

**CUSTOMER INFORMATION PACKET**  
**REGARDING CALIFORNIA AMERICAN WATER'S**  
**CONSERVATION APPLICATION AND MONTEREY**  
**GENERAL RATE CASE APPLICATION**

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This information packet is designed to provide California American Water’s customers and other interested parties an overview of the combined effect of the Conservation Application and the 2008 General Rate Case Application for the Monterey District.

**I. SYNOPSIS**

In December 2007, California American Water applied to the California Public Utilities Commission (“CPUC”) for an increase in water rates for conservation programs and modifications to its conservation program and rate design. In January 2008, California American Water applied to the CPUC for an increase in water rates for customers in its Monterey District, including the Toro service area. The proposed rate increase includes costs for fifteen new employees, new and increased pump taxes and basin assessments, increased management fees, and carrying costs for approximately \$170 million in proposed plant investment. The increase also seeks \$1.7 million annually for additional conservation costs and the authority for California American Water and Monterey Peninsula Water Management District (MPWMD) to jointly spend an additional \$2.9 million, on an annual basis, if rationing is declared. California American Water’s total requested revenue increase for the Applications is 119% over a three-year period. The combined revenue increase proposed in these Applications for 2009, 2010 and 2011 is summarized in the table below.

Monterey District: Proposed Revenue Increase From Current Rates by Dollar and Percentage\*

	<u>Dollar Increase</u> (in millions)	<u>Percentage Increase</u>
2009	\$25.4	76.82%
2010	\$6.3	19.13%
2011	\$7.6	20.10%
<b>Total</b>	<b>\$39.4</b>	<b>119.05%</b>

The CPUC’s final decision in this proceeding may be different from the made by California American Water. After considering all proposals and evidence presented in this proceeding, the CPUC may reject, accept in part, or accept in whole, California American Water’s proposed requests.

If the CPUC authorizes the requested revenue increase and rate design changes set forth in the Applications, most customers in the Monterey District will be placed on the same basic rate design. The rate design for customers in Toro, Ralph Lane and Chualar will not change due to various socio-economic or water supply conditions. Under the proposed rate design, customers with the highest usage will face the greatest rate increase. One example of a bill impact analysis for residential customers is provided below. Because the circumstances and water usage is different for each customer, the bill impact analysis is only a general overview of the rate impact

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\* The percentage increase in requested revenue is based on current rates, which are subject to change.

to customers. You can find more information about the estimated bill impact for the requested rate increase throughout this document and in [Appendix B](#).

The following table shows how the bill of the average residential customer in the Monterey District would change depending on their level of usage.

Monterey Main System\*: Residential Customer Bill Impact Analysis

	Usage ccf	2008	2009	<b>2009 Increase</b>	2010	<b>2010 Increase</b>	2011	<b>2011 Increase</b>
Low Usage	5	\$25.57	\$32.95	<b>\$7.38</b>	\$36.91	<b>\$3.96</b>	\$41.69	<b>\$4.78</b>
Average Usage	7	\$36.67	\$44.75	<b>\$8.08</b>	\$49.92	<b>\$5.17</b>	\$56.39	<b>\$6.47</b>
High Usage	20	\$141.15	\$254.25	<b>\$113.10</b>	\$280.79	<b>\$26.54</b>	\$317.24	<b>\$36.45</b>

\*Monterey Main System currently does not include Ambler Park, Bishop, Hidden Hills, Ryan Ranch, Ralph Lane, Chualar and Toro.

If the CPUC adopts California American Water’s proposal, the rates and tiered rate design of water customers in Ambler Park, Bishop, Hidden Hills, and Ryan Ranch will change to be consistent with Monterey Main System customers. This could result in additional rate increases for these customers. Please see [Appendix B](#) for more details on the rate impact to customers in Ambler Park, Bishop, Hidden Hills, and Ryan Ranch.

If California American Water’s proposal is adopted, commercial and other non-residential customers will be placed on the same tiered rate structure as residential customers. The requested revenue increase for commercial and non-residential customers is 74% and 70% respectively. For additional information please see [Appendix B](#).

If you are interested in participating in this proceeding or would like to comment on California American Water’s Applications, you may attend the CPUC’s public participation hearings (PPH) to have comments recorded and included in the review process. You may also contact the CPUC Public Advisor’s Office to submit written statements or find out how to participate in the proceeding. For more information on how to participate in the proceeding, please see [Section V](#) below.

## II. BACKGROUND SUMMARY

The Monterey Peninsula has a semi-arid climate that receives little or no rainfall from April to November. However, unlike many areas in California (such as Los Angeles, San Diego and San Francisco), the Monterey Peninsula cannot access imported water (such as from the State Water Project) and relies on local rainfall to maintain its water supply.

The Monterey Peninsula depends on two water sources that receive this local rainfall: The Carmel River, which drains an approximately 255-square-mile watershed and runs 36 miles from its source in the Santa Lucia mountains to the sea; and the Seaside Basin, which is recharged by local rainfall and which underlies the City of Seaside, as well as parts of the former Fort Ord and the Highway 68 corridor. The amount of water available each year from the Carmel River and the Seaside Basin depends on the amount of rainfall.

According to various agencies of the state and the courts, both of these sources have been over-drafted which means too much water has been drawn from these sources. In the interest of protecting natural resources, local species and habitats, California American Water has been ordered to drastically reduce its pumping from the Carmel River and the Seaside Basin.

Developing a new supply became urgent when, in the mid-1990s, the State Water Resources Control Board (SWRCB) determined that nearly 70% of the Peninsula's water supply was being produced without a valid right or permit. At the same time, the SWRCB approved a 24,000 acre-foot supply for a new dam on the Carmel River that was proposed by the MPWMD.

The financing for the new dam was rejected by the voters in 1995. Later, building a new dam became unlikely because the permitting process became prohibitive after federal wildlife officials declared the steelhead trout and the red-legged frog as "threatened" species under the Endangered Species Act.

At the same time, the California Legislature required the CPUC to develop an alternative water supply solution for the Monterey Peninsula that did not include a dam. This "Plan B" was completed in 2002. The principal components were a desalination plant in Moss Landing and increased storage of excess Carmel River flows in the Seaside Basin.

California American Water took the essential components of Plan B and turned them into the Coastal Water Project. California American Water filed an application with the CPUC in 2004 to build this project. Until a new water supply project is built, regulatory restrictions that limit California American Water's take from existing water supplies require that customers on the Monterey Peninsula increase their water conservation efforts.

### **Summary of Other Proceedings and Decisions Affecting California American Water Monterey District Customers:**

The following is a list of prior and current proceedings before the CPUC that may also result in increases to the rates of California American Water Monterey District customers:

- **Prior Rate Case Decision (D. 06-11-050):** In 2005, California American Water filed its General Rate Case Application for rates in the Monterey District for 2006, 2007 and 2008.

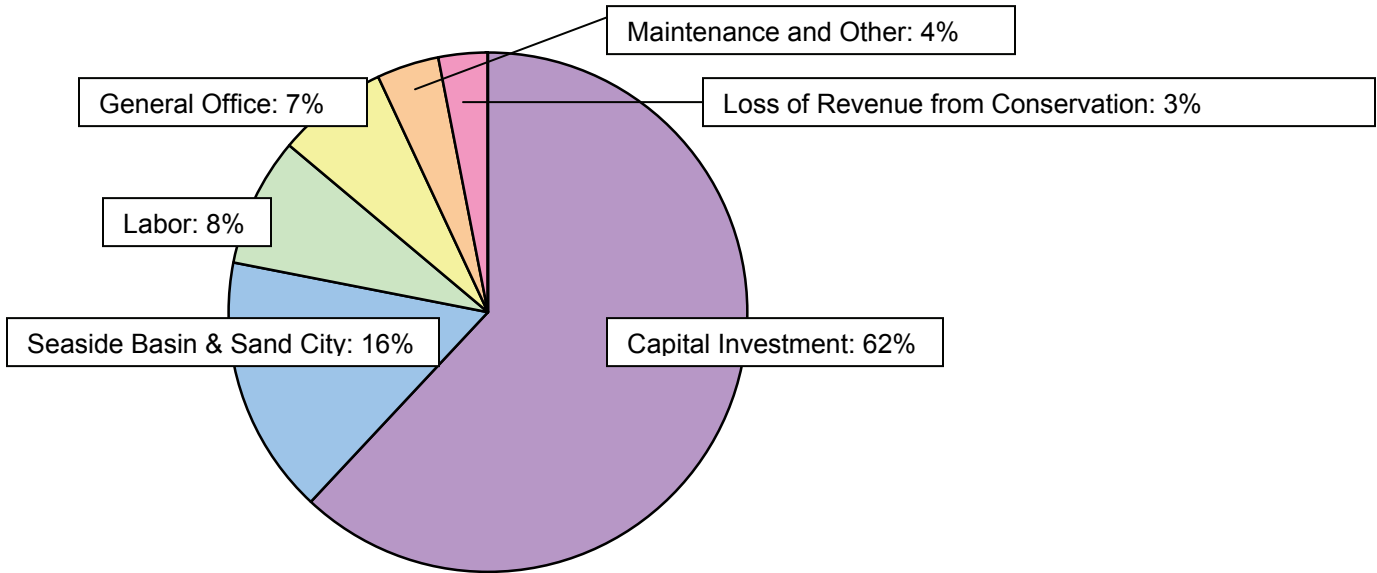
The CPUC issued its decision in November 2006 approving a 17.03% overall revenue increase, including a 3% surcharge for pension costs and a four-year surcharge for recovery of pre-construction costs associated with the abandoned new Carmel River Dam project. More details on the decision are provided in [Appendix A](#).

- **General Office Rate Case (A. 08-01-024):** In January 2008, California American Water applied for a rate increase for the costs associated with increased management expenses for all of its districts. These costs are commonly referred to as General Office expense. Approximately 7% of the proposed Monterey District General Rate Case revenue increase is for General Office services performed by the California American Corporate Office and American Water Works Service Company. More details are provided in [Appendix A](#).
- **Monterey District Wastewater Rate Case (A. 08-01-023):** In January 2008, California American Water filed a separate Wastewater Application, requesting a 112% revenue increase for customers of the company's eight wastewater systems located in Carmel Valley and along the Highway 68 corridor. More details on the case are provided in [Appendix A](#).
- **Rate of Return Application:** On May 1, 2008, California American Water filed a separate application seeking changes to the company's rates of return. California American Water will provide a separate notice on the proposed bill impacts of the Rate of Return Case. Because the Commission will not issue a decision until 2009, the proposed Monterey General Rate Case figures were prepared using the last rate of return authorized by the CPUC, approximately 8%. More details are provided in [Appendix A](#).
- **Acquisition of Toro Water System (D.07-11-034):** The CPUC authorized California American Water to acquire the Toro water system in D. 07-11-034. In the General Rate Case Application for the Monterey District, California American Water proposes a revenue increase of 138% for customers in the newly acquired Toro Water System, which is a service area in the Monterey District. The proposed revenue increase in the Monterey General Rate Case is for new rates that do not include revenue increases already approved in the acquisition decision but not yet implemented. For more details please see [Appendix A](#).
- **Coastal Water Project: (A. 04-09-019)** In December 2006, the CPUC approved a surcharge to recover pre-construction costs on California American Water's proposed desalination and Aquifer, Storage and Recovery water supply project. The surcharge was first applied to customers' bills on January 1, 2007, as a 4% overall increase. In July of that year, the surcharge was increased to 7%. In January 2008, the surcharge increased to 10%, where it will remain until the full amount of authorized pre-construction costs are collected. Additionally as approved in D.06-12-040, California American Water can implement another surcharge to recover costs of construction once the CPUC issues a Certificate of Public Convenience and Necessity (CPCN). This second surcharge could increase rates by 60%. More details are provided in [Appendix A](#).

### III. CUSTOMER IMPACTS

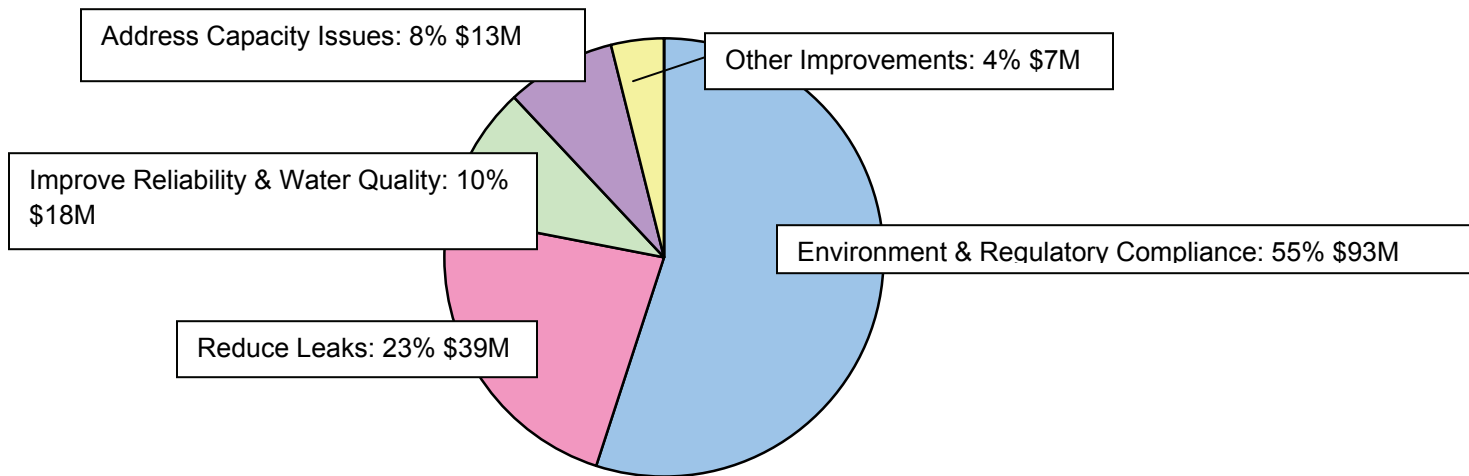
As presented in Section I above, California American Water seeks almost \$39 million in additional revenues in this general rate case application. Tables that show the bill impact on the different classes of customers at various water usage levels are in Appendix B.

#### Major Components of Rate Request: 2009-2011



- **Capital Investment: 62%** - Environmental and regulatory compliance, reduce leaks, improve reliability and water quality, address capacity issues, Satellite Systems and Other
- **Seaside Basin and Sand City: 16%** - Seaside Basin replenishment fees, Seaside Basin monitoring costs, Seaside Basin administration, Sand City Desalination Plant lease
- **General Office: 7%** - Customer Service Center, Belleville Laboratory, Finance and Legal, External Affairs
- **Labor: 8%** - 15 additional employees, payroll cost and benefit increases
- **Maintenance and Other: 4%** - Power, chemicals, supplies, maintenance projects
- **Loss of Revenue from Conservation: 3%** - Projected reduction of 300 acre-feet per year in customer usage

**Capital Investment – 62%: 2008-2011(\$170 Million Total)** - The chart below illustrates how California American Water proposes to use the Capital Investment dollars.



- **Proposed Environmental & Regulatory Compliance: 55% - (\$93 million)** - \$74 million San Clemente Dam Retrofit, \$14 million Aquifer, Storage & Recovery (ASR) system, \$3 million Carmel River rights, \$2 million Endangered Species Act compliance, \$0.2 million Los Padres dredging study
- **Proposed Improvements to Reduce Leaks & Non-Revenue Water: 23% - (\$39 million)** - \$23 million water main replacements, \$7 million plastic service line replacements, \$6 million meter replacements, \$2M Carmel Valley transmission main replacement, \$1 million “M log” listening stations
- **Proposed Improvements For Reliability & Water Quality: 10% - (\$18 million)** - \$3 million hydrants and fire protection improvements, \$4 million pumping station upgrades, \$3 million Begonia water treatment plant upgrades, \$3 million replace water storage tanks, \$4 million water treatment equipment upgrades, \$1 million digital monitoring and control equipment
- **Proposed Improvements to Address Capacity Issues: 8% - (\$13 million)** - \$10 million well replacements, \$3 million storage tanks (add 26 acre-feet)
- **Other Proposed Improvements: 4% - (\$7 million)** - \$5 million Satellite system upgrades and improvements, \$1 million security equipment and systems, \$1 million miscellaneous small items

**What Customers Can Do to Reduce Their Bills**

1. **Know and understand your allotment:** The amount of water residential customers in the Monterey Main System are allowed at each block of the rate structure is called an Equivalent Consumption Unit

(ECU). ECUs are calculated on an individual basis based on the following factors: a) the number of people per household; b) the size of the home lot; c) an allotment for large animals; and d) an adjustment for winter and summer months. Typically, the information used to calculate a customer's ECU is collected at the time an account is opened. If you suspect your allotment is incorrect, or needs to be updated, contact California American Water's 24-hour customer service center at: 1-888-237-1333 or local conservation representatives at (831) 646-3205.

Commercial allotments are based on criteria established by the MPWMD and vary according to type of business and water needs. Monthly commercial allotments are based on historical usage over the past twelve months. To review or question your commercial allotment, make an appointment with a local water conservation specialist by calling (831) 646-3205 or visiting the California American Water business office in Pacific Grove, located at 511 Forest Lodge Road, Suite 100, Pacific Grove, CA 93950.

- 2. Conservation:** Did you know that 50% of residential water use goes to outdoor landscaping? The most significant step you can take toward reducing your water bill is to limit outdoor watering. California American Water and the MPWMD offer free CD-ROMs to customers interested in planning drought-tolerant, native landscaping that saves water and helps reduce fire hazard. Rebates are offered for installation of cisterns and Evapotranspiration (ET) controllers (weather-based timers for sprinkler systems). Water audits are offered free of charge to all customers looking for more ways to save water.

The second highest category of water use is for toilets. Rebates are available for low-flow and ultra low-flow toilets, which have advanced tremendously in the last decade. Today's models are attractive, modern and virtually indistinguishable from high-consumption models. Low-flow fixtures are also required by MPWMD. Rebates are available through California American Water and MPWMD not only for toilets, but low-flow dishwashers and washing machines.

More tips on how to save water are available at [www.amwater.com](http://www.amwater.com), [www.mpwmd.dst.ca.us](http://www.mpwmd.dst.ca.us), and [www.waterawareness.org](http://www.waterawareness.org).

**H2O – Help To Others - Low Income Assistance Program:** California American Water currently offers a low-income assistance program that discounts monthly water charges for qualifying customers in the Monterey District (excluding Ambler Park, Bishop, Chualar and Ralph Lane due to various socio-economic or water supply conditions). For a copy of the H2O low-income application and to view qualifying guidelines, contact our customer service center at: 1-888-237-1333 or visit our local business office in Pacific Grove, located at 511 Forest Lodge Road, Suite 100, Pacific Grove, CA

California American Water is proposing changes to the low-income assistance program in this Application. For more information see the "Change in Rate Design" section on page 11.

**IV. KEY AREAS OF INTEREST OR CONTROVERSY**

**General Rate Case for Monterey District A. 08-01-027**

If the CPUC authorizes all of California American Water’s requested revenue increases in the General Rate Case application, water rates for customers in its Monterey District will increase by approximately 112.4% over three years. The total proposed annual revenue increases for the Monterey District are: \$23.3 million (80.13%) for 2009, and an additional \$6.5 million (19.91% over current rates) for 2010 and an additional \$7.6 million (23.31% over current rates) for 2011. The proposed increase includes approximately \$170 million in proposed plant investment, 15 new employees, new and increased pump taxes and basin assessments, and increased management fees.

California American Water proposes to change the present conservation rates and charge the conservation rates to all customers in the Monterey District, except those in Toro, Chualar and Ralph Lane due to various socio-economic or water supply conditions.

If all of California American Water’s requests are adopted by the CPUC, changes to the average residential bill, based on these increased water rates and the changes in rate design, are shown below by usage.

**CALIFORNIA AMERICAN WATER  
COMPANY**

**2008 GENERAL RATE CASE - MONTEREY  
DISTRICT**

			Proposed Rate Design									
		Usage (ccf)	2008	2009			2010			2011		
				\$ Change	% Change		\$ Change	% Change		\$ Change	% Change	
Monterey Main System												
	Low Usage	5	\$25.57	\$32.95	\$7.38	28.86%	\$36.91	\$3.96	12.02%	\$41.69	\$4.78	12.95%
	Average Usage	7	\$36.67	\$44.75	\$8.08	22.03%	\$49.92	\$5.17	11.55%	\$56.39	\$6.47	12.96%
	High Usage	20	\$141.15	\$254.25	\$113.10	80.13%	\$280.79	\$26.54	10.44%	\$317.24	\$36.45	12.98%
Ambler												
	Low Usage	5	\$27.70	\$28.09	\$0.39	1.41%	\$31.40	\$3.31	11.80%	\$35.42	\$4.02	12.79%
	Average Usage	7	\$32.72	\$38.00	\$5.28	16.14%	\$42.34	\$4.34	11.43%	\$47.78	\$5.44	12.84%
	High Usage	20	\$65.37	\$214.01	\$148.64	227.38%	\$236.31	\$22.30	10.42%	\$266.93	\$30.62	12.96%

Bishop												
Low Usage	5	\$27.70	\$30.43	\$2.73	9.86%	\$33.98	\$3.55	11.68%	\$38.33	\$4.35	12.79%	
Average Usage	7	\$35.76	\$41.16	\$5.40	15.10%	\$45.81	\$4.65	11.31%	\$51.70	\$5.89	12.85%	
High Usage	20	\$65.37	\$231.83	\$166.46	254.64%	\$255.69	\$23.86	10.29%	\$288.82	\$33.13	12.96%	
Hidden Hills												
Low Usage	5	\$30.60	\$30.39	-\$0.21	-0.69%	\$33.98	\$3.59	11.81%	\$38.33	\$4.35	12.80%	
Average Usage	7	\$39.55	\$41.12	\$1.57	3.97%	\$45.81	\$4.69	11.41%	\$51.70	\$5.86	12.86%	
High Usage	20	\$111.00	\$231.56	\$120.56	108.61%	\$255.69	\$24.13	10.42%	\$288.82	\$33.13	12.96%	

This Data is from Table B1 in Appendix B.

- San Clemente Dam** – In 1992, the Department of Safety of Dams, a division of the Department of Water Resources, declared the San Clemente Dam, built in 1921 before current earthquake standards, to be seismically unsafe and ordered California American Water to remove or strengthen it. Since that time, an environmental impact report has been finalized which finds a strengthening project and a reroute project, sequestering of the silt behind it and a reroute of the river, as environmental equals. The reroute project is more expensive than strengthening but less expensive than removing the dam and the silt. If the reroute alternative, which is favored by environmental groups, is selected, California American Water has indicated that its share of the reroute project would be capped at the cost of the strengthening project. The California Coastal Conservancy has agreed to raise the additional funds needed to pay for reroute project and is currently engaged in detailed engineering studies needed to proceed with that alternative. A final decision as to which project will be selected is expected later this year. The environmental impact report is available at: <http://www.sjd.water.ca.gov/environmentalservices/sanclemente/index.cfm>.
- Seaside Basin Recovery Costs & Sand City Desalination Plant Lease** – In March 2006, the Monterey County Superior Court issued a ruling limiting pumping from the Seaside Basin, which is the Monterey District’s secondary water source. The order required a 3,200-acre-foot reduction from historical pumping by 2021, requiring a 15-20% reduction in overall customer demand or an equivalent increase in water supply. Although the development of a new water supply is progressing, completion is years away. California American Water anticipates exceeding the pumping limits of this order in 2009, which will require payment of replenishment fees to the Seaside Watermaster. The replenishment fees will fund development of a replacement water supply. In 2009, California American Water anticipates pumping 1,863 acre-feet over its pumping limit, resulting in a \$4.6 million replenishment fee. California American Water will also be required to pay \$434,000 in administrative fees and \$360,000 in a capital budget assessment to the Seaside Watermaster, for a total payment of over \$5.4 million.

In addition to these costs, which are included in the company's revenue request, California American Water has entered into a lease agreement with Sand City to operate its desalination plant, which has obtained all needed permits, and is anticipated to be producing water in 2009. The plant is designed to supply future development in Sand City, but until that development is completed, the plant will provide water for California American Water's system. Initially, the plant will supply 300 acre-feet of replacement water. Once development is complete, the plant will provide 94 acre-feet to California American Water.

- **General Office Costs** – As part of the overall request in this case, California American Water has requested recovery of approximately \$4.9 million related to the service provided by California American Corporate Office and American Water Works Service Company. The increase related to the Monterey District is approximately \$2.6 million. A significant portion of the total increase to the Monterey District is due to a misallocation in the prior General Office rate case. The overall costs for the General Office are increasing due to costs for the Call Center, Shared Service Center, Information Technology and costs of California American Corporate Office.
- **Loss of Revenue from Conservation** – California American Water projects that water use levels of the Monterey customers will go down by approximately 8% due to conservation. This projected reduction accounts for the lower amount of water available for production as a result of the Seaside Basin adjudication. This projected reduction in water use increases the revenue requirement from current rates by \$1.15 million.
- **Increased Employee Levels** – California American Water, as part of this application, has requested 15 additional full time employees in the Monterey District. The increase in employees results in an increase in the revenue requirement of \$2.34 million.
- **Change in Rate Design** – California American Water is requesting changes to the present conservation rate design. The proposed changes are as follows:
  - Add Hidden Hills, Ryan Ranch, Ambler Park and Bishop customers to the Monterey Main District's basic rate design. This places these customers on tiered rates.
  - Chualar and Ralph Lane will not have changes to their rate design, but will have rate increases.
  - Eliminate the elevation zone surcharges.
  - For Residential customers:
    - Make the rates in the blocks incline more steeply;
    - Make the monthly meter charge equal to 15 percent of the fixed costs;
    - Changes to the H2O – Help To Others - Low Income Assistance Program. The current program waives the monthly service charge. The proposed program would establish three categories of low income customers based on the number of people in the household and provide a flat discount for

these three categories. The program would expand to include Bishop and Ambler Park.

- For Commercial and “other” customers:
  - Establish five blocks instead of two for the increasing block rates;
  - Make the monthly meter charge the same as residential customers.
- For Public Authority customers:
  - Establish three blocks instead of two for the increasing block rates;
  - Make the monthly meter charge the same as residential customers.
- For Industrial customers:
  - Maintain the current two block rates, but change the rates in the blocks to incline more steeply.
- For Special Use customers:
  - Maintain a uniform rate, but increase that rate.
- For Golf Course customers that irrigate with potable water:
  - Maintain the two block structure;
  - Small increase in first block rate and fivefold increase in second block.
- For Golf Course customers that irrigate with reclaimed water:
  - Maintain the two block structure;
  - Small increase in first block rate and fivefold increase in second block. First block rate likely lower than the rate for customers who use potable water.

The changes in rate design are expected to increase the price signal to all customers using more water than their allotment. This is especially true for residential customers using more than twice their allotment and commercial customers using more than 110% of their monthly allotment. Under California American Water’s proposal, industrial customers will have a two block system because their business depends on water use and customer demands for their product. California American Water has proposed that the proposed revenues from golf courses using reclaimed water do not need to change significantly since these customers currently do not exceed their allotments, have employed water saving devices and will be almost entirely on reclaimed water.

California American Water proposes that customers in all systems, except Ralph Lane, Chualar, and Toro, be placed on the same rate design since all water basins are impacted by over use and everyone

should conserve. California American Water proposes that Toro is not placed on conservation rates at this time due to its recent acquisition by California American Water. California American Water does not currently have historical data needed to develop conservation rates. Chualar and Ralph Lane are excluded from conservation rates due to the very limited number of customers and other socio-economic conditions.

- **Rationing Rate Design:** If rationing (Stages 5 through 7) goes into effect in the Monterey District, Cal Am proposes a rationing rate design that would take the place of the conservation rate design. The rationing rate design would assign customers a ration and customers would pay increased rates for exceeding their rations. Residential customers would pay approximately 10 times their current second block rate for water used above the ration. Non-residential customers would pay ten times the first block rate for water used above the ration, except special use customers (sale-for-resale and portable fire hydrant customers) who would pay 5 times their regular rate for all water used during rationing.
- **Request for Revenue Guarantee Mechanisms (WRAM and MCBA)** – In the Application, California American Water proposes that the CPUC authorize two mechanisms, a Water Revenue Adjustment Mechanism (“WRAM”) and a Modified Cost Balancing Account (“MCBA”) to protect its revenue stream from fluctuations caused by the differences between projected and actual customer usage.

A WRAM is a form of decoupling mechanism whose intent is to sever the relationship between sales and revenue to remove any disincentive for implementing conservation rates and conservation programs. Under the existing regulatory framework, as water sales decrease, California American Water’s revenues typically decrease, and vice versa. Consequently, a WRAM helps ensure that a water utility will be able to cover certain fixed costs regardless of sales volumes. A WRAM may reduce the relationship between sales and revenues and support water conservation efforts.

Another purpose of the WRAM is to ensure that either the water utility or its ratepayers are compensated if water consumption is over or under a forecast level. When sales are below forecasted levels, the utility recovers the difference through a surcharge. When sales are above forecasted levels, the difference is given back to ratepayers through a surcredit.

California American Water requests replacement of its existing WRAM that was previously approved by the CPUC, with a full fixed-cost recovery mechanism. Because California American Water is proposing a more aggressive tiered pricing structure, it wants a mechanism that would protect customers if consumption is greater than forecasted in a rate case decision and protect California American Water if customer usage is below that authorized in a rate case decision. The existing WRAM does not provide this form of protection. Both California American Water and its customers will be protected against actual revenue recovery overages and shortfalls if the CPUC approves the new mechanism.

The MCBA works in conjunction with the WRAM and tracks the differences between the adopted and actual price and quantity for purchased power, purchased water, and pump tax.

Under the proposed MCBA, if there were an over-collection or under-collection of revenue due to a different marginal cost per unit of water due to variations in water consumption, then this change in cost would be tracked by the MCBA. An MCBA would protect against under- or over-collection of revenues due to changes in marginal cost prices.

### **Conservation Application A. 07-12-010**

In December of 2007, California American Water filed a separate application requesting an additional 5% increase for conservation programs, approval of a revised Rule 14.1 and interim changes to the emergency conservation rates. Rule 14.1 governs water rationing and other conservation activities. The interim emergency conservation rates could be implemented quickly to encourage conservation if a water supply emergency occurs prior to the General Rate Case rate changes. The additional overall 5% revenue increase from the conservation application, which combined with General Rate Case increase would bring the **total requested revenue increase to 119%**, would be dedicated to expansion of conservation programs, including:

- Water audits for Residential, Large Landscape and Commercial/Industrial customers
- Residential rebates for toilets, low-consumption appliances, “Smart Controllers” and other retrofits
- Commercial rebates for high efficiency toilets, zero water urinals, water brooms and other retrofits
- In-school education and retrofit programs
- Public outreach and education

These programs will be conducted in partnership with the MPWMD.

The revision to Rule 14.1 incorporates modifications to ensure that California American Water’s activities are consistent with MPWMD Regulation XV. This regulation is an expanded water conservation and stand-by rationing plan intended to help insure that all reasonable measures are instituted to enable water distributors in the Monterey District to attempt to comply with the limitations on production found in SWRCB Order 95-10 and the Seaside Basin Adjudication.

In addition, this application proposes interim changes to the emergency conservation rates. These rates currently go into effect during times of water shortages and apply to the Monterey Main customers. The change will also allow California American Water to apply the rates to all Monterey District customers, except those in Toro, Chualar and Ralph Lane.

The issues that may be of interest or controversy in the Conservation Application are as follows:

- **Conservation Costs and Programs** – California American Water proposes to increase its conservation program and spending to approximately \$1.7 million annually from approximately \$330 thousand (allowed in rates). Additionally as part of the overall proposal, the MPWMD proposes to increase its spending as directly received from Monterey District water customers from \$300 thousand to approximately \$700 thousand in 2009. This is a total increase of over

\$1.7 million. California American Water proposes increased spending for residential audits and ET controller pilot studies; residential washers, toilets and other rebates; commercial upgrade and incentive programs; additional conservation employees; conservation advertising; and other conservation programs. In addition to this increase, California American Water requests authority to track any additional spending on conservation and, provided the expenses are reasonable, recover them in its next rate case.

- **Proposed Rationing Programs** –California American Water proposes a joint program with MPWMD that would be implemented if rationing is declared. The projected annual cost of the program is \$2.93 million and would be collected through a surcharge that will be implemented when rationing is declared. In addition to this increase, California American Water requests authority to track any additional spending on rationing, and provided the expenses are reasonable, recover them in its next rate case.

## V. CUSTOMER PARTICIPATION

### The CPUC's Public Participation Hearings (PPH)

The PPH provides the public an opportunity to comment on California American Water's Applications. A CPUC Administrative Law Judge (ALJ) will preside over the PPH, and a CPUC Commissioner may also be present. A court reporter will transcribe the comments made during the PPH. Representatives from California American Water will be available to present and explain their proposed request for the GRCs and modifications to its conservation program and rate design, and request to increase rates for water service in its Monterey District. The CPUC's Division of Ratepayer Advocates (DRA) will also be available to listen to your comments. DRA is an independent division of the CPUC whose role is to represent and advocate on behalf of public utility customers to obtain the lowest possible rates consistent with reliable and safe service levels as it relates to California American Water's proposals. Your comments can help the CPUC reach an informed decision, and you are encouraged to attend this hearing. If specialized accommodations are needed, such as sign language or interpreters, please contact the CPUC's Public Advisor's Office (PAO), [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov) or by phoning (415) 703-2074, toll-free at 1-866-849-8390, TTY toll-free at 1-866-836-7825, or regular TTY at (415) 703-5282 at least 3 – 5 working days in advance of the PPH.

The Joint PPH has been scheduled on the dates, times and locations set forth below:

May 28, 2008 at 7:00 P.M.  
Chualar Union Elementary School – Board Room  
24285 Lincoln Street  
Chualar, CA 93925

May 29, 2008 at 2:00 P.M. and 6:00 P.M.  
Monterey City Hall Council Chamber  
580 Pacific Street  
Monterey, CA 93940

## **How to Contact the Public Advisor's Office**

The PAO was established to help consumers and groups who wish to participate in proceedings before the CPUC. The CPUC welcomes your participation and comments. If you cannot attend the PPH you may submit written comments to: CPUC, Public Advisor's Office, 505 Van Ness Avenue, San Francisco, CA 94102, or e-mail to [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov). Please refer to the application that you are writing about, either Application 08-01-027, Application 07-12-010, or Application 08-01-023. Your comments will be circulated to the Commissioners and the ALJ. All e-mails and written correspondence become part of the formal correspondence file for these proceedings and is part of the public comment record.

## **Schedule of Proceedings**

### **General Rate Case Applications**

If you wish to participate in any of these proceedings, you should submit your comments in time for DRA to incorporate your concerns in their analysis. DRA's testimony is due on August 21, 2008. The ALJ is scheduled to issue a Proposed Decision on February 20, 2009 and the CPUC will issue its final Decision not less than thirty days later.

### **Conservation Application**

If you wish to participate in the Conservation Application proceeding, you should submit your comments in time for DRA to incorporate your concerns in their analysis. DRA's testimony is due on June 20, 2008. The ALJ is scheduled to issue a Proposed Decision by December 19, 2008, and the CPUC will issue its final Decision not less than thirty days later.

## APPENDIX A

The following are a listing of current and prior proceedings before the CPUC that may affect the rates of California American Water Monterey District customers:

**PRIOR RATE CASE DECISION (D. 06-11-050)** - In the State of California, publicly regulated water utilities, such as California American Water, file rate adjustment applications once every three years. This decision was applicable to the years 2006, 2007 and 2008. In addition to the first year increase, the pension surcharge and the surcharge to recover costs related to the abandoned Carmel River Dam and Reservoir Project, California American Water was authorized to file four advice letters for construction projects when completed. None of these advice letters have been filed as of April 2008. The effect on rates of these projects is not in current rates, but is in the proposed increase. If the projects are completed before rates from the current application is authorized, the current rate would increase and the proposed increase as noted in the current application would decrease. In addition to the authorized construction projects, the request in the current case was developed as the difference between the rates presently in effect and rates that would need to be in effect to cover the revenue requirement in 2009. In addition to the authorized increases that may still be implemented, the CPUC authorized various memorandum accounts to track items such as emergency conservation and rationing costs and cost related to ESA compliance. The effect of the memorandum accounts on rates is unknown, since the total dollar cost to be charged to the memorandum accounts is undefined and unknown.

**GENERAL OFFICE** – Filed in conjunction with the Monterey General Rate Case Application is an application to increase rates related to costs of services provided by California American Water Corporate office and American Water Works Service Company. The overall increase requested in the General Office Application is \$4.9 million dollars for 2009. The services provided by the entities are:

**Finance Services**

**Shared Services Center**

**External Affairs**

**Human Resources**

**Information Technology Services**

**Legal Water Quality – Belleville Laboratory**

**Operational Risk Management**

**Maintenance Services**

**Production**

**Best Operating Practices**

**Supply Chain**

## **Business Development**

**WASTEWATER (A. 08-01-023)** - In addition to its 38,000 water customers, California American Water also provides wastewater services to approximately 2,500 customers in the Monterey area. Some of these customers receive both water service and wastewater services from California American Water. The increase sought in the Wastewater operation is approximately \$1.4 million for test period 2009. The increase would serve to upgrade electronic monitoring systems, address the need for improved energy efficiency, as well as replace filters, short sections of mains, manholes, pumps and motors. The investment is needed to comply with new regulatory requirements and to maintain the integrity of the current system.

**RATE OF RETURN APPLICATION** – As required by the new Rate Case Plan Decision D.07-05-062, the three large multi-district private water utilities in California filed for changes in their cost of capital on May 1, 2008. Each company filed their proposal for cost of debt, capital structure and cost of equity. The decision in this case should be effective on January 1, 2009 and will impact rates in the Monterey District. California American Water is asking the CPUC to increase California American Water’s authorized rate of return from 7.85% to 8.59%. The revenue impact for each of California American Water’s districts will be available at the Public Participation Hearings in the Monterey Rate Case.

**TORO WATER SYSTEM ADVICE LETTER - D. 07-11-034** authorized California American Water to implement increased rates in the Toro Service Area based on completion of the required Arsenic Treatment facility. The rate increase authorized in conjunction with this facility was approximately 34% increase over the rates for water service as previously charged by Alco Water Service. Once implemented, this increase would reduce the amount of the proposed increase in this Monterey General Rate Case to approximately 100%. For rates in the Monterey Rate Case Application, Toro has been analyzed separately to determine the revenue requirement. California American Water has not proposed combining the revenue requirement for Toro with the revenue requirement for the Monterey District.

**COASTAL WATER PROJECT - A. 04-09-019** - This proceeding concerns California American Water’s proposed desalination and Aquifer, Storage and Recovery (ASR) water supply project. Authorization to transfer the incurred pre-construction costs from the Coastal Water Project memorandum account to the Surcharge #1 Cost Recovery Balancing Account occurs on an annual basis. Currently, costs incurred in 2007 for the project are under review by the CPUC in proceeding A. 08-04-019. Preconstruction work largely consists of engineering and permitting activity, including the costs for the Environmental Impact Review, currently underway by the CPUC. The 10% surcharge to recover pre-construction costs will continue until all authorized costs have been recovered.

In D.06-12-040, the CPUC also authorized California American Water to implement a second surcharge (Surcharge #2) to recover cost of construction on an “as project proceeds” basis. This Surcharge #2 would go into effect if the CPUC approves the Certificate of Public Convenience. The surcharge was authorized to begin as a 15% surcharge, increasing to 30%, 45%, and 60%, respectively, on January 1 and July 1 of each year, and to continue at the 60% level until the project is completed.

The Coastal Water Project consists of three distinct construction projects: 1) the desalination facility, 2) the transmission and storage facility, and 3) the aquifer storage and recovery portion. In the current Monterey Rate Case, a portion of the aquifer storage and recovery facilities are included in the proposed plant additions, and therefore will reduce the revenue requirement associated with the Coastal Water Project.

The last revenue increase proposed in the Coastal Water Project application was approximately \$30,000,000, or 92%, over current rates. However, the Coastal Water Project is not scheduled to be in use before the end of 2011. Based on the proposed revenues in A.08-01-027, the \$30,000,000 increase would be reduced to 48.4%. This proposed rate increase of \$30,000,000 includes all aquifer and storage facilities, including those that are now included in A. 08-01-027.

## **APPENDIX B**

The numbers in these Tables are based on those proposed by  
California American Water in its Monterey Conservation Application  
And Monterey General Rate Case Application.

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**APPENDIX B**

**Table A1:** This table reflects the combined impact of approved decisions since the 2005 Monterey rate case.

Line No.		<u>in Million \$</u>	<u>Reference</u>
1	2006 Operating Revenues <sup>(1)</sup>	\$29.0	Per GRC D. 06-11-050
<u>Revenues Currently Authorized in Rates:</u>			
2	2008 Operating Revenues <sup>(2)</sup>	\$33.5	Per Advice Letter 680
3	Pension	\$1.1	Per GRC D. 06-11-050
4	Carmel River Dam	\$3.6	Per GRC D. 06-11-050
5	Coastal Water Project	\$1.6	Per D. 06-12-040
6	Coastal Water Project	\$9.3	Per D. 08-01-007
7	1% MPWMD Conservation	\$0.3	Per GRC D. 06-11-050
8	Total Authorized Revenue	<u>\$49.4</u>	
9	Revenue Increase since 2005 Rate Case	170.61%	Line 8 divided by Line 1

**Table A2:** This table reflects potential increases other than those proposed in the 2008 rate case

Line No.	<u>Capital Project Items</u>	<u>in Million \$</u>	<u>Reference</u>
10	Forest Lake #3 Advice Letter	\$4.6	Per GRC D. 06-11-050
11	Segunda Tank Advice Letter	\$2.2	Per GRC D. 06-11-050
12	Arsenic Treatment	\$3.5	Per GRC D. 06-11-050
13	Carmel Valley Main Phase 1 Advice Letter	\$1.5	Per GRC D. 06-11-050
14	Total Capital Project Costs	<u>\$11.7</u>	
15	Estimated Revenue Requirement <sup>(3)</sup>	\$1.8	(Lines 10 + 11 + 12 + 13) x 0.15

16 Estimated Coastal Water Project<sup>(4)</sup>

If increase of 15%:	\$8.8
If increase of 45%:	\$26.3
If increase of 60%:	\$35.1

(1) Represents revenues prior to those authorized in the 2005 Monterey rate case (D. 06-11-050).  
(2) Includes 2008 step rates approved in Advice Letter 680.  
(3) Assume revenue requirement is about 15% of project costs. Actual amount will vary based on several factors, such as when plant is put into service.  
(4) Estimate for Phase II of Coastal Water Project proceeding. Increase based on 2009 operating revenues of \$58.5 million and would be phased in over a period of time, eventually reaching 60% in 2011.

**CALIFORNIA AMERICAN WATER COMPANY  
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**APPENDIX B**

**Table B1: Estimated Bills at Various Usage Levels**

This table reflects the change in residential bills if the proposed rate design went into effect. Amounts reflect the increase requested in the 2008 GRC and conservation filings.

Differences among subsystems and Monterey Main System may be due to different surcharges, including WRAM surcharges and surcredits.

				Proposed Rate Design								
				2009		2010		2011				
System customers	Usage (ccf)	2008 Current Bill Amt		Bill Amt	\$ Change	% Change	Bill Amt	\$ Change	% Change	Bill Amt	\$ Change	% Change
<b>Monterey Main System</b>												
For the Current and Proposed Rate Design, table represents customer with 3 people in household, on 3/8 (0.375) acre lot, 5/8" meter, summer period, no elevation surcharge.												
Low, average and high usage for Monterey Main System customers	5	\$25.57		\$32.95	\$7.38	28.86%	\$36.91	\$3.96	12.02%	\$41.69	\$4.78	12.95%
Low Usage				\$44.75	\$8.08	22.03%	\$49.92	\$5.17	11.55%	\$56.39	\$6.47	12.96%
Average Usage	7	\$36.67		\$254.25	\$113.10	80.13%	\$280.79	\$26.54	10.44%	\$317.24	\$36.45	12.98%
High Usage	20	\$141.15										
<b>Ambler</b>												
For the Current and Proposed Rate Design, table represents customer with 3 people in household, on 3/8 (0.375) acre lot, 5/8" meter, summer period, no elevation surcharge.												
Low Usage	5	\$27.70		\$28.09	\$0.39	1.41%	\$31.40	\$3.31	11.80%	\$35.42	\$4.02	12.79%
Average Usage	7	\$32.72		\$38.00	\$5.28	16.14%	\$42.34	\$4.34	11.43%	\$47.78	\$5.44	12.84%
High Usage	20	\$65.37		\$214.01	\$148.64	227.38%	\$236.31	\$22.30	10.42%	\$266.93	\$30.62	12.96%
<b>Bishop</b>												
For the Current and Proposed Rate Design, table represents customer with 3 people in household, on 3/8 (0.375) acre lot, 5/8" meter, summer period, no elevation surcharge.												
Low Usage	5	\$27.70		\$30.43	\$2.73	9.86%	\$33.98	\$3.55	11.68%	\$38.33	\$4.35	12.79%
Average Usage	7	\$35.76		\$41.16	\$5.40	15.10%	\$45.81	\$4.65	11.31%	\$51.70	\$5.89	12.85%
High Usage	20	\$65.37		\$231.83	\$166.46	254.64%	\$255.69	\$23.86	10.29%	\$288.82	\$33.13	12.96%
<b>Hidden Hills</b>												
For the Current and Proposed Rate Design, table represents customer with 3 people in household, on 3/8 (0.375) acre lot, 5/8" meter, summer period, no elevation surcharge.												
Low Usage	5	\$30.60		\$30.39	-\$0.21	-0.69%	\$33.98	\$3.59	11.81%	\$38.33	\$4.35	12.80%
Average Usage	7	\$39.55		\$41.12	\$1.57	3.97%	\$45.81	\$4.69	11.41%	\$51.70	\$5.89	12.86%
High Usage	20	\$111.00		\$231.56	\$120.56	108.61%	\$255.69	\$24.13	10.42%	\$288.82	\$33.13	12.96%
<b>Toro</b>												
Represents customer on 1" meter												
Low Usage	15	\$45.28		\$97.33	\$52.05	114.95%	\$101.00	\$3.67	3.77%	\$107.83	\$6.83	6.76%
Average Usage	22	\$61.28		\$131.74	\$70.46	114.98%	\$136.71	\$4.97	3.77%	\$145.97	\$9.26	6.77%
High Usage	30	\$79.58		\$171.08	\$91.50	114.98%	\$177.53	\$6.45	3.77%	\$189.54	\$12.01	6.77%

**CALIFORNIA AMERICAN WATER COMPANY  
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**APPENDIX B**

**Table B2: Average Monterey Bill by Customer Class under Current Rate Design**

This table reflects the change in the average customer bill if the rates increase as proposed in the rate case and conservation filings but the current rate design is retained.

Year (a)	RESIDENTIAL			H2O			COMMERCIAL			PUBLIC AUTHORITY			GOLF COURSES			INDUSTRIAL		
	Current (b)	Proposed (c)	Percent Increase (c)	Current (d)	Proposed (e)	Percent Increase (f)	Current (g)	Proposed (h)	Percent Increase (i)	Current (j)	Proposed (k)	Percent Increase (l)	Current (m)	Proposed (n)	Percent Increase (o)	Current (p)	Proposed (q)	Percent Increase (r)
2009	\$36.67	\$65.37	78.27%	\$27.40	\$49.82	81.82%	\$195.22	\$ 346.47	77.48%	\$422.00	\$746.85	76.98%	\$2,655.22	\$4,853.49	82.79%	\$2,341.96	\$4,324.68	84.66%
2010*	\$65.37	\$73.23	12.02%	\$49.82	\$55.43	11.26%	\$346.47	\$387.08	11.72%	\$746.85	\$836.87	12.05%	\$4,853.49	\$5,409.66	11.46%	\$4,324.68	\$4,803.60	11.07%
2011*	\$73.23	\$82.28	12.36%	\$55.43	\$62.15	12.12%	\$387.08	\$434.47	12.24%	\$836.87	\$940.36	12.37%	\$5,409.66	\$6,067.67	12.16%	\$4,803.60	\$5,382.10	12.04%

**Table B3: Average Monterey Bill by Customer Class under Proposed Rate Design**

This table reflects the change in the average customer bill if the rates increase as proposed in the rate case and conservation filings and the proposed rate design were approved.

Year (a)	RESIDENTIAL			H2O			COMMERCIAL			PUBLIC AUTHORITY			GOLF COURSES			INDUSTRIAL		
	Current (b)	Proposed (c)	Percent Increase (c)	Current (d)	Proposed (e)	Percent Increase (f)	Current (g)	Proposed (h)	Percent Increase (i)	Current (j)	Proposed (k)	Percent Increase (l)	Current (m)	Proposed (n)	Percent Increase (o)	Current (p)	Proposed (q)	Percent Increase (r)
2009	\$36.67	\$44.75	22.03%	\$27.40	\$37.20	35.77%	\$195.22	\$ 242.46	24.20%	\$422.00	\$487.89	15.61%	\$2,655.22	\$3,789.30	42.71%	\$2,341.96	\$3,598.70	53.66%
2010*	\$44.75	\$49.92	11.55%	\$37.20	\$42.42	14.03%	\$242.46	\$268.70	10.82%	\$487.89	\$542.45	11.18%	\$3,789.30	\$4,190.75	10.59%	\$3,598.70	\$3,970.46	10.33%
2011*	\$49.92	\$56.38	12.94%	\$42.42	\$48.91	15.30%	\$268.70	\$303.57	12.98%	\$542.45	\$553.58	2.05%	\$4,190.75	\$4,734.74	12.98%	\$3,970.46	\$4,486.01	12.98%

**TAKE HOME MESSAGE: IF THE RATES INCREASE AS PROPOSED IN THE RATE CASE AND CONSERVATION FILINGS, CUSTOMERS WITH AVERAGE USAGE WILL BE IMPACTED LESS UNDER THE PROPOSED RATE DESIGN (SHOWN IN THE LOWER TABLE) THAN THEY WOULD HAVE BEEN UNDER THE CURRENT RATE DESIGN (SHOWN IN THE UPPER TABLE). HIGHER USE CUSTOMERS MAY SEE SIGNIFICANT BILL INCREASES.**

\* Current rates for 2009 are based on 2008 rates already in effect. Current rates for 2010 and 2011 assume adoption of prior year rates.

**CALIFORNIA AMERICAN WATER COMPANY  
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**APPENDIX B**

**Table B4: Average Bill by Monterey Subsystem under Current Rate Design**

This table reflects the change in the average customer bill if the rates increase as proposed in the rate case and conservation filings but the current rate design is retained.

Year (a)	AMBLER			BISHOP			RYAN RANCH			HIDDEN HILLS			HIDDEN HILLS H2O		
	Current (b)	Proposed (c)	Percent Increase (c)	Current (d)	Proposed (e)	Percent Increase (f)	Current (g)	Proposed (h)	Percent Increase (i)	Current (j)	Proposed (k)	Percent Increase (l)	Current (m)	Proposed (n)	Percent Increase (o)
2009	\$65.37	\$116.45	78.14%	\$71.37	\$127.15	78.16%	\$130.52	\$234.00	79.28%	\$88.67	\$158.29	78.52%	\$80.41	\$144.15	79.27%
2010*	\$116.45	\$130.82	12.34%	\$127.15	\$142.84	12.34%	\$234.00	\$261.79	11.87%	\$158.29	\$176.40	11.44%	\$144.15	\$160.19	11.13%
2011*	\$130.82	\$147.06	12.41%	\$142.84	\$160.57	12.41%	\$261.79	\$293.56	12.14%	\$176.40	\$182.96	3.72%	\$160.19	\$179.51	12.06%

**Table B5: Average Monterey Bill by Monterey Subsystem under Proposed Rate Design**

This table reflects the change in the average customer bill if the rates increase as proposed in the rate case and conservation filings and the proposed rate design were approved.

Year (a)	AMBLER			BISHOP			RYAN RANCH			HIDDEN HILLS			HIDDEN HILLS H2O		
	Current (b)	Proposed (c)	Percent Increase (c)	Current (d)	Proposed (e)	Percent Increase (f)	Current (g)	Proposed (h)	Percent Increase (i)	Current (j)	Proposed (k)	Percent Increase (l)	Current (m)	Proposed (n)	Percent Increase (o)
2009	\$65.37	\$110.15	68.50%	\$71.37	\$124.27	74.12%	\$130.52	\$142.02	8.81%	\$88.67	\$92.08	3.85%	\$80.41	\$85.20	5.96%
2010*	\$110.15	\$127.03	15.32%	\$124.27	\$137.45	10.61%	\$142.02	\$157.37	10.80%	\$92.08	\$101.97	10.74%	\$85.20	\$95.16	11.69%
2011*	\$127.03	\$143.46	12.93%	\$137.45	\$155.23	12.94%	\$157.37	\$176.78	12.33%	\$101.97	\$115.15	12.93%	\$95.16	\$108.35	13.86%

**TAKE HOME MESSAGE: IF THE RATES INCREASE AS PROPOSED IN THE RATE CASE AND CONSERVATION FILINGS, CUSTOMERS WITH AVERAGE USAGE WILL BE IMPACTED LESS UNDER THE PROPOSED RATE DESIGN (SHOWN IN THE LOWER TABLE) THAN THEY WOULD HAVE BEEN UNDER THE CURRENT RATE DESIGN (SHOWN IN THE UPPER TABLE). HIGHER USE CUSTOMERS MAY SEE SIGNIFICANT BILL INCREASES.**

\* Current rates for 2009 are based on 2008 rates already in effect. Current rates for 2010 and 2011 assume adoption of prior year rates.

**CALIFORNIA AMERICAN WATER COMPANY  
2008 GENERAL RATE CASE - MONTEREY DISTRICT**

**APPENDIX B**

**Table B8: Average Bills of Ralph Lane, Chualar and Toro.**

This table reflects the change in the average customer bill under proposed rates in the rate case and conservation filings. The current rate design structures in these areas will remain in place. No change is being proposed at this time.

Monterey Rate Increase Request	RALPH LANE			CHUALAR			TORO		
	Year (a)	Current (b)	Proposed (c)	Current (e)	Proposed (f)	Percent Increase (g)	Current (h)	Proposed (i)	Percent Increase (j)
2009	\$72.25	\$84.10	16.40%	\$36.38	\$42.36	16.44%	\$62.20	\$133.72	114.99%
2010	\$84.10	\$85.70	1.90%	\$42.36	\$43.16	1.89%	\$133.72	\$138.76	3.77%
2011	\$85.70	\$87.17	1.72%	\$43.16	\$43.89	1.69%	\$138.76	\$148.16	6.77%

\* Current rates for 2009 are based on 2008 rates already in effect. Current rates for 2010 and 2011 assume adoption of prior year rates.

**CALIFORNIA AMERICAN WATER COMPANY  
2008 GENERAL RATE CASE - MONTEREY DISTRICT**

**Appendix B**

**Table C1: Present Revenues<sup>1</sup> Compared to Projected Revenue for Each Year by Customer Class (shown in millions)**

Customer Class	2009			2010			2011			TOTAL			
	Present Revenues	Projected Revenues	Percent Increase	Present Revenues	Projected Revenues	Percent Increase	Present Revenues	Projected Revenues	Percent Increase	Dollar Increase	Percent Increase	Dollar Increase	Percent Increase
Residential and H2O	\$18.0	\$31.3	73.42%	\$31.3	\$35.0	12.02%	\$35.0	\$39.3	12.28%	\$4.3	118.12%	\$21.3	118.12%
Multi-Residential	\$2.6	\$4.4	70.12%	\$4.4	\$4.9	10.93%	\$4.9	\$5.5	12.26%	\$0.6	111.86%	\$2.9	111.86%
Commercial and Industrial	\$6.2	\$10.8	73.94%	\$10.8	\$12.1	11.46%	\$12.0	\$13.5	12.27%	\$1.5	117.62%	\$7.3	117.62%
Public Authority	\$2.3	\$4.0	76.76%	\$4.0	\$4.5	11.40%	\$4.5	\$5.0	12.30%	\$0.5	121.12%	\$2.7	121.12%
Golf Course	\$0.5	\$0.8	66.52%	\$0.8	\$0.8	10.39%	\$0.8	\$0.9	12.30%	\$0.1	106.43%	\$0.5	106.43%
Ambler	\$0.4	\$0.9	128.13%	\$0.9	\$1.0	11.40%	\$1.0	\$1.1	12.26%	\$0.1	185.42%	\$0.7	185.42%
Bishop	\$0.4	\$0.9	124.46%	\$0.9	\$1.0	11.86%	\$1.0	\$1.2	12.32%	\$0.1	182.01%	\$0.8	182.01%
Hidden Hills/Ryan Ranch	\$0.7	\$1.2	69.22%	\$1.2	\$1.3	12.08%	\$1.4	\$1.5	12.21%	\$0.2	114.02%	\$0.8	114.02%
Other	\$0.6	\$1.1	73.29%	\$1.1	\$1.2	12.02%	\$1.2	\$1.4	12.29%	\$0.2	117.97%	\$0.7	117.97%
Ralph Lane/Chualar	\$0.1	\$0.1	15.96%	\$0.1	\$0.1	1.83%	\$0.1	\$0.1	1.80%	\$0.0	20.21%	\$0.0	20.21%
Conservation	\$0.3	\$2.4	700.00%	\$2.4	\$2.2	-8.33%	\$2.2	\$2.2	0.00%	\$0.0	633.33%	\$1.9	633.33%
2008 Step Rate	\$0.7	\$0.0	0.00%							\$0.0	-100.00%	-\$0.7	-100.00%
<b>TOTAL MONTEREY</b>	<b>\$32.8</b>	<b>\$57.9</b>	<b>76.46%</b>	<b>\$57.9</b>	<b>\$64.2</b>	<b>10.90%</b>	<b>\$64.2</b>	<b>\$71.8</b>	<b>11.84%</b>	<b>\$7.6</b>	<b>118.87%</b>	<b>\$39.0</b>	<b>118.87%</b>
Toro	\$0.3	\$0.7	115.26%	\$0.7	\$0.7	3.77%	\$0.7	\$0.7	6.69%	\$0.0	138.31%	\$0.4	138.31%
<b>TOTAL WITH TORO</b>	<b>\$33.1</b>	<b>\$58.5</b>	<b>76.82%</b>	<b>\$58.5</b>	<b>\$64.9</b>	<b>10.82%</b>	<b>\$64.9</b>	<b>\$72.5</b>	<b>11.78%</b>	<b>\$7.6</b>	<b>119.05%</b>	<b>\$39.4</b>	<b>119.05%</b>

<sup>1</sup> Present Revenues are calculated using the Standard Rate Design (this is the traditional rate design used by the CPUC). Present Revenues assume customers use 2008 current rates but include additional customer projections for 2009, 2010 and 2011.

**CALIFORNIA AMERICAN WATER COMPANY  
2008 GENERAL RATE CASE - MONTEREY DISTRICT**

Tables D1 through D15 show Bill Comparisons for the example year of 2009.

**APPENDIX B: Table D1 - Comparison of a 2009 Monterey residential bill under the current and proposed rate designs. These rates include the effects of the rate case and conservation applications. Assumes 3 people on a 3/8 (0.375) acre lot, no large animals, 5/8" meter, summer period, no elevation zone surcharge.**

**2009 CURRENT RATE DESIGN - RESIDENTIAL SAMPLE 1**

	Ccf	
(a)	7	Alotment for 3 people:
	2	Alotment for 3/8 acre lot:
(b)	3	Summer Adj: (Add twice the units allotted, minus 1 unit)
(c)	0	Alotment for large animals:
(d)	10	Total Allotted Units (a) + (b) + (c)
(e)	5	Monthly block width or ECU (ccf): (d) / 2

	Ccf	Rate
Block 1	0 - 5	\$3.0735
Block 2	6 - 10	\$6.1470
Block 3	11 - 15	\$9.2205
Block 4	16 - 20	\$12.2940
Block 5	> 20	\$24.5880
Service Charge per Ccf \$1.7752		

Based on avg use of 7 ccfs, the base bill would be as follows:

	Use (ccfs)	Rate	Charge
Block 1	5	\$3.0735	\$15.37
Block 2	2	\$6.1470	\$12.29
Svc Charge	7	\$1.7752	\$12.43
5/8" Meter			\$12.39
<b>MONTHLY BASE BILL</b>			<b>\$52.48</b>

**Surcharges/Surcredits:**

Elevation Charge	\$0.00	Charge
3% Pension	\$1.57	
10% Coastal Water Project	\$5.41	
MPWMD Conservation	\$0.54	
WRAM	-\$1.77	

**2009 PROPOSED RATE DESIGN - RESIDENTIAL SAMPLE 1**

	Ccf	
(a)	7	Alotment for 3 people:
	2	Alotment for 3/8 acre lot:
(b)	3	Summer Adj: (Add twice the units allotted, minus 1 unit)
(c)	0	Alotment for large animals:
(d)	10	Total Allotted Units (a) + (b) + (c)
(e)	5	Monthly block width or ECU (ccf): (d) / 2

	Ccf	Rate
Block 1	0 - 5	\$3.5115
Block 2	6 - 10	\$4.6820
Block 3	11 - 15	\$7.0230
Block 4	16 - 20	\$23.4100
Block 5	> 20	\$46.8200

Based on avg use of 7 ccfs, the base bill would be as follows:

	Use (ccfs)	Rate	Charge
Block 1	5	\$3.5115	\$17.56
Block 2	2	\$4.6820	\$9.36
5/8" Meter			\$8.96
<b>MONTHLY BASE BILL</b>			<b>\$35.88</b>

**Surcharges/Surcredits:**

Elevation Charge	\$0.00	Charge
3% Pension	\$0.00	(gone under proposed design)
10% Coastal Water Project	\$3.59	(gone under application)
Conservation Surcharge	\$1.71	
WRAM	-\$1.77	

Camel River Dam \$1.34  
 CPUC Surcharge \$0.89  
 MPWMD Surcharge \$4.91  
**Total \$12.89**

**TOTAL MONTHLY BILL \$65.37**

Other Example Bills at Different Usage Levels	Total Bill
With monthly usage of 7 ccfs:	\$65.37
With monthly usage of 10 ccfs:	\$95.20
With monthly usage of 15 ccfs:	\$164.17
With monthly usage of 20 ccfs:	\$252.43
With monthly usage of 25 ccfs:	\$417.80

Camel River Dam \$1.34  
 CPUC Surcharge \$0.61  
 MPWMD Surcharge \$3.39  
**Total \$8.87**

**TOTAL MONTHLY BILL \$44.75**

Other Example Bills at Different Usage Levels	Total Bill	Change Over Current	% Increase/Decrease
With monthly usage of 7 ccfs:	\$44.75	-\$20.62	-31.54%
With monthly usage of 10 ccfs:	\$62.45	-\$32.75	-34.40%
With monthly usage of 15 ccfs:	\$106.74	-\$57.43	-34.98%
With monthly usage of 20 ccfs:	\$254.26	\$1.83	0.72%
With monthly usage of 25 ccfs:	\$549.33	\$131.53	31.48%

**CALIFORNIA AMERICAN WATER COMPANY  
2008 GENERAL RATE CASE - MONTEREY DISTRICT**

**APPENDIX B: Table D2** - Comparison of a 2009 Monterey residential bill under the current and proposed rate designs. These rates include the effects of the rate case and conservation applications. Assumes 3 people on a 3/8 (0.375) acre lot, no large animals, 5/8" meter, winter period, winter period, elevation zone 1.

**2009 CURRENT RATE DESIGN - RESIDENTIAL SAMPLE 2**

	Ccf	
(a) Allotment for 3 people:	7	
Allotment for 3/8 acre lot:	2	
(b) Summer Adj:	1	
(c) Allotment for large animals:	0	
(d) Total Allotted Units	8	(a) + (b) + (c)
(e) <b>Monthly block width or ECU (ccf):</b>	<b>4</b>	<b>(d) / 2</b>

	Ccf	Rate
Block 1	0 - 4	\$3.0735
Block 2	5 - 8	\$6.1470
Block 3	9 - 12	\$9.2205
Block 4	13 - 16	\$12.2940
Block 5	> 16	\$24.5880
Service Charge per ccf:		\$1.7752
Elevation Charge per ccf:		\$0.4855

Based on avg use of 7 ccf, the base bill would be as follows:

	Use (ccfs)	Rate	Charge
Block 1	4	\$3.0735	\$12.29
Block 2	3	\$6.1470	\$18.44
Svc Charge	7	\$1.7752	\$12.43
5/8" Meter			\$12.39
<b>BASE BILL</b>			<b>\$55.55</b>

**Surcharges/Surcredits:**

Elevation Zone 1 Charge	\$3.40
3% Pension	\$1.77
10% Coastal Water Project	\$6.07
MPWMD Conservation	\$0.61
WRAM	-\$1.77

**Charge**

Elevation Zone 1 Charge	\$3.40
3% Pension	\$1.77
10% Coastal Water Project	\$6.07
MPWMD Conservation	\$0.61
WRAM	-\$1.77

**2009 PROPOSED RATE DESIGN - RESIDENTIAL SAMPLE 2**

	Ccf	
(a) Allotment for 3 people:	7	
Allotment for 3/8 acre lot:	2	
(b) Winter Adj:	1	
(c) Allotment for large animals:	0	
(d) Total Allotted Units	8	(a) + (b) + (c)
(e) <b>Monthly block width or ECU (ccf):</b>	<b>4</b>	<b>(d) / 2</b>

	Ccf	Rate
Block 1	0 - 4	\$3.5115
Block 2	5 - 8	\$4.6820
Block 3	9 - 12	\$7.0230
Block 4	13 - 16	\$23.4100
Block 5	> 16	\$46.8200

Based on avg use of 7 ccf, the base bill would be as follows:

	Use (ccfs)	Rate	Charge
Block 1	4	\$3.5115	\$14.05
Block 2	3	\$4.6820	\$14.05
5/8" Meter			\$8.96
<b>BASE BILL</b>			<b>\$37.06</b>

**Surcharges/Surcredits:**

Elevation Zone 1 Charge	\$0.00
3% Pension	\$0.00
10% Coastal Water Project	\$3.71
Conservation Surcharge	\$1.77
WRAM	-\$1.77

**Charge**

Elevation Zone 1 Charge	\$0.00
3% Pension	\$0.00
10% Coastal Water Project	\$3.71
Conservation Surcharge	\$1.77
WRAM	-\$1.77

Camel River Dam \$1.34  
 CPUC Surcharge \$1.00  
 MPWMD Surcharge \$5.52  
**Total \$17.94**

**TOTAL BILL \$73.49**

Other Example Bills at Different Usage Levels	Total Bill
With monthly usage of 7 ccfs:	\$73.49
With monthly usage of 10 ccfs:	\$112.84
With monthly usage of 15 ccfs:	\$196.44
With monthly usage of 20 ccfs:	\$349.43
With monthly usage of 25 ccfs:	\$517.85

Camel River Dam \$1.34  
 CPUC Surcharge \$0.63  
 MPWMD Surcharge \$3.51  
**Total \$9.19**

**TOTAL BILL \$46.25**

Other Example Bills at Different Usage Levels	Total Bill	Change Over Current	% Increase/Decrease
With monthly usage of 7 ccfs:	\$46.25	-\$27.24	-37.07%
With monthly usage of 10 ccfs:	\$69.84	-\$43.00	-38.11%
With monthly usage of 15 ccfs:	\$176.07	-\$20.37	-10.37%
With monthly usage of 20 ccfs:	\$441.64	\$92.21	26.39%
With monthly usage of 25 ccfs:	\$736.70	\$218.85	42.26%

**CALIFORNIA AMERICAN WATER COMPANY  
2008 GENERAL RATE CASE - MONTEREY DISTRICT**

**APPENDIX B: Table D3** - Comparison of a 2009 Monterey residential bill under the current and proposed rate designs. These rates include the effects of the rate case and conservation applications. Assumes 4 people on a 1 acre lot, no large animals, 1" meter, summer period, elevation zone 2.

**2009 CURRENT RATE DESIGN - RESIDENTIAL SAMPLE 3**

	Ccf	
(a) Allotment for 4 people:	9	
Allotment for 1 acre lot:	4	
(b) Summer Adj:	7	(Add twice the units allotted, minus 1 unit)
(c) Allotment for large animals:	0	
(d) Total Allotted Units	16	(a) + (b) + (c)
(e) <b>Monthly block width or ECU (ccf):</b>	<b>8</b>	(d) / 2

	Ccf	Rate
Block 1	0 - 8	\$3.0735
Block 2	9 - 16	\$6.1470
Block 3	17 - 24	\$9.2205
Block 4	25 - 32	\$12.2940
Block 5	>32	\$24.5880
Service Charge per ccf:		\$1.7752
Elev Chrg per ccf:		\$0.8442

Based on use of 10 ccf's, the base bill would be as follows:

	Use (ccfs)	Rate	Charge
Block 1	8	\$3.0735	\$24.59
Block 2	2	\$6.1470	\$12.29
Svc Charge	10	\$1.7752	\$17.75
1" Meter			\$61.95
<b>BASE BILL</b>			<b>\$116.58</b>

**Surcharges/Surcredits:**

Elevation Zone 2 Charge	Charge	\$8.44
3% Pension		\$3.75
10% Coastal Water Project		\$12.88
MPWMD Conservation		\$1.29
WRAM		-\$4.42

**2009 PROPOSED RATE DESIGN - RESIDENTIAL SAMPLE 3**

	Ccf	
(a) Allotment for 4 people:	9	
Allotment for 1 acre lot:	4	
(b) Summer Adj:	7	(Add twice the units allotted, minus 1 unit)
(c) Allotment for large animals:	0	
(d) Total Allotted Units	16	(a) + (b) + (c)
(e) <b>Monthly block width or ECU (ccf):</b>	<b>8</b>	(d) / 2

	Ccf	Rate
Block 1	0 - 8	\$3.5115
Block 2	9 - 16	\$4.6820
Block 3	17 - 24	\$7.0230
Block 4	25 - 32	\$23.4100
Block 5	>32	\$46.8200

Based on use of 10 ccf's, the base bill would be as follows:

	Use (ccfs)	Rate	Charge
Block 1	8	\$3.5115	\$28.09
Block 2	2	\$4.6820	\$9.36
1" Meter			\$22.40
<b>BASE BILL</b>			<b>\$59.85</b>

**Surcharges/Surcredits:**

Elevation Zone 2 Charge	Charge	\$0.00	(gone under proposed design)
3% Pension		\$0.00	(gone under application)
10% Coastal Water Project		\$5.99	
Conservation		\$2.85	
WRAM		-\$4.42	

Camel River Dam	\$3.35
CPUC Surcharge	\$2.11
MPWMD Surcharge	\$11.70
<b>Total</b>	<b>\$25.29</b>

**TOTAL BILL \$141.87**

Other Example Bills at Different Usage Levels	Total Bill
With monthly usage of 10 ccfs:	\$141.87
With monthly usage of 16 ccfs:	\$221.69
With monthly usage of 24 ccfs:	\$340.52
With monthly usage of 32 ccfs:	\$490.19
With monthly usage of 40 ccfs:	\$763.28

Camel River Dam	\$3.35
CPUC Surcharge	\$1.01
MPWMD Surcharge	\$5.63
<b>Total</b>	<b>\$7.77</b>

**TOTAL BILL \$67.62**

Other Example Bills at Different Usage Levels	Total Bill	Change Over Current	% Increase/Decrease
With monthly usage of 10 ccfs:	\$67.62	-\$74.25	-52.34%
With monthly usage of 16 ccfs:	\$109.68	-\$112.01	-50.53%
With monthly usage of 24 ccfs:	\$180.49	-\$160.03	-47.00%
With monthly usage of 32 ccfs:	\$416.56	-\$73.63	-15.02%
With monthly usage of 40 ccfs:	\$888.67	\$125.39	16.43%

**CALIFORNIA AMERICAN WATER COMPANY  
2008 GENERAL RATE CASE - MONTEREY DISTRICT**

**APPENDIX B: Table D4 - Comparison of a 2009 Monterey low-income residential bill under the current and proposed rate designs. These rates include the effects of the rate case and conservation applications. Assumes 3 people on a 3/8 (0.375) acre lot, no large animals, 5/8" meter, summer period, no elevation zone surcharge.**

**2009 CURRENT RATE DESIGN - LOW INCOME (H20)**

(a)	Alotment for 3 people:	Ccf	7
(b)	Alotment for 3/8 acre lot:		2
(c)	Alotment for large animals:	Summer Adj:	3 (Add twice the units allotted, minus 1 unit)
			0
(d)	Total Allotted Units		10 (a) + (b) + (c)
(e)	<b>Monthly block width or ECU (ccf):</b>	<b>5</b>	<b>(d) / 2</b>

	Ccf	Rate
Block 1	0 - 5	\$3.0735
Block 2	6 - 10	\$6.1470
Block 3	11 - 15	\$9.2205
Block 4	16 - 20	\$12.2940
Block 5	> 20	\$24.5880
Service Charge per ccf:		\$1.7752

Based on avg use of 7 ccfs, the base bill would be as follows:

	Use (ccfs)	Rate	Charge
Block 1	5	\$3.0735	\$15.37
Block 2	2	\$6.1470	\$12.29
Svc Charge	7	\$1.7752	\$12.43
5/8" Meter			\$0.00
<b>BASE BILL</b>			<b>\$40.09</b>

<b>Surcharges/Surcredits:</b>	Charge
Elevation Charge	\$0.00
3% Pension	\$1.20
10% Coastal Water Project	\$4.13
MPWMD Conservation	\$0.41
WRAM	-\$1.77
Carmel River Dam	\$1.34

**2009 PROPOSED RATE DESIGN - LOW-INCOME (H20)**

(a)	Alotment for 3 people:	Ccf	7
(b)	Alotment for 3/8 acre lot:		2
(c)	Alotment for large animals:	Summer Adj:	3 (Add twice the units allotted, minus 1 unit)
			0
(d)	Total Allotted Units		10 (a) + (b) + (c)
(e)	<b>Monthly block width or ECU (ccf):</b>	<b>5</b>	<b>(d) / 2</b>

	Ccf	Rate
Block 1	0 - 5	\$3.5115
Block 2	6 - 10	\$4.6820
Block 3	11 - 15	\$7.0230
Block 4	16 - 20	\$23.4100
Block 5	> 20	\$46.8200

Based on avg use of 7 ccfs, the base bill would be as follows:

	Use (ccfs)	Rate	Charge
Block 1	5	\$3.5115	\$17.56
Block 2	2	\$4.6820	\$9.36
5/8" Meter			\$8.96
Low Inc Discount			-\$6.00
<b>BASE BILL</b>			<b>\$29.88</b>

<b>Surcharges/Surcredits:</b>	Charge
Elevation Charge	\$0.00 (gone under proposed design)
3% Pension	\$0.00 (gone under application)
10% Coastal Water Project	\$2.99
Conservation Surcharge	\$1.43
WRAM	-\$1.77
Carmel River Dam	\$1.34

CPUC Surcharge \$0.67  
 MPWMD Surcharge \$3.75  
**Total \$9.73**

**TOTAL MONTHLY BILL \$49.82**

Other Example Bills at Different Usage Levels	Total Bill
With monthly usage of 7 ccfs:	\$49.82
With monthly usage of 10 ccfs:	\$72.59
With monthly usage of 15 ccfs:	\$135.44
With monthly usage of 20 ccfs:	\$215.87
With monthly usage of 25 ccfs:	\$366.57

CPUC Surcharge \$0.51  
 MPWMD Surcharge \$2.82  
**Total \$7.32**

**TOTAL MONTHLY BILL \$37.20**

Other Example Bills at Different Usage Levels	Total Bill	Change Over Current	% Increase/Decrease
With monthly usage of 7 ccfs:	\$37.20	-\$12.62	-25.33%
With monthly usage of 10 ccfs:	\$54.90	-\$17.69	-24.37%
With monthly usage of 15 ccfs:	\$99.17	-\$36.27	-26.78%
With monthly usage of 20 ccfs:	\$246.70	\$30.83	14.28%
With monthly usage of 25 ccfs:	\$541.78	\$175.21	47.80%

**CALIFORNIA AMERICAN WATER COMPANY  
2008 GENERAL RATE CASE - MONTEREY DISTRICT**

**APPENDIX B: Table D5** - Comparison of a 2009 Monterey commercial bill under the current and proposed rate designs. These rates include the effects of the rate case and conservation applications. Assumes a monthly allotment of 35 ccfs.

**2009 CURRENT RATE DESIGN - COMMERCIAL**

	Ccf	Rate	Use (ccfs)	Rate	Charge
Block 1	0 - 35	\$6.1470	35	\$6.1470	\$215.15
Block 2	> 35	\$18.4410			\$61.95
<b>1" Meter</b>					<b>\$277.10</b>
<b>BASE BILL</b>					

	Charge
<b>Surcharges/Surcredits:</b>	
3% Pension	\$8.31
10% Coastal Water Project	\$28.54
MPWMD Conservation	\$2.85
WRAM	-\$4.42
Carmel River Dam	\$3.35
CPUC Surcharge	\$4.69
MPWMD Surcharge	\$26.05
<b>Total</b>	<b>\$69.37</b>
<b>TOTAL MONTHLY BILL</b>	<b>\$346.47</b>

Other Example Bills at Different Usage Levels	Total Bill
With monthly usage of 35 ccfs:	\$346.47
With monthly usage of 39 ccfs:	\$439.03
With monthly usage of 57 ccfs:	\$855.47
With monthly usage of 60 ccfs:	\$924.89
With monthly usage of 75 ccfs:	\$1,271.93

**2009 PROPOSED RATE DESIGN - COMMERCIAL**

	Ccf	Rate	Use (ccfs)	Rate	Charge
Block 1	0 - 32	\$4.6820	32	\$4.6820	\$149.82
Block 2	33 - 35	\$7.0230			\$21.07
Block 3	36 - 39	\$14.0460			\$22.40
Block 4	40 - 57	\$23.4100			
Block 5	> 57	\$46.8200			
<b>1" Meter</b>					<b>\$193.29</b>
<b>BASE BILL</b>					

	Charge
<b>Surcharges/Surcredits:</b>	
3% Pension	\$0.00 (gone under application)
10% Coastal Water Project	\$19.33
Conservation Surcharge	\$9.22
WRAM	-\$4.42
Carmel River Dam	\$3.35
CPUC Surcharge	\$3.31
MPWMD Surcharge	\$18.38
<b>Total</b>	<b>\$49.17</b>
<b>TOTAL MONTHLY BILL</b>	<b>\$242.46</b>

Other Example Bills at Different Usage Levels	Total Bill	Change Over Current	% Increase/Decrease
With monthly usage of 35 ccfs:	\$242.46	-\$104.01	-30.02%
With monthly usage of 39 ccfs:	\$473.88	\$34.85	7.94%
With monthly usage of 57 ccfs:	\$1,005.01	\$149.54	17.48%
With monthly usage of 60 ccfs:	\$1,182.04	\$257.15	27.80%
With monthly usage of 75 ccfs:	\$2,067.26	\$795.33	62.53%

**CALIFORNIA AMERICAN WATER COMPANY  
2008 GENERAL RATE CASE - MONTEREY DISTRICT**

**APPENDIX B: Table D6** - Comparison of a 2009 Monterey public authority bill under the current and proposed rate designs. These rates include the effects of the rate case and conservation applications. Assumes a monthly allotment of 65 ccfs.

**2009 CURRENT RATE DESIGN - PUBLIC AUTHORITY**

Quantity Rate per ccf:	Rate	
	\$6.1470	
Use (ccfs)	Rate	Charge
65	\$6.1470	\$399.56
Qty Chrg		\$198.24
2" Meter		<b>\$597.80</b>
<b>BASE BILL</b>		

**Surcharges/Surcredits:**

	Charge
3% Pension	\$17.93
10% Coastal Water Project	\$61.57
MPWMD Conservation	\$6.16
WRAM	-\$14.13
Carmel River Dam	\$10.71
CPUC Surcharge	\$10.20
MPWMD Surcharge	\$56.61
<b>Total</b>	<b>\$149.05</b>

**TOTAL MONTHLY BILL**

**\$746.85**

Other Example Bills at Different Usage Levels	Total Bill
With monthly usage of 65 ccfs:	\$746.85
With monthly usage of 75 ccfs:	\$823.38
With monthly usage of 85 ccfs:	\$900.50
With monthly usage of 95 ccfs:	\$977.63
With monthly usage of 105 ccfs:	\$1,054.74

**2009 PROPOSED RATE DESIGN - PUBLIC AUTHORITY**

	Ccf	Rate
Block 1	0 - 59	\$4.6820
Block 2	60 - 65	\$7.0230
Block 3	> 65	\$14.0460
Use (ccfs)	Rate	Charge
59	\$4.6820	\$276.24
6	\$7.0230	\$42.14
2" Meter		\$71.68
<b>BASE BILL</b>		<b>\$390.06</b>

**Surcharges/Surcredits:**

	Charge
3% Pension	\$0.00 (gone under application)
10% Coastal Water Project	\$39.01
Conservation Surcharge	\$18.60
WRAM	-\$14.13
Carmel River Dam	\$10.71
CPUC Surcharge	\$6.66
MPWMD Surcharge	\$36.98
<b>Total</b>	<b>\$97.83</b>

**TOTAL MONTHLY BILL**

**\$487.89**

Other Example Bills at Different Usage Levels	Total Bill	Change Over Current	% Increase/Decrease
With monthly usage of 65 ccfs:	\$487.89	-\$258.96	-34.67%
With monthly usage of 75 ccfs:	\$664.93	-\$158.45	-19.24%
With monthly usage of 85 ccfs:	\$841.98	-\$58.52	-6.50%
With monthly usage of 95 ccfs:	\$1,019.02	\$41.39	4.23%
With monthly usage of 105 ccfs:	\$1,196.08	\$141.34	13.40%

**CALIFORNIA AMERICAN WATER COMPANY  
2008 GENERAL RATE CASE - MONTEREY DISTRICT**

**APPENDIX B: Table D7** - Comparison of a 2009 Monterey industrial bill under the current and proposed rate designs. These rates include the effects of the rate case and conservation applications. Assumes a monthly allotment of 529 ccfs.

**APPENDIX B: Table D7** - Comparison of a 2009 Monterey industrial bill under the current and proposed rate designs. These rates include the effects of the rate case and conservation applications. Assumes a monthly allotment of 529 ccfs.

**2009 CURRENT RATE DESIGN - INDUSTRIAL**

Quantity	Rate	Use (ccfs)	Rate	Charge
Rate per ccf:	\$6.1470			
Qty Chrg		529	\$6.1470	\$3,251.76
2" Meter				\$198.24
<b>BASE BILL</b>				<b>\$3,450.00</b>

<u>Surcharges/Surcredits:</u>	Charge
3% Pension	\$103.50
10% Coastal Water Project	\$355.35
MPWMD Conservation	\$35.54
WRAM	-\$14.13
Carmel River Dam	\$10.71
CPUC Surcharge	\$58.58
MPWMD Surcharge	\$325.13
<b>Total</b>	<b>\$874.68</b>

**TOTAL MONTHLY BILL \$4,324.68**

<b>Other Example Bills at Different Usage Levels</b>	<b>Total Bill</b>
With monthly usage of 529 ccfs:	\$4,324.68
With monthly usage of 550 ccfs:	\$4,486.63
With monthly usage of 600 ccfs:	\$4,872.23
With monthly usage of 650 ccfs:	\$5,257.84
With monthly usage of 700 ccfs:	\$5,643.45

**2009 PROPOSED RATE DESIGN - INDUSTRIAL**

Block	Ccf	Rate	Charge
Block 1	0 - 530	\$5.2673	\$2,786.38
Block 2	> 530	\$7.9009	\$71.68
<b>BASE BILL</b>			<b>\$2,858.06</b>

<u>Surcharges/Surcredits:</u>	Charge
3% Pension	\$0.00 (gone under application)
10% Coastal Water Project	\$285.81
Conservation Surcharge	\$136.31
WRAM	-\$14.13
Carmel River Dam	\$10.71
CPUC Surcharge	\$49.15
MPWMD Surcharge	\$272.79
<b>Total</b>	<b>\$740.64</b>

**TOTAL MONTHLY BILL \$3,598.70**

<b>Other Example Bills at Different Usage Levels</b>	<b>Total Bill</b>	<b>Change Over Current</b>	<b>% Increase/Decrease</b>
With monthly usage of 529 ccfs:	\$3,598.70	-\$725.98	-16.79%
With monthly usage of 550 ccfs:	\$3,804.50	-\$682.13	-15.20%
With monthly usage of 600 ccfs:	\$4,302.44	-\$569.79	-11.69%
With monthly usage of 650 ccfs:	\$4,800.37	-\$457.47	-8.70%
With monthly usage of 700 ccfs:	\$5,298.30	-\$345.15	-6.12%

**CALIFORNIA AMERICAN WATER COMPANY  
2008 GENERAL RATE CASE - MONTEREY DISTRICT**

**APPENDIX B: Table D8** - Comparison of a 2009 Monterey industrial bill under the current and proposed rate designs. These rates include the effects of the rate case and conservation applications. Assumes a monthly allotment of 530 ccfs.

**2009 CURRENT RATE DESIGN - GOLF**

Quantity Rate per ccf:	Rate		
	\$6.1470		
Use (ccfs)	Rate	Charge	
530	\$6.1470	\$3,257.91	
Qty Chrg			
4" Meter		\$619.50	
<b>BASE BILL</b>		<b>\$3,877.41</b>	

<b>Surcharges/Surcredits:</b>	Charge
3% Pension	\$116.32
10% Coastal Water Project	\$399.37
MPWMD Conservation	\$39.94
WRAM	-\$44.17
Carmel River Dam	\$33.46
CPUC Surcharge	\$66.33
MPWMD Surcharge	\$364.83
<b>Total</b>	<b>\$976.08</b>

**TOTAL MONTHLY BILL \$4,853.49**

Other Example Bills at Different Usage Levels	Base Bill
With monthly usage of 530 ccfs:	\$4,853.49
With monthly usage of 550 ccfs:	\$5,007.15
With monthly usage of 600 ccfs:	\$5,392.75
With monthly usage of 650 ccfs:	\$5,778.36
With monthly usage of 700 ccfs:	\$6,163.97

**2009 PROPOSED RATE DESIGN - GOLF**

Ccf	Rate	
0 - 530	\$5.2673	
> 530	\$26.3363	
Use (ccfs)	Rate	Charge
530	\$5.2673	\$2,791.64
Block 1		
4" Meter		\$224.00
<b>BASE BILL</b>		<b>\$3,015.64</b>

<b>Surcharges/Surcredits:</b>	Charge
3% Pension	\$0.00 (gone under application)
10% Coastal Water Project	\$301.56
Conservation Surcharge	\$143.82
WRAM	-\$44.17
Carmel River Dam	\$33.46
CPUC Surcharge	\$51.75
MPWMD Surcharge	\$287.24
<b>Total</b>	<b>\$773.66</b>

**TOTAL MONTHLY BILL \$3,789.30**

Other Example Bills at Different Usage Levels	Base Bill	Change Over Current	% Increase/Decrease
With monthly usage of 530 ccfs:	\$3,789.30	\$1,064.19	-21.93%
With monthly usage of 550 ccfs:	\$4,453.24	-\$553.91	-11.06%
With monthly usage of 600 ccfs:	\$6,113.01	\$720.26	13.36%
With monthly usage of 650 ccfs:	\$7,772.79	\$1,994.43	34.52%
With monthly usage of 700 ccfs:	\$9,432.56	\$3,268.59	53.03%

**CALIFORNIA AMERICAN WATER COMPANY  
2008 GENERAL RATE CASE - MONTEREY DISTRICT**

**APPENDIX B: Table D9** - Comparison of a 2009 Ambler/Bishop residential bill under the current and proposed rate designs. These rates include the effects of the rate case and conservation applications. Assumes 3 people on a 1 acre lot, no large animals, 5/8" meter. Based on current monthly average usage of 20 ccf.

**2009 CURRENT RATE DESIGN - AMBLER & BISHOP**

Quantity Rate per ccf: Rate  
\$4.3303

(a)	Alotment for 3 people:	Ccf	7
(b)	Alotment for 1 acre lot:		4
(c)	Alotment for large animals:	Summer Adj:	7 (Add twice the units allotted, minus 1 unit)
			0
(d)	Total Allotted Units		14 (a) + (b) + (c)
(e)	<b>Monthly block width or ECU (ccf):</b>		<b>7 (d) / 2</b>

**2009 PROPOSED RATE DESIGN - AMBLER & BISHOP**

	Ccf	Rate
Block 1	0 - 7	\$3.5115
Block 2	8 - 14	\$4.6820
Block 3	15 - 21	\$7.0230
Block 4	22 - 28	\$23.4100
Block 5	>28	\$46.8200

Block 1	Use (ccfs)	Rate	Charge
5/8" Meter	20	\$4.3303	\$86.61
<b>BASE BILL</b>			<b>\$24.78</b>
			<b>\$111.39</b>

Block 1	Use (ccfs)	Rate	Charge
Block 2	7	\$3.5115	\$24.58
Block 3	7	\$4.6820	\$32.77
5/8" Meter	6	\$7.0230	\$42.14
<b>BASE BILL</b>			<b>\$6.96</b>
			<b>\$108.45</b>

<b>Surcharges/Surcredits:</b>	Charge
3% Pension	\$3.34
MPWMD Conservation	\$1.15 (not applicable to Ambler)
CPUC Surcharge	\$1.72
MPWMD Surcharge	\$9.55 (not applicable to Ambler)
<b>Total</b>	<b>\$15.76</b>

<b>Surcharges/Surcredits:</b>	Charge
3% Pension	\$0.00 (gone under application)
Conservation Surcharge	\$4.70
CPUC Surcharge	\$1.70
MPWMD Surcharge	\$9.42 (not applicable to Ambler)
<b>Total</b>	<b>\$15.82</b>

TOTAL AMBLER BILL \$116.45  
 TOTAL BISHOP BILL \$127.15

Other Example Bills at Different Usage Levels	Total Bill
<b><u>Bishop</u></b>	
With monthly usage of 20 ccfs:	\$127.15
With monthly usage of 25 ccfs:	\$151.87
With monthly usage of 30 ccfs:	\$176.57
With monthly usage of 40 ccfs:	\$226.01
With monthly usage of 50 ccfs:	\$275.44
<b><u>Ambler</u></b>	
With monthly usage of 20 ccfs:	\$116.45
With monthly usage of 25 ccfs:	\$139.09
With monthly usage of 30 ccfs:	\$161.72
With monthly usage of 40 ccfs:	\$206.99
With monthly usage of 50 ccfs:	\$252.26

TOTAL AMBLER BILL \$110.15  
 TOTAL BISHOP BILL \$124.27

Other Example Bills at Different Usage Levels	Total Bill	Change Over Current	% Increase/Decrease
<b><u>Bishop</u></b>			
With monthly usage of 20 ccfs:	\$124.27	-\$2.88	-2.27%
With monthly usage of 25 ccfs:	\$239.61	\$87.74	57.77%
With monthly usage of 30 ccfs:	\$427.39	\$250.82	142.05%
With monthly usage of 40 ccfs:	\$963.87	\$737.86	326.47%
With monthly usage of 50 ccfs:	\$1,500.37	\$1,224.93	444.72%
<b><u>Ambler</u></b>			
With monthly usage of 20 ccfs:	\$110.15	-\$6.30	-5.41%
With monthly usage of 25 ccfs:	\$221.45	\$82.36	59.21%
With monthly usage of 30 ccfs:	\$394.99	\$233.27	144.24%
With monthly usage of 40 ccfs:	\$890.81	\$683.82	330.36%
With monthly usage of 50 ccfs:	\$1,386.64	\$1,134.38	449.69%

**CALIFORNIA AMERICAN WATER COMPANY  
2008 GENERAL RATE CASE - MONTEREY DISTRICT**

**APPENDIX B: Table D10 - Comparison of a 2009 Hidden Hills residential bill under the current and proposed rate designs. Assumes 3 people on a 1 acre lot, no large animals, 5/8" meter. These rates include the effects of the rate case and conservation applications. Based on current monthly average usage of 16 ccf.**

**2009 CURRENT RATE DESIGN - HIDDEN HILLS**

**2009 PROPOSED RATE DESIGN - HIDDEN HILLS**

	Ccf
(a) Allotment for 3 people:	7
(b) Allotment for 1 acre lot:	4
(c) Allotment for large animals:	7 (Add twice the units allotted, minus 1 unit)
(d) Total Allotted Units	14 (a) + (b) + (c)
(e) Monthly block width or ECU (ccf):	7 (d) / 2

	Ccf	Rate
Block 1	0 - 8	\$5.2434
Block 2	9 - 24	\$6.9912
Block 3	25 - 40	\$13.9823
Block 4	> 40	\$34.9558
Service Charge per ccf:		\$1.7752

Based on avg use of 16 ccf, the base bill would be as follows:

	Use (ccfs)	Rate	Charge
Block 1	8	\$5.2434	\$41.95
Block 2	8	\$6.9912	\$55.93
Svc Charge	16	\$1.7752	\$28.40
5/8" Meter			\$12.39
<b>BASE BILL</b>			<b>\$138.67</b>

**Surcharges/Surcredits:**

3% Pension	\$4.16
MPWMD Conservation	\$1.43
CPUC Surcharge	\$2.14
MPWMD Surcharge	\$11.89
<b>Total</b>	<b>\$19.62</b>

**TOTAL MONTHLY BILL**

**\$158.29**

	Ccf	Rate
Block 1	0 - 7	\$3.5115
Block 2	8 - 14	\$4.6820
Block 3	15 - 21	\$7.0230
Block 4	22 - 28	\$23.4100
Block 5	>28	\$46.8200

	Use (ccfs)	Rate	Charge
Block 1	7	\$3.5115	\$24.58
Block 2	7	\$4.6820	\$32.77
Block 3	2	\$7.0230	\$14.05
5/8" Meter			\$8.96
<b>BASE BILL</b>			<b>\$80.36</b>

**Surcharges/Surcredits:**

3% Pension	\$0.00	(gone under application)
Conservation Surcharge	\$3.48	
CPUC Surcharge	\$1.26	
MPWMD Surcharge	\$6.98	
<b>Total</b>	<b>\$11.72</b>	

**TOTAL MONTHLY BILL**

**\$92.08**

Other Example Bills at Different Usage Levels	Total Bill
With monthly usage of 16 ccfs:	\$158.29
With monthly usage of 25 ccfs:	\$256.34
With monthly usage of 30 ccfs:	\$346.27
With monthly usage of 40 ccfs:	\$526.15
With monthly usage of 50 ccfs:	\$945.44

Other Example Bills at Different Usage Levels	Total Bill	Change Over Current	% Increase/Decrease
With monthly usage of 16 ccfs:	\$92.08	-\$66.21	-41.83%
With monthly usage of 25 ccfs:	\$239.61	-\$16.73	-6.53%
With monthly usage of 30 ccfs:	\$427.39	\$81.12	23.43%
With monthly usage of 40 ccfs:	\$963.87	\$437.72	83.19%
With monthly usage of 50 ccfs:	\$1,500.37	\$554.93	58.70%

**CALIFORNIA AMERICAN WATER COMPANY  
2008 GENERAL RATE CASE - MONTEREY DISTRICT**

**APPENDIX B: Table D11** - Comparison of a 2009 Hidden Hills low-income residential bill under the current and proposed rate designs. These rates include the effects of the rate case and conservation applications. Assumes 3 people on a 1 acre lot, no large animals, 5/8" meter. Based on current monthly average usage of 16 ccf's.

**2009 CURRENT RATE DESIGN - HIDDEN HILLS LOW INCOME (H2O)**

	Ccf	Rate	Charge
Block 1	0 - 8	\$5.2434	\$41.95
Block 2	9 - 24	\$6.9912	\$55.93
Block 3	25 - 40	\$13.9823	\$28.40
Block 4	> 40	\$34.9558	\$0.00
Service Charge per ccf:		\$1.7752	<b>\$126.28</b>

Based on avg use of 16 ccf's, the base bill would be as follows:

	Use (ccfs)	Rate	Charge
Block 1	8	\$5.2434	\$41.95
Block 2	8	\$6.9912	\$55.93
Svc Charge	16	\$1.7752	\$28.40
5/8" Meter			\$0.00
<b>BASE BILL</b>			<b>\$126.28</b>

	Charge
<b>Surcharges/Surcredits:</b>	
3% Pension	\$3.79
MPWMD Conservation	\$1.30
CPUC Surcharge	\$1.95
MPWMD Surcharge	\$10.83
<b>Total</b>	<b>\$17.87</b>

**2009 PROPOSED RATE DESIGN - HIDDEN HILLS LOW INCOME (H2O)**

	Ccf	Rate	Charge
(a) Allotment for 3 people:	7	\$3.5115	\$24.58
Allotment for 1 acre lot:	4	\$4.6820	\$32.77
(b) Summer Adj:	7	\$7.0230	\$14.05
(c) Allotment for large animals:	0	\$23.4100	\$8.96
(d) Total Allotted Units	14		-\$6.00
(e) Monthly block width or ECU (ccf):	7		<b>\$74.36</b>

	Ccf	Rate	Charge
Block 1	0 - 7	\$3.5115	\$24.58
Block 2	8 - 14	\$4.6820	\$32.77
Block 3	15 - 21	\$7.0230	\$14.05
Block 4	22 - 28	\$23.4100	\$8.96
Block 5	>28	\$46.8200	-\$6.00

	Charge
<b>Surcharges/Surcredits:</b>	
3% Pension	\$0.00 (gone under application)
Conservation Surcharge	\$3.22
CPUC Surcharge	\$1.16
MPWMD Surcharge	\$6.46
<b>Total</b>	<b>\$10.84</b>

TOTAL MONTHLY BILL \$144.15

Other Example Bills at Different Usage Levels	Total Bill
With monthly usage of 16 ccfs:	\$144.15
With monthly usage of 25 ccfs:	\$242.20
With monthly usage of 30 ccfs:	\$332.14
With monthly usage of 40 ccfs:	\$512.01
With monthly usage of 50 ccfs:	\$831.29

TOTAL MONTHLY BILL \$85.20

Other Example Bills at Different Usage Levels	Total Bill	Change Over Current	% Increase/Decrease
With monthly usage of 16 ccfs:	\$85.20	-\$58.95	-40.89%
With monthly usage of 25 ccfs:	\$232.74	-\$9.46	-3.91%
With monthly usage of 30 ccfs:	\$420.51	\$88.37	26.61%
With monthly usage of 40 ccfs:	\$957.00	\$444.99	86.91%
With monthly usage of 50 ccfs:	\$1,493.50	\$562.21	60.37%

**CALIFORNIA AMERICAN WATER COMPANY  
2008 GENERAL RATE CASE - MONTEREY DISTRICT**

**APPENDIX B: Table D12 - Comparison of a 2009 Ryan Ranch bill under the current and proposed rate designs. These rates include the effects of the rate case and conservation applications. Assumes monthly allotment of 20 ccf.**

**2009 CURRENT RATE DESIGN - RYAN RANCH**

Quantity Rate per ccf:	Rate	
	\$6.9912	
Qty Chrg	Use (ccfs)	Rate
1" Meter	20	\$6.9912
<b>BASE BILL</b>		<b>\$139.82</b>
		<b>\$61.95</b>
		<b>\$201.77</b>

<b>Surcharges/Surcredits:</b>	Charge
3% Pension	\$6.05
MPWMD Conservation	\$2.08
Carmel River Dam	\$3.35
CPUC Surcharge	\$3.17
MPWMD Surcharge	\$17.58
<b>Total</b>	<b>\$32.23</b>
<b>TOTAL BILL</b>	<b>\$234.00</b>

Other Example Bills at Different Usage Levels	Total Bill
With monthly usage of 20 ccf:	\$234.00
With monthly usage of 22 ccf:	\$249.96
With monthly usage of 30 ccf:	\$313.80
With monthly usage of 35 ccf:	\$353.71
With monthly usage of 40 ccf:	\$393.62

**2009 PROPOSED RATE DESIGN - RYAN RANCH**

Block 1	Ccf	Rate
Block 2	0 - 18	\$4.6820
Block 3	19 - 20	\$7.0230
Block 4	21 - 22	\$14.0460
Block 5	23 - 32	\$23.4100
	> 32	\$46.8200
Block 1	Use (ccfs)	Rate
Block 2	18	\$4.6820
Block 2	2	\$7.0230
1" Meter		\$22.40
<b>BASE BILL</b>		<b>\$120.73</b>

<b>Surcharges/Surcredits:</b>	Charge
3% Pension	\$0.00 (gone under application)
Conservation Surcharge	\$5.23
Carmel River Dam	\$3.35
CPUC Surcharge	\$1.94
MPWMD Surcharge	\$10.77
<b>Total</b>	<b>\$21.29</b>
<b>TOTAL BILL</b>	<b>\$142.02</b>

Other Example Bills at Different Usage Levels	Total Bill	Change Over Current	% Increase/Decrease
With monthly usage of 20 ccf:	\$142.02	-\$91.98	-39.31%
With monthly usage of 22 ccf:	\$178.27	-\$71.69	-28.68%
With monthly usage of 30 ccf:	\$392.87	\$79.07	25.20%
With monthly usage of 35 ccf:	\$607.47	\$253.76	71.74%
With monthly usage of 40 ccf:	\$875.71	\$482.09	122.48%

**CALIFORNIA AMERICAN WATER COMPANY  
2008 GENERAL RATE CASE - MONTEREY DISTRICT**

**APPENDIX B: Table D13 - Comparison of a 2009 Ralph Lane bill under rates proposed in the rate case application. The current rate design structure will remain in place. Assumes monthly usage of 19 ccfs on a 5/8" meter.**

**2009 CURRENT RATES - RALPH LANE**

	Ccf	Rate
Block 1	0 - 8	\$3.0565
Block 2	9 - 30	\$3.6689
Block 3	> 30	\$6.1187

	Use (ccfs)	Rate	Charge
Block 1	8	\$3.0565	\$24.45
Block 2	11	\$3.6689	\$40.36
5/8" Meter			<u>\$6.37</u>
<b>BASE BILL</b>			<b>\$71.18</b>

**Surcharges/Surcredits:**

CPUC Surcharge	Charge	<u>\$1.07</u>
<b>Total</b>		<b>\$1.07</b>

**TOTAL MONTHLY BILL**

**\$72.25**

Other Example Bills at Different Usage Levels	Total Bill
With monthly usage of 19 ccfs:	\$72.25
With monthly usage of 30 ccfs:	\$113.21
With monthly usage of 35 ccfs:	\$144.26
With monthly usage of 40 ccfs:	\$144.26
With monthly usage of 45 ccfs:	\$144.26

**2009 PROPOSED RATES - RALPH LANE**

	Ccf	Rate
Block 1	0 - 8	\$3.5580
Block 2	9 - 30	\$4.2710
Block 3	> 30	\$7.1228

	Use (ccfs)	Rate	Charge
Block 1	8	\$3.5580	\$28.46
Block 2	11	\$4.2710	\$46.98
5/8" Meter			<u>\$7.42</u>
<b>BASE BILL</b>			<b>\$82.86</b>

**Surcharges/Surcredits:**

CPUC Surcharge	Charge	<u>\$1.24</u>
<b>Total</b>		<b>\$1.24</b>

**TOTAL MONTHLY BILL**

**\$84.10**

Other Example Bills at Different Usage Levels	Total Bill	Change Over Current	% Increase/Decrease
With monthly usage of 19 ccfs:	\$84.10	\$11.85	16.40%
With monthly usage of 30 ccfs:	\$131.79	\$18.58	16.41%
With monthly usage of 35 ccfs:	\$167.93	\$23.67	16.41%
With monthly usage of 40 ccfs:	\$204.09	\$59.83	41.47%
With monthly usage of 45 ccfs:	\$240.23	\$95.97	66.53%

**CALIFORNIA AMERICAN WATER COMPANY  
2008 GENERAL RATE CASE - MONTEREY DISTRICT**

**APPENDIX B: Table D14 - Comparison of a 2009 Chualar bill under rates proposed in the rate case application. The current rate design structure would remain in place. Assumes monthly usage of 24 ccfs on a 5/8" meter.**

**2009 CURRENT RATES - CHUALAR**

Qty Rate per Ccf                      Rate  
\$0.6600

Qty Charge	Use (ccfs)	Rate	Charge
Meter Charge	24	\$0.6600	\$15.84
<b>BASE BILL</b>			<u>\$20.00</u>
			<b>\$35.84</b>

**Surcharges/Surcredits:**

CPUC Surcharge	Charge
	<u>\$0.54</u>
<b>Total</b>	<b>\$0.54</b>

**TOTAL MONTHLY BILL**

**\$36.38**

Other Example Bills at Different Usage Levels	Total Bill
With monthly usage of 24 ccfs:	\$36.38
With monthly usage of 30 ccfs:	\$40.40
With monthly usage of 40 ccfs:	\$47.10
With monthly usage of 50 ccfs:	\$53.80
With monthly usage of 60 ccfs:	\$60.49

**2009 PROPOSED RATES - CHUALAR**

Qty Rate per Ccf                      Rate  
\$0.7682

Qty Charge	Use (ccfs)	Rate	Charge
Meter Charge	24	\$0.7682	\$18.44
<b>BASE BILL</b>			<u>\$23.29</u>
			<b>\$41.73</b>

**Surcharges/Surcredits:**

CPUC Surcharge	Charge
	<u>\$0.63</u>
<b>Total</b>	<b>\$0.63</b>

**TOTAL MONTHLY BILL**

**\$42.36**

Other Example Bills at Different Usage Levels	Total Bill	Change Over Current	% Increase/Decrease
With monthly usage of 24 ccfs:	\$42.36	\$5.98	16.44%
With monthly usage of 30 ccfs:	\$47.04	\$6.64	16.44%
With monthly usage of 40 ccfs:	\$54.83	\$7.73	16.41%
With monthly usage of 50 ccfs:	\$62.63	\$8.83	16.41%
With monthly usage of 60 ccfs:	\$70.42	\$9.93	16.42%

**CALIFORNIA AMERICAN WATER COMPANY  
2008 GENERAL RATE CASE - MONTEREY DISTRICT**

**APPENDIX B: Table D15 - Comparison of a 2009 Toro residential bill under rates proposed in the rate case application. The current rate design structure would remain in place. Assumes monthly usage of 22 ccfs on a 1" meter.**

**2009 CURRENT RATES - TORO**

Qty Rate per Ccf	Rate		
	\$2.2870		
		Use (ccfs)	Charge
Block 1		22	\$50.31
1" Meter			\$10.97
<b>BASE BILL</b>			<b>\$61.28</b>
<b>Surcharges/Surcredits:</b>			
CPUC Surcharge		Charge	\$0.92
<b>Total</b>			<b>\$0.92</b>
<b>TOTAL MONTHLY BILL</b>			<b>\$62.20</b>

Other Example Bills at Different Usage Levels	Total Bill
With monthly usage of 22 ccfs:	\$62.20
With monthly usage of 30 ccfs:	\$80.77
With monthly usage of 40 ccfs:	\$103.99
With monthly usage of 50 ccfs:	\$127.20
With monthly usage of 60 ccfs:	\$150.41

**2009 PROPOSED RATES - TORO**

Qty Rate per Ccf	Rate		
	\$4.9165		
		Use (ccfs)	Charge
Block 1		22	\$108.16
1" Meter			\$23.58
<b>BASE BILL</b>			<b>\$131.74</b>
<b>Surcharges/Surcredits:</b>			
CPUC Surcharge		Charge	\$1.98
<b>Total</b>			<b>\$1.98</b>
<b>TOTAL MONTHLY BILL</b>			<b>\$133.72</b>

Other Example Bills at Different Usage Levels	Total Bill	Change Over Current	% Increase/Decrease
With monthly usage of 22 ccfs:	\$133.72	\$71.52	114.99%
With monthly usage of 30 ccfs:	\$173.64	\$92.87	114.98%
With monthly usage of 40 ccfs:	\$223.54	\$119.55	114.97%
With monthly usage of 50 ccfs:	\$273.44	\$146.24	114.97%
With monthly usage of 60 ccfs:	\$323.35	\$172.94	114.98%