec. expense for summary of earnings calc.</i>	<b>309.8</b>	<b>308.4</b>	<i>-147.0%</i>	<i>-0.5%</i>

**MONTEREY WASTEWATER  
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**TABLE 9-1  
WEIGHTED AVERAGE RATE BASE - TEST YEAR**

<b>Test Year 2018 (\$000)</b>	<b>ORA</b>	<b>Cal Am</b>	<b>Cal Am &gt; ORA</b>	
Weighted Average Plant In Service including advances for construction	17,760.2	17,759.7	(0.5)	0.0%
<b>Additions to Rate Base:</b>				
Materials and Supplies	44.1	45.1	1.0	2.3%
Working Cash, Operational	0.0	0.0	0.0	0.0%
Working Cash, Lead Lag	67.6	312.4	244.7	361.9%
<b>Total Additions to Rate Base</b>	<b>111.7</b>	<b>357.4</b>	<b>245.7</b>	<b>220.1%</b>
<b>Deductions from Rate Base:</b>				
Weighted Average Depreciation Reserve	(9,310.3)	(9,310.3)	(0.0)	0.0%
Advances for Construction	0.0	0.0	0.0	0.0%
Unamortized Advances (20-Year Amortization)	0.0	0.0	0.0	0.0%
Contribution In Aid of Construction (Including Def Rev on CAC)	(5,944.0)	(5,944.0)	0.0	0.0%
Unamortized Contribution (20-Year Amortization)	0.0	0.0	0.0	0.0%
Accumulated Deferred Federal Income Taxes	(531.5)	(531.4)	0.1	0.0%
Accumulated Deferred State Income Taxes	(142.3)	(142.3)	0.0	0.0%
<b>Total Deductions from Rate Base</b>	<b>(15,928.0)</b>	<b>(15,927.9)</b>	<b>0.1</b>	<b>0.0%</b>
<b>Weighted Average Rate Base</b>	<b>1,943.9</b>	<b>2,189.3</b>	<b>245.3</b>	<b>12.6%</b>
<b>Interest Calculation (for Tax Deductions):</b>				
Weighted Avg. Rate Base less customer deposits in Working Cash	1,943.9	2,189.3	245.3	12.6%
Weighted Cost of Debt	3.12%	3.12%	0.0%	0.0%
Interest Expense	60.7	68.3	7.7	12.6%
<b>Required return after tax (in \$)</b>				
Weighted Cost of Capital	8.41%	8.41%	0.0%	0.0%
Required Return	163.5	184.1	20.6	12.6%

MONTEREY WASTEWATER				
CALIFORNIA AMERICAN WATER COMPANY A.16-07-002				
TABLE 9-2				
WEIGHTED AVERAGE RATE BASE - ESCALATION YEAR				
Escalation Year 2019 (\$000)	ORA	Cal Am	Cal Am > ORA	
Weighted Average Plant In Service including advances for construction	18,019.9	18,019.4	(0.5)	0.0%
<b>Additions to Rate Base:</b>				
Materials and Supplies	45.4	46.4	1.0	2.3%
Working Cash, Operational	0.0	0.0	0.0	0.0%
Working Cash, Lead Lag	75.1	324.3	249.2	332.0%
<b>Total Additions to Rate Base</b>	<b>120.5</b>	<b>370.7</b>	<b>250.3</b>	<b>207.8%</b>
<b>Deductions from Rate Base:</b>				
Weighted Average Depreciation Reserve	(9,694.0)	(9,694.0)	0.0	0.0%
Advances for Construction	0.0	0.0	0.0	0.0%
Unamortized Advances (20-Year Amortization)	0.0	0.0	0.0	0.0%
Contribution In Aid of Construction (Including Def Rev on CAC)	(5,796.6)	(5,796.6)	0.0	0.0%
Unamortized Contribution (20-Year Amortization)	0.0	0.0	0.0	0.0%
Accumulated Deferred Federal Income Taxes	(534.3)	(534.3)	0.1	0.0%
Accumulated Deferred State Income Taxes	(136.3)	(136.3)	0.0	0.0%
<b>Total Deductions from Rate Base</b>	<b>(16,161.3)</b>	<b>(16,161.2)</b>	<b>0.1</b>	<b>0.0%</b>
<b>Weighted Average Rate Base</b>	<b>1,979.1</b>	<b>2,228.9</b>	<b>249.9</b>	<b>12.6%</b>
<b>Interest Calculation (for Tax Deductions):</b>				
Weighted Avg. Rate Base less customer deposits in Working Cash	1,979.1	2,228.9	249.9	12.6%
Weighted Cost of Debt	3.12%	3.12%	0.0%	0.0%
Interest Expense	61.7	69.5	7.8	12.6%
<b>Required return after tax (in \$)</b>				
Weighted Cost of Capital	8.41%	8.41%	0.0%	0.0%
Required Return	166.4	187.5	21.0	12.6%