Docket		A.24-07-003
Exhibit Number	:	Cal Adv - #
Commissioner	:	Matthew Baker
Admin. Law Judge	:	Alberto Rosas
Public Advocates Witness	:	Chandrika Sharma

PUBLIC ADVOCATES OFFICE
CALIFORNIA PUBLIC UTILITIES COMMISSION

REPORT AND RECOMMENDATIONS ON PLANT FOR BAKERSFIELD, KERN RIVER VALLEY, KING CITY, SALINAS, SELMA, AND VISALIA DISTRICTS, AND RATE BASE

California Water Service Company
General Rate Case

Application 24-07-003

San Francisco, California
January 28, 2025

555834318

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MEMORANDUM

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) examined application material, data request responses, and other information presented by California Water Service Company (CWS or Cal Water) in Application (A.) 24-07-003 to provide the California Public Utilities Commission (Commission or CPUC) with recommendations in the interests of ratepayers for safe and reliable service at the lowest cost. Edward Scher is Cal Advocates' project lead for this proceeding. Syreeta Gibbs is the oversight supervisor, and Emily Fisher and Megan Delaporta are legal counsel.

Although every effort was made to comprehensively review, analyze, and provide the Commission with recommendations on each ratemaking and policy aspect presented in the Application, the absence from Cal Advocates' testimony of any particular issue connotes neither agreement nor disagreement of the underlying request, methodology, or policy position related to that issue.

CHAPTER 1 PLANT FOR BAKERSFIELD

I. INTRODUCTION

This chapter presents the analysis and recommendations regarding CWS's proposed capital projects for its Bakersfield (BK) district.

II. SUMMARY OF RECOMMENDATIONS

The Commission should reduce the utility's proposed 2024 GRC capital budget for the Bakersfield district by $13,976,248, excluding common plant projects. Cal Advocates' total recommended reduction for the Bakersfield district includes:

- A $687,876 reduction to the utility's proposed capital budget for studies.
- A $1,096,359 reduction to the utility's proposed capital budget for projects dependent on studies not completed.
- A $7,800,000 reduction to the utility's proposed capital budget for cancelled projects.
- A $3,500,000 reduction to the utility's proposed capital budget for land purchases.
- A $892,013 reduction to the utility's proposed capital budget for vehicles for new positions.

III. ANALYSIS

A. Studies

CWS requests ratepayer funding for the Low Zone Well Siting and Railroad Main Replacement studies, as listed in Table 1-1 below.

Table 1-1: Adjustments for Studies[1]

Project Name	Work Order Number	Description	CWS Proposed Funding	Cal Advocates Recommended Adjustment
BK Low Zone Well Siting Study	133189	Well siting study to select best property for new well	$185,653	-$185,6523
BK Railroad Main Replacement Study	133190	Investigate pipeline condition and create preliminary designs for replacement	$502,223	-$502,223
Total			$687,876	-$687,876

Ratepayers should not pay for these studies in this GRC cycle because it is unknown whether the studies will result in a completed project that is necessary and used and useful. CWS can exercise its management discretion and proceed with these studies. If these studies lead to a completed and used and useful project that benefits ratepayers, the utility can seek recovery of prudently incurred costs for the completed project, including the cost of the studies, in a future GRC. If funding for these studies is authorized to be included in rate base in this GRC cycle, CWS will collect profit from these studies even if the studies do not result in projects that benefit ratepayers.

Further, the project associated with the utility's funding request for the BK Well Replacement Program (WO# 133838) is BK Low Zone Well Siting Study.[2] The BK Well Replacement Program is not part of the revenue requirement for this application and therefore the BK Well Replacement Program spans multiple GRC cycles. "CWS will start [the BK Well Replacement Program] in this GRC period, and add it to the revenue requirement of the GRC in which the project will be completed."[3] Therefore, the associated BK Low Zone Well Siting Study will not benefit ratepayers in this GRC period.

[1] Attachment 1-1, CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

[2] Attachment 1-2, CWS response to Cal Advocates DR CHA-010 (Capital Projects_Rate Base) (CWS Response to DR CHA-010), question 1a.

[3] Bakersfield District Capital Project Justification Book 2024 GRC at BK PJ 36.

In the 2021 CWS GRC decision, the Commission discussed how CWS was projected to complete a study in 2023. The Commission ruled that "until the Water Supply Reliability Study can be entered into the record, it is premature to determine whether a new well is needed. If the project is found to be needed by that study, Cal Water should resubmit this request in its next GRC."[4] Based on the Commission's decision from the last CWS GRC, a study must be completed before the company decides whether a project is needed based on the result of that study. Only when it is determined that a project is needed should CWS request funding for the project. The Commission should reduce CWS's proposed budget by $687,876 for the removal of the costs of these studies as shown in Table 1-1 above.

B. Projects Dependent on Incomplete Studies

CWS proposes ratepayer funding to purchase two properties for wells in the Bakersfield district without adequate justification, as listed in Table 1-2 below.

Table 1-2: Adjustments for Projects Dependent on Incomplete Studies[5]

Project Name	Work Order Number	Description	CWS Proposed Funding	Cal Advocates Recommended Adjustment
BK NG Property Purchase	133194	Purchase land to construct a new well	$551,276	-$551,276
BK NG Property Purchase #2	133192	Land for new well	$545,083	-$545,083
Total			$1,096,359	-$1,096,359

The first proposed land purchase for well construction, Bakersfield North Garden (BK NG) Property Purchase, is based on a well siting study (WO# 103497) from 2016. CWS initially planned to propose an updated study in this GRC "to aid with identifying

[4] Decision (D.)24-03-042 at 61.

[5] Attachment 1-1, CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

an appropriate property to purchase."[6] However, CWS states that "the BKNG Well Siting Study was inadvertently omitted from the 2024 GRC filing" and "the study will be updated with the BKNG property purchase project."[7] The updated study has not been proposed in this GRC, yet CWS still proposes to include the property purchase before the well study is complete.[8],[9] CWS also states that it is "amenable to updating the BKNG Property Purchase project to include the well siting study, performing the well siting study under the project that was initiated but not included in the filing, or entertaining any other option Cal Advocates would like to pursue involving completion of the well siting study in this rate case."[10] The BK NG Well Siting Study is incomplete and "will be finalized by the end of the 2025 planning year", and therefore CWS cannot yet determine whether the project is necessary.[11]

The second project, BK NG Property Purchase #2, is a proposed land purchase based on the BK Low Zone Well Siting Study.[12] However, this well siting study to determine if the property should be purchased will begin in 2025.[13],[14] It is impossible to know at this time if CWS requires Property Purchase #2 because the outcome of the study is undetermined.

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[6] Attachment 1-2, CWS response to Cal Advocates DR CHA-010 (Capital Projects_Rate Base) (CWS Response to DR CHA-010), question 6.

[7] Attachment 1-2, Response 6.

[8] Attachment 1-2, Response 6.

[9] Attachment 1-3, CWS response to Cal Advocates DR CHA-014 (Capital Projects_Rate Base) (CWS Response to DR CHA-014), question 9.

[10] Attachment 1-4, CWS response to Cal Advocates DR CHA-012 (Capital Projects_Rate Base) (CWS Response to DR CHA-012), question 2.

[11] Attachment 1-3, Response 9.

[12] Attachment 1-5, CWS response to Cal Advocates DR CHA-001 (Design Study and Non-specific Cost) (CWS Response to DR CHA-001), question 1I.

[13] Attachment 1-1, CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

[14] Attachment 1-6, CWS response to Cal Advocates DR CHA-007 (All Plant Projects) (CWS Response to DR CHA-007), question 1a.

It is unreasonable for ratepayers to pay for a land purchase before CWS has determined whether the land purchase is necessary.[15] Ratepayers should pay only for projects that are necessary, completed, and used and useful in this GRC cycle. The Commission should reduce CWS's proposed budget by $1,096,359 for removal of the BK NG Property Purchase costs, as shown in Table 1-2 above.

C. Land Purchase

CWS also seeks ratepayer funding to relocate the Bakersfield district office and states that "construction will be submitted in the next GRC cycle once the design, based on the selected site, is completed….", as listed in table 1-3 below.[16]

Table 1-3: Adjustment for Land Purchase[17]

Project Name	Work Order Number	Description	CWS Proposed Funding	Cal Advocates Recommended Adjustment
BK Property Purchase (Office)	133199	Relocate district office	$3,500,000	-$3,500,000
Total			$3,500,000	-$3,500,000

This project spans multiple GRC cycles and is projected to be completed in the 2027 GRC.[18] It is unreasonable for ratepayers to pay for the property purchase in this GRC, because the land itself is not beneficial to ratepayers unless and until it contains a project that provides service to customers. CWS can exercise its management discretion and proceed with the project. The utility can then seek cost recovery of prudently incurred costs in a future GRC cycle when the project is complete and demonstrated to be used and useful. Additionally, in the 2021 CWS GRC decision, the Commission ruled that, "it would be unreasonable to require current ratepayers to bear costs for projects

[15] D.24-03-042 at 61.

[16] Bakersfield District Capital Project Justification Book 2024 GRC at BK PJ – 71.

[17] Attachment 1-1, CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

[18] Attachment 1-7, CWS response to Cal Advocates DR CHA-002 (Bakersfield – Capital Projects) (CWS Response to DR CHA-002), question 1h.

which currently provide no current benefit and are not expected to provide benefits during the current GRC cycle."[19] Therefore, the Commission should remove the land purchase cost and reduce CWS's proposed budget by $3.5 million, as shown in Table 1-3 above.

D. Cancelled Projects

CWS proposes ratepayer funding for the Bakersfield Onsite Solar project, as listed in Table 1-4 below.

Table 1-4: Adjustments for Cancelled Projects[20],[21],[22]

Project Name	Work Order Number	Description	CWS Proposed Funding	Cal Advocates Recommended Adjustment
Bakersfield Onsite Solar	133577	Cancelled installation of a CWS-owned onsite solar photovoltaic energy generation facility at the Bakersfield Northeast treatment plant	$7,800,000	$7,800,000
Total			$7,800,000	-$7,800,000

CWS indicates that the purpose of the project is to improve energy resilience and reduce energy costs for customers by allowing CWS to generate its own electricity instead of purchasing it from utilities.[23] This project was cancelled because CWS instead decided to obtain a power purchase agreement with a solar developer.[24]

Ratepayers should not pay for a cancelled project that yields no benefit to them. Therefore, the Commission should reduce CWS's proposed capital budget by $7.8 million for removal of the cancelled Bakersfield Onsite Solar project costs as indicated in Table 1-4 above.

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[19] D.24-03-042 at 30.

[20] Attachment 1-1, CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

[21] Bakersfield District Capital Project Justification Book 2024 at BK PJ – 100.

[22] Attachment 1-7, Response 2.

[23] Bakersfield District Capital Project Justification Book 2024 at BK PJ – 99 and BK PJ - 100.

[24] Attachment 1-6, Response 3a.

E. Vehicles for New Positions

CWS proposes ratepayer funding for the BK – Vehicle for New Complements project, as listed in Table 1-5 below.

Table 1-5: Adjustments for Vehicles for New Positions[25]

Project Name	Work Order Number	Description	CWS Proposed Funding	Cal Advocates Recommended Adjustment
BK – Vehicle for New Complements	134719	New vehicles for proposed new positions	$892,013	-$892,013
Total			**$892,013**	**-$892,013**

CWS's proposed funding for new positions is not justified. The Commission should reduce CWS's proposed budget by $892,013 for the new vehicle costs related to the proposed new positions, as listed in Table 1-5 above. Please refer to Roy Keowen's testimony for more information.[26]

IV. CONCLUSION

The Commission should reduce the utility's proposed capital project budget for the Bakerfield district by $13,976,248, excluding common plant projects. It is unreasonable for ratepayers to pay for projects that will not be necessary or used and useful in this GRC cycle.

[25] Attachment 1-1, CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

[26] *See* Report on California Water Service Company's Administrative and General Expenses Testimony of witness Roy Keowen.

LIST OF ATTACHMENTS FOR CHAPTER 1

	Attachment #	Description
1	Attachment 1-1	CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB
2	Attachment 1-2	CWS Response to Cal Advocates DR CHA-010 (Capital Projects Rate Base), questions 1a, 6, and 7.
3	Attachment 1-3	CWS Response to Cal Advocates DR CHA-014 (Capital Projects Rate Base), question 9.
4	Attachment 1-4	CWS Response to Cal Advocates DR CHA-012 (Capital Projects Rate Base), question 2
5	Attachment 1-5	CWS Response to Cal Advocates DR CHA-001 (Design Study and Non-specific Cost), question 1I.
6	Attachment 1-6	CWS Response to Cal Advocates DR CHA-007 (All Plant Projects), questions 1a and 3a
7	Attachment 1-7	CWS Response to Cal Advocates DR CHA-002 (Bakersfield – Capital Projects), questions 1h and 2

CHAPTER 2 PLANT FOR KERN RIVER VALLEY

I. INTRODUCTION

This chapter presents the analysis and recommendations regarding CWS's proposed capital projects for its Kern River Valley district.

II. SUMMARY OF RECOMMENDATIONS

The Commission should reduce the utility's proposed 2024 GRC capital budget for the Kern River Valley district by $580,838, excluding common plant projects. Cal Advocates' total recommended reduction for the Kern River Valley district includes:

- A $580,839 reduction to the proposed capital budget for studies.

III. ANALYSIS

A. Studies

CWS seeks ratepayer funding for the Split Mountain (SMTN) 001 Well Improvement and Southlake (SOLA) Well Siting studies, as listed in Table 2-1 below.

Table 2-1: Adjustment for Studies[27]

Project Name	Work Order Number	Description	CWS Proposed Funding	Cal Advocates Recommended Adjustment
SMTN 001 Well Improvement Study	133474	Analyze and rehab existing well	$345,747	$345,747
SOLA Well Siting Study	133476	Determine location of new well	$235,092	$235,092
Total			$580,839	-$580,839

Ratepayers should not pay for these studies in this GRC cycle because it is unknown whether the studies will result in a completed project that is necessary and used and useful. CWS can exercise its management discretion and proceed with these studies. If these studies lead to a completed and used and useful project that benefits ratepayers, the utility can seek recovery of prudently incurred costs for the completed project,

[27] Attachment 2-1, CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

including the cost of the studies, in a future GRC. If funding for these studies is authorized to be included in rate base in this GRC cycle, CWS will collect profit from these studies even if the studies do not result in projects that benefit ratepayers.

In the 2021 CWS GRC decision, the Commission discussed how CWS was projected to complete a study in 2023. The Commission ruled that "until the Water Supply Reliability Study can be entered into the record, it is premature to determine whether a new well is needed. If the project is found to be needed by that study, Cal Water should resubmit this request in its next GRC."[28] Based on the Commission's decision from the last CWS GRC, a study must be completed before the company decides whether a project is needed based on the result of that study. Only when it is determined that a project is needed should CWS request funding for the project. Therefore, the Commission should remove the cost of these studies in this GRC cycle and reduce CWS's proposed budget by $580,839, as listed in Table 2-1 above.

IV. CONCLUSION

The Commission should reduce the utility's proposed capital project budget for the Kern River Valley District by $580,838, excluding common plant projects. Ratepayers should not fund these studies because it is uncertain if the studies will result in completed projects that are used and useful and beneficial to ratepayers. Moreover, it is unreasonable for CWS to collect profit from these studies in this GRC cycle.

[28] Decision 24-03-042 at 61.

LIST OF ATTACHMENTS FOR CHAPTER 2

	Attachment #	Description
1	Attachment 2-1	CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB".

CHAPTER 3 PLANT FOR KING CITY

I. INTRODUCTION

This chapter presents the analysis and recommendations regarding CWS' proposed capital projects for its King City (KC) district.

II. SUMMARY OF RECOMMENDATIONS

The Commission should reduce CWS's proposed 2024 GRC capital budget for the King City district by $1,244,068, excluding common plant projects. Cal Advocates' recommendation includes the following reduction for the King City district includes:

- A $1,244,068 reduction to the proposed capital budget for new generator projects.

III. ANALYSIS

A. New Generators

CWS seeks ratepayer funding for the new generator projects listed in Table 3-1 below.

Table 3-1: Adjustments for New Generators[29]

Project Name	Work Order Number	Description	CWS Proposed Funding	Cal Advocates Recommended Adjustment
KC 012 New Generator	133092	Install permanent generator	$671,323	-$671,323
KC Office Generator	133091	Install permanent generator	$572,745	-$572,745
Total			$1,244,0678	-$1,244,068

Cal Advocates recommends a $1,244,068 reduction for the removal of the new generator costs because the majority of CWS' service areas have a low chance of experiencing a Public Safety Power Shutoff. It is more reasonable and cost-effective for CWS to utilize and share mobile generators rather than to request new permanent

[29] Attachment 3-1, CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

generators at each site. Please refer to recommendations in Cal Advocates' Common Plant Issues Report for more information.[30]

IV. CONCLUSION

The Commission should reduce the utility's proposed capital project budget for the King City district by $1,244,068, excluding common plant projects. It is unreasonable for ratepayers to pay for projects that will be unnecessary in this GRC cycle.

[30] *See* Report on Common Plant of witness Katherine Nguyen.

LIST OF ATTACHMENTS FOR CHAPTER 3

	Attachment #	Description
1	Attachment 3-1	CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB".

CHAPTER 4 PLANT FOR SALINAS

I. INTRODUCTION

This chapter presents the analysis and recommendations regarding CWS' proposed capital projects for its Salinas (SLN) district.

II. SUMMARY OF RECOMMENDATIONS

The Commission should reduce CWS's proposed 2024 GRC capital budget for the Salinas district by $9,273,053, excluding common plant projects. Cal Advocates' total recommended reduction for the Salinas district includes:

- A $1,567,277 reduction to the utility's proposed capital budget for studies and facilities master plans.
- A $5,499,650 reduction to the utility's proposed capital budget for projects dependent on incomplete studies.
- A $791,998 reduction to the utility's proposed capital budget for land purchases.
- A $1,414,128 reduction to the utility's proposed capital budget for new generator projects.

III. ANALYSIS

A. Studies/Facilities Master Plans

CWS requests ratepayer funding in this GRC cycle for Pipe Design 180 to 400 Zones, Water Supply and Facilities Master Plan (WSFMP), and SLN Well Siting Study, as listed in Table 4-1 below.

Table 4-1: Adjustments for Studies[31]

Project Name	Work Order Number	Description	CWS Proposed Funding	Cal Advocates Recommended Adjustment
SLN Pipe Design 180 to 400 Zones	133230	Identify pipelines to address seawater intrusion	$1,110,599	-$1,110,599
SLN WSFMP Update	133229	Prepare water supply and facilities master plan	$292,539	-$292,539
SLN Well Siting Study	133228	Well siting study to select property for new well	$164,138	-$164,138
Total			$1,567,276	-$1,567,276

Ratepayers should not pay for the master plan and studies in this GRC cycle because it is unknown whether the studies will result in a completed project that is necessary and used and useful. CWS can exercise its management discretion and proceed with these studies. If these studies lead to a completed and used and useful project that benefits ratepayers, the utility can seek recovery of prudently incurred costs for the completed project, including the cost of the studies, in a future GRC. If funding for these studies is authorized to be included in rate base in this GRC cycle, CWS will collect profit from these studies even if the studies do not result in projects that benefit ratepayers.

In the 2021 CWS GRC decision, the Commission discussed how CWS was projected to complete a study in 2023. The Commission ruled that "until the Water Supply Reliability Study can be entered into the record, it is premature to determine whether a new well is needed. If the project is found to be needed by that study, Cal Water should resubmit this request in its next GRC."[32] Based on the Commission's decision from the last CWS GRC, a study must be completed before the company decides whether a project is needed based on the result of that study. Only when it is determined

[31] Attachment 4-1, CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

[32] Decision (D.)24-03-042 at 61.

that a project is needed should CWS request funding for the project. Therefore, the Commission should remove the cost of these studies and reduce the utility's proposed budget by $1,567,277, as listed in Table 4-1 above.

B. Projects Dependent on Incomplete Studies

CWS proposes funding for New Well Station 155 Zone, as listed in Table 4-2 below, without adequate justification.

Table 4-2: Adjustments for Projects Dependent on Incomplete Studies[33]

Project Name	Work Order Number	Description	CWS Proposed Funding	Cal Advocates Recommended Adjustment
SLN New Well Station 155 Zone	133233	Construct a new well in Salinas	$5,499,650	-$5,499,650
Total			$5,499,650	-$5,499,650

The project is based on the SLN Well Siting Study (WO# 133228) and its purpose is to construct one new well, as listed in Table 4-1.[34],[35] However, the SLN Well Siting Study to determine the location for the new well is scheduled to begin in 2025.[36],[37] Therefore, it is premature and inappropriate for CWS to receive ratepayer funding for New Well Station 155 Zone because the results of the study are undetermined.

Ratepayers should not fund a new well property before the utility completes the study to determine whether the well property is necessary.[38] If the study determines that a project is needed CWS should be able to receive ratepayer funding for the project only

[33] Attachment 4-1, CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

[34] Attachment 4-2, CWS response to Cal Advocates DR CHA-010 (Capital Projects_Rate Base) (CWS Response to DR CHA-010), question 2a.

[35] Attachment 4-3, CWS response to Cal Advocates DR CHA-001 (Design_Study and Non-specific Cost) (CWS Response to DR CHA-001), question 1V.

[36] Attachment 4-1, CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

[37] Attachment 4-4, CWS response to Cal Advocates DR CHA-007 (All Plant Projects) (CWS Response to DR CHA-007), question 1b.

[38] D.24-03-042 at 61.

after it's been determined that the project is needed. The Commission should reduce CWS's proposed budget by $5,499,650 for removal of project costs, as listed in Table 4-2 above, because the project is dependent on an incomplete study.

C. Land Purchases

CWS proposes funding for Salinas Hills (SLNH) Property Purchase to build one new well, as listed in Table 4-3 below.[39]

Table 4-3: Adjustment for Land Purchase[40]

Project Name	Work Order Number	Description	CWS Proposed Funding	Cal Advocates Recommended Adjustment
SLNH Property Purchase	133235	Purchase property to construct a new well	$791,998	-$791,998
Total			$791,998	-$791,998

CWS proposes ratepayer funding to purchase the property for SLNH New Well Station #3 (WO# 133234).[41] However, CWS states that New Well Station #3 is "not part of the revenue requirements in this application. CWS will start this project in this GRC period and add [it] to the revenue requirement of the GRC in which the project will be completed."[42]

It is unreasonable for ratepayers to pay for the property purchase in this GRC, because the land itself is not beneficial to ratepayers unless and until it contains a project that provides service to customers. CWS can exercise its management discretion and proceed with the project. The utility can then seek cost recovery of prudently incurred costs in a future GRC cycle when the project is complete and demonstrated to be used

[39] Attachment 4-2, Response 4a.

[40] Attachment 4-1, CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

[41] Attachment 4-5, CWS Response to Cal Advocates DR CHA-004 (Salinas, Selma, and Visalia – Capital Projects) (CWS Response to DR CHA-004), question 9a.

[42] Salinas Valley Region (Salinas and King City) District Capital Project Justification Book 2024 GRC at SVR PJ 9.

and useful. Additionally, in the 2021 CWS GRC decision, the Commission ruled that, "it would be unreasonable to require current ratepayers to bear costs for projects which currently provide no current benefit and are not expected to provide benefits during the current GRC cycle."[43] Therefore, the Commission should reduce CWS's proposed capital budget by $791,998 for removal of the land purchase costs, as listed in Table 4-3 above.

D. New Generator Projects

CWS proposes funding for the new generator projects listed in Table 4-4 below.

Table 4-4: Adjustment for New Generators[44]

Project Name	Work Order Number	Description	CWS Proposed Funding	Cal Advocates Recommended Adjustment
SLN 203 New Generator	133224	Install permanent generator	$565,409	-$565,409
SLN 057 New Generator	133225	Install permanent generator	$559,738	-$559,738
SLN 072 New Generator	133223	Install permanent generator	$282,779	-$282,779
SLN 072 New Generator	133223	Install permanent generator	$6,202	-$6,202
Total			**$1,414,128**	**-$1,414,128**

Cal Advocates recommends a $1,414,128 reduction for the removal of the new generator costs because the majority of CWS' service areas have a low chance of experiencing a Public Safety Power Shutoff. Therefore, it is more reasonable and cost-effective for CWS to utilize and share mobile generators rather than to request permanent new generators. Please refer to recommendations in Cal Advocates' Common Plant Issues Report for more information.[45]

[43] D.24-03-042 at 30.

[44] Attachment 4-1, CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

[45] *See* Report on Common Plant of witness Katherine Nguyen.

IV. CONCLUSION

The Commission should reduce CWS's proposed capital project budget for the Salinas district by $9,273,053, excluding common plant projects. It is unreasonable for ratepayers to pay for projects that will not be necessary or used and useful in this GRC cycle. It is also unreasonable for CWS to collect profit on projects before the projects deliver any benefit to ratepayers.

LIST OF ATTACHMENTS FOR CHAPTER 4

	Attachment #	Description
1	Attachment 4-1	CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB".
2	Attachment 4-2	CWS Response to Cal Advocates DR CHA-010 (Capital Projects Rate Base), questions 1c, 2a, and 4a.
3	Attachment 4-3	CWS Response to Cal Advocates DR CHA-001 (Design Study and Non-specific Cost), question 1V.
4	Attachment 4-4	CWS Response to Cal Advocates DR CHA-007 (All Plant Projects), question 1b.
5	Attachment 4-5	CWS Response to Cal Advocates DR CHA-004 (Salinas, Selma, and Visalia – Capital Projects) question 9a.

CHAPTER 5 SELMA PLANT

I. INTRODUCTION

This chapter presents the analysis and recommendations regarding CWS' proposed capital projects for its Selma (SEL) district.

II. SUMMARY OF SUMMARY OF RECOMMENDATIONS

The Commission should reduce CWS's proposed 2024 GRC capital budget for the Selma district by $352,894, excluding common plant projects. Cal Advocates' total recommended reduction for the Selma district includes:

- A $352,894 reduction to the proposed capital budget for land purchases.

III. ANALYSIS

A. Land Purchases

CWS proposes the SEL New Well 2 Land Purchase, as listed in Table 5-1 below.

Table 5-1: Adjustment for Land Purchase[46]

Project Name	Work Order Number	CWS Proposed Funding	Cal Advocates Recommended Adjustment
SEL New Well 2 Land Purchase	133249	$352,894	-$352,894
Total		$352,894	-$352,894

This is a land purchase to build one new well based on the findings of the Selma Well Siting Study (WO# 114854) completed in 2020.[47] In this GRC, CWS requests funding only for the purchase of the property. CWS will propose the well construction project for this property in the 2027 GRC, with an estimated completion date of 2030.[48]

[46] Attachment 5-1, CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

[47] Attachment 5-2, CWS response to Cal Advocates DR CHA-010 (Capital Projects_Rate Base) (CWS Response to DR CHA-010), question 3.

[48] Attachment 5-3, CWS response to Cal Advocates DR CHA-004 (Salinas, Selma, and Visalia – Capital Projects) (CWS Response to DR CHA-004), question 10a.

It is unreasonable for ratepayers to pay for the property purchase in this GRC, because the land itself is not beneficial to ratepayers unless and until it contains a project that provides service to customers. CWS can exercise its management discretion and proceed with the project. The utility can then seek cost recovery of prudently incurred costs in a future GRC cycle when the project is complete and demonstrated to be used and useful. Additionally, in the 2021 CWS GRC decision, the Commission ruled that, "it would be unreasonable to require current ratepayers to bear costs for projects which currently provide no current benefit and are not expected to provide benefits during the current GRC cycle."[49] Therefore, the Commission should reduce CWS's proposed budget by $352,984 for removal of the land purchase cost, as shown above in Table 5-1.

IV. CONCLUSION

The Commission should CWS's proposed capital project budget for the Selma district by $352,894, excluding common plant projects. It is unreasonable for ratepayers to pay for projects that will not be necessary or used and useful in this GRC cycle.

[49] D.24-03-042 at 30.

LIST OF ATTACHMENTS FOR CHAPTER 5

	Attachment #	Description
1	Attachment 5-1	CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."
2	Attachment 5-2	CWS Response to Cal Advocates DR CHA-010 (Capital Projects Rate Base), question 3.
3	Attachment 5-3	CWS response to Cal Advocates DR CHA-004 (Salinas, Selma, and Visalia – Capital Projects, question 10a.

CHAPTER 6 PLANT FOR VISALIA

I. INTRODUCTION

This chapter presents the analysis and recommendations regarding CWS' proposed capital projects for its Visalia (VIS) district.

II. SUMMARY OF RECOMMENDATIONS

The Commission should reduce CWS's proposed 2024 GRC capital budget for the Visalia district by $4,289,634, excluding common plant projects. Cal Advocates' total recommended reduction for the Visalia district includes:

- A $351,632 reduction to the utility's proposed capital budget for studies.
- A $865,686 reduction to the utility's proposed capital budget for land purchases.
- A $503,393 reduction to the utility's proposed capital budget for vehicles for new positions.
- A $134,166 reduction to the utility's proposed capital budget for cancelled projects.
- A $1,754,958 reduction to the utility's proposed capital budget for new generator projects.
- A $679,000 reduction to the utility's proposed capital budget for design only projects.

III. ANALYSIS

A. Studies

CWS proposes funding for the Visalia (VIS) Well Siting Study and VIS Recharge Feasibility Study, as listed in Table 6-1 below.

Table 6-1: Adjustments for Studies[50]

Project Name	Work Order Number	Description	CWS Proposed Funding	Cal Advocates Recommended Adjustment
VIS Well Siting Study	133146	Well siting study to select property for new well	$165,350	-$165,350
VIS Recharge Feasibility Study	133147	Identify design and locations for recharge basins	$186,282	-$186,282
Total			$351,632	-$351,632

Ratepayers should not pay for these studies in this GRC cycle because it is unknown whether the studies will result in a completed project that is necessary and used and useful. CWS can exercise its management discretion and proceed with these studies. If these studies lead to a completed and used and useful project that benefits ratepayers, the utility can seek recovery of prudently incurred costs for the completed project, including the cost of the studies, in a future GRC. If funding for these studies is authorized to be included in rate base in this GRC cycle, CWS will collect profit from these studies even if the studies do not result in projects that benefit ratepayers.

In the 2021 CWS GRC decision, the Commission discussed how CWS was projected to complete a study in 2023. The Commission ruled that "until the Water Supply Reliability Study can be entered into the record, it is premature to determine whether a new well is needed. If the project is found to be needed by that study, Cal Water should resubmit this request in its next GRC."[51] Based on the Commission's decision from the last CWS GRC, a study must be completed before the company decides whether a project is needed based on the result of that study. Only when it is determined that a project is needed should CWS request funding for the project. The Commission should reduce CWS's proposed budget by $351,632 for the removal of the costs of the studies, as listed in Table 6-1 above.

[50] Attachment 6-1, CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

[51] Decision (D.)24-03-042 at 61.

B. Land Purchases

CWS proposes VIS Property Purchase to build one new well as indicated in Table 6-2, below.[52]

Table 6-2: Adjustment for Land Purchase[53]

Project Name	Work Order Number	Description	CWS Proposed Funding	Cal Advocates Recommended Adjustment
VIS Property Purchase	133149	Purchase property to construct new well and storage tank	$865,686	-$865,686
Total			$865,686	-$865,686

CWS should only receive ratepayer funding for this property purchase in a future GRC if it leads to a used and useful project.[54] It is not reasonable for ratepayers to fund the property purchase in the current GRC, because the land itself is not beneficial to ratepayers unless it is the location of a project that provides service. The Commission should reduce CWS's proposed budget by $865,686 for removal of the land purchase costs, as listed in Table 6-2 above.

C. Vehicles for New Positions

CWS proposes funding for the VIS – Vehicle for New Complements project, as listed in Table 6-3 below.

Table 6-3: Adjustments for Vehicles for New Positions[55]

Project Name	Work Order Number	Description	CWS Proposed Funding	Cal Advocates Recommended Adjustment
VIS – Vehicle for New Complements	134771	New vehicles for proposed new positions	$503,393	-$503,393
Total			$503,393	-$503,393

[52] Attachment 6-2, CWS response to Cal Advocates DR CHA-010 (Capital Projects_Rate Base) (CWS Response to DR CHA-010), question 5a, 7 and 9.

[53] Attachment 6-1, CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

[54] D.24-03-042 at 30.

[55] Attachment 6-1, CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

CWS's proposed funding for new positions is not justified. The Commission should reduce CWS's proposed budget by $503,393 for the cost of new vehicles related to the proposed new positions, as listed in Table 6-3 above. Please refer to Roy Keowen's testimony for more information.[56]

D. Cancelled Projects

CWS proposes funding for VIS 2025 Chevrolet 1500 Pickup and VIS 2025 Ford F350, as listed in Table 6-4 below. These projects are cancelled, and the request for these additional vehicles was "submitted in error."[57]

Table 6-4: Adjustments for Cancelled Projects[58],[59],[60]

Project Name	Work Order Number	Description	Cancellation Reason	CWS Proposed Funding	Cal Advocates Recommended Adjustment
VIS 2025 Chevrolet 1500 Pickup	132456	An additional Chevrolet 1500	Vehicle submitted in error	$68,166	-$68,166
VIS 2025 Ford F350	132458	An additional FORD 350	Vehicle submitted in error	$66,000	-$66,000
Total				$134,166	-$134,166

CWS states that it requested these vehicles in error, so it is cancelling the request for the cost of the vehicles. Accordingly, the cost of the vehicles should be removed. CWS states that it, "will withdraw [the vehicles] from this rate case."[61] The Commission should reduce CWS's proposed budget by $134,166 for removal of the cancelled project costs, as listed in Table 6-4 above.

[56] *See* Report on California Water Service Company's Administrative and General Expenses Testimony of witness Roy Keowen.

[57] Attachment 6-2, Response 9.

[58] Attachment 6-1, CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

[59] Attachment 6-2, Response 9.

[60] Visalia District Capital Project Justification Book 2024 GRC at VIS 149.

[61] Attachment 6-2, Response 9.

E. New Generators

CWS proposes funding for new generator projects, as listed in Table 6-4 below.

Table 6-4: Adjustments for New Generators[62]

Project Name	Work Order Number	Description	CWS Proposed Funding	Cal Advocates Recommended Adjustment
VIS 048 New Generator	133152	Install permanent generator	$958,958	-$958,958
VIS 080 New Generator	133153	Install permanent generator	$749,278	-$749,278
VIS 048 New Generator	133152	Install permanent generator	$36,206	-$36,206
VIS 080 New Generator	133153	Install permanent generator	$10,516	-$10,516
Total			**$1,754,958**	**-$1,754,958**

Cal Advocates recommends a $1,754,958 reduction for the removal of the new generator costs because the majority of CWS' service areas have a low chance of experiencing a Public Safety Power Shutoff. It is more reasonable and cost-effective for CWS to utilize and share mobile generators rather than to request permanent new generators. Please refer to recommendations in Cal Advocates' Common Plant Issues Report for more information.[63]

F. Design Only Projects

CWS proposes funding for the VIS Building Upgrades Design, as listed in Table 6-5 below.

[62] Attachment 6-1, CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

[63] *See* Report on Common Plant of witness Katherine Nguyen.

Table 6-5: Adjustment for Design Only Project[64],[65]

Project Name	Work Order Number	Description	CWS Proposed Funding	Cal Advocates Recommended Adjustment
VIS Building Upgrades Design	133416	Developing a site plan to accommodate the district's growth and functionality needs	$679,800	-$679,800
Total			**$679,800**	**-$679,800**

Cal Advocates recommends a $679,800 reduction for the VIS Building Upgrades Design project. It is unreasonable for ratepayers to pay for the design in this GRC, because the design itself is not beneficial to ratepayers unless and until it contains a project that provides service to customers. CWS can exercise its management discretion and proceed with the project. The utility can then seek cost recovery of prudently incurred costs in a future GRC cycle when the project is complete and demonstrated to be used and useful. Additionally, in the 2021 CWS GRC decision, the Commission ruled that, "it would be unreasonable to require current ratepayers to bear costs for projects which currently provide no current benefit and are not expected to provide benefits during the current GRC cycle."[66] Therefore, the Commission should remove the design cost and reduce CWS's proposed budget by $679,800, as shown in Table 6-5 above. Please refer to recommendations in Cal Advocates' Common Plant Issues Report for more information.[67]

[64] Attachment 6-1, CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."

[65] Visalia District Capital Project Justification Book 2024 GRC at VIS 150.

[66] D.24-03-042 at 30.

[67] *See* Report on Multiple Common Plant Issues by Justin Menda.

IV. CONCLUSION

The Commission should reduce CWS's proposed capital project budget for the Visalia District by $4,289,634, excluding common plant projects. It is unreasonable for ratepayers to pay for projects that will not be necessary or used and useful in this GRC cycle.

LIST OF ATTACHMENTS FOR CHAPTER 6

	Attachment #	Description
1	Attachment 6-1	CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB".
2	Attachment 6-2	CWS response to Cal Advocates DR CHA-010 (Capital Projects Rate Base), question 5a, 7 and 9.

CHAPTER 7 RATE BASE

I. INTRODUCTION

This chapter presents the analysis and recommendations for CWS's rate base. Under rate-of-return regulation, CWS, like all of California's investor-owned water companies, is authorized to include in customer rates a profit percentage on investments that are necessary to provide water service to customers. This process involves establishing a budget for the utility (i.e., revenue requirement) comprised of operating expenses and the financing cost of necessary capital investments. Operating expenses are costs that are associated with a business's daily operations, such as rent or payroll expenses, and capital costs are investments (such as purchases of vehicles or buildings), typically providing benefits for more than a year, which allow a company to expand the productivity of its business. The revenue requirement yields a specific amount of net income, which is the product of rate base times an authorized rate of return. Rate base is a term for the capital investment on which the utility is allowed to receive a return. Expressed as a percentage, the rate of return includes the authorized cost of debt and the authorized profit on shareholders' equity.

As a result of a memorandum issued in 1982 by the Commission's Water Division, many water utilities are authorized to include Construction Work in Progress (CWIP) in rate base as a means to recover the capital financing costs of projects.[68] Because a utility's CWIP balance reflects the cost of projects that are not yet complete and providing service, the inclusion of an estimated CWIP balance in rate base results in customers paying shareholder profit on assets that are not used and useful and may never actually become used and useful.

Because the time to complete water projects has increased beyond the typical 2.5 to 8 months that was common in 1982--which timeline was the primary justification for allowing CWIP in rate base--the Commission has occasionally reverted to the more

[68] Attachment 7-1, 1982 CPUC Staff Memorandum, *Policy for Including CWIP in Rate Base for Water Utilities* at 2.

traditional form of recovering the financing cost of capital projects under construction by allowing these costs to be capitalized, added to rate base, and included in rates when projects are used and useful.[69]

Currently, CWS does not include its estimated CWIP balance in rate base. Rather, the utility receives an Allowance for Funds Used During Construction (AFUDC).[70] The Commission's authorized AFUDC is capitalized during construction for ratemaking purposes.[71] The accumulated AFUDC amount is then recovered through rates, along with all other construction costs, when the assets are placed into service. In this GRC, CWS proposes to continue to use its authorized rate of return (which includes a shareholder profit component) as the AFUDC rate.

II. SUMMARY OF RECOMMENDATIONS

Cal Advocates recommends:

- A utility plant in service (UPIS) amount of $4,241,826,355 in 2024, $4,407,201,550 in 2025, $4,617,873,941 in 2026, and $4,865,795,111 in 2027 for the Weighted Plant Balance by District Scenario and a UPIS amount of $4,245,389,693 in 2024, $4,406,966,164 in 2025, $4,617,375,539 in 2026, and $4,871,149,432 in 2027 for the Weighted Plant Balance by Master Scenario.
- A reduction of $7,153 to contributions in aid of construction (CIAC). Cal Advocates also recommends that CIAC should be based on actual amounts, not estimates.
- A reduction of $3,665,757 to the investment tax credit (ITC).
- A reduction of $2,599,213 to rate base for fixed ground assets (wells, booster pumps, and storage tanks) that are not used and useful.
- The Commission should not authorize an AFUDC rate as it carries the connotation of allowing profit to be recognized prior to a project becoming used and useful. Rather, the Commission should authorize Interest During Construction (IDC) at CWS's current cost of short-term

[69] In Decision (D.)96-07-036, the Commission allowed the traditional form of financing, Interest During Construction, for San Jose Water Company.

[70] 1 - Testimony Book #1 – July at 117.

[71] In contrast to what is done for ratemaking purposes, financial reporting requires any profit contained in the AFUDC rate to be recognized as income and not capitalized.

debt for forecasting purposes. At the time a project is complete and demonstrated to be reasonable, CWS should be authorized to include in rate base the actual interest costs used to finance the project during construction. This recommendation is similar to what is permitted in a competitive business environment and replicates the required financial reporting of capitalized interest for investor-owned water utilities under U.S. accounting standards.[72] The IDC rate should be 6.09%, which is the current cost of short-term debt.

III. ANALYSIS

A. Utility Plant in Service

Table 7-1 below compares CWS' proposed Utility Plant in Service (UPIS) amounts for all districts with Cal Advocates' recommended UPIS balances based on its recommended adjustments.[73]

Table 7-1: Adjustments for Utility Plant in Service[74],[75],[76]

Year	CWS Proposed UPIS Amount (Weighted Plant Balance by District Scenario)	Cal Advocates Recommended UPIS Amount (Weighted Plant Balance by District Scenario)	CWS Proposed UPIS Amount (Weighted Plant Balance by Master Scenario)	Cal Advocates Recommended UPIS Amount (Weighted Plant Balance by Master Scenario)
2024	$4,357,191,454	$4,241,826,355	$4,361,506,486	$4,245,389,693
2025	$4,783,118,451	$4,407,201,550	$4,784,081,775	$4,406,966,164
2026	$5,276,455,812	$4,617,873,941	$5,277,521,944	$4,617,375,539
2027	$5,852,248,070	$4,865,795,111	$5,860,519,762	$4,871,149,432
Total	**$20,269,013,787**	**$18,132,696,957**	**$20,283,629,967**	**$18,140,880,828**

B. Contributions in Aid of Construction

CWS proposes to adjust Contributions in Aid of Construction (CIAC) balances to offset estimates for grants it will receive, as listed in Table 7-2 below.

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[72] Attachment 7-2, 18.3 Allowance for funds used during construction by PricewaterhouseCoopers.

[73] For analysis regarding the UPIS balances, please refer to Cal Advocates' individual and common plant testimonies.

[74] Attachment 7-3, CWS Workpaper CH07_RO_RB_PLT, sheet "Wghtd PLT Bal WS-4.4."

[75] Attachment 7-4, CWS response to Cal Advocates DR CHA-012 (Capital Projects_Rate Base) (CWS response to DR CHA-012), question 1.

[76] Attachment 7-5, Cal Advocates RO Model Run - CWS Workpaper CH07_RO_RB_PLT, sheet "Wghtd PLT Bal WS-4.4."

Table 7-2: Adjustment for Contribution in Aid of Construction[77],[78]

District	Work Order # of Project	CWS Authorized Grant Funding	CWS Final Project Cost	Cal Advocates Recommended Adjustment
Coast Springs	124862	$19,500	$12,347	-$7,153

Once the grant-funded projects are completed, they are added into UPIS, and, according to CWS, "[g]rant funding offsets the plant balance up to the dollar amount awarded by the grantor."[79] Cal Advocates recommends that the CIAC balance be updated to reflect the final cost of the grant-funded project, if the grant amount is authorized.

For the Coast Springs grant, CWS spent $7,153 less than the authorized grant amount.[80],[81] CWS states that the reimbursement for the project will be the final cost of the project, which is $12,347.[82] Cal Advocates recommends that because the cost of the project is lower than the authorized amount, the Commission should allow the final cost of the project to be included in CIAC rather than in the authorized amount. It would be unreasonable to allow CWS to collect profit from the excess funds that it never spent. Additionally, CWS acknowledges that it "includes the final cost of the grant funded projects in its plant balances, as adjusted by grants amounts recorded as CIAC

[77] Attachment 7-6, CWS Workpaper CH07_RO_RB_CIAC ADV, sheet "Fcst PLT Gross Balance WS-3."

[78] Attachment 7-7, CWS response to Cal Advocates DR CHA-009 (Plant Projects_CIAC_Depreciation) (CWS Response to DR CHA-009), question 2b.

[79] Attachment 7-8, CWS response Cal Advocates DR CHA-011 (Capital Projects_Rate Base) (CWS Response to DR CHA-011), question 2c.

[80] Attachment 7-8, Response 2g, The Coast Springs grant was from the Department of Water Resources under the Small Community Drought Relief Grant program.

[81] Attachment 7-7, Response 2b, CWS states that it spent less than the grant amount because of the "lower cost for the purchase and installation of the filter as it was installed by Cal Water staff and not the vendor."

[82] Attachment 7-8, Response 2f.

balances."[83] The Commission should reduce CWS's proposed budget by $7,153 for CIAC, as listed in Table 7-2 above.

C. Income Tax Credit

For the Bakerfield district, CWS includes an ITC for the Bakersfield Onsite Solar project, as listed in Table 7-3 below.

Table 7-3: Adjustment for Income Tax Credit[84]

Project Name	Work Order Number	CWS Proposed ITC	Cal Advocates Recommended ITC Adjustment
Bakersfield Onsite Solar	133577	$3,665,757	-$3,665,757
Total		**$3,665,757**	**-$3,665,757**

As discussed in Cal Advocates' Bakerfield Plant testimony, the solar project is no longer required.[85] Since the project will not be used and useful, the tax credits associated with the project should be removed from rate base.

CWS should not collect profit on a project that is no longer needed, and ratepayers should not fund a project that will not provide them any service. Additionally, CWS acknowledges that it "will adjust [its] Results of Operations Model (ROM) to exclude the solar plant and tax credits associated with this project from rate base…."[86] The Commission should reduce CWS's proposed budget by $3,665,757 to the ITC adjustment, as listed in Table 7-3 above.

D. Not Used and Useful Assets

CWS currently includes in rate base the inactive above ground (wells, booster pumps, and storage tanks) fixed assets for various districts, as listed in Table 7-4 below.

[83] Attachment 7-8, Response 2d.

[84] Attachment 7-9, CWS Workpaper CH07_RO_RB_OTH RB Items, sheet "IN_ITC Solar Credit Adj."

[85] Plant for Bakersfield, Section D - Cancelled Projects.

[86] Attachment 7-10, CWS Response to Cal Advocates DR CHA-002 (Bakersfield - Capital Projects) (CWS Response to DR CHA-002), question 2a.

Table 7-4: Adjustments for Not Used and Useful Assets[87],[88],[89]

District	Asset Name	Original Cost	Current Net Book Value	Cal Advocates Recommended Adjustment
Various	Booster	$1,102,797	$630,739	-$630,739
Various	Tank	$461,055	$123,435	-$123,435
Various	Well	$3,713,262	$1,845,039	-$1,845,039
Total		**$5,277,114**	**$2,599,213**	**-$2,599,213**

Ratepayers should not fund any asset that will not provide service in this GRC. Furthermore, CWS customers have already been paying for some of these idle projects for almost a decade now. For example, project VIS-W-096-01 (WO# 15946) was added to service in 2010 and was removed from service from 2015. The original cost of the project was $510,288 and the current net book value (NBV) calculated by Cal Advocates is $415,035.[90] This means that for almost 10 years, this project has been not used and useful and CWS has charged ratepayers for this project even though it has been sitting idle. Despite this fact, in its Minimum Data Requirement Response Form, CWS inaccurately states that, "[t]here are no items included in rate base that are not 'used and useful' in the last five years and proposed test year. Any items not 'used and useful' have been removed from rate base."[91] In fact, there are 194 assets that remained in rate base when CWS filed its MDR that have been removed from service in or before 2018, more than five years ago. Of these assets, 145 have a positive current Net Book Value (NBV)

[87] Attachment 7-8, Response 1.

[88] Attachment 7-11, CWS Response to Cal Advocates DR CHA-013 (Rate Base) (CWS Response to DR CHA-013), questions 2, 3, and 4.

[89] Attachment 7-12, Cal Advocates analysis using data from Attachment 7-8, Response 1, Attachment 7-11, Responses 2, 3 and 4, 5A- Metro Districts Depreciation Study at 24, 30, and 38, and 5B- Valley Districts Depreciation Study at 26, 32, and 41.

[90] Attachment 7-13, Cal Advocates analysis using data from Attachment 7-8, Response 1 and 5B- Valley Districts Depreciation Study at 26.

[91] CWS Minimum Data Requirements (MDR) Book, MDR II.D.7 at 25.

of $2,409,792.[92],[93],[94] Cal Advocates therefore recommends that the current NBV associated with these projects be removed from rate base because the inactivate projects will not be used and useful in this GRC cycle.

To assist with its analysis of assets that are not used and useful, Cal Advocates issued discovery regarding assets that are currently included in rate base but are not in service.[95] Cal Advocates determined the current net book value of the above-ground assets that CWS provided by using the current useful life for each district in which the asset was located. Cal Advocates calculated the NBV by subtracting the cost of the asset from the current accumulated depreciation. Cal Advocates also excluded from its analysis any assets that were fully depreciated or assets that CWS expects to restore by 2027, because they are expected to be used and useful in this GRC cycle.[96]

CWS should not collect profit on projects that are idle, and ratepayers should not fund projects that will not provide service in this GRC. The Commission should reduce CWS's proposed budget by $2,599,213 for the assets that are not used and useful, as listed in Table 7-4 above.

E. Financing Construction Work in Progress

1. A Substitute for Competition

Because investor-owned water utilities are monopolies, the Commission must act as a substitute for competition.[97] In a competitive environment, a business would generally be unable to collect profit on a capital investment that provides no service to customers. For example, a hotel under construction could not recognize profit while it is

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[92] Attachment 7-8, Response 1.

[93] Attachment 7-14, Cal Advocates analysis using data from Attachment 7-8, Response 1 and Attachment 7-11, Response 2, 5A- Metro Districts Depreciation Study at 24, 30, and 38, and 5B- Valley Districts Depreciation Study at 26, 32, and 41.

[94] Calculation does not include assets where there was no data available for when the asset was removed from service. If CWS provided an estimated date, that date was used.

[95] Attachment 7-8, Response 1.

[96] Attachment 7-12.

[97] D.24-12-007 at 14.

under construction because it does not provide a service to customers. Only after the hotel is open and guests begin to stay there is it possible to collect profit on the income from paying guests. Similarly, it is unreasonable for ratepayers to pay utilities profit on assets under construction that do not provide any service. Doing so results in unearned financial gain for water utilities and is an abuse of their monopoly position. As a substitute for competition, the Commission must prevent utilities from charging ratepayers shareholder profit that would be unobtainable in a competitive market, where customers reasonably expect to receive something of value for their money.

Both a utility operating under rate-of-return regulation and a business operating in a competitive environment have common types of costs when constructing assets, including construction and financing costs. Construction costs can include direct and indirect costs. Direct costs are costs necessary to complete construction. Examples of direct costs include material costs, employees' direct costs, and permits. Indirect costs (or overhead costs) are costs that are not directly related to completing construction but are essential to operating the business. Examples of indirect costs include equipment repairs, rent, allocated employee costs, and office supplies.

To finance these costs, short-term or long-term debt, common or preferred stocks, or a combination of all may be used. Generally, long-term debt is more expensive than short-term because the interest rate increases as the duration of time that the money is borrowed increases, due to greater risk to the lender. Examples of long-term debt include bonds and loans.

Short-term debt is generally defined as debt a company is expected to repay within a year.[98] Contrary to this common definition, the Commission has allowed water utilities, including CWS, to designate loans with repayment periods of up to two years as short-term debt.[99] Short-term debt also includes revolving credit. Revolving credit is a line of credit that can be used to borrow money up to a specific limit. Funds can be used

[98] https://www.investopedia.com/terms/s/shorttermdebt.asp

[99] D.24-08-011, Conclusion of Law (COL) 12 at 18.

as needed and interest is only accrued on the amount withdrawn. Revolving credit differs from loans, which require the entire loan to be paid back with interest regardless of whether the loan's full amount is used.

Importantly, the lower cost of short-term debt is generally not considered in establishing CWS's authorized rate of return. Although lower cost short-term debt is acknowledged to be a source of funding capital projects.[100,101] CWS's current proposal to apply its authorized rate of return as AFUDC fails to account for this lower-cost source of funds. CWS proposes to continue to charge ratepayers an AFUDC rate that includes shareholder profit on CWIP that has yet to produce a used and useful asset.

2. The History of Recovering CWIP Financing

The Commission has used different methods to compensate utilities for the financing costs of projects under construction. The traditional method of financing projects under construction is Interest During Construction (IDC). IDC allows the company to collect from ratepayers the actual interest cost of financing construction projects when a project is used and useful. Similar to a competitive environment, where businesses are unable to profit unless assets are proving service, IDC does not result in customers paying shareholder profit on assets under construction. Also similar to a competitive environment, capitalizing IDC and adding the total amount to rate base once a project is complete allows the utility to recover the financing costs of a project.[102]

In 1969, the Federal Power Commission (FPC) discontinued the use of the term "Interest During Construction" in favor of an "Allowance for Funds Used During Construction" to recognize the inclusion of an equity (or profit) component in the calculation.[103] Utilities were generally in support of the new terminology because unlike

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[100] D.24-08-011, COL 14 at 18.

[101] Attachment 7-15, Annual Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act for the fiscal year ended December 31, 2023 at 49 and 75.

[102] In D.96-07-036, the Commission disallowed CWIP and allowed IDC for San Jose Water Company.

[103] Attachment 7-16, FPC Order No. 389 (October 9, 1969) as cited in U.S. Court of Appeals for the Second Circuit - 618 F.2d 198, 201-202 (2d Cir. 1980).

IDC, AFUDC carried the connotation of allowing profit to accumulate on CWIP even though no functioning asset had been produced—a situation that does not occur in a competitive environment.

Despite the connotation of allowing for profit, AFUDC rates authorized by the Commission have not always contained a profit component. In numerous decisions, the Commission has authorized AFUDC rates lower than the authorized rate of return.[104] However, in these situations it would have been more accurate to identify the "AFUDC rate" as the "IDC rate," because the rate did not include a profit component. Moreover, despite the Federal Energy Regulatory Commission (FERC) formally adopting the term AFUDC in its Uniform System of Accounts (USOA) for energy utilities, no similar authoritative recognition has been provided for water utilities.[105,106,107,108] In fact, the Commissions' USOA for Class A water utilities retains the term IDC—without any mention of AFUDC.[109]

The third and most controversial method of recovering CWIP financing charges is to include CWIP in rate base, which emerged in the late 1960s.[110,111] As a result of nuclear projects taking up to 10 years to complete, FERC issued an order in 1976 which allowed inclusion of CWIP in rate base "primarily to help alleviate the current financing

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[104] D.10-12-016, COL 57 at 202 (Set the initial AFUDC rate for California-American Water Company at 4%) and D.14-11-002 at 13 (Set that "in no event shall cost recovery using a Tier 1 advice letter filing exceed the amount for a project...allowance for funds used during construction...at an annual rate of 6.96%..." for Golden State Water Company for its Bear Valley Electric Service Division).

[105] FERC replaced the FPC in 1977.

[106] Attachment 7-17, A Public Power System's Introduction to the Federal Energy Regulatory Commission Uniform System of Accounts at 11.

[107] Prior to using the term AFUDC, IDC was used by FERC, Attachment 7-18, Revision to Accounting Release No. 5, Capitalization of Allowance for Funds Used During Construction at 1, n.2.

[108] FERC replaced the FPC in 1977.

[109] Attachment 7-19, CPUC Standard Practice U-38-W at A53.

[110] CWIP is the estimated value of all projects under construction, but it is also a methodology that can be used to finance projects under construction where CWIP is added to rate base prior to projects being used and useful.

[111] Attachment 7-20, Federal Register, Vol. 52, No. 123 at 23949.

problems being experienced by utility companies."[112,113] Before this order, CWIP would only be included in rate base under certain conditions, such as financial hardship that couldn't be resolved without increasing rates, or building fossil fuel and pollution control facilities.[114]

Regulators also began allowing utilities to add CWIP in rate base in the 1970s to combat financial strain.[115] Prior to this period, AFUDC often ended up being greater than net income.[116] Because AFUDC represents costs the utility recovers in the future, regulators thought it was in the best interest of ratepayers to fund projects while they were being constructed as opposed to waiting until the project was put into service.[117] By adding CWIP to rate base, utilities were able to immediately collect a return on a project instantly and concurrently as it was being constructed, improving the company's cash flow.

One problem with including CWIP in rate base is that projects are effectively added to rate base during construction, unlike AFUDC and IDC, where projects must first be completed before costs are added to rate base. With CWIP in rate base, utilities not only recognize profit on assets that are not built —they also recover that profit from ratepayers before the asset is built. When CWIP is included in rate base, utilities are not incentivized to complete project construction, because the utility has already included its full authorized rate of return on these costs in customer rates, regardless of whether the project is used and useful.

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[112] Attachment 7-20 at 23949.

[113] Attachment 7-21, *Construction Work in Progress in the Public Utility Rate Base: The Effect of Multiple Projects and Growth* at 42.

[114] Attachment 7-20 at 23949.

[115] Attachment 7-22, Deloitte – *Regulated Utilities Manual: A service for regulated utilities* at 10-11.

[116] Attachment 7-22 at 10-11.

[117] Attachment 7-22 at 10-11.

3. CWS's History of Financing CWIP

Historically, CWS included CWIP in rate base until the 1990s, when the utility began to capitalize interest to "be consistent with the Internal Revenue Service requirement that interest associated with capital projects be capitalized and not expensed."[118] Before 2017, CWS was only allowed to capitalize interest on borrowed funds, as decided by the Commission.[119] In 2017, the Commission authorized CWS to record AFUDC on construction finance costs.[120]

CWS asserts that "the terms 'allowance for funds used during construction' (AFUDC) and IDC are often used interchangeably in referring to capitalized interest" and that it now uses AFUDC to refer to IDC.[121] The change in terms is because CWS's external auditor, Deloitte, informed CWS that if the IDC percentage is greater than the actual interest cost of financing projects, the excess is considered a component of equity under the Generally Accepted Accounting Principles (GAAP), and is more properly referred to as AFUDC.[122] This finding reinforces two points underlying Cal Advocates' recommendation in this proceeding. First, IDC does not contain a profit component. Second, CWS should be able to recover its actual interest cost for financing costs if IDC is authorized without a profit component.

4. Using Cal Advocates' recommended IDC rate instead of CWS's proposed AFUDC rate allows CWS to recover actual financing interest costs and protects ratepayers from overpaying.

In the current GRC, CWS calculates AFUDC on CWIP projects that will be put into service between 2024 and 2027 using the current authorized rate of return, 7.46%, as

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[118] D.16-12-042 at 138.

[119] Attachment 7-23, CWS 2017 10k and Proxy Statement at 66.

[120] Attachment 7-15 at 52.

[121] Attachment 7-24, CWS Response to Cal Advocates DR SBH-005 (AFUDC-IDC) (CWS Response to DR SBH-005), question 1.

[122] Attachment 7-24, Response 1.

the AFUDC rate.[123,124] Of these 3,976 CWIP projects, Cal Advocates has analyzed 1,738 projects that CWS estimates will go into service between 2026 and 2027. The AFDUC rate for the years 2024 and 2025 was established in the previous GRC.[125] Table 7-5 below compares the AFUDC totals for 2026 and 2027 under the current, proposed AFUDC rate is used, versus under the IDC rate at the current cost of short-term debt.

Table 7-5: Proposed AFUDC and Recommended IDC Calculations

	Interest Rate	Number of 2026 Projects	2026 AFUDC	Number of 2027 Projects	2027 AFUDC	Total AFUDC
			IDC		IDC	IDC
CWS's Proposed	7.46% (Current Authorized Rate of Return)	870	$14,292,806	834	$16,258,563	**$30,551,369**
Cal Advocates' Recommended (Without Adjustments)	6.09% (2023 Average Cost of Short-Term Debt)	870	$11,667,987	834	$13,272,741	**$24,940,728**

As demonstrated in Table 7-5, using the short-term debt rate for the IDC rate saves customers approximately $6 million in the forecast of financing costs.

CWS confirmed that the equity component (i.e., profit) it capitalized as a component of AFUDC for ratemaking purposes totaled nearly $25 million over the past five years, as shown in Table 7-6 below.[126] This $25 million is in addition to the interest costs of financing projects under construction, and $25 million in ratepayer cost that a competitive environment would not have allowed. CWS should not be allowed to include an equity component (i.e. profit) in the capitalized costs. In a competitive

[123] CWS Workpaper CH07_RO_RB_PLT, sheet "AFUDC & CWIP IN RB WS-2.4."

[124] Attachment 7-25, CWS Workpaper X_GBL_Info, sheet "REF_AFUDC Rate."

[125] The Commission authorized the current rate of return of 7.46% in its disposition of Advice Letter 2495.

[126] Attachment 7-26, CWS Response to Cal Advocates DR CHA-014 (Capital Projects_Rate Base) (CWS Response to DR CHA-014), question 6.

market, CWS would be unable to profit on projects that are under construction. With a large and unused capacity of short-term debt, CWS's current average cost of short-term debt would be a reasonable proxy for forecasting. At the time actual project costs are included in rate base, CWS can include its actual cost of interest used to finance projects (excluding a profit component).

As a substitute for competition, the Commission must prevent CWS from continuing to charge ratepayers profit on projects that are not used and useful.

Table 7-6: CWS's AFUDC Equity, 2019-2023[127]

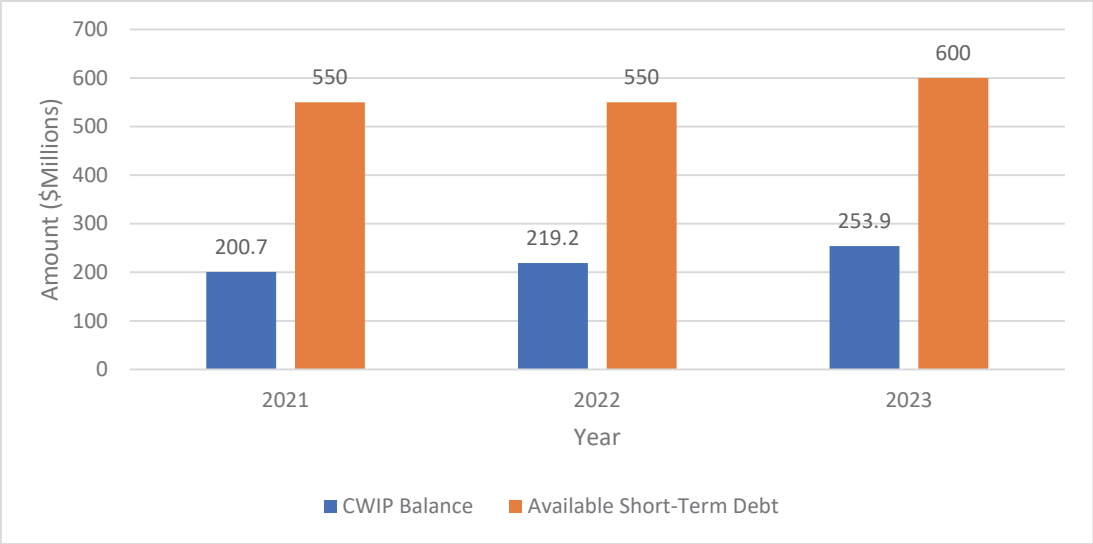
	2019	2020	2021	2022	2023	**Total**
Equity Amount	$6,685,000	$4,976,000	$3,186,000	$4,127,000	$5,551,000	**$24,525,000**

Furthermore, it is unnecessary to include a profit component in the CWIP rate, as CWS proposes, because CWS has access to enough resources to fund capital projects entirely using lower-cost short-term debt. For example, CWS states in its 2023 annual report required under the Securities and Exchange Act that it has access to $600 million in short-term credit, which "may be used for working capital purposes."[128] CWS's total balance of CWIP at the end of 2023 was $253.9 million as seen in Graph 7-7 below, shown alongside the 2021 and 2022 CWIP balances and short-term debt. Therefore, CWS currently has and historically has had the option to fund capital projects solely relying on short-term debt.

[127] Attachment 7-26, Response 7.

[128] Attachment 7-15, Annual Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act for the fiscal year ended December 31, 2023 at 49.

Graph 7-7: Historical CWIP Balance vs Available Short-Term Debt[129,130,131]



One of the purposes of allowing utilities to capitalize interest during the construction phase is to ensure that "the customers of the future will pay the full cost of the facility constructed for their use."[132] The purpose is not to have customers pay more than the actual interest costs incurred during construction of the asset. By using IDC, CWS will be able to recover all actual interest costs once a project is complete, used, and useful. Forecasting IDC at the lower cost of short-term debt prevents the company from recognizing profit on projects under construction, while also providing an incentive to use the lowest possible cost sources of financing.

As stated above, Cal Advocates' recommended IDC process would fairly reimburse Cal Water for its actual financing interest costs, place the risk of project completion with shareholders, and simulate the market forces of a competitive environment. Furthermore, in using Cal Advocates' recommended IDC process, CWS

[129] Attachment 7-15 at 52.

[130] Attachment 7-27, Annual Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act for the fiscal year ended December 31, 2022 at 53 and 78.

[131] Attachment 7-28, Annual Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act for the fiscal year ended December 31, 2021 at 51 and 75.

[132] Attachment 7-22 at 31.

would not be allowed to charge ratepayers for unearned profit on projects not yet in service.

Even though CWS can ultimately choose how to finance their projects, ratepayers should not be unreasonably burdened by CWS's choice. To be clear, Cal Advocates does not recommend that the Commission dictate what sources of funds CWS may use to finance projects. Rather, customers should only pay what can be considered reasonable financing charges (regardless of what CWS chooses).[133]

IV. CONCLUSION

The Commission should accept a UPIS amount of $4,241,826,355 in 2024, $4,407,201,550 in 2025, $4,617,873,941 in 2026, and $4,865,795,111 in 2027 for the Weighted Plant Balance by District Scenario and a UPIS amount of $4,245,389,693 in 2024, $4,406,966,164 in 2025, $4,617,375,539 in 2026, and $4,871,149,432 in 2027 for the Weighted Plant Balance by Master Scenario. The Commission should also adopt a reduction of $7,153 to rate base for CIAC adjustments, a reduction of $3,665,757 to rate base for income tax credit adjustments, and a reduction of $2,599,213 to rate base for above-ground fixed assets that are not used and useful. Additionally, the Commission should direct CWS to accurately report assets that are in rate base but do not provide any benefit to ratepayers.

The Commission should also allow CWS to forecast capitalized interest at its current cost of short-term debt. Only when CWS demonstrates that a project is complete should all project costs be added to rate base, including all capitalized interest at actual interest costs incurred during construction.

[133] Cal Advocates' recommendation was misinterpreted in a prior CWS GRC as an attempt to dictate exactly what sources of funds CWS should use to finance CWIP (D.20-12-007 at 32).

LIST OF ATTACHMENTS FOR CHAPTER 7

	Attachment #	Description
1	Attachment 7-1	1982 Staff Memorandum on Policy for Including CWIP in Rate Base for Water Utilities.
2	Attachment 7-2	18.3 Allowance for funds used during construction by PricewaterhouseCoopers.
3	Attachment 7-3	CWS Workpaper CH07_RO_RB_PLT, sheet "Wghtd PLT Bal WS-4.4."
4	Attachment 7-4	CWS Response to Cal Advocates DR CHA-012 (Capital Projects Rate Base), question 1.
5	Attachment 7-5	Cal Advocates RO Model Run - CWS Workpaper CH07_RO_RB_PLT, sheet "Wghtd PLT Bal WS-4.4."
6	Attachment 7-6	CWS Workpaper CH07_RO_RB_CIAC ADV, sheet "Fcst PLT Gross Balance WS-3."
7	Attachment 7-7	CWS Response to Cal Advocates DR CHA-009 (Plant Projects CIAC Depreciation), question 2b.
8	Attachment 7-8	CWS Response to Cal Advocates DR CHA-011 (Capital Projects Rate Base), questions 1 and 2.
9	Attachment 7-9	CWS Workpaper CH07_RO_RB_OTH RB Items, sheet "IN_ITC Solar Credit Adj."
10	Attachment 7-10	CWS Response to Cal Advocates DR CHA-002 (Bakersfield - Capital Projects), question 2a.
11	Attachment 7-11	CWS Response to Cal Advocates DR CHA-013 (Rate Base), questions 1, 2, 3, and 4.
12	Attachment 7-12	Cal Advocates analysis using data from Attachment 7-8, Response 1 and Attachment 7-11, Responses 2, 3 and 4, 5A- Metro Districts Depreciation Study at 24, 30, and 38, and 5B- Valley Districts Depreciation Study at 26, 32, and 41.
13	Attachment 7-13	Cal Advocates analysis using data from Attachment 7-8, Response 1 and 5B- Valley Districts Depreciation Study at 26.
14	Attachment 7-14	Cal Advocates analysis using data from Attachment 7-8, Response 1 and Attachment 7-11, Response 2, 5A- Metro Districts Depreciation Study at 24, 30, and 38, and 5B- Valley Districts Depreciation Study at 26, 32, and 41.

	Attachment #	Description
15	Attachment 7-15	Attachment 8-3, Annual Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act for the fiscal year ended December 31, 2023 at 49, 52, and 75.
16	Attachment 7-16	FPC Order No. 389 (October 9, 1969) as cited in U.S. Court of Appeals for the Second Circuit - 618 F.2d 198 (2d Cir. 1980).
17	Attachment 7-17	A Public Power System's Introduction to the Federal Energy Regulatory Commission Uniform System of Accounts at 11.
18	Attachment 7-18	Revision to Accounting Release No. 5, Capitalization of Allowance for Funds Used During Construction at 1.
19	Attachment 7-19	CPUC Standard Practice U-38-W at A53.
20	Attachment 7-20	U Federal Register, Vol. 52, No. 123 at 23949.
21	Attachment 7-21	Construction Work in Progress in the Public Utility Rate Base: The Effect of Multiple Projects and Growth at 4.
22	Attachment 7-22	Deloitte – Regulated Utilities Manual: A Service for Regulated Utilities, at 10-11 and 31.
23	Attachment 7-23	CWS 2017 10k and Proxy Statement at 66.
24	Attachment 7-24	CWS Response to Cal Advocates DR SBH-005 (AFUDC-IDC), question 1.
25	Attachment 7-25	CWS Workpaper X_GBL_Info, sheet REF_AFUDC Rate.
26	Attachment 7-26	CWS Response to Cal Advocates DR CHA-014 (Capital Projects Rate Base), questions 6 and 7.
27	Attachment 7-27	Annual Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act for the fiscal year ended December 31, 2022 at 53 and 78.
28	Attachment 7-28	Annual Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act for the fiscal year ended December 31, 2021 at 51 and 75.

1

ATTACHMENTS

APPENDX A:
Qualifications of Witness

QUALIFICATIONS AND PREPARED TESTIMONY
OF
CHANDRIKA SHARMA

Q.1 Please state your name and address.

A.1 My name is Chandrika Sharma, and my business address is 505 Van Ness Avenue, San Francisco, California, 94102.

Q.2 By whom are you employed and what is your job title?

A.2 I am employed by the California Public Utilities Commission as a Utilities Engineer.

Q.3 Please describe your educational and professional experience.

A.3 I have a Bachelor of Science Degree in Computer Engineering with a Electrical Engineering minor from San Francisco State University and an MBA from San José State University. I have been with the California Public Utilities Commission since October 2021.

Q.4 What is your area of responsibility in this proceeding?

A.4 I am responsible for Chapter 1 (Plant for Bakersfield), Chapter 2 (Plant for Kern River Valley), Chapter 3 (Plant for King City), Chapter 4 (Plant for Salinas), Chapter 5 (Plant for Selma), Chapter 6 (Plant for Visalia), and Chapter 7 (Rate Base).

Q.5 Does that complete your prepared testimony?

A.5 Yes.

LIST OF ATTACHMENTS FOR CHAPTER 1

	Attachment #	Description
1	Attachment 1-1	CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB
2	Attachment 1-2	CWS Response to Cal Advocates DR CHA-010 (Capital Projects Rate Base), questions 1a, 6, and 7.
3	Attachment 1-3	CWS Response to Cal Advocates DR CHA-014 (Capital Projects Rate Base), question 9.
4	Attachment 1-4	CWS Response to Cal Advocates DR CHA-012 (Capital Projects Rate Base), question 2
5	Attachment 1-5	CWS Response to Cal Advocates DR CHA-001 (Design Study and Non-specific Cost), question 1I.
6	Attachment 1-6	CWS Response to Cal Advocates DR CHA-007 (All Plant Projects), questions 1a and 3a
7	Attachment 1-7	CWS Response to Cal Advocates DR CHA-002 (Bakersfield – Capital Projects), questions 1h and 2

Attachment 1-1:
CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB"

description	year	description	dept id	description	work_order_number	long_description	justification_detail	property group	Sub-Category	specific	non_specific	est_start_date	est_complete_date
2025-2027 May 3 Filing - 2024 GRC	2026	California Water Service Company	101	Bakersfield	133577	Bakersfield Onsite Solar	To relocate district office to a generally safer location within the service area and to accommodate a larger facility to efficiently and safely support day to day activities.	02 STRUC		$7,800,000.00	$0.00	6/1/2024	12/31/2026
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	101	Bakersfield	133199	BK Property Purchase (Office)		01 LAND		$3,500,000.00	$0.00	1/1/2025	12/31/2027
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	101	Bakersfield	00134719	BK - VEHICLE FOR NEW COMPLEMENTS	NEW VEHICLES REQUIRED FOR NEW POSITIONS.	11 EQUIP	Vehicle	$892,013.10	$0.00	1/1/2026	12/31/2027
2025-2027 May 3 Filing - 2024 GRC	2025	California Water Service Company	101	Dakersfield	133192	DK NG Property Purchase #2	Purchase property to construct new well. Well is needed for supply reliability, wildfire risk and to replace failing wells.	01 LAND		$545,002.60	$0.00	1/1/2025	12/31/2025
2025-2027 May 3 Filing - 2024 GRC	2026	California Water Service Company	101	Bakersfield	00133190	BK Railroad Main Replacement Study	Investigate pipeline condition and create preliminary designs for replacement, so that district can prepare to replace a critical pipeline before the asset fails.	12 INTANGIBLE		$502,223.24	$0.00	1/1/2026	12/28/2026
2025-2027 May 3 Filing - 2024 GRC	2025	California Water Service Company	101	Bakersfield	00133189	BK Low Zone Well Siting Study	Well Siting Study to select best property for new well.	03 WELLS		$185,652.54	$0.00	1/2/2025	12/29/2025
2025-2027 May 3 Filing - 2024 GRC	2027			Bakersfield	133194	BK NG Property Purchase	Purchase land to construct a new well. Well is needed to address supply deficiency.			$551,276.27	$0.00	1/2/2025	10/31/2027

Attachment 1-2:
CWS response to Cal Advocates DR CHA-010
(Capital Projects Rate Base)
(CWS Response to DR CHA-010), questions 1a, 6, and 7

RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-003

To: **Public Advocates Office**

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From: **California Water Service**

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Patrick Alexander General Rate Case Manager	(408) 367-8230 palexander@calwater.com
Melody Singh Manager, Revenue	(916) 329-1856 msingh@calwater.com

Date: **Oct 09, 2024** Re: **CHA-010** Subj: **Capital Projects_Rate Base**	Request Received from CPUC: **October 2, 2024** Requested Due Date: **October 9, 2024**

Comments:

- **Full response attached.**
- **Response provided by Engineering and Rates.**
- **Response to question 10.d. contains confidential information.**
- **This response refers to the following attachments included separately:**
  - **Attachment 1_Q10.b_Invoices**
  - **Attachment 2_Q10.d_ Addresses**
  - **Attachment 3_Q12.a_Tank Painting**
  - **Attachment 4_Q14_UPIS Balances**
  - **Attachment 5_Q15_Dep_Reserve Balances**
  - **Attachment 6_Q16_Deferred Income Tax Balances**

Data Requests and Responses

1. **Please indicate whether the following studies are for construction of a single well or multiple wells. If multiple, please specify the number of wells to be constructed based on the study.**

   a. BK Low Zone Well Siting Study (WO #133189)
   Response: The well siting study will provide information on basin hydrology and water quality in the BK Low Zone to support the proposed BK Well Replacement Program (WO#133838). The BK Well Replacement Program in the 2024 GRC is only for a single proposed well, but the proposed Low Zone Siting Study will also be referenced for any future proposed new well projects located within the BK Low Zone until future updates are required or available. It is anticipated that the Well Siting Study may need to be updated periodically to account for new information about contaminants in the area or updates to applicable water quality regulations.

6. **Bakersfield North Garden Property Purchase (WO #133194):**

   a. How many wells does CWSC plan to construct on the land purchase?
   Response: CWSC proposed to construct a single well on the proposed land.

   b. What GRC cycle will the well(s) be completed in?
   Response: CWSC plans to begin well construction in the 2027 GRC cycle and complete the project in the 2030 GRC cycle.

   c. Please provide the work order number of the well siting study project that corresponds to WO #133194 and is proposed for Bakersfield North Garden in the current (2024) GRC.[1]
   Response: CWSC commissioned a Well Siting Study in 2016 for the western portion of the BKNG system under WO#103497. CWSC intended to propose a project in the 2024 GRC to update the study to aid with identifying an appropriate property to purchase.

[1] BK_2024_GRC_PJ_Book_Final, p. BK PJ - 55

The BKNG Well Siting Study was inadvertently omitted from the 2024 GRC filing. The study will be updated with the BKNG property purchase project.

7. BK – Vehicle for New Complements (WO# 134719), VIS - Vehicle for New Complements (WO# 00134771), and VIS - Vehicle for New Complements (WO#: 00134774)

a. Please provide the titles of the new positions associated with the request for new vehicles for the Bakersfield and Visalia work orders listed above. Additionally, please provide the cost of the vehicle requested for each position. **Response:**

Work Order #	Description	Position	Vehicle Type	Vehicle Cost	Note
134719	BK – Vehicle for New Complements	Regional Cross Connection Control Specialist	Half Ton Truck	$74,263	Half Ton Truck: $61,969; Upfitting: $12,294
		Regional Cross Connection Control Specialist	Half Ton Truck	$74,263	Half Ton Truck: $61,969; Upfitting: $12,294
		Regional Cross Connection Control Specialist	Half Ton Truck	$74,263	Half Ton Truck: $61,969; Upfitting: $12,294
		Scada CPO/OPS Clerk	Half Ton Truck	$74,263	Half Ton Truck: $61,969; Upfitting: $12,294
		Utility Worker	Half Ton Truck	$74,263	Half Ton Truck: $61,969; Upfitting: $12,294
		Operator in Training	Half Ton Truck	$74,263	Half Ton Truck: $61,969; Upfitting: $12,294

Work Order #	Description	Position	Vehicle Type	Vehicle Cost	Note
		Foreman Flushing and Valve Maintenance	Flushing/ Valve Truck	$137,713	Flushing/Valve Truck: $55,405; Upfitting: $82,308
		Leak Truck Foreman	Leak Truck	$227,630	Leak Truck: $85,630; Upfitting: $142,000
00134771	VIS - Vehicle for New Complements	Foreman	Leak Truck	$227,630	Leak Truck: $85,630; Upfitting: $142,000
		Operation Maintenance Worker	Vacuum Truck	$230,000	
00134774	VIS - Vehicle for New Complements (This is a Chico project not Visalia)	Utility Relief CPO	0.75-ton Truck	$52,820	0.75-ton Truck: $52,820; Upfitting: $32,897.00
		Operator in Training	Half Ton Truck	$74,263	Half Ton Truck: $61,969; Upfitting: $12,294

Attachment 1-3:
CWS response to Cal Advocates DR CHA-014
(Capital Projects_Rate Base)
(CWS Response to DR CHA-014), question 9

RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-003

To: Public Advocates Office

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From: **California Water Service**

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Patrick Alexander General Rate Case Manager	(408) 367-8230 palexander@calwater.com
Melody Singh Manager, Revenue	(916) 329-1856 msingh@calwater.com

Date: **December 27, 2024** **Partial Response #1 sent on December 23, 2024** Re: **CHA-014** Subj: **Capital Projects_Rate Base**	Request Received from CPUC: **December 16, 2024** Requested Due Date: **December 23, 2024**

Comments:

- **Partial Response #2 FINAL attached.**
- **Response provided by Rates and Engineering.**
- **Does not contain confidential information.**
- **This response refers to the following attachments included separately:**
  - **Attachment #1 – 2023 Quarterly LOC Borrowing Interest**
  - **Attachment #2 – Q3 2024 Quarterly LOC Borrowing Interest Analysis**
  - **Attachment #3 – CLTD Amort Schedule**
  - **Attachment #4 – AFUDC equity component 2018-2023**
  - **Attachment #5 – Regulated Capital Lease 2022-2023 Info**

Data Requests and Responses

Please refer to CWSC's response to question 6c from A2407003 Public Advocates DR CHA-010 (Capital Projects_Rate Base):

9. CWSC stated in its response that the 2016 Well Siting Study (WO# 103497) corresponds to the proposed Bakersfield North Garden Property Purchase (WO #133194). CWSC also stated that "the BKNG Well Siting Study was inadvertently omitted from the 2024 GRC filing. The study will be updated with the BKNG property purchase project." Has this study been completed? If so, on what date was it completed, and if not, what is the estimated completion date?

   Response: To date, an updated well siting study has not been completed. An updated wellsiting study is anticipated to be finalized by the end of the 2025 planning year.

Attachment 1-4:
CWS response to Cal Advocates DR CHA-012
(Capital Projects_Rate Base)
(CWS Response to DR CHA-012), question 2

RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-003

To: **Public Advocates Office**

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From: **California Water Service**

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Patrick Alexander General Rate Case Manager	(408) 367-8230 palexander@calwater.com
Melody Singh Manager, Revenue	(916) 329-1856 msingh@calwater.com

Date: **October 21, 2024** Re: **CHA-012** Subj: **Capital Projects_Rate Base**	Request Received from CPUC: **October 14, 2024** Requested Due Date: **October 21, 2024**

Comments:

- **Full response attached.**
- **Response provided by Engineering and Rates.**
- **Does not contain confidential information.**
- **This response refers to the following attachments included separately:**
    - **CHA-012 Attachment #1_UPIS Balances**

Data Requests and Responses

2. Please refer to CWSC's response to question 6c from A2407003 Public Advocates DR CHA-010 (Capital Projects_Rate Base):

CWSC stated that "the BKNG Well Siting Study was inadvertently omitted from the 2024 GRC filing. The study will be updated with the BKNG property purchase project." Is CWSC incorporating the new study into the scope for the BKNG property purchase project?

Response: Cal Water is amenable to updating the BKNG Property Purchase project to include the well siting study, performing the well siting study under the project that was initiated but not included in the filing, or entertaining any other option Cal Advocates would like to pursue involving completion of the well siting study in this rate case.

Attachment 1-5:
CWS response to Cal Advocates DR CHA-001 (Design Study and Non-specific Cost) (CWS Response to DR CHA-001), question 1I

RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-003

To: **Public Advocates Office**

Edward Scher Project Lead	(415) 815-7027 edward.scher@cpuc.ca.gov
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From: **California Water Service**

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Patrick Alexander General Rate Case Manager	(408) 367-8230 palexander@calwater.com
Melody Singh Manager, Revenue	(916) 329-1856 msingh@calwater.com

Date: **Jul 17, 2024** Re: **CHA-001** Subj: **Design_Study and Non-specific Cost**	Request Received from CPUC: **July 10, 2024** Requested Due Date: **July 17, 2024**

Comments:

- **Full response attached.**
- **Response provided by Engineering.**
- **Does not contain confidential information.**
- **This response refers to the following attachments included separately:**
  - **Attachment #1 – Questions 1-3**

Data Requests and Responses

1. The following are studies proposed in sheet IN_2024 GRC ACB in workpaper CH07_RB_FDR_Proposed Capital Budget. Please fill out the table below in sheet "Question 1" in the Excel attachment "DR CHA-001 Questions 1-3."

   Response: Please see attached file (attachment #1)

District		Will the project(s) associated with the study be completed in TY 2025 GRC cycle? (Yes/No)	Project Description	Specific Cost	Work Order Number	Work order number(s) for project(s) proposed in the capital budget that correspond to the study
I.	Bakersfield	Yes	BK Low Zone Well Siting Study	$185,652.54	00133189	WO 133192

Attachment 1-6:
CWS response to Cal Advocates DR CHA-007 (All Plant Projects) (CWS Response to DR CHA-007), questions 1a and 3a

RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-003

To: **Public Advocates Office**

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From: **California Water Service**

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Date: **August 21, 2024** Re: **CHA-007** Subj: **All Plant Projects**	Request Received from CPUC: **August 14, 2024** Requested Due Date: **August 21, 2024**

Comments:

- **Full response attached.**
- **Response provided by Engineering.**
- **Does not contain confidential information.**
- **This response refers to the following attachments included separately:**
- **Attachment #1 – _KC Chlorine Data**
- **Attachment #2 – _ Meter Location**
- **Attachment #3 – _ Bi-Monthly Membrane Cleaning and Replacement**
- **Attachment #4 – _ Multi-Media Filter**
- **Attachment #5 – _ Plant Instruments and Equipment**
- **Attachment #6 – _ Motor Starter**
- **Attachment #7 – _ Pump Motor Repair**
- **Attachment #8 – _ RO Pump**
- **Attachment #9 – _ Water Hauling**
- **Attachment #10 – _ Water Analysis for Membrane Integrity**
- **Attachment #11 – _SLN-W-037-01 Nitrate Values 2014-2024**

Data Requests and Responses

1. **As of August 12, 2024, what percentage of each of the following projects is completed?**

    a. BK Low Zone Well Siting Study (WO #00133189)
    Response: This project is scheduled to begin in 2025 as per the project justification.

3. Bakersfield Onsite Solar – Work Order #133577: In response to A2407003 Public Advocates DR CHA-002 (Bakersfield – Capital Projects), CWSC stated it was "evaluating between the ownership of the system, in which Cal Water constructed and owned the solar power system, and a power purchase agreement (PPA), where Cal Water does not own the system and instead buys power from a solar developer."[1] CWSC indicated that it determined the best option was to purchase power from a solar developer through the PPA model, rather than owning the system or purchasing power from the local utility.[2]

a. Based on the decision above, is there a change to the current plant cost that CWSC is requesting for Bakersfield Onsite Solar (work order #133577)? If so, please provide the updated cost.

[1] CWSC Response to DR CHA-002 (Bakersfield - Capital Projects), Question 2

[2] CWSC Response to DR CHA-002 (Bakersfield - Capital Projects), Question 2

Response: As Cal Water will pursue the PPA in Bakersfield, we no longer require Project 133577.

Attachment 1-7:
CWS response to Cal Advocates DR CHA-002 (Bakersfield – Capital Projects) (CWS Response to DR CHA-002), questions 1h and 2

RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-003

To: **Public Advocates Office**

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From: **California Water Service**

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Patrick Alexander General Rate Case Manager	(408) 367-8230 palexander@calwater.com
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Date: **Jul 25, 2024** Re: **CHA-002** Subj: **Bakersfield – Capital Projects**	Request Received from CPUC: **July 18, 2024** Requested Due Date: **July 25, 2024**

Comments:

- **Full response attached.**
- **Response provided by Engineering and Rates Department.**
- **One attachment contains confidential Category 3 information.**
- **This response refers to the following attachments included separately:**
- **CONFIDENTIAL CHA-002 Attachment #1 – BK PPA Model**

Data Requests and Responses

1. **BK Property Purchase (Office) – Work Order #133199:**
   h. CWSC states in BK_2024_GRC_PJ_Book_Final on page BK PJ – 71 that "construction will be submitted in the next GRC cycle once the design, based on the selected site, is completed." What GRC cycle does CWSC expect to complete this project by?

   Response: Cal Water expects to complete this project in the 2027 GRC cycle.

2. **Bakersfield Onsite Solar – Work Order #133577:**
   a. Please explain how "shareholder funding for the water infrastructure improvements to provide quality water and wastewater services could be impacted in the future" if this project is not implemented as stated in BK_2024_GRC_PJ_Book_Final on page BK PJ – 98.
   Response: At the time of our GRC submission, Cal Water was still in the request for proposal (RFP) stage for the Bakersfield Onsite Solar project. During this stage, we evaluating between the ownership of the system, in which Cal Water constructed and owned the solar power system, and a power purchase agreement (PPA), where Cal Water does not own the system and instead buys power from a solar developer. Upon receiving the offers from the solar developers, we determined that the customer cost savings from buying power at a lower cost from the developer rather than the local utility through the PPA model represented the optimal solution. As such, we have elected to pursue the PPA rather than the ownership model and will adjust our Results of Operations Model (ROM) to exclude the solar plant and tax credits associated with this project from rate base and update the electricity cost savings in our operating expenditures.

LIST OF ATTACHMENTS FOR CHAPTER 2

	Attachment #	Description
1	Attachment 2-1	CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet “IN_2024 GRC ACB”.

Attachment 2-1:
CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB"

description	year	description	dept_id	description	work_order_number	long_description	justification_detail	propertygroup	Sub-Category	specific	non_specific	est_start_date	est_complete_date
2025-2027 May 3 Filing - 2024 GRC	2026	California Water Service Company	134	Kern River Valley	00133474	SNTN 001 Well Improvement Study	Analyze and rehab existing well to maintain a water source.	06 WELLS		$345,746.56	$0.00	1/1/2026	10/31/2026
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	134	Kern River Valley	00133475	SOLA Well Siting Study	Study will determine the best location to drill a new well.	06 WELLS		$235,091.72	$0.00	1/1/2027	10/31/2027

LIST OF ATTACHMENTS FOR CHAPTER 3

	Attachment #	Description
1	Attachment 3-1	CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet “IN_2024 GRC ACB”.

Attachment 3-1:
CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB"

description	year	description	dept id	description	work_order_number	long_description	justification_detail	propertygroup	Sub-Category	specific	non_specific	est_start_date	est_complete_date
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	109	King City	133092	KC 012 New Generator	Install permanent generator so station can operate during a power outage.	05.PUMPS		$671,322.76	$0.00	1/2/2025	6/18/2027
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	109	King City	00133091	KC Office Generator	Install permanent generator so office can function and operators can provide emergency support during a power outage. Eliminates use of a portable generator.	05.PUMPS		$572,744.83	$0.00	6/1/2025	11/3/2027

LIST OF ATTACHMENTS FOR CHAPTER 4

	Attachment #	Description
1	Attachment 4-1	CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB".
2	Attachment 4-2	CWS Response to Cal Advocates DR CHA-010 (Capital Projects Rate Base), questions 1c, 2a, and 4a.
3	Attachment 4-3	CWS Response to Cal Advocates DR CHA-001 (Design Study and Non-specific Cost), question 1V.
4	Attachment 4-4	CWS Response to Cal Advocates DR CHA-007 (All Plant Projects), question 1b.
5	Attachment 4-5	CWS Response to Cal Advocates DR CHA-004 (Salinas, Selma, and Visalia – Capital Projects) question 9a.

Attachment 4-1:
CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB"

description	year	description	dept id	description	work_order_number	long_description	justification_detail	property group	Sub-Category	specific	non_specific	est_start_date	est_complete_date
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	114	Salinas	133233	SLN New Well Station 155 Zone	Construct a new well in Salinas for supply. The well is needed to address supply reliability, sea water intrusion, water quality issues and aging wells.	03 WELLS		$5,499,649.76	$0.00	4/27/2024	12/31/2027
2025-2027 May 3 Filing - 2024 GRC	2026	California Water Service Company	114	Salinas	00133230	SLN Pipe Design 180 to 400 Zones	Identify pipelines that will help address seawater intrusion into the 180/400 sub-basin	07 MAINS		$1,110,539.46	$0.00	6/1/2025	8/15/2026
2025-2027 May 3 Filing - 2024 GRC	2026	California Water Service Company	114	Salinas	133235	SLNH Property Purchase	Purchase property to construct a new well. The well is needed due to wildfire risk, water supply reliability and the need to replace aging wells.	01 LAND		$791,997.53	$0.00	1/2/2025	5/13/2026
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	114	Salinas	00133229	SLN WSFMP Update	Prepare Water Supply and Facilities Master Plan to determine future capital project needs for the district.	12 INTANGIBLE		$232,538.67	$0.00	1/1/2027	12/31/2027
2025-2027 May 3 Filing - 2024 GRC	2025	California Water Service Company	114	Salinas	00133228	SLN Well Siting Study	Well Siting Study to select best property for new well.	03 WELLS		$164,138.47	$0.00	1/2/2025	10/31/2025
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	114	Salinas	00133224	SLN 203 New Generator	Install permanent generator so station can operate during a power outage.	05 PUMPS		$565,408.60	$0.00	1/2/2025	6/29/2027
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	114	Salinas	00133225	SLN 057 New Generator	Install permanent generator so station can operate during a power outage.	05 PUMPS		$553,737.66	$0.00	1/2/2025	6/29/2027
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	114	Salinas	00133223	SLN 072 New Generator	Install permanent generator so station can operate during a power outage.	05 PUMPS		$282,779.41	$0.00	1/2/2025	6/29/2027
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	114	Salinas	00133223	SLN 072 New Generator	Install permanent generator so station can operate during a power outage.	02 STRUC		$6,202.00	$0.00	1/2/2025	6/29/2027

Attachment 4-2:
CWS response to Cal Advocates DR CHA-010
(Capital Projects_Rate Base)
(CWS Response to DR CHA-010), questions 1c, 2a, and 4a.

RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-003

To: **Public Advocates Office**

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Chandrika Sharma Engineer	(415) 703-2268 chandrika.sharma@cpuc.ca.gov

From: **California Water Service**

Natalie D. Wales Director, Rates	(408) 367-8566 nwales@calwater.com
Patrick Alexander General Rate Case Manager	(408) 367-8230 palexander@calwater.com
Melody Singh Manager, Revenue	(916) 329-1856 msingh@calwater.com

Date: **Oct 09, 2024** Re: **CHA-010** Subj: **Capital Projects_Rate Base**	Request Received from CPUC: **October 2, 2024** Requested Due Date: **October 9, 2024**

Comments:

- **Full response attached.**
- **Response provided by Engineering and Rates.**
- **Response to question 10.d. contains confidential information.**
- **This response refers to the following attachments included separately:**
  - **Attachment 1_Q10.b_Invoices**
  - **Attachment 2_Q10.d_ Addresses**
  - **Attachment 3_Q12.a_Tank Painting**
  - **Attachment 4_Q14_UPIS Balances**
  - **Attachment 5_Q15_Dep_Reserve Balances**
  - **Attachment 6_Q16_Deferred Income Tax Balances**

Data Requests and Responses

1. **Please indicate whether the following studies are for construction of a single well or multiple wells. If multiple, please specify the number of wells to be constructed based on the study.**

   c. SLN Well Siting Study (WO #133228)
   Response: Basin information collected and provided by the hydrogeologist(s) within the well siting study, including information on water quality, water level trends, specific capacity, etc., will be referenced for multiple wells and any well project located within the ground water basin until future revisions are available. The exact number of wells to be drilled between now and the next study revision is unknown.

2. **SLN New Well Station 155 Zone (WO# 133233):**
   a. How many wells does CWSC plan to construct on the land purchase?
   Response: CWSC proposed to construct a single well on the proposed land.

4. **SLNH Property Purchase (WO# 133235):**
   a. How many wells does CWS plan to construct on the land purchase?
   Response: CWSC proposed to construct a single well on the proposed land.

Attachment 4-3:
CWS response to Cal Advocates DR CHA-001
(Design_Study and Non-specific Cost)
(CWS Response to DR CHA-001), question 1V

RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-003

To: **Public Advocates Office**

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From: **California Water Service**

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Patrick Alexander General Rate Case Manager	(408) 367-8230 palexander@calwater.com
Melody Singh Manager, Revenue	(916) 329-1856 msingh@calwater.com

Date: **Jul 17, 2024** Re: **CHA-001** Subj: **Design_Study and Non-specific Cost**	Request Received from CPUC: **July 10, 2024** Requested Due Date: **July 17, 2024**

Comments:

- **Full response attached.**
- **Response provided by Engineering.**
- **Does not contain confidential information.**
- **This response refers to the following attachments included separately:**
  - **Attachment #1 – Questions 1-3**

Data Requests and Responses

1. The following are studies proposed in sheet IN_2024 GRC ACB in workpaper CH07_RB_FDR_Proposed Capital Budget. Please fill out the table below in sheet "Question 1" in the Excel attachment "DR CHA-001 Questions 1-3."

Response: Please see attached file (attachment #1)

District		Will the project(s) associated with the study be completed in TY 2025 GRC cycle? (Yes/No)	Project Description	Specific Cost	Work Order Number	Work order number(s) for project(s) proposed in the capital budget that correspond to the study
V.	Salinas	Yes	SLN Well Siting Study	$164,138.47	00133228	WO 133233

Attachment 4-4:
CWS response to Cal Advocates DR CHA-007
(All Plant Projects)
(CWS Response to DR CHA-007), question 1b

RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-003

To: **Public Advocates Office**

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From: **California Water Service**

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Patrick Alexander General Rate Case Manager	(408) 367-8230 palexander@calwater.com
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Date: **August 21, 2024** Re: **CHA-007** Subj: **All Plant Projects**	Request Received from CPUC: **August 14, 2024** Requested Due Date: **August 21, 2024**

Comments:

- **Full response attached.**
- **Response provided by Engineering.**
- **Does not contain confidential information.**
- **This response refers to the following attachments included separately:**
- **Attachment #1 – _KC Chlorine Data**
- **Attachment #2 – _ Meter Location**
- **Attachment #3 – _ Bi-Monthly Membrane Cleaning and Replacement**
- **Attachment #4 – _ Multi-Media Filter**
- **Attachment #5 – _ Plant Instruments and Equipment**
- **Attachment #6 – _ Motor Starter**
- **Attachment #7 – _ Pump Motor Repair**
- **Attachment #8 – _ RO Pump**
- **Attachment #9 – _ Water Hauling**
- **Attachment #10 – _ Water Analysis for Membrane Integrity**
- **Attachment #11 – _SLN-W-037-01 Nitrate Values 2014-2024**

Data Requests and Responses

1. As of August 12, 2024, what percentage of each of the following projects is completed?

b. SLN Well Siting Study (WO #00133228)
Response: This project is scheduled to begin in 2025 as per the project justification.

Attachment 4-5:
CWS Response to Cal Advocates DR CHA-004 (Salinas, Selma, and Visalia – Capital Projects)
(CWS Response to DR CHA-004), question 9a

RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-004

To: **Public Advocates Office**

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Date: **August 6, 2024** Re: **CHA-004** Subj: **Salinas, Selma, and Visalia – Capital Projects**	Request Received from CPUC: **July 30, 2024** Requested Due Date: **August 6, 2024**

Comments:

- **Full response attached.**
- **Response provided by Engineering.**
- **Does not contain confidential information.**
- **This response refers to the following attachments included separately:**

- **Attachment #1 – CHA-004 Attachment #1 Question 4.c._SLN 12-01 Nitrate Concentrations**
- **Attachment #2 – CHA-004 Attachment #2 Question 4.c._SLN 17-01 Nitrate Concentrations**
- **Attachment #3 – CHA-004 Attachment #3 Question 5.b._SLN 64-01 Nitrate Concentrations**
- **Attachment #4 – CHA-004 Attachment #4 Question 6.a._SLN 065 Costs**
- **Attachment #5 – CHA-004 Attachment #5 Question 6.a._SLN 065 Monthly Invoices**
- **Attachment #6 – CHA-004 Attachment #6 Question 6.b._SLN 65-01 Nitrate Concentrations**
- **Attachment #7 – CHA-004 Attachment #7 Question 7.b._SLN 037 Costs**
- **Attachment #8 – CHA-004 Attachment #8 Question 7.b._SLN 037 Monthly Invoices**

Data Requests and Responses

9. Salinas Hills Property Purchase - Work Order #133235:

a. Please provide the work order number for the well design and construction project that is recommended in the 2024 GRC that corresponds to work order 133235.
Response: WO 00133234 corresponds to the well drilling and equipping project for the SLN Hills System.

LIST OF ATTACHMENTS FOR CHAPTER 5

	Attachment #	Description
1	Attachment 5-1	CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB."
2	Attachment 5-2	CWS Response to Cal Advocates DR CHA-010 (Capital Projects Rate Base), question 3.
3	Attachment 5-3	CWS response to Cal Advocates DR CHA-004 (Salinas, Selma, and Visalia – Capital Projects, question 10a.

Attachment 5-1:
CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB"

description	year	description	dept id	description	work_order_number	long_description	justification_detail	property group	Sub-Category	specific	non_specific	est_start_date	est_complete_date
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	117	Selma	133249	SEL New Well 2 Land Purchase	Purchase land to construct a new well. Well is needed due to age and condition of other well sources.	01 LAND		$352,893.68	$0.00	1/2/2025	1/20/2027

Attachment 5-2:
CWS response to Cal Advocates DR CHA-010 (Capital Projects_Rate Base) (CWS Response to DR CHA-010), question 3

RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-003

To: **Public Advocates Office**

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From: **California Water Service**

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Date: **Oct 09, 2024** Re: **CHA-010** Subj: **Capital Projects_Rate Base**	Request Received from CPUC: **October 2, 2024** Requested Due Date: **October 9, 2024**

Comments:

- **Full response attached.**
- **Response provided by Engineering and Rates.**
- **Response to question 10.d. contains confidential information.**
- **This response refers to the following attachments included separately:**
  - **Attachment 1_Q10.b_Invoices**
  - **Attachment 2_Q10.d_ Addresses**
  - **Attachment 3_Q12.a_Tank Painting**
  - **Attachment 4_Q14_UPIS Balances**
  - **Attachment 5_Q15_Dep_Reserve Balances**
  - **Attachment 6_Q16_Deferred Income Tax Balances**

Data Requests and Responses

3. **SEL New Well 2 Land Purchase (WO# 133249):**

   a. How many wells does CWSC plan to construct on the land purchase?

   Response: CWSC proposed to construct a single well on the proposed land.

   b. Please provide the project name and work order number for the Well Siting Study that recommended WO# 133249, as referenced in the Selma District Project Justification book on page 27.[1]

   Response: The previous Selma Well Siting Study was completed in 2020 under WO 00114854.

[1] Study titled *Results of Well Siting Study for California Water Service Selma District*, 2020 by Kenneth D. Schmidt and Associates Groundwater Quality Consultants.

SEL_2024_GRC_PJ_Book_Final, p. SEL PJ - 27

Attachment 5-3:
CWS response to Cal Advocates DR CHA-004 (Salinas, Selma, and Visalia – Capital Projects) (CWS Response to DR CHA-004), question 10a

RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-004

To: **Public Advocates Office**

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From: **California Water Service**

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Date: **August 6, 2024** Re: **CHA-004** Subj: **Salinas, Selma, and Visalia – Capital Projects**	Request Received from CPUC: **July 30, 2024** Requested Due Date: **August 6, 2024**

Comments:

- **Full response attached.**
- **Response provided by Engineering.**
- **Does not contain confidential information.**
- **This response refers to the following attachments included separately:**

- **Attachment #1 – CHA-004 Attachment #1 Question 4.c._SLN 12-01 Nitrate Concentrations**
- **Attachment #2 – CHA-004 Attachment #2 Question 4.c._SLN 17-01 Nitrate Concentrations**
- **Attachment #3 – CHA-004 Attachment #3 Question 5.b._SLN 64-01 Nitrate Concentrations**
- **Attachment #4 – CHA-004 Attachment #4 Question 6.a._SLN 065 Costs**
- **Attachment #5 – CHA-004 Attachment #5 Question 6.a._SLN 065 Monthly Invoices**
- **Attachment #6 – CHA-004 Attachment #6 Question 6.b._SLN 65-01 Nitrate Concentrations**
- **Attachment #7 – CHA-004 Attachment #7 Question 7.b._SLN 037 Costs**
- **Attachment #8 – CHA-004 Attachment #8 Question 7.b._SLN 037 Monthly Invoices**

Data Requests and Responses

10. New Well 2 Land Purchase – Work Order #133249:

a. What GRC cycle will the well proposed to be built on this land be completed by?

Response: WO 00133249 is for land in the 2024 GRC. A well project will be proposed in the 2027 GRC. The 2027 GRC Well project will be completed by approximately 2030.

LIST OF ATTACHMENTS FOR CHAPTER 6

	Attachment #	Description
1	Attachment 6-1	CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB".
2	Attachment 6-2	CWS response to Cal Advocates DR CHA-010 (Capital Projects Rate Base), question 5a, 7 and 9.

Attachment 6-1: CWS Workpaper CH07_RB_FDR_Proposed Capital Budget, sheet "IN_2024 GRC ACB"

Attachment 6-1, p. 1

description	year	description	dept id	description	work_order_number	long_description	justification_detail	property group	Sub-Category	specific	non_specific	est_start_date	est_complete_date
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	120	Visalia	00134771	VIS - VEHICLE FOR NEW COMPLEMENTS	NEW VEHICLES REQUIRED FOR NEW POSITIONS.	11 EQUIP	Vehicle	$503,393.00	$0.00	1/1/2026	12/31/2027
2025-2027 May 3 Filing - 2024 GRC	2025	California Water Service Company	120	Visalia	00133147	VIS Recharge Feasibility Study	The Recharge Feasibility Study will help the District identify the optimum design and locations for the recharge basins.	12 INTANGIBLE		$186,281.60	$0.00	1/1/2025	12/31/2025
2025-2027 May 3 Filing - 2024 GRC	2025	California Water Service Company	120	Visalia	00133146	VIS Well Siting Study	Well Siting Study to select best property for new well.	03 WELLS		$165,349.53	$0.00	1/2/2025	10/31/2025
2025-2027 May 3 Filing - 2024 GRC	2025	California Water Service Company	120	Visalia	132456	VIS 2025 Chevrolet 1500 Pickup	<Enter data here>	11 EQUIP	Vehicle	$68,165.90	$0.00	1/1/2025	12/31/2025
2025-2027 May 3 Filing - 2024 GRC	2025	California Water Service Company	120	Visalia	00132458	VIS 2025 FORD F350	<Enter data here>	11 EQUIP	Vehicle	$66,000.00	$0.00	1/1/2025	12/31/2025
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	120	Visalia	00133152	VIS 048 New Generator	Install permanent generator so station can operate during a power outage.	05 PUMPS		$958,958.14	$0.00	6/1/2025	12/8/2027
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	120	Visalia	00133153	VIS 080 New Generator	Install permanent generator so station can operate during a power outage.	05 PUMPS		$749,277.75	$0.00	3/18/2024	9/23/2027
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	120	Visalia	00133152	VIS 048 New Generator	Install permanent generator so station can operate during a power outage.	02 STRUC		$36,206.00	$0.00	6/1/2025	12/8/2027
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	120	Visalia	00133153	VIS 080 New Generator	Install permanent generator so station can operate during a power outage.	02 STRUC		$10,516.00	$0.00	3/18/2024	9/23/2027
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	120	Visalia	00133416	VIS Building Upgrades Design		02 STRUC		$679,800.00	$0.00	1/1/2026	12/31/2027
2025-2027 May 3 Filing - 2024 GRC	2027	California Water Service Company	120	Visalia	00133149	VIS Property Purchase	Purchase property to construct new well and storage tank. Facilities are needed to address peak hour supply deficiency and to replace failing wells.	01 LAND		$865,685.78	$0.00	1/2/2025	5/13/2027

Attachment 6-2:
CWS response to Cal Advocates DR CHA-010 (Capital Projects_Rate Base) (CWS Response to DR CHA-010), questions 5a, 7, and 9

RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-003

To: **Public Advocates Office**

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From: **California Water Service**

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Patrick Alexander General Rate Case Manager	(408) 367-8230 palexander@calwater.com
Melody Singh Manager, Revenue	(916) 329-1856 msingh@calwater.com

Date: **Oct 09, 2024** Re: **CHA-010** Subj: **Capital Projects_Rate Base**	Request Received from CPUC: **October 2, 2024** Requested Due Date: **October 9, 2024**

Comments:

- **Full response attached.**
- **Response provided by Engineering and Rates.**
- **Response to question 10.d. contains confidential information.**
- **This response refers to the following attachments included separately:**
  - **Attachment 1_Q10.b_Invoices**
  - **Attachment 2_Q10.d_ Addresses**
  - **Attachment 3_Q12.a_Tank Painting**
  - **Attachment 4_Q14_UPIS Balances**
  - **Attachment 5_Q15_Dep_Reserve Balances**
  - **Attachment 6_Q16_Deferred Income Tax Balances**

Data Requests and Responses

5. VIS Property Purchase (WO # 133149):

a. How many wells does CWS plan to construct on the land purchase?
Response: CWSC proposed to construct a single well on the proposed land.

7. BK – Vehicle for New Complements (WO# 134719), VIS - Vehicle for New Complements (WO# 00134771), and VIS - Vehicle for New Complements (WO#: 00134774)

a. Please provide the titles of the new positions associated with the request for new vehicles for the Bakersfield and Visalia work orders listed above. Additionally, please provide the cost of the vehicle requested for each position. **Response:**

Work Order #	Description	Position	Vehicle Type	Vehicle Cost	Note
134719	BK – Vehicle for New Complements	Regional Cross Connection Control Specialist	Half Ton Truck	$74,263	Half Ton Truck: $61,969; Upfitting: $12,294
		Regional Cross Connection Control Specialist	Half Ton Truck	$74,263	Half Ton Truck: $61,969; Upfitting: $12,294

		Regional Cross Connection Control Specialist	**Half Ton Truck**	**$74,263**	**Half Ton Truck: $61,969; Upfitting: $12,294**
		Scada CPO/OPS Clerk	**Half Ton Truck**	**$74,263**	**Half Ton Truck: $61,969; Upfitting: $12,294**
		Utility Worker	**Half Ton Truck**	**$74,263**	**Half Ton Truck: $61,969; Upfitting: $12,294**
		Operator in Training	**Half Ton Truck**	**$74,263**	**Half Ton Truck: $61,969; Upfitting: $12,294**
		Foreman Flushing and Valve Maintenance	**Flushing/ Valve Truck**	**$137,713**	**Flushing/Valve Truck: $55,405; Upfitting: $82,308**
		Leak Truck Foreman	**Leak Truck**	**$227,630**	**Leak Truck: $85,630; Upfitting: $142,000**
00134771	**VIS - Vehicle for New Complements**	**Foreman**	**Leak Truck**	**$227,630**	**Leak Truck: $85,630; Upfitting: $142,000**
		Operation Maintenance Worker	**Vacuum Truck**	**$230,000**	
00134774	**VIS - Vehicle for New Complements**	**Utility Relief CPO**	**0.75-ton Truck**	**$52,820**	**0.75-ton Truck: $52,820; Upfitting: $32,897.00**

	(This is a Chico project not Visalia)	**Operator in Training**	**Half Ton Truck**	**$74,263**	**Half Ton Truck: $61,969; Upfitting: $12,294**

9. VIS 2025 Chevrolet 1500 Pickup (WO #132456) and VIS 2025 FORD F350 (WO #132458):

a. Please provide justification as to why these additional vehicles are needed.
Response: These two vehicles were submitted in error and Cal Water will withdraw them from this rate case.

b. How is CWSC currently functioning without these requested vehicles? **Response: Please see response to question 9a.**

LIST OF ATTACHMENTS FOR CHAPTER 7

	Attachment #	Description
1	Attachment 7-1	1982 Staff Memorandum on Policy for Including CWIP in Rate Base for Water Utilities.
2	Attachment 7-2	18.3 Allowance for funds used during construction by PricewaterhouseCoopers.
3	Attachment 7-3	CWS Workpaper CH07_RO_RB_PLT, sheet "Wghtd PLT Bal WS-4.4."
4	Attachment 7-4	CWS Response to Cal Advocates DR CHA-012 (Capital Projects Rate Base), question 1.
5	Attachment 7-5	Cal Advocates RO Model Run - CWS Workpaper CH07_RO_RB_PLT, sheet "Wghtd PLT Bal WS-4.4."
6	Attachment 7-6	CWS Workpaper CH07_RO_RB_CIAC ADV, sheet "Fcst PLT Gross Balance WS-3."
7	Attachment 7-7	CWS Response to Cal Advocates DR CHA-009 (Plant Projects CIAC Depreciation), question 2b.
8	Attachment 7-8	CWS Response to Cal Advocates DR CHA-011 (Capital Projects Rate Base), questions 1 and 2.
9	Attachment 7-9	CWS Workpaper CH07_RO_RB_OTH RB Items, sheet "IN_ITC Solar Credit Adj."
10	Attachment 7-10	CWS Response to Cal Advocates DR CHA-002 (Bakersfield - Capital Projects), question 2a.
11	Attachment 7-11	CWS Response to Cal Advocates DR CHA-013 (Rate Base), questions 1, 2, 3, and 4.
12	Attachment 7-12	Cal Advocates analysis using data from Attachment 7-8, Response 1 and Attachment 7-11, Responses 2, 3 and 4, 5A- Metro Districts Depreciation Study at 24, 30, and 38, and 5B- Valley Districts Depreciation Study at 26, 32, and 41.
13	Attachment 7-13	Cal Advocates analysis using data from Attachment 7-8, Response 1 and 5B- Valley Districts Depreciation Study at 26.
14	Attachment 7-14	Cal Advocates analysis using data from Attachment 7-8, Response 1 and Attachment 7-11, Response 2, 5A- Metro Districts Depreciation Study at 24, 30, and 38, and 5B- Valley Districts Depreciation Study at 26, 32, and 41.

	Attachment #	Description
15	Attachment 7-15	Attachment 8-3, Annual Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act for the fiscal year ended December 31, 2023 at 49, 52, and 75.
16	Attachment 7-16	FPC Order No. 389 (October 9, 1969) as cited in U.S. Court of Appeals for the Second Circuit - 618 F.2d 198 (2d Cir. 1980).
17	Attachment 7-17	A Public Power System's Introduction to the Federal Energy Regulatory Commission Uniform System of Accounts at 11.
18	Attachment 7-18	Revision to Accounting Release No. 5, Capitalization of Allowance for Funds Used During Construction at 1.
19	Attachment 7-19	CPUC Standard Practice U-38-W at A53.
20	Attachment 7-20	U Federal Register, Vol. 52, No. 123 at 23949.
21	Attachment 7-21	Construction Work in Progress in the Public Utility Rate Base: The Effect of Multiple Projects and Growth at 4.
22	Attachment 7-22	Deloitte – Regulated Utilities Manual: A Service for Regulated Utilities, at 10-11 and 31.
23	Attachment 7-23	CWS 2017 10k and Proxy Statement at 66.
24	Attachment 7-24	CWS Response to Cal Advocates DR SBH-005 (AFUDC-IDC), question 1.
25	Attachment 7-25	CWS Workpaper X_GBL_Info, sheet REF_AFUDC Rate.
26	Attachment 7-26	CWS Response to Cal Advocates DR CHA-014 (Capital Projects Rate Base), questions 6 and 7.
27	Attachment 7-27	Annual Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act for the fiscal year ended December 31, 2022 at 53 and 78.
28	Attachment 7-28	Annual Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act for the fiscal year ended December 31, 2021 at 51 and 75.

Attachment 7-1:
1982 Staff Memorandum on Policy for Including CWIP in Rate Base for Water Utilities

State of California

M E M O R A N D U M

Date : May 11, 1982
(For June 2 Conference)

To : THE COMMISSION

From : M. Abramson, Acting Director, Revenue Requirements Div.
W. R. Ahern, Director, Util. Div.
B. Barkovich, Director, Policy Div.

Subject: Policy for Including CWIP in Rate Base for Water Utilities

RECOMMENDATION: It is recommended that the current policy of including construction work in progress (CWIP) in rate base for water utilities be continued. This should not lead the Commission to endorse a similar policy for energy and telecommunications utilities where construction time often exceeds one year.

SUMMARY: Water utility construction projects require on the average about 4 months to complete. This is a considerably shorter period of time than comparable energy utilities. Approximately 69% of new construction is company funded. New construction approximates 6% of the total plant in service and the amount of company funded CWIP, carried into a succeeding year, is only about 0.4%. Thus the perceived disbenefits of CWIP for ratepayers of (1) reduction in utility risk and thus management efficiency, and (2) intertemporal equity shifts, are minimized for water utilities. The financial benefit of disallowing CWIP in rate base is very small, and would, in the long run, be reduced and made even smaller, by the offsetting revenue requirement increase associated with the interest charges.

DISCUSSION: There are nearly 400 water jurisdictions (companies and districts) under regulation. Because of the inherent difficulty of studying a large number of districts, it was decided that to analyze typical construction projects, a few districts would be chosen as representative of the many systems throughout California. The data came from eight water districts representing

five water companies (see below). The data is from 1980 company records. Our choice was based on readily available data and a desire to include districts of various sizes, water sources and geographical locations.

Name	No. of Customers	County
Asuza Valley Water	15,467	Los Angeles
California American Water		
Monterey	33,090	Monterey
California Water Service		
East Los Angeles	27,618	Los Angeles
Oroville	3,724	Butte
Selma	3,550	Fresno
South San Francisco	15,395	San Mateo
San Jose Water	187,195	Santa Clara
Southern California Water		
Calipatria - Niland	1,030	Imperial

Water Utility Construction

Water projects with significant construction periods fall into five major categories: 1) miscellaneous structures, 2) tanks and reservoirs, 3) transmission and distribution mains, 4) treatment facilities and 5) wells. Transmission and distribution mains represent the largest on-going construction projects. Treatment facilities are usually major projects but are infrequently constructed and as a result the dollar impact in any given year is minimal. The average construction time and project costs for 1980 as a percentage of total plant by categories are:

Category	Construction Time	% of Plant
Miscellaneous Structures	3.1 months	1.2%
Tanks and Reservoirs	6.2	.2
Trans. and Distribution Mains	3.9	4.0
Treatment Facilities	8.3	.5
Wells	2.5	.1

Attachment 7-2:
18.3 Allowance for funds used during construction by PricewaterhouseCoopers

18.3 Allowance for funds used during construction

Publication date: 22 Nov 2023
US Utilities guide

Constructing utility plant takes time, potentially resulting in the incurrence of significant carrying costs in advance of when the facilities are ready for use and included in allowable costs for ratemaking purposes. In most cases, a regulated utility does not earn a return on assets under construction to cover financing costs incurred during the construction period. Therefore, regulators typically allow utilities to capitalize an allowance for funds used during construction (AFUDC) for future recovery. ASC 980-835-30-1 requires capitalization of AFUDC if the regulated utility's regulator provides for its recovery. The primary difference between AFUDC and interest capitalized under ASC 835 is that AFUDC includes a component for equity funds. If AFUDC is capitalized, the regulated utility should record a corresponding increase in pre-tax income for the component for equity funds. See UP 18.3.4 for information on financial statement presentation of AFUDC.

See UP 19.2.2 for further information on income tax considerations related to the equity portion of AFUDC.

Question UP 18-1
If a regulator does not permit recovery of AFUDC, does it result in a disallowance of utility plant?

PwC response

No. As discussed in ASC 980-340-55-2, a regulator may permit recovery of an incurred cost without providing for any return (such as for a plant prior to completion and inclusion of the plant in rate base). The regulator's decision not to provide a return on an incurred cost does not impact the regulated utility's ability to record the underlying asset, except in the limited case of abandoned plants (see UP 18.7.1). Consistent with this guidance, a regulator's decision to deny recovery of AFUDC does not result in a disallowance or any adjustment to the carrying value of the plant under construction.

18.3.1 Criteria for capitalization of allowance for funds used during construction

In accordance with ASC 980-835-25-1 and 30-1, AFUDC should be capitalized only during periods of construction and only if it is probable that the regulated utility will receive subsequent recovery through the ratemaking process. Any amounts that are not probable of recovery should not be capitalized. Furthermore, pursuant to ASC 980-835-25-2, if AFUDC is not capitalized because future recovery through rates is not probable, the regulated utility should not alternatively capitalize interest cost under ASC 835-20, *Interest – Capitalization of Interest*.

Regulated entities capitalizing AFUDC should regularly monitor the status of construction and ensure capitalization of AFUDC at the allowed rate continues to be appropriate. If completion of construction for which AFUDC is being capitalized is no longer probable, or where there is or is expected to be a plant disallowance by the regulator, the regulated utility should evaluate whether previously capitalized amounts should be written off and whether it should cease capitalizing AFUDC. In addition, when construction in progress is permitted in rate base, specific requirements regarding the capitalization of AFUDC may apply (see UP 18.4). Considerations regarding the capitalization of AFUDC during construction are addressed in ASC 980-835-25-2 through 25-4 and summarized in Figure UP 18-1.

Figure UP 18-1
Recognition of allowance for funds used during construction

Status of construction	Impact on AFUDC
Completion of the plant and recovery of all construction costs is probable	• Capitalize AFUDC if recovery of AFUDC is probable
Completion of the plant is reasonably possible but no longer probable	• Cease capitalizing AFUDC because recovery is no longer probable • No adjustment to previously capitalized AFUDC; AFUDC should not be written off until disallowance of plant costs is probable

Disallowance of plant costs is reasonably possible	• Identify range of possible disallowance and cease accruing AFUDC on costs equal to the maximum amount in the range, because recovery is no longer probable
Plant is probable of being abandoned or all or a portion being disallowed	• Cease capitalizing AFUDC and apply abandonment or disallowance guidance for existing amounts as applicable

Example UP 18-1 illustrates the accounting for AFUDC when it is reasonably possible that a portion of the plant costs will be disallowed.

EXAMPLE UP 18-1
Application of AFUDC — cap on amount of AFUDC imposed by the regulator

On July 1, 20X1, Rosemary Electric & Gas Company (REG) began construction of the Camellia Generating Station, a 575 MW natural gas-fired power plant. The total cost of construction is budgeted at $500 million. Construction is scheduled for completion in June 20X7. REG obtains an order from its regulator that:

- Approves recovery of construction costs up to $500 million, subject to prudency review
- Allows AFUDC on the cost of construction, at REG's approved cost of capital (both debt and equity components)
- Orders REG to include the Camellia power plant in its rate base in its first general rate case subsequent to the plant being placed in service

REG starts capitalizing AFUDC. In 20X3, management determines that the total cost of construction will be $600 million. Management discusses the expected cost overruns with the regulator; however, the regulator does not change the cap on construction costs permitted for recovery, subject to further evaluation in the next general rate case.

Should REG continue to capitalize AFUDC for amounts that exceed the original $500 million once it determines that the cost of construction will exceed the cap approved by the regulator?

Analysis

As a result of the cap, REG determines that recovery of AFUDC is not probable on any construction costs incurred in excess of $500 million. REG should continue to record AFUDC on expenditures up to $500 million; however, no AFUDC should be applied on amounts in excess of the cap. In addition, REG will need to assess whether a disallowance should be recorded on construction costs in excess of the cap. See UP 18.7.2 for further information on accounting for disallowances of recently completed plant.

18.3.2 Deferral of shareholder return outside the construction period

Due to the timing of rate case filings, regulators may allow a regulated utility to recover a carrying cost (including both debt and equity return, similar to AFUDC) on the value of plant placed in service from the commercial operation date to the effective date of inclusion of the plant in rates charged to customers. A regulated utility may also request other similar arrangements to compensate it for delays in including significant capital projects in rate base.

ASC 980-340-25-5 through 25-6 clarify that regulated utilities applying ASC 980 are not permitted to capitalize the cost of equity, except while a plant is under construction.

> **Excerpt from ASC 980-340-25-5**
>
> If specified criteria are met, paragraph 980-340-25-1 requires capitalization of an incurred cost that would otherwise be charged to expense. An allowance for earnings on shareholders' investment is not an incurred cost that would otherwise be charged to expense. Accordingly, such an allowance shall not be capitalized pursuant to that paragraph.

Consistent with this guidance, although a regulator may permit a utility to recover the "cost" of equity in rates, the regulated utility should not capitalize the equity component or otherwise record a regulatory asset for financial reporting purposes, regardless of whether future recovery is probable. The equity component should not be recognized until it is collected through rates. However, if recovery is probable, it would be permissible to defer debt-only carrying costs as a regulatory asset. Any debt-related amounts capitalized under this type of arrangement should be classified as a regulatory asset, not as part of the utility plant balance. Furthermore, the regulated utility should base the amount deferred on its actual interest costs incurred associated with that plant or capital project. It would not be appropriate to base the deferral amount on the regulated utility's hypothetical capital structure.

Examples UP 18-2 and UP 18-3 illustrate the capitalization of debt-only carrying costs.

EXAMPLE UP 18-2
Recovery of carrying costs — acquisition financed through debt issuance

On February 1, 20X1, Rosemary Electric & Gas Company (REG) acquires a 300 MW combined-cycle natural gas-fired electric generation plant for $250 million. The next general rate case is not expected until 20X3; therefore, REG petitions for and receives approval from its regulator to:

- Defer operating and maintenance expense, depreciation, taxes, and cost of capital invested in rate base beginning with the filing date of the petition and ending with the effective date of new rates from the 20X3 general rate proceeding
- Defer monthly carrying costs on the deferred costs at its approved rate of return of 10% until amortization begins
- Recover the deferred amounts over the three-year period commencing the earlier of January 1, 20X2, or the effective date of implementation of new rates from the general rate case

REG has a rate order permitting it to recover its carrying costs as well as operating costs for the new plant until the plant is included in rates. The approved carrying cost of 10% includes an equity component. REG's weighted-average debt cost is 6.5%. The acquisition of this facility was financed through issuance of new debt with financing cost of 5%.

How should REG account for its carrying costs during the period from receipt of its rate order until the implementation of new rates?

Analysis

For financial reporting purposes, REG should defer only the carrying cost related to the cost of debt used to finance the plant (5% in the example). Although the regulator approved recovery of REG's full cost of capital, in accordance with ASC 980-340-25-5 through 25-6, REG is not permitted to defer equity carrying costs because the plant is not under construction (where deferral of equity carrying costs would be permitted as part of AFUDC). The regulated utility should record deferral of debt cost as a regulatory asset separate from utility plant.

EXAMPLE UP 18-3
Recovery of carrying costs — acquisition financed through general funds

Assume the same facts as Example 18-2, except that REG financed acquisition of the new facility through its general funds.

How should REG account for its carrying costs during the period from receipt of its rate order until the implementation of new rates?

Analysis

Similar to the analysis in Example 18-2, REG would not be permitted to defer its equity-related carrying costs. Furthermore, because acquisition of the facility was financed through general funds, REG would need to estimate the amount of debt costs associated with the acquisition. One approach to determining the amount to defer is to multiply the carrying value of the facility by its weighted-average cost of debt. The rate used to calculate the amount deferred should be updated periodically. In addition, amounts deferred should be recorded in a regulatory asset separate from utility plant.

18.3.3 Capitalization of interest on a regulated equity method investee

ASC 835-20-15-6(e) and 55-3 provide guidance on the investor's accounting for capitalized interest related to an investment in a regulated investee that the investor accounts for under the equity method. In accordance with this guidance, a reporting entity that holds an investment in a regulated utility and accounts for its investment under the equity method is not permitted to capitalize interest on its investment. Rather, the regulated investee would capitalize AFUDC during the construction period, which would be recognized indirectly by the investor in its income statement through its equity method earnings.

18.3.4 Presentation and disclosure of allowance for funds used during construction

There are specific disclosure considerations for AFUDC as discussed below.

18.3.4.1 Balance sheet

ASC 980-360-25-1 specifies that AFUDC should be capitalized "as part of the acquisition cost of the related asset." Consistent with this guidance, AFUDC should be recorded as part of utility plant and not as a separate regulatory asset.

18.3.4.2 Income statement

ASC 980-835-45-1 provides guidance for the income statement classification of AFUDC, indicating that it may be an item of other income, a reduction of interest expense, or both (i.e., the debt component reported as a reduction of interest expense and the equity component included in other income).

18.3.4.3 Statement of cash flows

ASC 230 does not address the classification of AFUDC. However, it does specify that capitalized interest on property, plant, and equipment is a cash outflow from investing activities:

> **Excerpt from ASC 230-10-45-13**
>
> All of the following are cash outflows for investing activities:
> ...
> (c) Payments at the time of purchase or soon before or after purchase to acquire property, plant, and equipment and other productive assets, including interest capitalized as part of the cost of those assets.

Consistent with this guidance, the debt portion of AFUDC should be classified within investing activities in the statement of cash flows. Similar to the debt component, the equity portion of AFUDC is a noncash increase to net income in the income statement. However, the capitalization of the cost of equity arises due to regulated accounting and is not covered by the guidance for capitalized interest. Therefore, the equity portion of AFUDC should be reported as a noncash adjustment to net income (i.e., a reduction of operating cash flows).

18.3.4.4 Disclosure

ASC 980-340-50-3 requires disclosure of any allowance on shareholder investment capitalized for ratemaking purposes but not recognized for financial reporting.

Attachment 7-3, CWS Workpaper CH07_RO_RB_PLT, sheet "Wghtd PLT Bal WS-4.4"

California Water Service Company
Weighted Plant Balance
All Districts - 2024 General Rate Case

Adds the Total Net Additions (from WS-3.0) and the weighted net adds (from WS-4.3) to calculate the Weighted Plant Balance for each scenario.

		Weighted Plant Balance by District				Weighted Plant Balance by Master Scenario				
District	RMA Code	2024	2025	2026	2027	2024	2025	2026	2027	Print Help
129	172	16,277,995	20,719,226	23,854,873	23,781,088	19,057,608	22,542,744	24,329,100	26,796,037	No Print
101	101	607,932,650	659,853,982	722,743,320	795,724,348	607,932,650	659,853,982	722,743,320	795,724,348	No Print
152	170	398,226,207	443,796,320	501,342,979	569,242,791	398,438,158	444,073,306	501,676,195	569,624,619	No Print
102	102	323,424,887	359,445,068	399,409,822	442,530,366	323,424,887	359,445,068	399,409,822	442,530,366	No Print
104	996	248,400,430	269,771,615	292,034,135	317,270,389	248,217,472	269,571,891	291,839,270	317,003,381	No Print
105	991	38,368,128	40,562,787	44,745,474	48,581,576	38,042,530	40,216,028	43,881,974	48,192,249	No Print
128	997	237,977,797	264,153,260	298,974,978	341,193,972	238,737,847	265,050,775	300,354,299	342,391,275	No Print
106	106	229,844,259	247,992,636	266,209,394	288,533,253	229,844,259	247,992,636	266,209,394	288,533,253	No Print
108	997	128,344,567	142,750,249	158,406,391	174,608,914	127,776,021	141,888,529	157,755,824	173,652,012	No Print
134	134	40,238,679	44,423,521	48,740,188	55,746,799	40,238,679	44,423,521	48,740,188	55,746,799	No Print
109	171	35,024,458	37,487,392	40,197,118	44,664,759	34,835,956	37,321,060	39,966,294	44,232,049	No Print
110	991	139,190,246	156,376,137	172,678,301	191,502,677	138,831,396	156,044,871	172,352,447	191,054,452	No Print
111	111	197,599,048	224,633,518	264,355,103	317,724,515	197,599,048	224,633,518	264,355,103	317,724,515	No Print
112	112	32,223,259	33,836,762	36,518,749	39,994,347	32,223,259	33,836,762	36,518,749	39,994,347	No Print
113	996	39,882,598	43,098,603	46,950,819	52,072,994	39,829,165	43,024,191	46,876,150	51,939,751	No Print
122	172	154,723,866	178,351,014	204,037,031	236,428,445	154,538,201	178,132,647	203,817,985	236,089,220	No Print
114	171	265,347,361	291,777,493	320,758,513	357,009,879	265,741,935	292,193,047	321,242,679	357,674,690	No Print
117	117	49,244,438	52,012,271	56,207,144	61,639,187	49,244,438	52,012,271	56,207,144	61,639,187	No Print
119	119	367,595,841	399,163,885	434,944,016	474,650,258	367,595,841	399,163,885	434,944,016	474,650,258	No Print
120	120	284,591,844	309,910,261	343,881,264	380,028,605	284,591,844	309,910,261	343,881,264	380,028,605	No Print
123	123	73,063,475	78,778,408	85,442,054	94,820,462	73,063,475	78,778,408	85,442,054	94,820,462	No Print
121	121	31,792,234	33,977,377	36,634,223	39,164,029	31,792,234	33,977,377	36,634,223	39,164,029	No Print
330	330	196,209,630	217,039,857	235,823,316	256,387,425	196,209,630	217,039,857	235,823,316	256,387,425	No Print
149	170	3,605,184	6,683,583	5,532,832	1,398,486	5,931,123	6,541,042	6,672,197	7,959,344	No Print
147	170	10,596,017	11,114,879	11,403,310	12,473,099	10,379,778	11,098,773	11,311,433	12,157,931	No Print
650	170	7,462,389	8,141,428	8,885,723	10,294,786	7,385,084	8,048,404	8,792,759	10,028,535	No Print
157	157	71,761,397	75,552,959	78,756,198	82,287,918	71,761,397	75,552,959	78,756,198	82,287,918	No Print
151	151	9,407,122	10,604,971	11,891,787	14,086,987	9,407,122	10,604,971	11,891,787	14,086,987	No Print
146	170	1,729,547	3,469,227	6,469,453	9,778,411	1,729,547	3,469,227	6,469,453	9,778,411	No Print
182	182	117,105,904	117,639,764	118,627,306	118,627,306	117,105,904	117,639,764	118,627,306	118,627,306	No Print
End	End	End	End	End	End	End	End	End	End	End	Print
Tie Point		4,357,191,454	4,783,118,451	5,276,455,812	5,852,248,070	4,361,506,486	4,784,081,775	5,277,521,944	5,860,519,762		Print

Attachment 7-4:
CWS response to Cal Advocates DR CHA-012 (Capital Projects_Rate Base) (CWS Response to DR CHA-012), question 1

RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-003

To: **Public Advocates Office**

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From: **California Water Service**

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Patrick Alexander General Rate Case Manager	(408) 367-8230 palexander@calwater.com
Melody Singh Manager, Revenue	(916) 329-1856 msingh@calwater.com

Date: **October 21, 2024** Re: **CHA-012** Subj: **Capital Projects_Rate Base**	Request Received from CPUC: **October 14, 2014** Requested Due Date: **October 21, 2024**

Comments:

- **Full response attached.**
- **Response provided by Engineering and Rates.**
- **Does not contain confidential information.**
- **This response refers to the following attachments included separately:**
    - **CHA-012 Attachment #1_UPIS Balances**

Data Requests and Responses

1. Please refer to CWSC's response to question 14 from A2407003 Public Advocates DR CHA-010 (Capital Projects_Rate Base):

Please explain why the Utility Plant in Service (UPIS) balances shown in attachment CHA-010 Attachment 4_Q14_ UPIS Balances (CHA-010 Q14 UPIS Balances) differ from the balances shown in the source cited for the UPIS table information, RO model workpaper "CH07_RO_RB_PLT," tab "Wghtd PLT Bal WS-4.4" (RO Weighted Plant Balances). In CHA-010 Q14 UPIS Balances, the 2026 UPIS balance is $5,278,711,298. However, in the RO model workpapers, the 2026 Weighted Plant Balance by District is $5,276,455,812 and the 2026 Weighted Plant Balance by Master Scenario is $5,277,521,944. Additionally, in CHA-010 Q14 UPIS Balances, the 2027 UPIS balance is $5,861,357,313. However, in the RO model workpapers, the 2027 Weighted Plant Balance by District is $5,852,248,070 and the 2027 Weighted Plant Balance by Master Scenario is $5,860,519,762.

Response: The attachment provided in Cal Water's response to DR CHA-010 "CHA-010 Attachment 4_Q14_ UPIS Balances" (CHA-010 Q14 UPIS Balances) reflected individual plant balances for Dixon and Livermore (new proposed consolidation) from the <u>District scenario</u> <u>columns</u> in " tab "Wghtd PLT Bal WS-4.4" from CH07_RO_RB_PLT file. However, in the 2024 GRC, Cal Water proposes consolidation of Dixon and Livermore rate making areas as "Diablo Region" new consolidated rate making area. The difference between the plant balances as a consolidated rate making region as opposed to the sum of the individual districts, is largely attributable to the weighting of the plant additions (plant additions will be weighted the same for both districts under a consolidation). CHA-012 Attachment 1 updates CHA-010 Attachment 4 to account for the weighted plant balances for newly proposed consolidation "Diablo Region" from the <u>Master</u> <u>scenario columns</u> in " tab "Wghtd PLT Bal WS-4.4" from CH07_RO_RB_PLT file, for the Dixon and Livermore districts.

CHA-012 Attachment #1_UPIS Balances

Utility Plant In Service			
District/Region	**2026**	**2027**	**2028**
Bakersfield	$722,743,320	$795,724,348	$868,705,376
Bay Area Region	$534,922,038	$609,548,840	$684,175,643
Bear Gulch	$399,409,822	$442,530,366	$485,650,911
Diablo Ranch Region - DIX *	$43,881,974	$48,192,249	$52,502,525
East Los Angeles	$266,209,394	$288,533,253	$310,857,113
Kern River Valley	$48,740,188	$55,746,799	$62,753,410
Diablo Ranch Region - LIV *	$172,352,447	$191,054,452	$209,756,457
Los Altos	$264,355,103	$317,724,515	$371,093,926
Los Angeles Co. Region	$228,147,086	$262,885,256	$297,623,427
Palos Verdes Pipeline	$118,627,306	$118,627,306	$118,627,306
Marysville	$36,518,749	$39,994,347	$43,469,945
North Valley Region	$338,715,421	$368,943,132	$399,170,843
Salinas Valley Region	$361,208,973	$401,906,739	$442,604,506
Selma	$56,207,144	$61,639,187	$67,071,229
South Bay Region	$458,110,123	$516,043,287	$573,976,451
Stockton	$434,944,016	$474,650,258	$514,356,501
Travis	$78,756,198	$82,287,918	$85,819,638
Visalia	$343,881,264	$380,028,605	$416,175,946
Westlake	$85,442,054	$94,820,462	$104,198,870
Willows	$36,634,223	$39,164,029	$41,693,835
Customer Support Services	$235,823,316	$256,387,425	$276,951,534
RDOM	$11,891,787	$14,086,987	$16,282,187
Total	**$5,277,521,944**	**$5,860,519,762**	**$6,443,517,580**

Consolidated District Source: CH07_RO_RB_PLT, tab Wghtd PLT Bal WS 4.4 Column L, M

Attachment 7-5:
Cal Advocates RO Model Run - CWS Workpaper CH07_RO_RB_PLT, sheet "Wghtd PLT Bal WS-4.4"

California Water Service Company
Weighted Plant Balance
All Districts - 2024 General Rate Case

Adds the Total Net Additions (from WS-3.0) and the weighted net adds (from WS-4.3) to calculate the Weighted Plant Balance for each scenario.

		Weighted Plant Balance by District				Weighted Plant Balance by Master Scenario				
District	RMA Code	2024	2025	2026	2027	2024	2025	2026	2027	Print Help
129	172	16,713,370	18,922,127	19,710,794	19,524,209	18,019,622	19,383,515	19,846,120	20,922,825	No Print
101	101	593,702,067	613,907,107	636,014,808	660,481,339	593,702,067	613,907,107	636,014,808	660,481,339	No Print
152	170	391,673,098	414,365,200	437,718,995	467,859,819	391,788,117	414,484,284	437,840,478	468,077,407	No Print
102	102	314,022,827	324,535,890	340,504,304	359,280,630	314,022,827	324,535,890	340,504,304	359,280,630	No Print
104	996	241,345,517	250,586,958	267,147,215	284,818,775	241,307,606	250,440,880	266,998,758	284,649,410	No Print
105	991	37,809,636	38,948,665	40,280,403	41,660,849	37,632,903	38,774,670	40,052,729	41,459,697	No Print
128	997	226,133,034	237,953,272	249,467,519	260,474,549	226,485,735	238,343,104	249,771,779	260,877,006	No Print
106	106	224,837,293	232,666,753	240,529,745	249,922,555	224,837,293	232,666,753	240,529,745	249,922,555	No Print
108	997	124,493,549	130,258,766	138,311,157	146,615,611	124,334,165	129,834,545	137,954,661	146,152,497	No Print
134	134	38,920,328	41,102,420	43,148,697	47,975,531	38,920,328	41,102,420	43,148,697	47,975,531	No Print
109	171	34,214,802	35,436,729	37,153,345	39,904,834	34,152,208	35,320,300	37,020,924	39,628,179	No Print
110	991	132,018,522	137,055,449	145,817,046	154,910,587	131,978,419	136,876,790	145,643,135	154,715,357	No Print
111	111	190,564,019	196,999,914	207,489,072	225,606,308	190,564,019	196,999,914	207,489,072	225,606,308	No Print
112	112	31,753,754	32,178,148	33,530,213	35,168,631	31,753,754	32,178,148	33,530,213	35,168,631	No Print
113	996	39,137,921	40,488,637	42,381,459	44,595,327	39,117,770	40,454,315	42,341,745	44,548,227	No Print
122	172	150,292,653	163,054,637	174,950,463	189,965,118	150,186,770	162,943,139	174,860,799	189,794,817	No Print
114	171	256,332,342	261,595,002	271,777,697	288,057,238	256,376,955	261,733,379	271,960,151	288,413,454	No Print
117	117	48,552,060	49,893,848	52,742,572	56,570,700	48,552,060	49,893,848	52,742,572	56,570,700	No Print
119	119	354,954,740	367,799,279	396,129,849	425,670,001	354,954,740	367,799,279	396,129,849	425,670,001	No Print
120	120	279,129,282	289,093,069	299,981,575	311,161,650	279,129,282	289,093,069	299,981,575	311,161,650	No Print
123	123	72,117,438	74,586,884	76,735,110	80,330,467	72,117,438	74,586,884	76,735,110	80,330,467	No Print
121	121	31,377,237	32,787,181	34,857,981	36,880,507	31,377,237	32,787,181	34,857,981	36,880,507	No Print
330	330	191,766,487	195,717,806	201,116,061	207,454,166	191,766,487	195,717,806	201,116,061	207,454,166	No Print
149	170	3,349,613	6,833,058	6,697,903	2,564,431	5,975,892	6,663,245	6,603,022	7,280,216	No Print
147	170	10,424,380	10,735,025	10,684,916	10,645,173	10,270,449	10,744,873	10,695,262	10,651,359	No Print
650	170	7,644,780	8,160,586	8,113,988	8,911,170	7,519,949	8,161,687	8,124,935	8,691,562	No Print
157	157	71,110,711	73,169,114	74,885,329	77,122,666	71,110,711	73,169,114	74,885,329	77,122,666	No Print
151	151	9,109,847	9,845,564	10,863,922	11,765,165	9,109,847	9,845,564	10,863,922	11,765,165	No Print
146	170	1,219,141	1,418,557	2,025,902	2,791,200	1,219,141	1,418,557	2,025,902	2,791,200	No Print
182	182	117,105,904	117,105,904	117,105,904	117,105,904	117,105,904	117,105,904	117,105,904	117,105,904	No Print
End	End	End	End	End	End	End	End	End	End	End	End	Print
Tie Point		4,241,826,355	4,407,201,550	4,617,873,941	4,865,795,111	4,245,389,693	4,406,966,164	4,617,375,539	4,871,149,432	Print

Attachment 7-6:
CWS Workpaper CH07_RO_RB_CIAC ADV, sheet "Fcst PLT Gross Balance WS-3"

California Water Service

CIAC Plant Forecast

All Districts - 2024 General Rate Case

CTION

VALIDATE SUBTRACTION

Visalia Tulco
East Los Angl

Pulls in the forecasted gross additions bynents for 5 years to determine forecasted retirements. Space is made for adjustments, which is not used.

Filing Type: Proposed

		Forecast Gross Additions				Forecast Retirements				
District	District Name	2025	2026	2027		2024	2025	2026	2027	2024
128	Dominguez	1,279,041	1,279,041	1,279,041		(9,032)	(9,032)	(9,032)	(9,032)	
106	East Los Angeles	954,453	954,453	954,453		(7,926)	(7,926)	(7,926)	(7,926)	4,236,282
108	Hermosa Redondo	399,436	399,436	399,436		(2,183)	(2,183)	(2,183)	(2,183)	
134	Kern River Valley	23,480	23,480	23,480		(1,297)	(1,297)	(1,297)	(1,297)	
109	King City	90,603	90,603	90,603		(1,222)	(1,222)	(1,222)	(1,222)	
110	Livermore	127,842	127,842	127,842		(2,865)	(2,865)	(2,865)	(2,865)	
111	Los Altos	399,168	399,168	399,168		(6,855)	(6,855)	(6,855)	(6,855)	
112	Marysville	54,907	54,907	54,907		(23,478)	(23,478)	(23,478)	(23,478)	
113	Oroville	161,585	161,585	161,585		(458)	(458)	(458)	(458)	
122	Palos Verdes	375,047	375,047	375,047		(6,546)	(6,546)	(6,546)	(6,546)	
114	Salinas	401,927	401,927	401,927		(20,682)	(20,682)	(20,682)	(20,682)	
117	Selma	489,132	489,132	489,132		(24,664)	(24,664)	(24,664)	(24,664)	
119	Stockton	496,858	496,858	496,858		(7,025)	(7,025)	(7,025)	(7,025)	
120	Visalia	2,467,570	2,467,570	2,467,570		(213,841)	(213,841)	(213,841)	(213,841)	
123	Westlake	18,696	18,696	18,696		(9,803)	(9,803)	(9,803)	(9,803)	
121	Willows	855,371	855,371	855,371		(4,518)	(4,518)	(4,518)	(4,518)	
330	Customer Support Services	-	-	-		-	-	-	-	
149	Coast Springs	-	-	-		29	29	29	29	19,500

Attachment 7-7:
CWS response to Cal Advocates DR CHA-009 (Plant Projects_CIAC_Depreciation) (CWS Response to DR CHA-009), question 2b

RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-003

To: **Public Advocates Office**

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Melody Singh Manager, Revenue	(916) 329-1856 msingh@calwater.com

Date: **October 3, 2024** Re: **CHA-009** Subj: **Plant Projects_CIAC_Depreciation**	Request Received from CPUC: **September 16, 2024** Requested Due Date: **September 23, 2024**

Comments:

- Partial Response #2 FINAL attached. **Partial Response #1 provided on September 23, 2024**
- **Response provided by Engineering and Rates.**
- **Does not contain confidential information.**
- **Response contains the following attachments included separately**
  - **Attachment #1 – COR Invoices**
  - **Attachment #2 – Additional COR Invoices**

Data Requests and Responses

2. For each of the following projects, CWSC adjusted the Contributions in Aid of Construction balances to offset estimated grants.[1] If applicable, please provide the actual grant balance amount.

b. Coast Springs - $19,500 in estimated grants to be received for PALL unit Filtration project at its Sta. (PID – 124862)

Response: This project is completed. Expected reimbursement for this project is $12,346.60. The reduced amount is due to the lower cost for the purchase and installation of the filter as it was installed by Cal Water staff and not the vendor.

[1] 1 - Testimony Book #1 – July, p. 127, lines 13-22

Attachment 7-8:
CWS response to Cal Advocates DR CHA-011 (Capital Projects_Rate Base) (CWS Response to DR CHA-011), questions 1 and 2

PARTIAL RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-003

To: **Public Advocates Office**

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From: **California Water Service**

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Date: **November 1, 2024** Re: **CHA-011** Subj: **Capital Projects_Rate Base**	Request Received from CPUC: **October 4, 2024** Requested Due Date: **Oct. 11, 2024** **Response #2 Due Date: Nov. 1, 2024**

Comments:

- **Partial Response #2 attached. Partial Response #1 was submitted on October 11.**
- **Response provided by Rates and Engineering.**
- **Does not contain confidential information.**
- **This response refers to the following attachments included separately:**
  - **CHA-011 Attachment #1**

Data Requests and Responses

1. **Using the columns below in Excel format, for all CWSC districts, please identify all assets that are currently included in rate base but are not in service.**

~~**Response: Cal Water has requested an extension for this Question and will provide a response forthcoming.**~~

District	Asset Name	Work Order #	Description	Date Added to Service	Date Removed from Service	Plan to Restore Service (Yes/No)	Expected Restoration Date	Current Net Book Value

Partial Response #2: Per discussion between Cal Water and Cal Advocates, due to the limited timeframe involved with this request, Cal Water is focusing its effort on the following above-ground fixed assets (Wells, Booster Pumps, and Storage Tanks listed in its property records) in all of its districts. Please refer to the list included as CHA-011 Attachment #1. For all fixed assets included on this list, Cal Water notes the asset description the date (or year) added to service, the date (or year) the asset was taken out of service at an operational level, the expected restoration date and the cost of the asset when it was installed. Cal Water depreciates its assets at a group level. However, Cal Water has provided the data necessary to calculate a theoretical net book value, should Cal Advocates choose to do so. Please keep in mind, while a fixed asset may be

included in rate base, due to its age, it may theoretically be fully depreciated, and therefore rate base neutral. Additionally, over the 98 years of its existence, Cal Water has acquired many systems, some of which do not have very good plant records. As such, there may be some information that is missing from this list because Cal Water never had possession of it.

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost
STK	Booster	STK-018-A	BOOSTER	00088177	2013	08/25/21	No		$5,044
STK	Booster	STK-032-A	BOOSTER	1673	06/06/52	12/16/08	No		$4,597
STK	Booster	STK-032-B	BOOSTER	2028	03/01/54	12/16/08	No		$5,580
STK	Booster	STK-065-B	BOOSTER	00009492	01/01/06	07/05/17	Yes	12/31/25	$218,561
STK	Booster	STK-072-A	BOOSTER	4395	07/01/69	05/10/12	No		$20,773
STK	Booster	STK-072-B	BOOSTER	4395	07/01/69	05/10/12	No		$20,773
STK	Booster	STK-081-A	BOOSTER	5301	1995	04/01/16	No		$66,312
STK	Booster	STK-082-A	BOOSTER	5314	1995	08/27/21	TBD		$70,169
STK	Booster	STK-083-A	BOOSTER	00074973	2013	08/28/21	TBD		$27,030
STK	Booster	STK-084-A	BOOSTER	00009598	2006	02/04/16	No		$162,281
SLN	Booster	SLNH-070-C	BOOSTER	00025669	2011	01/30/17	No		$5,034
PV	Booster	PV-005-B	INTRAZONAL BOOSTER	4180	1997	2016	TBD		$23,854
ORO	Booster	ORO-001-D	INTRAZONAL BOOSTER	00046368	2010	12/17/21	No		$30,039
ORO	Booster	ORO-001-C	INTRAZONAL BOOSTER	00056349	2011	12/17/21	No		$11,434
LIV	Booster	LIV-008-A	BOOSTER	00012033	2004	11/06/23	No		$4,774
LIV	Booster	LIV-008-B	BOOSTER	00085158	2013	11/06/23	No		$22,721
LIV	Booster	LIV-013-B	INTRAZONAL BOOSTER	00016949	2016	03/05/24	No		$91,157
LIV	Booster	LIV-013-C	INTRAZONAL BOOSTER	00016949	2016	03/05/24	No		$91,157
LIV	Booster	LIV-015-A	BOOSTER	00027148	2009	01/01/24	No		$11,189
LIV	Booster	LIV-016-A	INTRAZONAL BOOSTER	00018002	2009	11/06/23	No		$58,052
LAS	Booster	LAS-002-A	BOOSTER	(blank)	10/06/39	There has been no record of this asset going back to 1990. It was likely already retired when it was acquired as part of the North Los Altos Acquisition	TBD		$6,213
LAS	Booster	LAS-002-B	BOOSTER	(blank)	1949	There has been no record of this asset going back to 1990. It was likely already retired when it was acquired as part of the North Los Altos Acquisition	TBD		$3,193
LAS	Booster	LAS-002-C	BOOSTER	0168	1954	There has been no record of this asset going back to 1990. It was likely already retired when it was acquired as part of the North Los Altos Acquisition	TBD		$7,392
LAS	Booster	LAS-002-D	BOOSTER	0380	1956	There has been no record of this asset going back to 1990. It was likely already retired when it was acquired as part of the North Los Altos Acquisition	TBD		$5,255
LAS	Booster	LAS-004-A	BOOSTER	(blank)	1948	There has been no record of this asset going back to 1990. It was likely already retired when it was acquired as part of the North Los Altos Acquisition	TBD		$12,273
LAS	Booster	LAS-004-B	BOOSTER	(blank)	1951	There has been no record of this asset going back to 1990. It was likely already retired when it was acquired as part of the North Los Altos Acquisition	TBD		$6,092
LAS	Booster	LAS-022-A	BOOSTER	0496	1958	There has been no record of this asset going back to 1990. It was likely already retired when it was acquired as part of the North Los Altos Acquisition	TBD		$15,040
LAS	Booster	LAS-029-A	BOOSTER	1100	1962	09/17/10	TBD		$4,095
LAS	Booster	LAS-037-A	PUMP MOTORS & EQUIP./STA#37-A (GE MOTOR)-B (FRANKLIN MOTOR)	3478	03/01/97	There has been no record of this asset since 1990. It was likely already retired when it was acquired as part of the North Los Altos Acquisition	TBD		$6,695
LAS	Booster	LAS-037-B	PUMP/EQUIPMENT,7-1/2 H.P./STA#37 (ACQ.: LIVE TREE HILL WTR)	(blank)	11/01/76	There has been no record of this asset since 1990. It was likely already retired when it was acquired as part of the North Los Altos Acquisition	TBD		$1,005
KRV	Booster	ARD-016-A	BOOSTER	00052908	2011	out service atleast since 1996	TBD		$3,955
ELA	Booster	ELA-016-B	BOOSTER	1833	1958	1994(?)	No	N/A	$2,686
ELA	Booster	ELA-016-C	BOOSTER	3036	1966	1994(?)	No	N/A	$7,258
DOM	Booster	DOM-203-A	INTRAZONAL BOOSTER	00115264	2018	4+ years	TBD		$35,674
CH	Booster	CH-008-A	BOOSTER	00009815	2011	10/01/14	TBD		$119,998
BK	Booster	BK-206-A	BOOSTER	00014127	2006	01/19/12	TBD		$4,367
BK	Booster	BK-206-B	BOOSTER	00014127	2006	01/19/12	TBD		$4,367
BK	Booster	BK-211-M	INLINE BOOSTER	00094922	2014	06/23/16	TBD		$17,468
BK	Booster	BKNG-174-A	BOOSTER	00114157	2017	10/15/18	TBD		$6,830
BK	Booster	BKNG-174-B	BOOSTER	5535	1984	10/15/18	TBD		$1,605
BK	Booster	BKNG-196-A	BOOSTER	00095802	2014	06/03/19	TBD		$3,836
BG	Booster	BG-014-A	INLINE BOOSTER	0908	1958	01/30/23	No		$5,152
BG	Booster	BG-018-A	INLINE BOOSTER	1367	1958	01/15/14	Yes	06/01/25	$7,764

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost
STK	Well	STK-W-004-02	WELL 4-02	3551	03/27/64	2/26/2015	TBD		$20,480
STK	Well	STK-W-015-01	15-01	0479	03/14/46	06/01/00	TBD		$7,121
STK	Well	STK-W-040-01	40-01	2195	04/01/55	12/01/02	TBD		$12,746
STK	Well	STK-W-044-01	44-01	2627	12/20/57	03/29/17	TBD		$18,070
STK	Well	STK-W-046-01	46-01	2363	03/19/56	03/29/17	TBD		$13,072
STK	Well	STK-W-047-01	47-01	2500	02/21/57	03/29/17	TBD		$16,233
STK	Well	STK-W-051-01	51-01	2731	01/29/59	01/16/15	TBD		$19,939
STK	Well	STK-W-067-01	67-01	4096	02/17/67	04/28/16	TBD		$26,571
STK	Well	STK-W-078-01	78-01	8183	12/01/74	11/15/04	TBD		$42,248
VIS	Well	TUL-W-201-01	201-01 (well reconstruction from acquisition)		2001	unkown	TBD		$30,851
VIS	Well	OR-W-033-01	33-01 (well liner only)	00002853	2002	03/19/18	TBD		$17,717
VIS	Well	VIS-W-009-01	WELL 9-01 (well casing only)	00054708	2013	03/19/18	Yes		$1,299
VIS	Well	VIS-W-017-01	17-01	0739	1953	12/09/02	TBD		$5,951
VIS	Well	VIS-W-018-01	18-01	0843	1955	03/29/18	TBD		$8,035
VIS	Well	VIS-W-092-01	VIS-W-092-01	00009337	2005	03/23/15	TBD		$265,865
VIS	Well	VIS-W-096-01	Well 96-01	00015946	2010	03/03/15	TBD		$510,288
AV	Well	LEO-W-002-01	2-01 (FORMERLY WRIGLEY WELL 2)	None	12/1/2010	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	TBD		$24,249
AV	Well	LAN-W-001-02	WELL 1-02	None	12/1/1975	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	No		$0
BG	Well	BG-W-044-02	Skyline Well Station (PS Code 4110015-002)	CONVERSION	11/1/2012	01/01/09	TBD		$15,393
BK	Well	BK-W-022-02	22-02	3438	1/1/1957	09/25/00	TBD		$15,655
BK	Well	BK-W-033-02	33-02	1962	1/1/1950	1/31/2006	TBD		$9,076
BK	Well	BK-W-034-02	34-02	4762	1/1/1966	01/31/06	Yes	2028	$16,900
BK	Well	BK-W-035-02	35-02	3439	1/1/1957	08/05/09	TBD		$0
BK	Well	BK-W-037-01	37-01	None	1/1/1939	01/27/98	TBD		$6,901
BK	Well	BK-W-039-02	39-02	1963	1/1/1950	03/04/11	TBD		$9,924
BK	Well	BK-W-041-02	41-02	2669	1/1/1953	08/16/10	Yes	2028	$12,470

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost
BK	Well	BK-W-044-01	44-01	1949	1/1/1949	11/09/99	TBD		$10,393
BK	Well	BK-W-064-01	64-01	0749	1/1/1946	08/27/02	TBD		$9,032
BK	Well	BK-W-066-02	66-02	4262	1/1/1962	09/21/11	Yes	2028	$13,991
BK	Well	BK-W-071-01	71-01	1279	1/1/1948	02/01/07	TBD		$7,484
BK	Well	BK-W-078-01	78-01	1601	1/1/1949	01/11/99	Yes	2028	$7,980
BK	Well	BK-W-083-01	83-01	1964	1/1/1950	07/26/18	No		$0
BK	Well	BK-W-086-01	86-01	1965	1/1/1950	07/16/07	TBD		$9,558
BK	Well	BK-W-087-01	87-01	2848	1/1/1954	04/03/98	TBD		$20,809
BK	Well	BK-W-092-01	92-01	2476	1/1/1952	07/22/98	Yes	2028	$13,245
BK	Well	BK-W-094-01	94-01	2667	1/1/1953	09/22/98	No		$16,323
BK	Well	BK-W-095-01	95-01	2668	1/1/1953	04/25/05	Yes	2028	$12,447
BK	Well	BK-W-097-01	97-01	2842	1/1/1954	01/27/98	No		$18,388
BK	Well	BK-W-098-01	98-01	2843	1/1/1954	10/02/12	Yes	2028	$12,438
BK	Well	BK-W-099-01	99-01	2849	1/1/1954	03/13/01	No		$16,678
BK	Well	BK-W-106-01	106-01	3078	1/1/1955	12/26/97	No		$10,555
BK	Well	BK-W-107-01	107-01	3079	1/1/1955	07/17/18	Yes	2028	$22,631
BK	Well	BK-W-108-01	108-01	3182	1/1/1955	01/08/99	No		$26,106
BK	Well	BK-W-111-01	111-01	3281	1/1/1956	03/09/01	No		$34,223
BK	Well	BK-W-112-01	112-01	3440	1/1/1957	12/26/97	Yes	2028	$11,177
BK	Well	BK-W-113-01	113-01	3285	1/1/1956	12/26/97	No		$10,080
BK	Well	BK-W-114-01	114-01	3286	1/1/1956	03/22/99	No		$11,783
BK	Well	BK-W-117-01	117-01	3404	1/1/1957	12/26/97	No		$20,477
BK	Well	BK-W-118-01	118-01	3423	1/1/1957	12/22/09	Yes	2028	$16,878
BK	Well	BK-W-119-01	119-01	3598	1/1/1958	12/26/97	Yes	2028	$14,072
BK	Well	BK-W-120-01	120-01	3605	9/1/1958	07/20/99	Yes	2028	$14,935
BK	Well	BK-W-127-01	127-01	3913	1/1/1960	12/26/97	Yes	2028	$16,862
BK	Well	BK-W-136-01	136-01	4266	8/1/1962	01/27/98	No		$14,544
BK	Well	BK-W-137-01	137-01	4374	12/1/1962	06/26/15	Yes	2028	$14,113
BK	Well	BK-W-138-01	138-01	4390	1/1/1963	03/13/19	Yes	2028	$21,509
BK	Well	BK-W-139-01	139-01	4391	1/1/1963	12/12/02	Yes	2028	$17,532
BK	Well	BK-W-153-01	153-01	8139	8/1/1973	12/22/09	Yes	2028	$26,398

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost
BK	Well	BK-W-159-01	159-01	8533	2/1/1974	03/30/07	No		$42,857
BK	Well	BK-W-160-01	160-01	None	12/1/1972	05/02/07	No		$11,437
BK	Well	BK-W-161-01	161-01	None	12/1/1972	12/26/97	No		$11,437
BK	Well	BK-W-163-01	163-01	None	1/1/1977	07/17/18	No		$2,742
BK	Well	BK-W-164-01	164-01	None	1/1/1977	12/26/97	No		$2,742
BK	Well	BK-W-187-01	187-01	5116	4/1/1983	12/26/07	Yes	2028	$75,916
BK	Well	BK-W-193-01	193-01	6262	1/1/1988	01/31/12	Yes	2028	$85,229
BK	Well	BK-W-199-01	199-01	None	3/1/1990	01/27/98	No		$5,500
BK	Well	BKNG-W-169-01	169-01	None	1/1/1977	11/19/98	No		$4,996
BK	Well	BKNG-W-172-01	172-01	None	1/1/1977	01/27/98	No		$1,515
BK	Well	BKNG-W-173-01	173-01	None	1/1/1977	04/28/05	No		$6,083
BK	Well	BKNG-W-175-01	175-01	9120	12/1/1977	03/19/07	Yes	2028	$84,840
BK	Well	BKNG-W-203-01	203-01	7558	12/1/1998	03/28/01	Yes	2028	$191,096
CH	Well	CH-W-007-04	WELL 7-04	162	1/1/1947	07/01/10	Yes	46307	$7,907
CH	Well	CH-W-013-01	13-01	289	1/1/1948	01/01/11	No		$7,644
CH	Well	CH-W-014-01	14-01	294	1/1/1948	12/01/22	TBD		$8,517
CH	Well	CH-W-022-01	22-01	798	1/1/1954	08/29/17	No		$11,150
CH	Well	CH-W-025-01	25-01	939	1/1/1956	08/29/17	No		$14,050
CH	Well	CH-W-030-01	30-01	1505	1/1/1964	01/01/21	Yes	12/31/2026	$22,094
CH	Well	CH-W-041-01	41-01	None	4/1/1969	07/01/18	Yes	12/31/2026	$16,500
CH	Well	CH-W-047-01	47-01	2070	1/1/1974	01/01/16	TBD		$32,024
CH	Well	CH-W-048-01	48-01	2071	1/1/1974	01/01/20	TBD		$31,581
CH	Well	CH-W-051-01	51-01	2240	1/1/1976	01/01/17	Yes	10/1/2025	$58,844
CH	Well	CH-W-055-01	55-01	2425-02	1/1/1978	10/01/97	No		$54,612
CH	Well	CH-W-058-01	58-01	2578	1/1/1981	01/01/01	No		$69,563
CH	Well	CH-W-063-01	63-01	3136	1/1/1988	01/01/20	TBD		$108,885
CH	Well	CH-W-068-01	68-01	4200	12/1/1998	10/01/07	TBD		$131,030
DIX	Well	DIX-W-003-01	WELL 3-01	0153	1/1/1950	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	No	none	$18,537

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost
DOM	Well	DOM-W-219-02	219-02	DOM10704	2/13/2001	11/25/09	Yes	1/1/2026	$36,935
DOM	Well	DOM-W-232-03	Well 232-03	None	4/1/2000	Q4 2021	TBD		$36,526
ELA	Well	ELA-W-046-01	46-01	1001	1/1/1951	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	TBD		$0
ELA	Well	ELA-W-052-01	52-01	1174	1/1/1951	07/31/09	No	N/A	$20,191
ELA	Well	ELA-W-053-02	ELA-W-053-02	1206	1/1/1951	03/30/18	No	N/A	$0
KC	Well	KC-W-HS-01	KC-W-HS-01	0089	11/1/1970	02/17/05	No		$0
KRV	Well	ARD-W-013-01	13-01 (FORMERLY WELL 13)	None	12/01/74	01/01/05	No	NA	$0
KRV	Well	ARD-W-015-01	15-01 (FORMERLY WELL 5)	None	12/01/74	No date recorded in Cal Water database. Has not been active since 1996 when the previous District manager assumed their role.	No		$0
KRV	Well	ARD-W-016-01	16-01 (FORMERLY WELL 16)	None	1/1/1983	No record of this Well	TBD		$3,371
KRV	Well	KERV-W-002-01	2-01 (WELL 2)	None	12/1/1974	01/15/04	TBD		$27,838
KRV	Well	KERV-W-003-01	3-01 (WELL 3)	None	12/2/1974	01/16/04	TBD		$27,081
KRV	Well	KERV-W-004-01	4-01 (WELL 4)	None	12/3/1974	01/17/04	TBD		$11,386
KRV	Well	KERV-W-005-01	5-01 (WELL 5)	None	1/5/1963	01/01/10	TBD		$1,515
KRV	Well	KERV-W-007-01	7-01 (WELL 7)	None	1/4/1967	11/24/06	TBD		$3,775
KRV	Well	KERV-W-009-01	9-01 (WELL 9)	KER9123	12/2/1974	01/01/06	TBD		$27,838
KRV	Well	KERV-W-010-01	10-01 (WELL 10)	KER9125	11/1/2001	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	TBD		$27,081
KRV	Well	KERV-W-011-01	11-01 (WELL 11)	None	1/2/1983	01/01/06	No	NA	$5,088
KRV	Well	KERV-W-012-01	12-01 (WELL 12)	None	1/4/1983	01/15/04	TBD		$36,263
KRV	Well	KERV-W-013-01	13-01 (WELL 13)	None	1/5/1984	01/16/04	TBD		$13,445
KRV	Well	KERV-W-014-01	14-01 (WELL 14)	None	1/3/1998	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	TBD		$18,725

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost
KRV	Well	KERV-W-015-01	15-01 (WELL 15)	None	1/9/1990	01/15/04	TBD		$24,234
KRV	Well	KERV-W-016-01	16-01 (WELL 16)	None	1/1/1983	01/01/05	No	NA	$3,371
KRV	Well	MSHA-W-001-01	WELL 1-01 (WELL 1)	None	1/9/1994	01/01/10	No	NA	$3,383
KRV	Well	MSHA-W-002-01	WELL 1-02 (WELL 2)	None	1/9/1994	01/02/10	No	NA	$3,383
KRV	Well	POND-W-002-01	2-01 (WELL 2)	None	1/2/1982	01/03/10	No	NA	$9,240
KRV	Well	POND-W-003-01	3-01 (WELL 3)	None	1/9/1981	01/04/10	TBD		$14,415
KRV	Well	LBOD-W-005-01	5-01 (FORMERLY WELL 5)	None	1/7/1977	01/01/08	No	NA	$4,355
KRV	Well	LBOD-W-005-02	5-02 (FORMERLY WELL 7)	None	1/4/1976	01/02/08	TBD	NA	$20,623
KRV	Well	LBOD-W-008-03	8-03 (FORMERLY WELL 11)	None	12/01/74	01/05/08	No		$0
KRV	Well	LLAN-W-001-01	WELL 1-01	None	12/01/74	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	No		$0
KRV	Well	LLAN-W-003-01	WELL 3-01	None	1/7/1995	The dates were either recorded before CWS acquired the system. or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	TBD		$18.061
KRV	Well	ONYX-W-005-01	5-01 (FORMERLY WELL 5)	None	12/01/74	01/01/00	No	NA	$0
KRV	Well	SMTN-W-001-01	WELL 1-01 (HOMESTEAD WELL 1)	None	1/7/1994	01/01/01	Yes	2027	$6,968
KRV	Well	SQUM-W-003-01	WELL 3-01	None	12/1/1974	01/01/02	No	NA	$0
KRV	Well	SQUM-W-005-01	WELL 5-01 (FORMERLY 5C)	None	1/6/1990	01/02/02	TBD	NA	$57,076
KRV	Well	SQUM-W-005-02	5-02 (FORMERLY 6A)	None	1/8/1990	01/03/02	No	NA	$0
KRV	Well	SQUM-W-007-01	WELL 7-01	None	12/1/1974	01/04/02	No	NA	$0
KRV	Well	SQUM-W-009-01	WELL 9-01	None	1/3/1993	01/05/02	TBD		$180,000
KRV	Well	SQUM-W-010-01	WELL 10-01	None	12/1/1974	01/06/02	No	NA	$0
KRV	Well	SQUM-W-012-01	WELL 12-01	None	1/4/1996	01/07/02	TBD		$100,421
KRV	Well	UBOD-W-001-01	WELL 1-01 (FORMERLY CH 1)	None	12/1/1974	01/01/06	No	NA	$0
KRV	Well	UBOD-W-003-01	WELL 3-01 (FORMERLY CH 3)	None	1/7/1976	01/03/06	No	NA	$7,545
LAS	Well	LAS-W-022-01	22-01	0496	1/1/1958	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	TBD		$18,268

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost
MRL	Well	MRL-W-013-01	13-01	0606	1/1/1976	12/31/13	TBD		$21,442
SEL	Well	SEL-W-004-03	WELL 4-03	None	7/1/1962	01/01/17	TBD		$2,693
SEL	Well	SEL-W-007-01	WELL 7-01	None	6/1/1963	01/01/17	TBD		$1,416
SEL	Well	SEL-W-008-01	WELL 8-01	None	6/1/1964	07/02/14	No		$1,598
SEL	Well	SEL-W-012-01	WELL 12-01	None	6/1/1964	01/01/17	TBD		$5,468
SEL	Well	SEL-W-015-01	15-01	0269	12/1/1980	01/01/90	TBD		$23,456
SLN	Well	LL-W-302-01	302-01	None	1/1/1991	05/12/15	No		$1,133
SLN	Well	OH-W-202-01	202-01	None	1/1/1991	04/08/15	TBD		$11,108
SLN	Well	SLN-W-017-01	17-01	0090	1/1/1964	12/13/99	TBD		$23,377
SLN	Well	SLN-W-024-01	24-01	0572	1/1/1971	05/12/15	TBD		$25,934
SLN	Well	SLN-W-029-01	29-01	1033	1/1/1978	09/14/22	TBD		$28,491
SLN	Well	SLN-W-031-01	31-01	1160	1/1/1982	05/12/15	TBD		$29,952
SLN	Well	SLN-W-043-01	43-01	1894	1/1/1994	07/22/02	No		$163
SLN	Well	SLN-W-045-01	45-01	1983	1/1/1993	05/12/15	TBD		$33,970
SLN	Well	SLN-W-056-01	56-01	00000689	1/1/2003	04/29/16	TBD		$37,622
SLN	Well	SLN-W-105-01	105-01	None	1/1/1988	04/01/98	TBD		$29,870
SLN	Well	SLNH-W-035-01	35-01	1308	1/1/1983	05/07/15	TBD		$18,721
SLN	Well	SLNH-W-036-01	36-01	1263	1/1/1983	05/12/15	TBD		$89,068
SLN	Well	SLNH-W-059-01	59-01 (FORMERLY TORO PARK WELL)	1503	1/1/1987	06/20/06	TBD		$94,437
SSF	Well	SSF-W-001-02	WELL 1-02	0011	1/1/1941	06/12/92	No		$0
STK-SITE	Tank	STK-084-T1	Tank,Storage,Steel,Elevated Steel, 500,000 Gal	None	1/1/1941	2/4/2016	No		$0
STK-SITE	Tank	STK-083-T6	Tank,Storage,Steel,Elevated Steel, 300,000 Gal	0830	1/1/1958	8/28/2021	TBD		$62,483
STK-SITE	Tank	STK-082-T7	Tank,Storage,Steel,Elevated Steel, 500,000 Gal	1268	1/1/1958	8/27/2021	TBD		$76,994
STK-SITE	Tank	STK-081-T2	Tank,Storage,Steel,Elevated Steel, 500,000 Gal	None	1/1/1958	4/1/2016	TBD		$39,615
STK-SITE	Tank	STK-032-T3	Tank,Storage,Steel, Welded, 500,000 Gal	2196	1/1/1958	12/16/2008	TBD		$28,032
STK-SITE	Tank	STK-032-T2	Tank,Storage,Steel, Welded, 250,000 Gal	1675	1/1/1958	12/16/2008	TBD		$17,292
STK-SITE	Tank	STK-018-T5	Tank,Storage,Steel,Elevated Steel, 500,000 Gal	0477	1/1/1958	8/25/2021	TBD		$48,769
STK-SITE	Tank	STK-018-T2	Tank,Storage,Steel, Bolted, 27,000 Gal	00016833	11/1/2010	1/1/2011	Yes	2025-2027	$156,251
RDOM-SITE	Tank	PV-045-T1	Tank,Storage,Concrete, Above Ground, 100,000 Gal	None	5/1/1971	20-25 years ago	No		$8,685
RDOM-SITE	Tank	PV-043-T1	Tank,Storage,Concrete, Submerged, 100,000 Gal	None	5/1/1971	25-30 years ago	TBD		$7,874
RDOM-SITE	Tank	PV-042-T1	Tank,Storage,Concrete, Submerged, 50,000 Gal	1358	5/1/1971	2016	TBD		$9,335

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost
LAS-SITE	Tank	LAS-118-T1	Tank,Storage,Wood, 30,000 Gal	None	12/1/1967	2009	No		$3,335
LAS-SITE	Tank	LAS-040-T1	Tank,Storage,Wood, 50,000 Gal	0315	11/1/1952	2005	No		$824
LAS-SITE	Tank	LAS-037-T1	Tank,Storage,Wood, 72,000 Gal	None	6/1/1976	2010	TBD		$6,919
LAS-SITE	Tank	LAS-029-T1	Tank,Storage,Wood, 50,000 Gal	1100	12/1/1962	1990's	No		$5,833
LAS-SITE	Tank	LAS-022-T1	Tank,Storage,Wood, 50,000 Gal	0437	1/1/1956	Before 2000	No		$4,753
LAS-SITE	Tank	LAS-004-T1	Tank,Storage,Wood, 100,000 Gal	None	1/1/1948	1990's ?	No		
LAS-SITE	Tank	LAS-002-T1	Tank,Storage,Steel, Welded, 200,000 Gal	1105	12/1/1962	1990's ?	No		$33,870
RDOM-SITE	Tank	HR-024-T4	Tank,Storage,Wood, 100,000 Gal	0997	1/1/1958	9/1/2023	TBD		$9,151
RDOM-SITE	Tank	HR-024-T1	Tank,Storage,Wood, 50,000 Gal	0397	1/1/1958	9/1/2023	TBD		$5,904
KRV-SITE	Tank	COUN-009-T1	Tank,Storage,Steel, Bolted, 40,000 Gal	None	1/6/1997	estimated 2014	TBD		$0
CH-SITE	Tank	CH-008-T3	Tank,Storage,Steel,Elevated Steel, 300,000 Gal	0035	12/1/1945	10/1/2014	TBD		$34,435
CH-SITE	Tank	CH-001-T2	Tank,Storage,Steel,Elevated Steel, 150,000 Gal	1905	1/1/1926	10/1/2014	TBD		$12,776
CH-SITE	Tank	CH-001-T1	Tank,Storage,Steel,Elevated Steel, 100,000 Gal	2348	1/1/1947	10/1/2014	TBD		$0
BK-SITE	Tank	BK-208-T1	Tank,Storage,Steel, Welded, 700,000 Gal	7971	12/1/1999	12/16/2008	TBD		$55,253
BK-SITE	Tank	BK-205-T1	Tank,Storage,Concrete, Submerged, 500,000 Gal	7971	12/1/1999	3/6/2014	Yes		$31,785
BK-SITE	Tank	BK-161-T1	Tank,Storage,Steel, Welded, 22,000 Gal	None	12/1/1972	12/13/2017	TBD		$1,700
BG-SITE	Tank	BG-029-T1	Tank,Storage,Wood, 100,000 Gal	0910	1/1/1958	2/15/2022	TBD		$0

2. Contributions in Aid of Construction (CIAC):

a. Please explain whether grant funds are provided by the grantor in advance of CWSC incurring the eligible costs, or on a cost-reimbursement basis.

Response: Grant funds are generally provided by the grantor after completion of the project or completion of certain project scope in the form of either as a fixed amount or on a cost-reimbursement basis depending on the specific agreement with the grant funding agency.

b. Please provide the workpaper(s) and location(s) in the RO model where the CIAC grants are listed.

Response: Cal Water records grants to GL account AC 266100 which is included in Contributions in Aid of Construction ("CIAC") balances with other CIAC GL accounts – 265400, 265100 in the "CIAC-WS-0" tab of file "Y_CH07_RO_RB_SD_Rec CIAC" of Cal Water's RO model. All CIAC accounts (265400, 265100, 266100) are embedded in the total of each asset account CIAC balance.

c. If the final cost of a grant-funded project exceeds the authorized grant amount, how does CWSC make up for the shortfall?

Response: Grant funded projects are ultimately added to Cal Water's Utility Plant in Service when complete. Grant funding offsets the plant balance up to the dollar amount awarded by the grantor. However, many grant agreements allow Cal Water to request additional funds for costs reasonably incurred but not foreseen in the grant application.

d. Does CWSC update the RO model to include the final cost of the grant funded project rather than the authorized grant amount? If so, please provide the location in the workpapers where the updated amount can be found.

Response: Yes, Cal Water includes the final cost of the grant funded projects in its plant balances, as adjusted by grants amounts recorded as CIAC balances.

e. Please refer to CWSC's response to question 2a from A2407003 Public Advocates DR CHA-009 (Plant Projects_CIAC_Depreciation):

If CWSC does not receive the additional $472,970.63 from the Water Replenishment District to cover the full project charge, who will be responsible for paying the excess expenses?

Response: If Cal Water does not receive the additional $472,970.63 in grant proceeds, only the initial amount received will offset the project costs and the remainder will be treated as company funded plant.

f. Please refer to CWSC's response to question 2b from A2407003 Public Advocates DR CHA-009 (Plant Projects_CIAC_Depreciation):

Since the final cost of the project is less than the authorized grant amount, what will happen to the excess grant money?

Response: Cal Water will only receive reimbursement for the project costs incurred.

g. Please identify the grantor providing funding for the PALL Unit Filtration project (PID – 124862) in the Coast Springs district.

Response: Grant funding for this project will be provided by Department of Water Resources under the "Small Community Drought Relief Grant" program.

h. Please identify the grantor providing funding for the Tulco Storage Tank project (PID – 123359) in the Visalia district.

Response: Grant funding for this project will be provided by Department of Water Resources under the "Small Community Drought Relief Grant" program.

Attachment 7-9:
CWS Workpaper CH07_RO_RB_OTH RB Items, sheet "IN_ITC Solar Credit Adj"

California Water Service Company
Solar Projects ITC Adjustments to Utility Plant in Service
All Districts - 2024 General Rate Case

		Solar Projects ITC Adjustments						PID Ref:
District Code	**District Name**	**2023**	**2024**	**2025**	**2026**	**2027**	**Print Help**	
129	Antelope Valley						No Print	
101	Bakersfield				3,665,757		Print	00133577
152	Bayshore						No Print	
102	Bear Gulch						No Print	
104	Chico						No Print	
105	Dixon						No Print	
128	Dominguez						No Print	
106	East Los Angeles						No Print	
108	Hermosa Redondo						No Print	
134	Kern River Valley						No Print	
109	King City						No Print	
110	Livermore						No Print	
111	Los Altos						No Print	
112	Marysville						No Print	
113	Oroville						No Print	
122	Palos Verdes						No Print	
114	Salinas						No Print	
117	Selma						No Print	
119	Stockton						No Print	
120	Visalia						No Print	
123	Westlake						No Print	

Attachment 7-10:
CWS Response to Cal Advocates DR CHA-002 (Bakersfield - Capital Projects) (CWS Response to DR CHA-002), question 2a

RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-003

To: **Public Advocates Office**

Edward Scher Project Lead	(415) 815-7027 edward.scher@cpuc.ca.gov
Emily Fisher Attorney	(415) 703-1327 emily.fisher@cpuc.ca.gov
Megan Delaporta Attorney	(415) 703-1319 megan.delaporta@cpuc.ca.gov
Syreeta Gibbs Project Oversight Supervisor	(415) 703-1622 syreeta.gibbs@cpuc.ca.gov
Chandrika Sharma Engineer	(415) 703-2268 chandrika.sharma@cpuc.ca.gov

From: **California Water Service**

Natalie D. Wales Director, Rates	(408) 367-8566 nwales@calwater.com
Patrick Alexander General Rate Case Manager	(408) 367-8230 palexander@calwater.com
Melody Singh Manager, Revenue	(916) 329-1856 msingh@calwater.com

Date:	**Jul 25, 2024**	Request Received from CPUC:	**July 18, 2024**
Re:	**CHA-002**	Requested Due Date:	**July 25, 2024**
Subj:	**Bakersfield – Capital Projects**		

Comments:

- **Full response attached.**
- **Response provided by Engineering and Rates Department.**
- **One attachment contains confidential Category 3 information.**
- **This response refers to the following attachments included separately:**
- **CONFIDENTIAL CHA-002 Attachment #1 – BK PPA Model**

Data Requests and Responses

2. Bakersfield Onsite Solar – Work Order #133577:

a. Please explain how "shareholder funding for the water infrastructure improvements to provide quality water and wastewater services could be impacted in the future" if this project is not implemented as stated in BK_2024_GRC_PJ_Book_Final on page BK PJ – 98.
Response: At the time of our GRC submission, Cal Water was still in the request for proposal (RFP) stage for the Bakersfield Onsite Solar project. During this stage, we evaluating between the ownership of the system, in which Cal Water constructed and owned the solar power system, and a power purchase agreement (PPA), where Cal Water does not own the system and instead buys power from a solar developer. Upon receiving the offers from the solar developers, we determined that the customer cost savings from buying power at a lower cost from the developer rather than the local utility through the PPA model represented the optimal solution. As such, we have elected to pursue the PPA rather than the ownership model and will adjust our Results of Operations Model (ROM) to exclude the solar plant and tax credits associated with this project from rate base and update the electricity cost savings in our operating expenditures.

Attachment 7-11:
CWS response to Cal Advocates DR CHA-013 (Rate Base)
(CWS response to DR CHA-013) questions 1, 2, 3, and 4

RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-003

To: **Public Advocates Office**

Edward Scher Project Lead	(415) 815-7027 edward.scher@cpuc.ca.gov
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Chandrika Sharma Engineer	(415) 703-2268 chandrika.sharma@cpuc.ca.gov

From: **California Water Service**

Natalie D. Wales Director, Rates	(408) 367-8566 nwales@calwater.com
Patrick Alexander General Rate Case Manager	(408) 367-8230 palexander@calwater.com
Melody Singh Manager, Revenue	(916) 329-1856 msingh@calwater.com

Date: **November 14, 2024** Re: **CHA-013** Subj: **Rate Base**	Request Received from CPUC: **November 6, 2024** Requested Due Date: **November 14, 2024**

Comments:

- **Full response attached.**
- **Response provided by Engineering.**
- **Does not contain confidential information.**
- **This response refers to the following attachments included separately:**
  - **CHA-013 Attachment #1**

Data Requests and Responses

Please refer to CWSC's response to question 1 (CHA-011 Attachment #1) for A2407003 Public Advocates DR CHA-011 (Capital Projects_Rate Base) for each of the following questions:

1. CWSC provided the table data below in response to DR CHA-011 (Capital Projects_Rate Base). If applicable, please provide the date the following assets were last active:
Response:

District	Asset Type	Asset Name	Work Order #	Date Added to Service	Date Removed from Service	Date Asset Last Active
KRV	Booster	ARD-016-A	00052908	2011	out service at least since 1996	**Please refer to the response to question 4.**
DOM	Booster	DOM-203-A	00115264	2018	4+ years	**2019**
LAS	Booster	LAS-037-A	3478	03/01/97	There has been no record of this asset since 1990. It was likely already retired when it was acquired as part of the North Los Altos Acquisition	**Unknown – No records available**
VIS	Well	TUL-W-201-01		2001	Unknown	**09/2017**
AV	Well	LEO-W-002-01	None	12/1/2010	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	**Unknown – No records available**

AV	Well	LAN-W-001-02	None	12/1/1975	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	**Unknown – No records available**
DIX	Well	DIX-W-003-01	0153	1/1/1950	Water Quality records indicate that this well was made inactive based on Permit Amendment No. 9 (May 19, 2022) but the status was initially changed by DDW in 2015 prompted by the new Cr(IV) MCL. The well exceeded the nitrate standard in 2017.	**2015**

District	Asset Type	Asset Name	Work Order #	Date Added to Service	Date Removed from Service	Date Asset Last Active
KRV	Well	ARD-W-016-01	None	1/1/1983	No record of this Well	**Please refer to the response to question 4.**
KRV	Well	KERV-W-010-01	KER9125	11/1/2001	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	**Unknown – No records available**
KRV	Well	KERV-W-014-01	None	1/3/1998	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	**Unknown – No records available**

KRV	Well	LLAN-W-001-01	None	12/01/74	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	**Unknown – No records available**
KRV	Well	LLAN-W-003-01	None	1/7/1995	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	**Unknown – No records available**
RDOM-SITE	Tank	PV-045-T1	None	5/1/1971	20-25 years ago	**10/1998**
RDOM-SITE	Tank	PV-043-T1	None	5/1/1971	25-30 years ago	**10/1998**
LAS-SITE	Tank	LAS-029-T1	1100	12/1/1962	1990's	**Unknown – No records available**

District	Asset Type	Asset Name	Work Order #	Date Added to Service	Date Removed from Service	Date Asset Last Active
LAS-SITE	Tank	LAS-022-T1	0437	1/1/1956	Before 2000	**Unknown – No records available**
LAS-SITE	Tank	LAS-004-T1	None	1/1/1948	1990's	**Unknown – No records available**
LAS-SITE	Tank	LAS-002-T1	1105	12/1/1962	1990's	**Unknown – No records available**
KRV-SITE	Tank	COUN-009-T1	None	1/6/1997	estimated 2014	**07/09/2015**

2. CWSC provided the table data below in response to DR CHA-011 (Capital Projects_Rate Base). For each of the following projects, please provide the project management plan, including milestone dates showing that the project will be completed by the estimated completion date.

Response: Cal Water is managing completion of CH-W-030-01 and CH-W-041-01 as part of PFAS Compliance Program. Site-specific details on individual PFAS projects will be included in a separate application. However, Cal Water expects to complete these projects by the end of 2027.

District	Asset Type	Asset Name	Work Order # (or other identifier)	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date
a. STK	Booster	STK-065-B	00009492	Yes	12/31/25
b. CH	Well	CH-W-030-01	1505	Yes	12/31/2026
c. CH	Well	CH-W-041-01	None	Yes	12/31/2026
d. CH	Well	CH-W-051-01	WO#00123198	Yes	10/1/2025
e. DOM	Well	DOM-W-219-02	DOM10704	Yes	1/1/2026
f. KRV	Well	SMTN-W-001-01	None	Yes	2027
g. STK-SITE	Tank	STK-018-T2	00016833	Yes	2025-2027

STK-065-B

Task #	Task Name	Finish Month	Finish Year
Task 1	Preliminary Design	12	2025
Task 2	Final Design	01	2026
Task 3	Final Permitting	01	2028
Task 4	Bidding and Procurement	03	2028
Task 5	Construction	09	2028
Task 6	Startup and Testing	10	2028
Task 7	Final Close Out	11	2028

CH-W-051-01

Task Number	Task Name	Finish Month	Finish Year
Task 1	Preliminary Design	07	2024
Task 2	Final Design	08	2024
Task 3	Final Permitting	12	2024
Task 4	Bidding and Procurement	12	2024
Task 5	Construction	07	2025
Task 6	Startup and Testing	09	2025
Task 7	Final Close Out	10	2025

DOM-W-219-02

Task Number	Task Name	Finish Month	Finish Year
Task 1	Preliminary Design	01	2025
Task 2	Final Design	02	2025

Task 3	Final Permitting	04	2025
Task 4	Bidding and Procurement	02	2026
Task 5	Construction	01	2027
Task 6	Startup and Testing	08	2027
Task 7	Final Close Out	09	2027

SMTN-W-001-01

Task Number	Task Name	Finish Month	Finish Year
Task 1	Preliminary Design	06	2025
Task 2	Bidding Procurement	08	2025
Task 3	Inspection	01	2026
Task 4	Report	02	2026
Task 5	Well Rehabilitation	08	2026
Task 6	Implementation of Report Findings	04	2027

STK-018-T2[1]

Task Number	Task Name	Finish Month	Finish Year
Task 1	Well Assessment Study	01	2026
Task 2	Reconstruct Well	02	2026
Task 3	Develop Well	03	2026
Task 4	Test Pump	03	2026
Task 5	Tank Restoration	09	2026
Task 6	Pumping Equipment	09	2026
Task 7	Startup and Testing	09	2026
Task 8	Final Close Out	09	2026

3. CWSC indicated in response to DR CHA-011 (Capital Projects_Rate Base) that there is an expected restoration date for CH-W-007-04 (WO #162) for the Chico district) of "46387." Please provide the correct date.
Response: This was an Excel formatting issue. The correct date is 12/31/2026.

4. CWSC indicated in response to DR CHA-011 (Capital Projects_Rate Base) that for the project ARD016-A (WO #00052908) for the Kern River Valley district was added to service in 2011, but CWSC also stated it has been out of service since 1996. Please explain the discrepancy.

[1] The backwash tank at Station 018 in Stockton (STK-018-T2) is currently inactive due to sanding issues affecting the well. To address this, the restoration of the backwash tank is scheduled to commence following the well assessment and rehabilitation project in 2026 (Project ID: 133210). The Supply and Plant Infrastructure team will conduct a comprehensive Well Assessment study on the well at Station 018. Based on the findings of this study, a more precise timeline for the tank restoration will be established, with the objective of completing the restoration by December 31, 2027.

Response: While there is no official recorded date for when the booster pump (ARD-016-A) and well (ARD-W-016-01) became inactive, a staff member familiar with the Kern River Valley District reports that these two assets have been inactive since before 1996, the year he was hired to work in Kern River Valley by a company that was later acquired by Cal Water.
In a previous response to data request CHA-011, Work Order #00052908 was incorrectly linked to ARD-016-A. The correct linkage is to ARD-017-A, which was added to service on May 15, 2011.

Attachment 7-12:
Cal Advocates analysis using data from Attachment 7-8, Response 1 and Attachment 7-11, Responses 2, 3, and 4, 5A- Metro Districts Depreciation Study at 24, 30, and 38, and 5B- Valley Districts Depreciation Study at 26, 32, and 41

Attachment 7-12, p. 1

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost	Year Added to Service	Current Year	Current Age of Asset = Curent Year - Date Added to Service	Useful Life	Annual Depreciation Cost = Asset Cost/ Useful Life	Current Accumulated Depreciation = Annual Depreciation*Age of Asset	NBV=Current Accumulated Depreciation - Cost of Asset
VIS	Well	VIS-W-096-01	Well 96-01	00015946	2010	03/03/15	TBD		$510,288	2010	2024	14	75	$6,803.84	$95,253.82	$415,034.51
VIS	Well	VIS-W-092-01	VIS-W-092-01	00009337	2005	03/23/15	TBD		$265,865	2005	2024	19	75	$3,544.86	$67,352.38	$198,512.27
BK	Well	BKNG-W-203-01	203-01	7558	12/1/1998	03/28/01	Yes	2028	$191,096	1998	2024	26	75	$2,547.95	$66,246.67	$124,849.48
STK	Booster	STK-065-B	BOOSTER	00009492	01/01/06	07/05/17	Yes	12/31/25	$218,561	2006	2024	18	38	$5,751.60	$103,528.82	$115,032.02
KRV	Well	SQUM-W-009-01	WELL 9-01	None	1/3/1993	01/05/02	TBD		$180,000	1993	2024	31	75	$2,400.00	$74,400.00	$105,600.00
CH	Well	CH-W-068-01	68-01	4200	12/1/1998	10/01/07	TBD		$131,030	1998	2024	26	75	$1,747.07	$45,423.86	$85,606.50
STK	Booster	STK-084-A	BOOSTER	00009598	2006	02/04/16	No		$162,281	2006	2024	18	38	$4,270.54	$76,869.73	$85,410.81
CH	Booster	CH-008-A	BOOSTER	00009815	2011	10/01/14	TBD		$119,998	2011	2024	13	38	$3,157.83	$41,051.82	$78,945.80
LIV	Booster	LIV-013-B	INTRAZONAL BOOSTER	00016949	2016	03/05/24	No		$91,157	2016	2024	8	36	$2,532.15	$20,257.16	$70,900.07
LIV	Booster	LIV-013-C	INTRAZONAL BOOSTER	00016949	2016	03/05/24	No		$91,157	2016	2024	8	36	$2,532.15	$20,257.16	$70,900.07
KRV	Well	SQUM-W-012-01	WELL 12-01	None	1/4/1996	01/07/02	TBD		$100,421	1996	2024	28	75	$1,338.95	$37,490.52	$62,930.51
CH	Well	CH-W-063-01	63-01	3136	1/1/1988	01/01/20	TBD		$108,885	1988	2024	36	75	$1,451.80	$52,264.76	$56,620.15
SLN	Well	SLNH-W-059-01	59-01 (FORMERLY TORO PARK WELL)	1503	1/1/1987	06/20/06	TBD		$94,437	1987	2024	37	75	$1,259.16	$46,589.06	$47,848.22
BK	Well	BK-W-193-01	193-01	6262	1/1/1988	01/31/12	Yes	2028	$85,229	1988	2024	36	75	$1,136.39	$40,910.10	$44,319.27
SLN	Well	SLNH-W-036-01	36-01	1263	1/1/1983	05/12/15	TBD		$89,068	1983	2024	41	75	$1,187.58	$48,690.64	$40,377.60
BK-SITE	Tank	BK-208-T1	Tank,Storage,Steel, Welded, 700,000 Gal	7971	12/1/1999	12/16/2008	TBD		$55,253	1999	2024	25	83	$665.70	$16,642.40	$38,610.38
SLN	Well	SLN-W-056-01	56-01	00000689	1/1/2003	04/29/16	TBD		$37,622	2023	2024	1	75	$501.63	$501.63	$37,120.37
BK	Well	BK-W-187-01	187-01	5116	4/1/1983	12/26/07	Yes	2028	$75,916	1983	2024	41	75	$1,012.22	$41,500.95	$34,415.42
LIV	Booster	LIV-016-A	INTRAZONAL BOOSTER	00018002	2009	11/06/23	No		$58,052	2009	2024	15	36	$1,612.57	$24,188.49	$33,863.88
BK	Well	BKNG-W-175-01	175-01	9120	12/1/1977	03/19/07	Yes	2028	$84,840	1977	2024	47	75	$1,131.20	$53,166.49	$31,673.65

Attachment 7-12, p. 2

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost	Year Added to Service	Current Year	Current Age of Asset = Curent Year - Date Added to Service	Useful Life	Annual Depreciation Cost = Asset Cost/ Useful Life	Current Accumulated Depreciation = Annual Depreciation*Age of Asset	NBV=Current Accumulated Depreciation - Cost of Asset
KRV	Well	SQUM-W-005-01	WELL 5-01 (FORMERLY 5C)	None	1/6/1990	01/02/02	TBD	NA	$57,076	1990	2024	34	75	$761.01	$25,874.45	$31,201.55
DOM	Booster	DOM-203-A	INTRAZONAL BOOSTER	00115264	2018	4+ years	TBD		$35,674	2018	2024	6	36	$990.95	$5,945.72	$29,728.58
CH	Well	CH-W-058-01	58-01	2578	1/1/1981	01/01/01	No		$69,563	1981	2024	43	75	$927.51	$39,882.81	$29,680.23
VIS	Well	TUL-W-201-01	201-01 (well reconstruction from acquisition)		2001	unkown	TBD		$30,851	2001	2024	23	75	$411.35	$9,460.97	$21,390.03
CH	Well	CH-W-055-01	55-01	2425-02	1/1/1978	10/01/97	No		$54,612	1978	2024	46	75	$728.16	$33,495.19	$21,116.54
SLN	Well	SLN-W-045-01	45-01	1983	1/1/1993	05/12/15	TBD		$33,970	1993	2024	31	75	$452.93	$14,040.93	$19,929.07
DOM	Well	DOM-W-232-03	Well 232-03	None	4/1/2000	Q4 2021	TBD		$36,526	2000	2024	24	52	$702.43	$16,858.24	$19,667.94
ORO	Booster	ORO-001-B	INTRAZONAL BOOSTER	00046388	2010	12/17/21	No		$30,839	2010	2024	14	38	$811.56	$11,361.90	$19,477.54
STK	Booster	STK-083-A	BOOSTER	00074973	2013	08/28/21	TBD		$27,030	2013	2024	11	38	$711.31	$7,824.46	$19,205.48
KRV	Well	KERV-W-010-01	10-01 (WELL 10)	KER9125	11/1/2001	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	TBD		$27,081	2001	2024	23	75	$361.08	$8,304.85	$18,776.19
AV	Well	LEO-W-002-01	2-01 (FORMERLY WRIGLEY WELL 2)	None	12/1/2010	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	TBD		$24,249	2010	2024	14	52	$466.34	$6,528.69	$17,720.74
STK	Booster	STK-082-A	BOOSTER	5314	1995	08/27/21	TBD		$70,169	1995	2024	29	38	$1,846.55	$53,549.90	$16,618.93
KRV	Well	KERV-W-012-01	12-01 (WELL 12)	None	1/4/1983	01/15/04	TBD		$36,263	1983	2024	41	75	$483.50	$19,823.52	$16,439.01
LIV	Booster	LIV-008-B	BOOSTER	00085158	2013	11/06/23	No		$22,721	2013	2024	11	36	$631.13	$6,942.45	$15,778.30

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STK-SITE	Tank	STK-082-T7	Tank,Storage,Steel,Elevated Steel, 500,000 Gal	1268	1/1/1958	8/27/2021	TBD		$76,994	1958	2024	66	83	$927.63	$61,223.75	$15,769.76
STK	Booster	STK-081-A	BOOSTER	5301	1995	04/01/16	No		$66,312	1995	2024	29	38	$1,745.04	$50,606.26	$15,705.39
SLN	Well	SLN-W-105-01	105-01	None	1/1/1988	04/01/98	TBD		$29,870	1988	2024	36	75	$398.27	$14,337.79	$15,532.60
BK	Well	BK-W-159-01	159-01	8533	2/1/1974	03/30/07	No		$42,857	1974	2024	50	75	$571.43	$28,571.43	$14,285.72
STK	Well	STK-W-078-01	78-01	8183	12/01/74	11/15/04	TBD		$42,248	1974	2024	50	75	$563.31	$28,165.58	$14,082.79
KRV	Well	KERV-W-015-01	15-01 (WELL 15)	None	1/9/1990	01/15/04	TBD		$24,234	1990	2024	34	75	$323.12	$10,986.18	$13,248.03
SLN	Well	SLN-W-031-01	31-01	1160	1/1/1982	05/12/15	TBD		$29,952	1982	2024	42	75	$399.36	$16,773.12	$13,178.88
BK	Booster	BK-211-M	INLINE BOOSTER	00094922	2014	06/29/16	TBD		$17,468	2014	2024	10	38	$459.68	$4,596.77	$12,870.95
STK-SITE	Tank	STK-083-T6	Tank,Storage,Steel,Elevated Steel,300,000 Gal	0830	1/1/1958	8/28/2021	TBD		$62,483	1958	2024	66	83	$752.80	$49,685.12	$12,797.68
VIS	Well	OR-W-033-01	33-01 (well liner only)	00002853	2002	03/19/18	TBD		$17,717	2002	2024	22	75	$236.22	$5,196.88	$12,519.77
KRV	Well	KERV-W-014-01	14-01 (WELL 14)	None	1/3/1998	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	TBD		$18,725					$249.67	$6,491.48	$12,233.93
BG	Well	BG-W-044-02	Skyline Well Station (PS Code 4110015-002)	CONVERSION	11/1/2012	01/01/09	TBD		$15,393	1998 2012	2024 2024	26 12	75 52	$296.02	$3,552.23	$11,840.77

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost	Year Added to Service	Current Year	Current Age of Asset = Curent Year - Date Added to Service	Useful Life	Annual Depreciation Cost = Asset Cost/ Useful Life	Current Accumulated Depreciation = Annual Depreciation*Age of Asset	NBV=Current Accumulated Depreciation - Cost of Asset
KRV	Well	LLAV-W-003-01	WELL 3-01	None	1/7/1995	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	TBD		$18,061	1995	2024	29	75	$240.81	$6,983.59	$11,077.41
SLN	Well	SLN-W-029-01	29-01	1033	1/1/1978	09/14/22	TBD		$28,491	1978	2024	46	75	$379.88	$17,474.48	$11,016.52
CH	Well	CH-W-047-01	47-01	2070	1/1/1974	01/01/16	TBD		$32,024	1974	2024	50	75	$426.99	$21,349.27	$10,674.63
CH	Well	CH-W-048-01	48-01	2071	1/1/1974	01/01/20	TBD		$31,581	1974	2024	50	75	$421.08	$21,054.07	$10,527.03
STK-SITE	Tank	STK-018-T5	Tank,Storage,Steel,Elevated Steel, 500,000 Gal	0477	1/1/1958	8/25/2021	TBD		$48,769	1958	2024	66	83	$587.57	$38,779.94	$9,988.77
SEL	Well	SEL-W-015-01	15-01	0269	12/1/1980	01/01/90	TBD		$23,456	1980	2024	44	75	$312.74	$13,760.71	$9,695.04
KRV	Well	KERV-W-002-01	2-01 (WELL 2)	None	12/1/1974	01/15/04	TBD		$27,838	1974	2024	50	75	$371.17	$18,558.34	$9,279.17
KRV	Well	KERV-W-009-01	9-01 (WELL 9)	KER9123	12/2/1974	01/01/06	TBD		$27,838	1974	2024	50	75	$371.17	$18,558.34	$9,279.17
KRV	Well	KERV-W-003-01	3-01 (WELL 3)	None	12/2/1974	01/16/04	TBD		$27,081	1974	2024	50	75	$361.08	$18,054.03	$9,027.01
SLN	Well	SLNH-W-035-01	35-01	1308	1/1/1983	05/07/15	TBD		$18,721	1983	2024	41	75	$249.61	$10,233.98	$8,486.72
BK	Well	BK-W-153-01	153-01	8139	8/1/1973	12/22/09	Yes	2028	$26,398	1973	2024	51	75	$351.97	$17,950.43	$8,447.26
LAS-SITE	Tank	LAS-002-T1	Tank,Storage,Steel, Welded, 200,000 Gal	1105	12/1/1962	1990's?	No		$33,870	1962	2024	62	82	$413.05	$25,608.99	$8,260.96
STK-SITE	Tank	STK-081-T2	Tank,Storage,Steel,Elevated Steel, 500,000 Gal	None	1/1/1958	4/1/2016	TBD		$39,615	1958	2024	66	83	$477.29	$31,501.36	$8,113.99
MRL	Well	MRL-W-013-01	13-01	0606	1/1/1976	12/31/13	TBD		$21,442	1976	2024	48	75	$285.90	$13,723.16	$7,719.27
SLN	Well	SLN-W-024-01	24-01	0572	1/1/1971	05/12/15	TBD		$25,934	1971	2024	53	75	$345.79	$18,326.69	$7,607.31

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost	Year Added to Service	Current Year	Current Age of Asset = Curent Year - Date Added to Service	Useful Life	Annual Depreciation Cost = Asset Cost/ Useful Life	Current Accumulated Depreciation = Annual Depreciation*Age of Asset	NBV=Current Accumulated Depreciation - Cost of Asset
ORO	Booster	ORO-001-C	INTRAZONAL BOOSTER	00056349	2011	12/17/21	No		$11,434	2011	2024	13	38	$300.90	$3,911.64	$7,522.39
KRV	Well	LBOD-W-005-02	5-02 (FORMERLY WELL 7)	None	1/4/1976	01/02/08	TBD	NA	$20,623	1976	2024	48	75	$274.97	$13,198.72	$7,424.28
LIV	Booster	LIV-015-A	BOOSTER	00027148	2009	01/01/24	No		$11,189	2009	2024	15	36	$310.80	$4,662.06	$6,526.89
STK	Well	STK-W-067-01	67-01	4096	02/17/67	04/28/16	TBD		$26,571	1967	2024	57	75	$354.27	$20,193.64	$6,376.94
KRV	Well	KERV-W-013-01	13-01 (WELL 13)	None	1/5/1984	01/16/04	TBD		$13,445	1984	2024	40	75	$179.27	$7,170.63	$6,274.31
SLN	Well	OH-W-202-01	202-01	None	1/1/1991	04/08/15	TBD		$11,108	1991	2024	33	75	$148.10	$4,887.32	$6,220.23
KRV	Well	POND-W-003-01	3-01 (WELL 3)	None	1/9/1981	01/04/10	TBD		$14,415	1981	2024	43	75	$192.20	$8,264.71	$6,150.49
PV	Booster	PV-005-B	INTRAZONAL BOOSTER	4180	1997	2016	TBD		$23,854	1997	2024	27	36	$662.61	$17,890.47	$5,963.49
STK-SITE	Tank	STK-032-T3	Tank,Storage,Steel, Welded, 500,000 Gal	2196	1/1/1958	12/16/2008	TBD		$28,032	1958	2024	66	83	$337.74	$22,290.59	$5,741.51
BK	Booster	BKNG-174-A	BOOSTER	00114157	2017	10/15/18	TBD		$6,830	2017	2024	7	38	$179.73	$1,258.12	$5,571.70
SLN	Well	SLN-W-017-01	17-01	0090	1/1/1964	12/13/99	TBD		$23,377	1964	2024	60	75	$311.69	$18,701.60	$4,675.40
STK	Well	STK-W-004-02	WELL 4-02	3551	03/27/64	2/26/2015	TBD		$20,480	1964	2024	60	75	$273.06	$16,383.75	$4,095.94
KRV	Well	POND-W-002-01	2-01 (WELL 2)	None	1/2/1982	01/03/10	No	NA	$9,240	1982	2024	42	75	$123.19	$5,174.12	$4,065.38
BK	Well	BK-W-138-01	138-01	4390	1/1/1963	03/13/19	Yes	2028	$21,509	1963	2024	61	75	$286.78	$17,493.87	$4,014.99
BK	Well	BK-W-034-02	34-02	4762	1/1/1966	01/31/06	Yes	2028	$16,900	1966	2024	58	75	$225.34	$13,069.67	$3,830.77
KRV	Well	KERV-W-004-01	4-01 (WELL 4)	None	12/3/1974	01/17/04	TBD		$11,386	1974	2024	50	75	$151.81	$7,590.65	$3,795.32
STK	Booster	STK-018-A	BOOSTER	00088177	2013	08/25/21	No		$5,044	2013	2024	11	38	$132.75	$1,460.25	$3,584.24
STK-SITE	Tank	STK-032-T2	Tank,Storage,Steel, Welded, 250,000 Gal	1675	1/1/1958	12/16/2008	TBD		$17,292	1958	2024	66	83	$208.34	$13,750.46	$3,541.78
BK	Well	BK-W-160-01	160-01	None	12/1/1972	05/02/07	No		$11,437	1972	2024	52	75	$152.49	$7,929.31	$3,507.19
BK	Well	BK-W-161-01	161-01	None	12/1/1972	12/26/97	No		$11,437	1972	2024	52	75	$152.49	$7,929.31	$3,507.19

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost	Year Added to Service	Current Year	Current Age of Asset = Curent Year - Date Added to Service	Useful Life	Annual Depreciation Cost = Asset Cost/ Useful Life	Current Accumulated Depreciation = Annual Depreciation*Age of Asset	NBV=Current Accumulated Depreciation - Cost of Asset
SLN	Booster	SLNH-070-C	BOOSTER	00025669	2011	01/30/17	No		$5,034	2011	2024	13	38	$132.47	$1,722.14	$3,311.82
RDOM-SITE	Tank	PV-042-T1	Tank,Storage,Concrete, Submerged, 50,000 Gal	1358	5/1/1971	2016	TBD		$9,335	1971	2024	53	82	$113.84	$6,033.35	$3,301.26
BK	Well	BK-W-139-01	139-01	4391	1/1/1963	12/12/02	Yes	2028	$17,532	1963	2024	61	75	$233.76	$14,259.34	$3,272.64
BK	Well	BK-W-111-01	111-01	3281	1/1/1956	03/09/01	No		$34,223	1956	2024	68	75	$456.30	$31,028.60	$3,194.12
RDOM-SITE	Tank	PV-045-T1	Tank,Storage,Concrete, Above Ground, 100,000 Gal	None	5/1/1971	20-25 years ago	No		$8,685	1971	2024	53	82	$105.92	$5,613.64	$3,071.61
BK	Well	BK-W-199-01	199-01	None	3/1/1990	01/27/98	No		$5,500	1990	2024	34	75	$73.33	$2,493.33	$3,006.67
LAS-SITE	Tank	LAS-037-T1	Tank,Storage,Wood, 72,000 Gal	None	6/1/1976	2010	TBD		$6,919	1976	2024	48	82	$84.38	$4,050.12	$2,868.83
BK	Booster	BKNG-196-A	BOOSTER	00095802	2014	06/03/19	TBD		$3,836	2014	2024	10	38	$100.94	$1,009.42	$2,826.38
RDOM-SITE	Tank	PV-043-T1	Tank,Storage,Concrete, Submerged, 100,000 Gal	None	5/1/1971	25-30 years ago	TBD		$7,874	1971	2024	53	82	$96.02	$5,089.10	$2,784.60
KRV	Well	UBOD-W-003-01	WELL 3-01 (FORMERLY CH 3)	None	1/7/1976	01/03/06	No	NA	$7,545	1976	2024	48	75	$100.60	$4,828.79	$2,716.20
STK	Well	STK-W-051-01	51-01	2731	01/29/59	01/16/15	TBD		$19,939	1959	2024	65	75	$265.85	$17,280.25	$2,658.50
KRV	Booster	ARD-016-A	BOOSTER	00052908	2011	out service atleast since 1996	TBD		$3,955	2011	2024	13	38	$104.08	$1,353.03	$2,601.97
BK	Well	BK-W-136-01	136-01	4266	8/1/1962	01/27/98	No		$14,544	1962	2024	62	75	$193.92	$12,022.86	$2,520.92
BK	Well	BK-W-127-01	127-01	3913	1/1/1960	12/26/97	Yes	2028	$16,862	1960	2024	64	75	$224.82	$14,388.57	$2,473.04
BK	Well	BK-W-137-01	137-01	4374	12/1/1962	06/26/15	Yes	2028	$14,113	1962	2024	62	75	$188.17	$11,666.37	$2,446.18
BK	Well	BK-W-066-02	66-02	4262	1/1/1962	09/21/11	Yes	2028	$13,991	1962	2024	62	75	$186.54	$11,565.50	$2,425.02
KRV	Well	KERV-W-011-01	11-01 (WELL 11)	None	1/2/1983	01/01/06	No	NA	$5,088	1983	2024	41	75	$67.84	$2,781.40	$2,306.53

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost	Year Added to Service	Current Year	Current Age of Asset = Curent Year - Date Added to Service	Useful Life	Annual Depreciation Cost = Asset Cost/ Useful Life	Current Accumulated Depreciation = Annual Depreciation*Age of Asset	NBV=Current Accumulated Depreciation - Cost of Asset
BK	Booster	BK-206-A	BOOSTER	00014127	2006	01/19/12	TBD		$4,367	2006	2024	18	38	$114.91	$2,068.46	$2,298.29
BK	Booster	BK-206-B	BOOSTER	00014127	2006	01/19/12	TBD		$4,367	2006	2024	18	38	$114.91	$2,068.46	$2,298.29
BK	Well	BKNG-W-173-01	173-01	None	1/1/1977	04/28/05	No		$6,083	1977	2024	47	75	$81.11	$3,812.28	$2,271.14
BK	Well	BK-W-117-01	117-01	3404	1/1/1957	12/26/97	No		$20,477	1957	2024	67	75	$273.03	$18,292.91	$2,184.23
LIV	Booster	LIV-008-A	BOOSTER	00012033	2004	11/06/23	No		$4,774	2004	2024	20	36	$132.62	$2,652.34	$2,121.88
BK	Well	BK-W-108-01	108-01	3182	1/1/1955	01/08/99	No		$26,106	1955	2024	69	75	$348.09	$24,017.96	$2,088.52
KRV	Well	MSHA-W-001-01	WELL 1-01 (WELL 1)	None	1/9/1994	01/01/10	No	NA	$3,383	1994	2024	30	75	$45.11	$1,353.24	$2,029.85
KRV	Well	MSHA-W-002-01	WELL 1-02 (WELL 2)	None	1/9/1994	01/02/10	No	NA	$3,383	1994	2024	30	75	$45.11	$1,353.24	$2,029.85
STK	Well	STK-W-044-01	44-01	2627	12/20/57	03/29/17	TBD		$18,070	1957	2024	67	75	$240.93	$16,142.12	$1,927.42
BK	Well	BKNG-W-169-01	169-01	None	1/1/1977	11/19/98	No		$4,996	1977	2024	47	75	$66.61	$3,130.69	$1,865.09
BK	Well	BK-W-107-01	107-01	3079	1/1/1955	07/17/18	Yes	2028	$22,631	1955	2024	69	75	$301.74	$20,820.16	$1,810.45
BK	Well	BK-W-118-01	118-01	3423	1/1/1957	12/22/09	Yes	2028	$16,878	1957	2024	67	75	$225.04	$15,077.72	$1,800.32
BK	Well	BK-W-120-01	120-01	3605	9/1/1958	07/20/99	Yes	2028	$14,935	1958	2024	66	75	$199.13	$13,142.68	$1,792.18
RDOM-SITE	Tank	HR-024-T4	Tank,Storage,Wood, 100,000 Gal	0997	1/1/1958	9/1/2023	TBD		$9,151	1958	2024	66	82	$111.60	$7,365.32	$1,785.53
STK	Well	STK-W-047-01	47-01	2500	02/21/57	03/29/17	TBD		$16,233	1957	2024	67	75	$216.44	$14,501.65	$1,731.54
BK	Well	BK-W-119-01	119-01	3598	1/1/1958	12/26/97	Yes	2028	$14,072	1958	2024	66	75	$187.62	$12,382.99	$1,688.59
LAS	Booster	LAS-037-A	PUMP MOTORS & EQUIP./STA#37-A (GE MOTOR)-B (FRANKLIN MOTOR)	3478	03/01/97	There has been no record of this asset since 1990. It was likely already retired when it was acquired as part of the North Los Altos Acquisition	TBD		$6,695	1997	2024	27	36	$185.97	$5,021.26	$1,673.75
BK	Well	BK-W-022-02	22-02	3438	1/1/1957	09/25/00	TBD		$15,655	1957	2024	67	75	$208.74	$13,985.57	$1,669.92
CH-SITE	Tank	CH-008-T3	Tank,Storage,Steel,Elevated Steel, 300,000 Gal	0035	12/1/1945	10/1/2014	TBD		$34,435	1945	2024	79	83	$414.87	$32,775.03	$1,659.49

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost	Year Added to Service	Current Year	Current Age of Asset = Curent Year - Date Added to Service	Useful Life	Annual Depreciation Cost = Asset Cost/ Useful Life	Current Accumulated Depreciation = Annual Depreciation*Age of Asset	NBV=Current Accumulated Depreciation - Cost of Asset
KRV	Well	LBOD-W-005-01	5-01 (FORMERLY WELL 5)	None	1/7/1977	01/01/08	No	NA	$4,355	1977	2024	47	75	$58.07	$2,729.13	$1,625.87
KRV	Well	ARD-W-016-01	16-01 (FORMERLY WELL 16)	None	1/1/1983	No record of this Well	TBD		$3,371	1983	2024	41	75	$44.95	$1,843.02	$1,528.35
KRV	Well	KERV-W-016-01	16-01 (WELL 16)	None	1/1/1983	01/01/05	No	NA	$3,371	1983	2024	41	75	$44.95	$1,843.02	$1,528.35
LAS-SITE	Tank	LAS-029-T1	Tank,Storage,Wood, 50,000 Gal	1100	12/1/1962	1990's	No		$5,833	1962	2024	62	82	$71.13	$4,410.08	$1,422.61
BK	Well	BK-W-087-01	87-01	2848	1/1/1954	04/03/98	TBD		$20,809	1954	2024	70	75	$277.45	$19,421.27	$1,387.23
CH	Well	CH-W-025-01	25-01	939	1/1/1956	08/29/17	No		$14,050	1956	2024	68	75	$187.34	$12,738.97	$1,311.37
BK	Well	BK-W-097-01	97-01	2842	1/1/1954	01/27/98	No		$18,388	1954	2024	70	75	$245.18	$17,162.34	$1,225.88
STK	Well	STK-W-046-01	46-01	2363	03/19/56	03/29/17	TBD		$13,072	1956	2024	68	75	$174.29	$11,851.97	$1,220.06
BK	Well	BK-W-112-01	112-01	3440	1/1/1957	12/26/97	Yes	2028	$11,177	1957	2024	67	75	$149.02	$9,984.47	$1,192.18
RDOM-SITE	Tank	HR-024-T1	Tank,Storage,Wood, 50,000 Gal	0397	1/1/1958	9/1/2023	TBD		$5,904	1958	2024	66	82	$72.01	$4,752.39	$1,152.10
BK	Well	BK-W-099-01	99-01	2849	1/1/1954	03/13/01	No		$16,678	1954	2024	70	75	$222.38	$15,566.52	$1,111.89
BK	Well	BK-W-114-01	114-01	3286	1/1/1956	03/22/99	No		$11,783	1956	2024	68	75	$157.11	$10,683.31	$1,099.75
SEL	Well	SEL-W-012-01	WELL 12-01	None	6/1/1964	01/01/17	TBD		$5,468	1964	2024	60	75	$72.91	$4,374.47	$1,093.62
BK	Well	BK-W-163-01	163-01	None	1/1/1977	07/17/18	No		$2,742	1977	2024	47	75	$36.56	$1,718.13	$1,023.56
BK	Well	BK-W-164-01	164-01	None	1/1/1977	12/26/97	No		$2,742	1977	2024	47	75	$36.56	$1,718.13	$1,023.56
STK	Well	STK-W-040-01	40-01	2195	04/01/55	12/01/02	TBD		$12,746	1955	2024	69	75	$169.95	$11,726.36	$1,019.68
LAS-SITE	Tank	LAS-118-T1	Tank,Storage,Wood, 30,000 Gal	None	12/1/1967	2009	No		$3,335	1967	2024	57	82	$40.67	$2,318.23	$1,016.77
BK	Well	BK-W-113-01	113-01	3285	1/1/1956	12/26/97	No		$10,080	1956	2024	68	75	$134.41	$9,139.61	$940.84
KRV	Well	KERV-W-007-01	7-01 (WELL 7)	None	1/4/1967	11/24/06	TBD		$3,775	1967	2024	57	75	$50.33	$2,868.63	$905.88
BK	Well	BK-W-094-01	94-01	2667	1/1/1953	09/22/98	No		$16,323	1953	2024	71	75	$217.65	$15,452.83	$870.58

Attachment 7-12, p. 9

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost	Year Added to Service	Current Year	Current Age of Asset = Curent Year - Date Added to Service	Useful Life	Annual Depreciation Cost = Asset Cost/ Useful Life	Current Accumulated Depreciation = Annual Depreciation*Age of Asset	NBV=Current Accumulated Depreciation - Cost of Asset
BK	Well	BK-W-106-01	106-01	3078	1/1/1955	12/26/97	No		$10,555	1955	2024	69	75	$140.74	$9,710.77	$844.42
BK	Well	BK-W-098-01	98-01	2843	1/1/1954	10/02/12	Yes	2028	$12,438	1954	2024	70	75	$165.84	$11,608.85	$829.20
LAS-SITE	Tank	LAS-022-T1	Tank,Storage,Wood, 50,000 Gal	0437	1/1/1950	Before 2000	No		$4,753	1950	2024	08	82	$57.97	$3,941.77	$811.54
CH	Well	CH-W-022-01	22-01	798	1/1/1954	08/29/17	No		$11,150	1954	2024	70	75	$148.67	$10,406.56	$743.33
BK	Well	BK-W-041-02	41-02	2669	1/1/1953	08/16/10	Yes	2028	$12,470	1953	2024	71	75	$166.27	$11,804.90	$665.06
BK	Well	BK-W-095-01	95-01	2668	1/1/1953	04/25/05	Yes	2028	$12,447	1953	2024	71	75	$165.96	$11,783.33	$663.85
VIS	Well	VIS-W-018-01	18-01	0843	1955	03/29/18	TBD		$8,035	1955	2024	69	75	$107.13	$7,391.91	$642.77
BK-SITE	Tank	BK-161-T1	Tank,Storage,Steel, Welded, 22,000 Gal	None	12/1/1972	12/13/2017	TBD		$1,700	1972	2024	52	83	$20.48	$1,065.06	$634.94
SLN	Well	LI-W-302-01	302-01	None	1/1/1991	05/12/15	No		$1,133	1991	2024	33	75	$15.10	$498.36	$634.28
BK	Well	BKNG-W-172-01	172-01	None	1/1/1977	01/27/98	No		$1,515	1977	2024	47	75	$20.20	$949.34	$565.57
BK	Well	BK-W-092-01	92-01	2476	1/1/1952	07/22/98	Yes	2028	$13,245	1952	2024	72	75	$176.60	$12,714.94	$529.79
SEL	Well	SEL-W-004-03	WELL 4-03	None	7/1/1962	01/01/17	TBD		$2,693	1962	2024	62	75	$35.91	$2,226.21	$466.79
SEL	Well	SEL-W-008-01	WELL 8-01	None	6/1/1964	07/02/14	No		$1,598	1964	2024	60	75	$21.31	$1,278.40	$319.60
VIS	Well	VIS-W-017-01	17-01	0739	1953	12/09/02	TBD		$5,951	1953	2024	71	75	$79.34	$5,633.26	$317.37
KRV	Well	KERV-W-005-01	5-01 (WELL 5)	None	1/5/1963	01/01/10	TBD		$1,515	1963	2024	61	75	$20.20	$1,232.20	$282.80
SEL	Well	SEL-W-007-01	WELL 7-01	None	6/1/1963	01/01/17	TBD		$1,416	1963	2024	61	75	$18.88	$1,151.68	$264.32
DIX	Well	DIX-W-003-01	WELL 3-01	0153	1/1/1950	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	No	none	$18,537	1950	2024	74	75	$247.17	$18,290.23	$247.17
BK	Well	BK-W-039-02	39-02	1963	1/1/1950	03/04/11	TBD		$9,924	1950	2024	74	75	$132.32	$9,791.43	$132.32
BK	Well	BK-W-086-01	86-01	1965	1/1/1950	07/16/07	TBD		$9,558	1950	2024	74	75	$127.44	$9,430.20	$127.44
BK	Well	BK-W-033-02	33-02	1962	1/1/1950	1/31/2006	TBD		$9,076	1950	2024	74	75	$121.01	$8,954.98	$121.01
LAS-SITE	Tank	LAS-040-T1	Tank,Storage,Wood, 50,000 Gal	0315	11/1/1952	2005	No		$824	1952	2024	72	82	$10.05	$723.31	$100.46
SLN	Well	SLN-W-043-01	43-01	1894	1/1/1994	07/22/02	No		$163	1994	2024	30	75	$2.17	$65.14	$97.72
TOTAL									**$5,277,114**							**$2,599,212.61**

Attachment 7-13:
Cal Advocates analysis using data from Attachment 7-8, Response 1 and 5B- Valley Districts Depreciation Study at 26

District	Asset Type	Asset Name	Description	Work Order# (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost	Year Added to Service	Current Year	Current Age of Asset = Curent Year - Date Added to Service	Useful Life	Annual Depreciation Cost = Asset Cost/ Useful Life	Current Accumulated Depreciation = Annual Depreciation*Age of Asset	NBV=Current Accumulated Depreciation - Cost of Asset
VIS	Well	VIS-W-096-01	Well 96-01	00015946	2010	03/03/15	TBD		$510,288	2010	2024	14	75	$6,803.84	$95,253.82	$415,034.51

Attachment 7-14:
Cal Advocates analysis using data from Attachment 7-8, Response 1, Attachment 7-11 and Response 2, 5A- Metro Districts Depreciation Study at 24, 30, and 38, and 5B- Valley Districts Depreciation Study at 26, 32, and 41

Attachment 7-14, p. 1

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restorstion Date	Asset Cost	Year Added to Service	Current Year	Current Age of Asset – Curent Year - Date Added to Service	Useful Life	Annual Depreciation Cost = Asset Cost/ Useful Life	Current Accumulated Depreciation – Annual Depreciation *Age of Asset	NBV–Current Accumulated Depreciation - Cost of Asset
VIS	Well	VIS-W-096-01	Well 96-01	00015946	2010	03/03/15	TBD		$510,288	2010	2024	14	75	$6,803.84	$95,253.82	$415,034.51
VIS	Well	VIS-W-092-01	VIS-W-092-01	00009337	2005	03/23/15	TBD		$265,865	2005	2024	19	75	$3,544.86	$67,352.38	$198,512.27
STK-SITE	Tank	STK-018-T2	Tank,Storage,Steel, Bolted, 27,000 Gal	00016833	11/1/2010	1/1/2011	Yes	2025-2027	$156,251	2010	2024	14	83	$1,882.54	$26,355.52	$129,895.07
BK	Well	BKNG W 203 01	203 01	7558	12/1/1998	03/28/01	Yes	2023	$191,996	1998	2024	25	75	$2,547.95	$66,246.67	$124,849.48
STK	Booster	STK-065-B	BOOSTER	00009492	01/01/06	07/05/17	Yes	12/31/25	$218,561	2006	2024	13	38	$5,751.60	$103,528.82	$115,032.02
KRV	Well	SQUM-W-009-01	WELL 9-01	None	1/3/1993	01/05/02	TBD		$180,000	1993	2024	31	75	$2,400.00	$74,400.00	$105,600.00
CH	Well	CH-W-068-01	68-01	4200	12/1/1998	10/01/07	TBD		$131,030	1998	2024	25	75	$1,747.07	$45,423.86	$85,606.50
STK	Booster	STK-084-A	BOOSTER	00009598	2006	02/04/16	No		$162,281	2006	2024	13	38	$4,270.54	$76,869.73	$85,410.81
CH	Booster	CH-008-A	BOOSTER	00009815	2011	10/01/14	TBD		$119,998	2011	2024	13	38	$3,157.83	$41,051.82	$78,945.80
KRV	Well	SQUM-W-012-01	WELL 12-01	None	1/4/1996	01/07/02	TBD		$100,421	1996	2024	28	75	$1,338.95	$37,490.52	$62,930.51
SLN	Well	SLNH-W-059-01	59-01 (FORMERLY TORO PARK WELL)	1503	1/1/1987	06/20/06	TBD		$94,437	1987	2024	37	75	$1,259.16	$46,589.06	$47,848.22
BK	Well	BK-W-193-01	193-01	6262	1/1/1988	01/31/12	Yes	2023	$85,229	1988	2024	36	75	$1,136.39	$40,910.10	$44,319.27
SLN	Well	SLNH-W-036-01	36-01	1263	1/1/1983	05/12/15	TBD		$89,068	1983	2024	41	75	$1,187.58	$48,690.64	$40,377.60
BK-SITE	Tank	BK-208-T1	Tank,Storage,Steel, Welded, 700,000 Gal	7971	12/1/1999	12/16/2008	TBD		$55,253	1999	2024	25	83	$665.70	$16,642.40	$38,610.38
SLN	Well	SLN-W-056-01	56-01	00000689	1/1/2003	04/29/16	TBD		$37,622	2023	2024	1	75	$501.63	$501.63	$37,120.37
DK	Well	DK-W-107-01	107-01	5116	4/1/1993	12/26/07	Yes	2023	$75,916	1993	2024	41	75	$1,012.22	$41,500.06	$34,415.42
BK	Well	BKNG-W-175-01	175-01	9120	12/1/1977	03/19/07	Yes	2023	$84,840	1977	2024	47	75	$1,131.20	$53,166.49	$31,673.65
KRV	Well	SQUM-W-005-01	WELL 5-01 (FORMERLY 5C)	None	1/6/1990	01/02/02	TBD	NA	$57,076	1990	2024	34	75	$761.01	$25,874.45	$31,201.55
DOM	Booster	DOM-203-A	INTRAZONAL BOOSTER	00115264	2018	4+ years	TBD		$35,674	2018	2024	6	36	$990.95	$5,945.72	$29,728.58
CH	Well	CH-W-058-01	58-01	2578	1/1/1981	01/01/01	No		$69,563	1981	2024	43	75	$927.51	$39,882.81	$29,680.23
BK-SITE	Tank	BK-205-T1	Tank,Storage,Concrete , Submerged, 500,000 Gal	7971	12/1/1999	3/6/2014	Yes		$31,785	1999	2024	25	83	$382.96	$9,573.94	$22,211.55
VIS	Well	TUL-W-201-01	201-01 (well reconstruction from acquisition)		2001	unkown	TBD		$30,851	2001	2024	23	75	$411.35	$9,460.97	$21,390.03

Attachment 7-14, p. 2

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost	Year Added to Service	Current Year	Current Age of Asset = Curent Year - Date Added to Service	Useful Life	Annual Depreciation Cost = Asset Cost/ Useful Life	Current Accumulated Depreciation = Annual Depreciation *Age of Asset	NBV=Current Accumulated Depreciation - Cost of Asset
CH	Well	CH-W-051-01	51-01	2240	1/1/1976	01/01/17	Yes	10/1/2025	$58,844	1976	2024	48	75	$784.58	$37,659.87	$21,183.68
CH	Well	CH-W-055-01	55-01	2425-02	1/1/1978	10/01/97	No		$54,612	1978	2024	46	75	$728.16	$33,495.19	$21,116.54
DOM	Well	DOM-W-219-02	219-02	DOM10704	2/13/2001	11/25/09	Yes	1/1/2026	$36,935	2001	2024	23	52	$710.29	$16,336.63	$20,598.37
SLN	Well	SLN-W-045-01	45-01	1983	1/1/1993	05/12/15	TBD		$33,970	1993	2024	31	75	$452.93	$14,040.93	$19,929.07
DOM	Well	DOM-W-232-03	Well 232-03	None	4/1/2000	Q4 2021	TBD		$36,526	2000	2024	24	52	$702.43	$16,858.24	$19,667.54
KRV	Well	KERV-W-010-01	10-01 (WELL 10)	KER9125	11/1/2001	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	TBD		$27,081	2001	2024	23	75	$361.08	$8,304.85	$18,776.19
AV	Well	LEO-W-002-01	2-01 (FORMERLY WRIGLEY WELL 2)	None	12/1/2010	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	TBD		$24,249	2010	2024	14	52	$466.34	$6,526.69	$17,720.74
KRV	Well	KERV-W-012-01	12-01 (WELL 12)	None	1/4/1983	01/15/04	TBD		$36,263	1983	2024	41	75	$483.50	$19,823.52	$16,439.01
STK	Booster	STK-081-A	BOOSTER	5301	1995	04/01/16	No		$66,312	1995	2024	29	38	$1,745.04	$50,606.26	$15,705.39
SLN	Well	SLN-W-105-01	105-01	None	1/1/1988	04/01/98	TBD		$29,870	1988	2024	36	75	$398.27	$14,337.79	$15,532.60
BK	Well	BK-W-159-01	159-01	8533	2/1/1974	03/30/07	No		$42,857	1974	2024	50	75	$571.43	$28,571.43	$14,285.72
STK	Well	STK-W-078-01	78-01	6183	12/01/74	11/15/04	TBD		$42,248	1974	2024	50	75	$563.31	$28,165.58	$14,082.79
KRV	Well	KERV-W-015-01	15-01 (WELL 15)	None	1/9/1990	01/15/04	TBD		$24,234	1990	2024	34	75	$323.12	$10,986.18	$13,248.03
SLN	Well	SLN-W-031-01	31-01	1160	1/1/1982	05/12/15	TBD		$29,952	1982	2024	42	75	$399.36	$16,773.12	$13,178.88
BK	Booster	BK-211-M	INLINE BOOSTER	00094922	2014	06/23/16	TBD		$17,408	2014	2024	10	38	$459.68	$4,596.77	$12,870.95
VIS	Well	OR-W-033-01	33-01 (well liner only)	00002853	2002	03/19/18	TBD		$17,717	2002	2024	22	75	$236.22	$5,196.88	$12,519.77

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District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost	Year Added to Service	Current Year	Current Age of Asset = Curent Year - Date Added to Service	Useful Life	Annual Depreciation Cost = Asset Cost/ Useful Life	Current Accumulated Depreciation = Annual Depreciation*Age of Asset	NBV=Current Accumulated Depreciation - Cost of Asset
KRV	Well	KERV-W-014-01	14-01 (WELL 14)	None	1/3/1998	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	TBD		$18,725	1998	2024	26	75	$249.67	$6,491.48	$12,233.93
BG	Well	BG-W-044-02	Skyline Well Station (PS Code 4110015-002)	CONVERSION	11/1/2012	01/01/09	TBD		$15,393	2012	2024	12	52	$296.02	$3,552.23	$11,840.77
KRV	Well	LLAN-W-003-01	WELL 3-01	None	1/7/1995	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	TBD		$10,061	1995	2024	29	75	$240.81	$6,983.59	$11,077.41
CH	Well	CH-W-047-01	47-01	2070	1/1/1974	01/01/16	TBD		$32,024	1974	2024	50	75	$426.99	$21,349.27	$10,674.63
SEL	Well	SEL-W-015-01	15-01	0269	12/1/1980	01/01/90	TBD		$23,456	1980	2024	44	75	$312.74	$13,760.71	$9,695.04
KRV	Well	KERV-W-002-01	2-01 (WELL 2)	None	12/1/1974	01/15/04	TBD		$27,838	1974	2024	50	75	$371.17	$18,558.34	$9,279.17
KRV	Well	KERV-W-009-01	9-01 (WELL 9)	KER9123	12/2/1974	01/01/06	TBD		$27,838	1974	2024	50	75	$371.17	$18,558.34	$9,279.17
KRV	Well	KERV-W-003-01	3-01 (WELL 3)	None	12/2/1974	01/16/04	TBD		$27,081	1974	2024	50	75	$361.08	$18,054.03	$9,027.01
SLN	Well	SLNH-W-035-01	35-01	1308	1/1/1983	05/07/15	TBD		$18,721	1983	2024	41	75	$249.61	$10,233.98	$8,486.72
BK	Well	BK-W-153-01	153-01	8139	8/1/1973	12/22/09	Yes	2028	$26,398	1973	2024	51	75	$351.97	$17,950.43	$8,447.26
LAS-SITE	Tank	LAS-002-T1	Tank,Storage,Steel, Welded,200,000 Gal	1105	12/1/1962	1990's ?	No		$33,870	1962	2024	62	82	$413.05	$25,608.99	$8,260.96
STK-SITE	Tank	STK-081-T2	Tank,Storage,Steel,Elevated Steel, 500,000 Gal	None	1/1/1958	4/1/2016	TBD		$39,615	1958	2024	66	83	$477.29	$31,501.36	$8,113.99

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost	Year Added to Service	Current Year	Current Age of Asset = Curent Year - Date Added to Service	Useful Life	Annual Depreciation Cost = Asset Cost/ Useful Life	Current Accumulated Depreciation = Annual Depreciation*Age of Asset	NBV=Current Accumulated Depreciation - Cost of Asset
MRL	Well	MRL-W-013-01	13-01	0606	1/1/1976	12/31/13	TBD		$21,442	1976	2024	48	75	$285.90	$13,723.16	$7,719.27
SLN	Well	SLN-W-024-01	24-01	0572	1/1/1971	05/12/15	TBD		$25,934	1971	2024	53	75	$345.79	$18,326.09	$7,607.31
KRV	Well	LBOD-W-005-02	5-02 (FORMERLY WELL 7)	None	1/4/1976	01/02/08	TBD	NA	$20,623	1976	2024	48	75	$274.97	$13,198.72	$7,424.20
STK	Well	STK-W-067-01	67-01	4096	02/17/67	04/28/16	TBD		$26,571	1967	2024	57	75	$354.27	$20,193.64	$6,376.94
KRV	Well	KERV-W-013-01	13-01 (WELL 13)	None	1/5/1984	01/16/04	TBD		$13,445	1984	2024	40	75	$179.27	$7,170.63	$6,274.31
SLN	Well	OH-W-202-01	202-01	None	1/1/1991	04/08/15	TBD		$11,108	1991	2024	33	75	$148.10	$4,887.32	$6,220.23
KRV	Well	POND-W-003-01	3-01 (WELL 3)	None	1/9/1981	01/04/10	TBD		$14,415	1981	2024	43	75	$192.20	$8,264.71	$6,150.49
PV	Booster	PV-005-B	INTRAZONAL BOOSTER	4180	1997	2016	TBD		$23,854	1997	2024	27	35	$662.61	$17,890.47	$5,963.49
STK-SITE	Tank	STK-032-T3	Tank,Storage,Steel, Welded, 500,000 Gal	2196	1/1/1958	12/16/2008	TBD		$28,032	1958	2024	66	83	$337.74	$22,290.59	$5,741.51
BK	Booster	BKNG-174-A	BOOSTER	00114157	2017	10/15/18	TBD		$6,830	2017	2024	7	38	$179.73	$1,258.12	$5,571.70
SLN	Well	SLN-W-017-01	17-01	0090	1/1/1964	12/13/99	TBD		$23,377	1964	2024	60	75	$311.69	$18,701.60	$4,675.40
CH	Well	CH-W-041-01	41-01	None	4/1/1969	07/01/18	Yes	12/31/2026	$16,500	1969	2024	55	75	$220.00	$12,100.00	$4,400.00
KRV	Well	SMTN-W-001-01	WELL 1-01 (HOMESTEAD WELL 1)	None	1/7/1994	01/01/01	Yes	2027	$6,968	1994	2024	30	75	$92.91	$2,787.20	$4,180.79
STK	Well	STK-W-004-02	WELL 4-02	3551	03/27/64	2/26/2015	TBD		$20,480	1964	2024	60	75	$273.06	$16,383.75	$4,096.94
KRV	Well	POND-W-002-01	2-01 (WELL 2)	None	1/2/1982	01/03/10	No	NA	$9,240	1982	2024	42	75	$123.19	$5,174.12	$4,065.38
BK	Well	BK-W-034-02	34-02	4762	1/1/1966	01/31/06	Yes	2028	$16,900	1966	2024	58	75	$225.34	$13,069.67	$3,830.77
KRV	Well	KERV-W-004-01	4-01 (WELL 4)	None	12/3/1974	01/17/04	TBD		$11,386	1974	2024	50	75	$151.81	$7,590.65	$3,795.32
STK-SITE	Tank	STK-032-T2	Tank,Storage,Steel, Welded, 250,000 Gal	1675	1/1/1958	12/16/2008	TBD		$17,292	1958	2024	66	83	$208.34	$13,750.46	$3,541.78
BK	Well	BK-W-160-01	160-01	None	12/1/1972	05/02/07	No		$11,437	1972	2024	52	75	$152.49	$7,929.31	$3,507.19
BK	Well	BK-W-161-01	161-01	None	12/1/1972	12/26/97	No		$11,437	1972	2024	52	75	$152.49	$7,929.31	$3,507.19
SLN	Booster	SLNH-070-C	BOOSTER	00025669	2011	01/30/17	No		$5,034	2011	2024	13	38	$132.47	$1,722.14	$3,311.82
RDOM-SITE	Tank	PV-042-T1	Tank,Storage,Concrete, Submerged, 50,000 Gal	1358	5/1/1971	2016	TBD		$9,335	1971	2024	53	82	$113.84	$6,033.35	$3,301.26

District	Asset Type	Asset Name	Description	WorkOrder# (or otheridentifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost	Year Addedto Service	Current Year	Current Age of Asset = Curent Year Date Added to Service	Useful Life	Annual Depreciation Cost = Asset Cost/ Useful Life	Current Accumulated Depreciation = Annual Depreciation*Age of Asset	NBV=Current Accumulated Depreciation - Cost of Asset
BK	Well	BK-W-139-01	139-01	4391	1/1/1963	12/12/02	Yes	2028	$17,532	1963	2024	61	75	$233.76	$14,259.34	$3,272.84
BK	Well	BK-W-111-01	111-01	3281	1/1/1956	03/09/01	No		$24,223	1956	2024	68	75	$456.30	$31,028.60	$3,194.12
RCOM-SITE	Tank	PV-045-T1	Tank,Storage,Concrete ,Above Ground, 100,000 Gal	None	5/1/1971	20-25years ago	No		$8,685	1971	2024	53	82	$105.92	$5,613.64	$3,071.61
BK	Well	BK-W-199-01	199-01	None	3/1/1990	01/2/98	No		$5,500	1990	2024	34	75	$73.33	$2,493.33	$3,006.67
LAS-SITE	Tank	LAS-037-T1	Tank,Storage,Wood, 72,000Gal	None	6/1/1976	2010	TBD		$6,919	1976	2024	48	82	$84.38	$4,050.12	$2,868.83
RCOM-SITE	Tank	PV-043-T1	Tank,Storage,Concrete ,Submerged, 130,000 Gal	None	5/1/1971	25-30years ago	TBD		$7,874	1971	2024	53	82	$96.02	$5,089.10	$2,784.60
KRV	Well	UBCD-W-083-01	WELL 3-01 (FORMERLY C113)	None	1/7/1976	01/03.06	No	NA	$7,545	1976	2024	48	75	$100.60	$4,828.79	$2,716.20
STK	Well	STK-W-051-01	51-01	2731	01/29/59	01/16/15	TBD		$19,939	1959	2024	65	75	$265.85	$17,280.25	$2,658.50
KRV	Booster	ARD-016-A	BOOSTER	00052908	2011	out service atleast since 1996	TBD		$3,955	2011	2024	13	38	$104.08	$1,353.03	$2,601.97
BK	Well	BK-W-136-01	136-01	4266	8/1/1962	01/27/98	No		$14,544	1962	2024	62	75	$193.92	$12,022.86	$2,520.92
BK	Well	BK-W-127-01	127-01	3913	1/1/1960	12/26/97	Yes	2028	$16,862	1960	2024	64	75	$224.82	$14,388.57	$2,473.04
BK	Well	BK-W-137-01	137-01	4374	12/1/1962	06/26/15	Yes	2028	$14,113	1902	2024	02	75	$100.17	$11,666.57	$2,446.10
BK	Well	BK-W-066-02	66-02	4262	1/1/1962	09/21/11	Yes	2028	$13,991	1962	2024	62	75	$186.54	$11,565.50	$2,425.02
KRV	Well	KFRV-W-011-01	11-01 (WFI I 11)	None	1/2/1983	01/01.06	No	NA	$5,088	1983	2024	41	75	$67.84	$2,781.40	$2,306.53
BK	Booster	BK-206-A	BOOSTER	00014127	2006	01/19/12	TBD		$4,367	2006	2024	18	38	$114.91	$2,068.46	$2,298.29
BK	Booster	BK-206-B	BOOSTER	00014127	2006	01/19/12	TBD		$4,367	2006	2024	18	38	$114.91	$2,068.46	$2,298.29
BK	Well	BKNG-W-173-01	173-01	None	1/1/1977	04/28.05	No		$6,083	1977	2024	47	75	$81.11	$3,812.28	$2,271.14
BK	Well	BK-W-117-01	117-01	3404	1/1/1957	12/26.97	No		$20,477	1957	2024	67	75	$273.03	$18,292.91	$2,184.23
BK	Well	BK-W-108-01	108-01	3182	1/1/1955	01/08.99	No		$26,106	1955	2024	69	75	$348.09	$24,017.96	$2,088.52
KRV	Well	MSH-A-W-001-01	WELL 1-01 (WELL 1)	None	1/9/1994	01/01.10	No	NA	$3,383	1994	2024	30	75	$45.11	$1,353.24	$2,029.85
KRV	Well	MSH-A-W-002-01	WELL 1-02 (WELL 2)	None	1/9/1994	01/02.10	No	NA	$3,383	1994	2024	30	75	$45.11	$1,353.24	$2,029.85
STK	Well	STK-W-044-01	44-01	2627	12/20/57	03/29.17	TBD		$18,070	1957	2024	67	75	$240.93	$16,142.12	$1,927.42
BK	Well	BKNG-W-169-01	169-01	None	1/1/1977	11/19.98	No		$4,996	1977	2024	47	75	$66.61	$3,130.69	$1,865.09
BK	Well	BK-W-107-01	107-01	3079	1/1/1955	07/17.18	Yes	2028	$22,631	1955	2024	69	75	$301.74	$20,820.16	$1,810.45
BK	Well	BK-W-118-01	118-01	3423	1/1/1957	12/22.09	Yes	2028	$10,878	1957	2024	07	75	$225.04	$15,077.72	$1,800.32
BK	Well	BK-W-120-01	120-01	3605	9/1/1958	07/20.99	Yes	2028	$14,935	1958	2024	66	75	$199.13	$13,142.68	$1,792.18

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STK	Well	STK-W-047-01	47-01	2500	02/21/57	03/29/17	TBD		$16,233	1957	2024	67	75	$216.44	$14,501.65	$1,731.54
BK	Well	BK-W-119-01	119-01	3598	1/1/1958	12/26/97	Yes	2028	$14,072	1958	2024	66	75	$187.62	$12,382.99	$1,688.59
LAS	Booster	LAS-037-A	PUMP MOTORS & EQUIP./STA#37-A (GE MOTOR)-B (FRANKLIN MOTOR)	3478	03/01/97	There has been no record of this asset since 1990. It was likely already retired when it was acquired as part of the North Los Altos Acquisition	TBD		$6,595	1997	2024	27	36	$105.97	$5,021.26	$1,673.75
BK	Well	BK-W-022-02	22-02	3438	1/1/1957	09/25/00	TBD		$15,655	1957	2024	67	75	$208.74	$13,985.57	$1,669.92
CH-SITE	Tank	CH-008-T3	Tank,Storage,Steel,Elevated Steel, 300,000 Gal	0035	12/1/1945	10/1/2014	TBD		$34,435	1945	2024	79	83	$414.87	$32,775.03	$1,659.49
KRV	Well	LBOD-W-005-01	5-01 (FORMERLY WELL 5)	None	1/7/1977	01/01/08	No	NA	$4,355	1977	2024	47	75	$58.07	$2,729.13	$1,625.87
KRV	Well	ARD-W-016-01	16-01 (FORMERLY WELL 16)	None	1/1/1983	No record of this Well	TBD		$3,371	1983	2024	41	75	$44.95	$1,843.02	$1,528.35
KRV	Well	KERV-W-016-01	16-01 (WELL 16)	None	1/1/1983	01/01/05	No	NA	$3,371	1983	2024	41	75	$44.95	$1,843.02	$1,528.35
LAS-SITE	Tank	LAS-029-T1	Tank,Storage,Wood, 50,000 Gal	1100	12/1/1962	1990's	No		$5,333	1962	2024	62	82	$71.13	$4,410.08	$1,422.61
BK	Well	BK-W-087-01	87-01	2848	1/1/1954	04/03/98	TBD		$20,809	1954	2024	70	75	$277.45	$19,421.27	$1,387.23
CH	Well	CH-W-025-01	25-01	939	1/1/1956	08/29/17	No		$14,050	1956	2024	68	75	$187.34	$12,738.97	$1,311.37
BK	Well	BK-W-097-01	97-01	2842	1/1/1954	01/27/98	No		$18,388	1954	2024	70	75	$245.18	$17,162.34	$1,225.88
STK	Well	STK-W-046-01	46-01	2363	03/19/56	03/29/17	TBD		$13,072	1956	2024	68	75	$174.29	$11,851.97	$1,220.06
BK	Well	BK-W-112-01	112-01	3440	1/1/1957	12/26/97	Yes	2028	$11,177	1957	2024	67	75	$149.02	$9,904.47	$1,192.10
BK	Well	BK-W-099-01	99-01	2849	1/1/1954	03/13/01	No		$16,678	1954	2024	70	75	$222.38	$15,566.52	$1,111.89
VIS	Well	VS-W-009-01	WELL9-01 (well casing only)	00054708	2013	03/19/18	Yes		$1,299	2013	2024	11	75	$17.33	$190.59	$1,108.90
BK	Well	BK-W-114-01	114-01	3286	1/1/1956	03/22/99	No		$11,783	1956	2024	68	75	$157.11	$10,683.31	$1,099.75
SEL	Well	SEL-W-012-01	WELL12-01	None	6/1/1964	01/01/17	TBD		$5,468	1964	2024	60	75	$72.91	$4,374.47	$1,093.62
BK	Well	BK-W-163-01	163-01	None	1/1/1977	07/17/18	No		$2,742	1977	2024	47	75	$36.56	$1,718.13	$1,023.56
BK	Well	BK-W-164-01	164-01	None	1/1/1977	12/26/97	No		$2,742	1977	2024	47	75	$36.56	$1,718.13	$1,023.56
STK	Well	STK-W-040-01	40-01	2195	04/01/55	12/01/02	TBD		$12,746	1955	2024	69	75	$169.95	$11,726.36	$1,019.68

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost	Year Added to Service	Current Year	Current Age of Asset = Curent Year - Date Added to Service	Useful Life	Annual Depreciation Cost = Asset Cost/ Useful Life	Current Accumulated Depreciation = Annual Depreciation*Age of Asset	NBV=Current Accumulated Depreciation - Cost of Asset
LAS-SITE	Tank	LAS-118-T1	Tank,Storage,Wood, 30,000 Gal	None	12/1/1967	2009	No		$3,335	1967	2024	57	82	$40.67	$2,318.23	$1,016.77
BK	Well	BK-W-110-01	110-01	3205	1/1/1956	12/26/97	No		$10,000	1956	2024	60	75	$134.41	$9,130.61	$940.84
KRV	Well	KERV-W-007-01	7-01 (WELL 7)	None	1/4/1967	11/24/06	TBD		$3,775	1967	2024	57	75	$50.33	$2,868.63	$905.88
BK	Well	BK-W-094-01	94-01	2667	1/1/1953	09/22/98	No		$16,323	1953	2024	71	75	$217.65	$15,452.83	$870.58
BK	Well	BK-W-106-01	106-01	3078	1/1/1955	12/26/97	No		$10,555	1955	2024	69	75	$140.74	$9,710.77	$844.42
BK	Well	BK-W-098-01	98-01	2843	1/1/1954	10/02/12	Yes	2028	$12,438	1954	2024	70	75	$165.84	$11,608.85	$829.20
LAS-SITE	Tank	LAS-022-T1	Tank,Storage,Wood, 50,000 Gal	0437	1/1/1956	Before 2000	No		$4,753	1956	2024	68	82	$57.97	$3,941.77	$811.54
CH	Well	CH-W-022-01	22-01	798	1/1/1954	08/29/17	No		$11,150	1954	2024	70	75	$148.67	$10,406.56	$743.33
BK	Well	BK-W-041-02	41-02	2669	1/1/1953	08/16/10	Yes	2028	$12,470	1953	2024	71	75	$166.27	$11,804.90	$665.06
BK	Well	BK W 005 01	05 01	2668	1/1/1953	04/25/05	Yes	2028	$12,447	1953	2024	71	75	$165.96	$11,783.33	$663.85
VIS	Well	VIS-W-013-01	18-01	0843	1955	03/29/18	TBD		$8,035	1955	2024	69	75	$107.13	$7,391.91	$642.77
BK-SITE	Tank	BK-161-T1	Tank,Storage,Steel, Welded, 22,000 Gal	None	12/1/1972	12/13/2017	TBD		$1,700	1972	2024	52	83	$20.48	$1,065.06	$634.94
SLN	Well	LL-W-302-01	302-01	None	1/1/1991	05/12/15	No		$1,133	1991	2024	33	75	$15.10	$498.36	$634.28
BK	Well	BKNG-W-172-01	172-01	None	1/1/1977	01/27/98	No		$1,515	1977	2024	47	75	$20.20	$949.34	$565.57
BK	Well	BK-W-092-01	92-01	2476	1/1/1952	07/22/98	Yes	2028	$13,245	1952	2024	72	75	$176.60	$12,714.94	$529.79
SEL	Well	SEL-W-004-03	WELL 4-03	None	7/1/1962	01/01/17	TBD		$2,693	1962	2024	62	75	$35.91	$2,226.21	$466.79
SEL	Well	SEL-W-008-01	WELL 8-01	None	6/1/1964	07/02/14	No		$1,598	1964	2024	60	75	$21.31	$1,278.40	$319.60
VIS	Well	VIS-W-017-01	17-01	0739	1953	12/09/02	TBD		$5,951	1953	2024	71	75	$79.34	$5,633.26	$317.37
KRV	Well	KERV-W-005-01	5-01 (WELL 5)	None	1/5/1963	01/01/10	TBD		$1,515	1963	2024	61	75	$20.20	$1,232.20	$282.80
SEL	Well	SEL-W-007-01	WELL 7-01	None	6/1/1963	01/01/17	TBD		$1,416	1963	2024	61	75	$18.88	$1,151.68	$264.32
DIX	Well	DIX-W-003-01	WELL 3-01	0153	1/1/1950	The dates were either recorded before CWS acquired the system, or weren't recorded when the status was changed. For the ones we don't know, it's likely 10+ years ago, as we've gotten progressively better at keeping records.	No	none	$18,537	1950	2024	74	75	$247.17	$18,290.23	$247.17
BK	Well	BK W 039 02	39 02	1963	1/1/1950	03/04/11	TBD		$9,024	1950	2024	74	75	$132.32	$9,791.13	$132.32
BK	Well	BK-W-086-01	86-01	1965	1/1/1950	07/16/07	TBD		$9,558	1950	2024	74	75	$127.44	$9,430.20	$127.44
BK	Well	BK-W-033-02	33-02	1962	1/1/1950	1/31/2006	TBD		$9,076	1950	2024	74	75	$121.01	$8,954.98	$121.01

District	Asset Type	Asset Name	Description	Work Order # (or other identifier)	Date (or year) added to service	Date removed from service	Plan to Restore Service (Yes/No/TBD)	Expected Restoration Date	Asset Cost	Year Added to Service	Current Year	Current Age of Asset = Curent Year - Date Added to Service	Useful Life	Annual Depreciation Cost = Asset Cost/ Useful Life	Current Accumulated Depreciation = Annual Depreciation*Age of Asset	NBV=Current Accumulated Depreciation - Cost of Asset
LAS-SITE	Tank	LAS-040-T1	Tank,Storage,Wood, 50,000 Gal	0315	11/1/1952	2005	No		$824	1952	2024	72	82	$10.05	$723.31	$100.46
SLN	Well	SLN-W-043-01	43-01	1894	1/1/1994	07/22/02	No		$163	1994	2024	30	75	$2.17	$65.14	$97.72
TOTAL									**$4,764,526**							**$2,409,792.38**

Attachment 7-15:
Attachment 8-3, Annual Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act for the fiscal year ended December 31, 2023 at 49, 52, and 75

The under-collected net WRAM and MCBA receivable balances were $64.2 million and $104.7 million as of December 31, 2023 and 2022, respectively. The decrease of $40.5 million from December 31, 2022 to December 31, 2023 was primarily due to customer billings during 2023. The under-collected net WRAM and MCBA receivable balances were primarily financed by Cal Water with short-term and long-term financing arrangements to meet operational cash requirements. Interest on the under-collected net WRAM and MCBA receivable balances, the interest recoverable from customers, is limited to the current 90-day commercial paper rate, which is significantly lower than Cal Water's short and long-term financing rates.

At the January 2024 meeting, the Board declared the quarterly dividend, increasing it for the 57th consecutive year. The quarterly dividend was raised from $0.26 to $0.28 per common share. This represents an indicated annual rate of $1.12 per common share. Dividends have been paid for 78 consecutive years. The annual dividends paid per common share in 2023, 2022, and 2021 were $1.04, $1.00 and $0.92, respectively. Earnings not paid as dividends are reinvested in the business for the benefit of stockholders. The dividend payout ratio was 113.8% in 2023, 56.5% in 2022, and 46.9% in 2021 for an average of 72.4% over the 3-year period. Our long-term targeted dividend payout ratio is 60%.

Short-Term Financing

Short-term liquidity is provided by the bank lines of credit described above and by internally generated funds. As of December 31, 2023, there were borrowings of $180.0 million outstanding on our unsecured revolving lines of credit, compared to $70.0 million outstanding on our unsecured revolving lines of credit as of December 31, 2022.

Given our ability to access our lines of credit on a daily basis, cash balances are managed to levels required for daily cash needs and excess cash is invested in short-term or cash equivalent instruments. Minimal operating levels of cash are maintained for Washington Water, New Mexico Water, Hawaii Water, and Texas Water.

The Company and subsidiaries that it designates may borrow up to $200.0 million under the Company facility. Cal Water may borrow up to $400.0 million under the Cal Water facility; however, all borrowings must be repaid within 12 months unless a different period is required or authorized by the CPUC. The proceeds from the Company and Cal Water facilities may be used for working capital purposes.

The Company and Cal Water facilities contain affirmative and negative covenants and events of default customary for credit facilities of this type including, among other things, limitations and prohibitions relating to additional indebtedness, liens, mergers, and asset sales. Also, the Company and Cal Water facilities contain financial covenants that require the Company and its subsidiaries' consolidated total capitalization ratio not to exceed 66.7% and an interest coverage ratio of three or more (each as defined in the respective credit agreements). As of December 31, 2023, our consolidated total capitalization ratio was 46.4% and the interest coverage ratio was greater than four. In summary, as of such date, we are in compliance with all of the covenant requirements and are eligible to use the full amount of the undrawn portion of the Company and Cal Water facilities.

Long-Term Financing

Long-term financing is accomplished using both debt and equity. Cal Water was authorized to issue $700.0 million of debt and common stock to finance capital projects and operations by a CPUC decision dated November 5, 2020. In addition, the decision retained approximately $94.0 million of prior financing authority and determined that refinancing long-term debt did not count against the authorization. The CPUC requires that any loans from Cal Water to the Company be at arm's length. This restriction did not materially affect the Company's ability to meet its cash obligations in 2023. Management does not expect this restriction to have a material impact on the Company's ability to meet its cash obligations in 2024 and beyond.

Long-term financing, which includes First Mortgage Bonds, senior notes, other debt securities, and common stock, has typically been used to replace short-term borrowings and fund capital expenditures. Internally generated funds, after making dividend payments, provide positive cash flow, but have not been at a level to meet the needs of our capital expenditure requirements. Management expects this trend to continue given our capital expenditures plan for the next five years. Some capital expenditures are funded by payments received from developers for contributions in aid of construction or advances for construction. Funds received for contributions in aid of construction are non-refundable, whereas funds classified as advances in construction are refundable. Management believes long-term financing is available to meet our cash flow needs through issuances in both debt and equity instruments.

Additional information regarding the bank borrowings and long-term debt is presented in Notes 7 and 8 in the Notes to Consolidated Financial Statements.

Management expects there will be developer-funded expenditures in 2024 and expects that these expenditures will be financed by developers through refundable advances for construction and non-refundable contributions in aid of construction. Developers are required to deposit the cost of a water construction project with us prior to our commencing construction work, or the developers may construct the facilities themselves and deed the completed facilities to us. Funds are generally received in advance of incurring costs for these projects. Advances are normally refunded over a 40-year period without interest. Future payments for advances received are listed under contractual obligations above. Because non-Company-funded construction activity is solely at the discretion of developers, we cannot predict the level of future activity. The cash flow impact is expected to be minor due to the structure of the arrangements.

Capital Structure

Total equity was $1,430.3 million at December 31, 2023, compared to $1,322.4 million at December 31, 2022. The Company sold 2,025,891 and 1,802,063 shares of its common stock in 2023 and 2022, respectively through its at-the-market equity program.

Total capitalization, including the current portion of long-term debt, was $2,483.8 million at December 31, 2023 and $2,378.2 million at December 31, 2022. Cal Water repaid $1.8 million of other long-term debt obligations in 2023 and $5.4 million 2022 for matured First Mortgage Bonds and other long-term debt obligations. In future periods, the Company intends to issue common stock and long-term debt to finance our operations. The capitalization ratios will vary depending upon the method we choose to finance our operations.

At December 31, capitalization ratios were:

	2023	2022
Equity	57.6 %	55.6 %
Long-term debt	42.4 %	44.4 %

The return (from both regulated and non-regulated operations) on average equity was 3.8% in 2023 compared to 7.7% in 2022. Cal Water does not include construction work in progress in its regulated rate base; instead, Cal Water was authorized to record allowance for funds used during construction (or AFUDC) on construction work in progress, effective January 1, 2017. Construction work in progress for Cal Water was $253.9 million at December 31, 2023 and $219.2 million at December 31, 2022.

Acquisitions

There were no significant acquisitions in 2023 or 2022.

Real Estate Program

We own real estate. From time to time, certain parcels are deemed no longer used or useful for water utility operations. Most surplus properties have a low-cost basis. We developed a program to realize the value of certain surplus properties through sale or lease of those properties. The program will be ongoing for a period of several years. There were no significant sales in 2023 and 2022. As sales are dependent on real estate market conditions, future sales, if any, may or may not be at prior year levels.

NOTE 7. SHORT-TERM BORROWINGS

On March 31, 2023, the Company and Cal Water entered into syndicated credit agreements, which provide for unsecured revolving credit facilities of up to an initial aggregate amount of $600.0 million for a term of five years. The Company and subsidiaries that it designates may borrow up to $200.0 million under the Company's revolving credit facility (the Company facility). Cal Water may borrow up to $400.0 million under its revolving credit facility (the Cal Water facility). Additionally, the credit facilities may be increased by up to an incremental $150.0 million under the Cal Water facility and $50.0 million under the Company facility, subject in each case to certain conditions. At the Company's or Cal Water's option, as applicable, borrowings under the Company and Cal Water facilities, as applicable, will bear interest annually at a rate equal to (i) the base rate, plus an applicable margin of 0.00% to 0.250%, depending on the Company and its subsidiaries' consolidated total capitalization ratio, or (ii) Term SOFR, plus an applicable margin of 0.800% to 1.250%, depending on the Company and its subsidiaries' consolidated total capitalization ratio.

The Company and Cal Water facilities contain affirmative and negative covenants and events of default customary for credit facilities of this type including, among other things, limitations and prohibitions relating to additional indebtedness, liens, mergers, and asset sales. Also, the Company and Cal Water facilities contain financial covenants governing the Company and its subsidiaries' consolidated total capitalization ratio and interest coverage ratio. As of December 31, 2023, the Company and Cal Water are in compliance with all of the covenant requirements and are eligible to use the full amount of the undrawn portion of the Company and Cal Water facilities, as applicable.

As of December 31, 2023 and 2022, the outstanding borrowings on the Company lines of credit were $50.0 million and $35.0 million, respectively. Outstanding borrowings on the Cal Water lines of credit as of December 31, 2023 were $130.0 million and $35.0 million as of December 31, 2022. The average borrowing rate for borrowings on the Company and Cal Water lines of credit during 2023 was 6.09% compared to 2.74% for the same period during the prior year.

Attachment 7-16:
FPC Order No. 389 (October 9, 1969) as cited in U.S. Court of Appeals for the Second Circuit – 618 F.2d 198 (2d Cir. 1980)

This allocation of the cost of capital to a future period has not always been achieved in precisely this manner. Prior to 1969, the Uniform System of Accounts directed that the "interest charged to construction" be entered in a non-income account which was used to offset ordinary interest expenses. Aiming for " a more realistic and revealing income statement," the AFPC in 1969 amended its accounting regulations to require that this cost, later redesignated "AFDC" in recognition of the fact that it included an equity as
202 well as a debt component, be entered as an item of non-operating *202 income. FPC Order No. 389 (October 9, 1969). In 1977, long after the registration statement and prospectus challenged in this action had been issued, the FPC again revised the treatment of AFDC, this time separating the debt and equity components — returning the former to its pre-1969 position as a credit against ordinary interest charges, and retaining its equity analog as "other income." FPC Order No. 561 (Feb. 2, 1977). Thus, while the implementation of the FDC concept has been fine-tuned on occasion, its use has long been mandated by the FPC. Additionally, it has been specifically approved by the Accounting Principles Board, see Addendum to Accounting Principles Board Opinion No. 2 (December, 1962)[7], and recognized as appropriate for regulated industries by other governmental agencies including the Securities and Exchange Commission. *See* Accounting Series Release No. 163 (November 14, 1974), 6 CCH Fed.Sec.L.Rep. ¶ 72,185.

Attachment 7-17:
A Public Power System's Introduction to the Federal Energy Regulatory Commission Uniform System of Accounts at 11

Public Utility Accounting

A Public Power System's Introduction to the Federal Energy Regulatory Commission Uniform System of Accounts

Published by the American Public Power Association
2451 Crystal Drive - Suite 1000
Arlington, VA 22202-4804

Origin of FERC Uniform System of Accounts

The need for consistency and comparability of financial accounting information from electric utilities was first recognized by regulatory bodies in the 1920s. Because the electric utility industry was developed with individual utilities having monopoly status, regulatory agencies were also established to regulate the electric utilities and the rates charged to customers to ensure that they were fair and reasonable. For the regulators to accomplish this objective, charts of accounts were often prescribed for the utilities under the regulator's jurisdiction. In 1922, the National Association of Regulatory Commissioners (NARUC) recommended uniform account classifications to the various state regulatory commissions. However, for the most part, the various state commissions had developed their own charts of accounts to be used by the electric utilities which they regulated and there was little consistency between the systems of accounts used by the various states.

The Federal Power Commission (FPC) was originally formed by the Federal Power Act of 1920. Its original scope of responsibility was the regulation of hydroelectric projects on navigable streams. This authority was expanded in 1935 such that all electric utilities that sold wholesale power in interstate commerce were placed under the regulatory jurisdiction of the FPC and were subject to rate review by the Commission. The FPC was given additional oversight responsibilities regarding utility operations and administration. A portion of the responsibility granted to the Commission included the authority for the establishment of a system of accounts to be followed by all the utilities it regulated. Since a large number of the existing electric utilities fell under the jurisdiction of the FPC, the issuance of the original Uniform System of Accounts (USOA) in 1937 enhanced the Commission's ability to review the operations of the electric utilities. Because many of the utilities in the various states were subject to this new USOA, the state regulatory commissions began adopting the system as well.

In 1977, the Federal Power Commission was succeeded by the Federal Energy Regulatory Commission (FERC), a sub-unit of the Department of Energy. Most of the responsibilities and authority of the FPC were assumed by the FERC. The USOA issued under the FPC was continued under the FERC jurisdiction. Changes to the USOA have been and continue to be made from time to time. Each revision requires the issuance of a rule making docket, which is followed by public hearings and a comment period. An accounting order must then be issued by the FERC to make the revision effective.

The FERC USOA is generally considered the standard accounting system for the electric utility industry. The USOA is found in its entirety in the Code of Federal Regulations, Title 18 - Conservation of Power and Water Resources, Subchapter C – Accounts, Federal Power Act, Part 101. The USOA includes a brief description of its applicability, definitions of utility terms, the chart of accounts, detailed descriptions of each account, general instructions regarding the use of the system of accounts, the basis for recording various transactions, and instructions specific to accounting for electric plant and for operating expenses. The FERC USOA is widely used by both publicly owned and privately owned electric utilities. It captures expenditure data on a functional-cost or activity basis where unique accounts are defined within the categories of power production, transmission, regional market, distribution, customer accounts, customer service and informational, sales, and administrative and general. Within each of those categories, separate accounts are established for operating expenses versus maintenance expenses. The FERC USOA also provides for classification of expenditures into capital and noncurrent expense categories. The following section of the USOA is provided to illustrate the format of the chart of accounts within the USOA.

Attachment 7-18, Revision to Accounting Release No. 5, Capitalization of Allowance for Funds Used During Construction at 1.

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D.C. 20426

In Reply Refer To:
Office of Enforcement
Docket No. AI11-1-000
February 16, 2011

TO ALL JURISDICTIONAL NATURAL GAS PIPELINE COMPANIES AND PUBLIC UTILITIES AND LICENSEES

Subject: Revision to Accounting Release No. 5, Capitalization of Allowance for Funds Used During Construction

The Commission has historically relied on the guidance issued by the Commission's Chief Accountant in Accounting Release No. 5 (Revised) (AR-5),[1] Capitalization of Interest During Construction, to address when a company may begin to accrue an allowance for funds used during construction (AFUDC).[2] Under this guidance, a natural gas pipeline company was allowed to accrue AFUDC beginning with the date it filed an application for a certificate of public convenience and necessity (certificate) with the Commission, provided that it incurred construction costs on a continuous, planned progressive basis.

The natural gas industry has undergone substantial changes since the issuance of AR-5 in 1968. Today, many natural gas pipeline companies seeking to construct pipeline facilities participate in the pre-filing process instituted by the Commission in 2001.[3] For

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[1] *Accounting Release No. 5 (Revised), Capitalization of Interest During Construction*, effective January 1, 1968, FERC Stats. & Regs. ¶ 40,005.

[2] AR-5 uses the term "interest during construction" which is now referred to as AFUDC and as such we will use the term AFUDC in place of "interest during construction" in the revised AR-5.

[3] In 2001, the Commission instituted an optional pre-filing process and encouraged entities seeking authorization to construct new facilities to prepare and submit to the Commission conceptual design and engineering features of the proposed project, as well as extensive information about potential environmental, security and safety impacts prior to filing a certificate application. *See* Office of Energy Projects Gas Outreach Team, *Ideas for Better Stakeholder Involvement in the Interstate Natural Gas Pipeline Planning Pre-Filing Process*, December 2001, *available at* http://www.ferc.gov/legal/maj-ord-reg/land-docs/stakeholder.pdf.

Attachment 7-19:
CPUC Standard Practice U-38-W at A53

CALIFORNIA PUBLIC UTILITIES COMMISSION
Water Division

UNIFORM SYSTEM OF ACCOUNTS FOR CLASS A WATER UTILITIES

Standard Practice U-38-W

San Francisco, California
January 2018

construction, by fire or other casualty, injury to or death of persons other than employees, damages to property of others, defalcation of employees and agents, and the non-performance of contractual obligations of others. It does not include workmen's compensation or similar insurance on employees included as "labor" in item 2, above.

(15) "Law expenditures" includes the general law expenditures incurred in connection with construction and the court and legal costs directly related thereto, other than law expenses included in "protection," item 7, and in "injuries and damages," item 8.

(16) "Taxes" includes taxes on physical property (including land) during the period of construction and other taxes properly includible in construction costs before the facilities become available for service.

(17) "Interest during construction" includes the net cost of borrowed funds used for construction purposes and a reasonable rate upon the utility's own funds when so used. Interest during construction may be charged to the individual job upon which the funds are expended and, if so charged, shall be credited to Account 536, Interest Charged to Construction-Cr. The period for which interest may be capitalized shall be limited to the period of construction. No interest charges shall be included in these accounts upon expenditures for construction projects which have been abandoned.

Note - When a part only of a plant or project is placed in operation or is completed and ready for service but the construction work as a whole is incomplete, that part of the cost of the property placed in operation, or ready for service, shall be treated as "Utility Plant in Service" and interest thereon as a charge to construction shall cease. Interest on that part of the cost of the plant which is incomplete may be continued as a charge to construction until such time as it is placed in operation or is ready for service, except as limited in item 17, above.

(18) "Earnings and expenses during construction." The earnings and expenses during construction shall constitute a component of construction costs.

(A) The earnings shall include revenues received or earned for water supplied by new sources of supply during the construction period and sold or used by the utility. Where such water is sold to an independent purchaser before intermingling with water from other sources, the credit shall consist of the selling price of the water. Where the water is delivered to the utility's water system for distribution and sale, or is delivered to an affiliated interest, or is delivered to and used by the utility for purposes other than distribution and sale (for manufacturing or industrial use, for example), the credit shall be the fair value of the water so delivered. Such rate for water so delivered shall have first received the approval of the Commission. The revenues shall also include rentals for lands, buildings, and the like, and miscellaneous receipts not properly includible in other accounts.

Attachment 7-20:
U Federal Register, Vol. 52, No. 123 at 23949

include CWIP-related amounts. The definition of price squeeze herein is revised from Order No. 448 in response to the *Mid-Tex* court's concern about price squeezes caused by disparities between Federal and State CWIP policies.

Another anticompetitive effect similar to double whammy is where a wholesale customer contracts to purchase its future power needs from a supplier other than the CWIP rate applicant, thereby reducing its future dependence on the CWIP of the rate applicant, but is forced to pay the CWIP portion of the wholesale rates that reflects existing levels or service or a different anticipated service level. Thus, this anticompetitive effect is similar to double whammy in that the wholesale customer would essentially subsidize other wholesale customers who would shoulder less of the CWIP burden as a result, thereby putting the first wholesale customer at competitive disadvantages *vis-a-vis* the utility and the other wholesale customers. The *Mid-Tex* court did not address the situation of a wholesale customer contracting to purchase its future power needs from an alternative supplier. However, given the similarity of the potential anticompetitive effects between this situation and double whammy, the Commission considers it appropriate to address both situations. Under the final rule, anticompetitive effects can be prevented in both situations. Thus, for purposes of this preamble, double whammy discussion should be deemed to also apply to situations in which a wholesale customer has contracted to purchase future power needs from a supplier other than the CWIP rate applicant.

The final rule does not change the substance of the general provisions of the interim CWIP rule under which public utilities could seek to include in rate base, in addition to pollution control and fuel conversion CWIP, up to 50% of all non-pollution control/fuel conversion (non-PC/FC) CWIP. After reviewing the *Mid-Tex* decision and the comments to the interim CWIP rule,[6] the Commission believes that the principal reasons for departing from prior practice and adopting the present approach to CWIP remain sound. In this preamble, the Commission addresses the particular anticompetitive concerns expressed by the *Mid-Tex* court. The Commission believes that it has developed adequate procedures to address and *remedy* potential CWIP-related price squeeze on a case-specific basis and prevent double whammy situations generally.

II. Background

A. Order No. 555

Prior to Order Nos. 555 and 555–A,[7] the policy of this Commission's predecessor, the Federal Power Commission, was to prohibit the inclusion of any CWIP in rate base,[8] even though the Commission had the discretion to consider the justness and reasonableness of a rate supported by the inclusion of CWIP in rate base on a case-by-case basis.

In Docket No. RM75–13,[9] the Federal Power Commission proposed a change in its policy of prohibiting any CWIP in rate base "primarily to help alleviate the current financing problems being experienced by utility companies." [10] In Order No. 555, the Federal Power Commission modified its prior CWIP policy and agreed to consider requests for CWIP in rate base in three instances:

(1) Where the construction involved facilities to be used for pollution control;

(2) Where the construction involved conversion of facilities to the burning of other fossil fuels which previously burned oil or gas; and

(3) Where the utility requesting CWIP was in severe financial distress which could not be alleviated in the absence of CWIP in rate base without materially increasing the cost of electricity to consumers.

As to pollution control and fuel conversion CWIP, the Commission determined that, because of the current generation's commitment to the control of pollution and to preserve existing stocks of natural resources, it was proper to allow CWIP for these types of facilities. Order No. 555 permitted pollution control and fuel conversion CWIP to be reflected in rates at the same time the non-CWIP portion of a requested rate became effective.

With respect to CWIP requests concerning severe financial distress, the Federal Power Commission noted that it would permit such CWIP only where "the rate of return necessary to enable the utility to maintain its credit and attract capital in accordance with the standards of the *Bluefield* decision would be materially in excess of the cost of capital for otherwise similar utilities." [11] The Federal Power Commission determined that under these circumstances it would be to the benefit of the consumer if the additional earnings necessary to attract capital were permitted by way of an immediate return on CWIP, rather than by way of an inflated return on rate base (excluding the CWIP), since the CWIP treatment would eventually be reflected in a lower rate base, while the rate of return treatment would not. However, the Federal Power Commission decided to permit CWIP claimed under the severe financial distress test only after a final Commission determination on rehearing that financial circumstances justified such inclusion.[12]

During the six and one-half years that Order No. 555 remained in effect, over 275 rate increase applications in which the applicants requested pollution control or fuel conversion CWIP were filed with the Commission. However, given the stringency of the severe financial distress threshold, only thirteen utilities attemped to meet this test; the Commission has not granted CWIP to any company under that very stringent test.[13]

B. Order No. 298

In Docket No. RM81–38, the Commission again considered its policy with respect to requests for CWIP in rate base. Ultimately, the Commission issued Order Nos. 298 and 298–A.[14]

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[6] *See Mid-Tex*, 773 F.2d at 344. In Order No. 448, the Commission permitted parties to seek to demonstrate that the relevant conditions, particularly regarding price squeeze and double whammy, have changed since Order No. 298, the prior CWIP rulemaking was issued. (48 FR 24323, FERC Statutes and Regulations [Regulations Preambles 1982–1985] ¶30,455 [1983]).

[7] 41 FR 51392, 56 FPC 2939 (1976), and 42 FR 3022, 57 FPC 6 (1977).

[8] Federal Power Commission v. Hope Natural Gas Co., 320 U.S. 591 (1944); Georgia Power Co., 54 FPC 458 (1975); Philadelphia Electric Co., 54 FPC 1394 (1975).

[9] 39 FR 40787 (1974).

[10] *Id.*

[11] 41 FR 51395, 56 FPC 2946 (1976).

[12] The Commission granted one waiver from the prospective-only requirement in Montaup Electric Co., Docket No. ER82–325–000, 19 FERC ¶ 61,062 (1982). In that case, the Commission held that the particular facts and circumstances warranted an exception to the Commission's general rule. A CWIP surcharge was suspended for one day and permitted to go into effect subject to refund. The Commission affirmed the judge's initial decision to disapprove the CWIP surcharge. Montaup Electric Co., Opinion No. 267, 38 FERC ¶ 61,252 (1987) *order on reh'g*, 39 FERC ¶ 61,147 (1987).

[13] Seven of these cases were settled before an initial decision was rendered. One case, Public Service Company of New Hampshire, Docket Nos. EL78–15 and ER78–339 (Phase I), was settled after an initial decision was rendered (the settlement agreement provided that the Phase I proceedings, which concerned CWIP and rate of return issues, would not be terminated before rates that included the Seabrook No. 1 generating plant in rate base went into effect, and that the company could move to reopen Phase I in the event it needed emergency wholesale rate increases). The case is pending on appeal of an initial decision which would terminate Phase I. 31 FERC ¶ 63,054 (1985). Five cases resulted in Commission opinions denying the requested CWIP.

[14] 48 FR 24323, FERC Statutes and Regulations [Regulations Preambles 1982–1985] ¶ 30,455 (1983), and 48 FR 46012, FERC Statutes and Regulations [Regulations Preambles 1982–1985] ¶ 30,500 (1983).

Attachment 7-21:
Construction Work in Progress in the Public Utility Rate Base: The Effect of Multiple Projects and Growth at 42

Construction Work in Progress in the Public Utility Rate Base: The Effect of Multiple Projects and Growth

J. Leslie Livingstone and Anis D. Sherali

J. Leslie Livingstone is with Coopers & Lybrand in New York. At the time this paper was written, he was Fuller E. Callaway Professor of Industrial Management at Georgia Institute of Technology. Anis D. Sherali is a Project Engineer with the Southern Engineering Company in Atlanta. *The authors wish to thank for their helpful comments Professor Carl L. Nelson of Columbia University, as well as the anonymous referees.*

Introduction

For a regulated firm, plant investment or rate base shares with allowed return the role of income determinant. Traditionally, only plants actually in service have been included in the rate base. This practice is beginning to be seriously challenged, however, especially with the introduction of the very costly nuclear projects that have lengthy construction periods. (A typical nuclear plant costs approximately $1 billion and requires a ten-year construction period.)

There has been much recent discussion of whether or not construction work in progress (CWIP) should be included in public utility company rate bases. Inclusion of CWIP in the rate base allows an immediate cash return to the company. The alternative and more traditional procedure is to allow accumulation of the financing costs on CWIP and their addition to plant in service when construction is completed. This method defers the cash return to the company, spreading it over the estimated plant service life. It is based on the theory that consumers should not pay for plant facilities until they are in use and of direct benefit to them. With CWIP in the rate base, investors receive more cash return now and less later. By the same token, customers pay more now and, presumably, less later.

The Federal Power Commission (now called the Federal Energy Regulatory Commission), after lengthy study, issued an order generally disallowing

Attachment 7-22:
Deloitte – Regulated Utilities Manual:
A Service for Regulated Utilities, at 10-11 and 31

cost (assuming the replacement of identical plant at current prices) or replacement cost (assuming replacement with a plant not of identical design but capable of rendering identical service).

Fair value does not have the advantage of using a recorded plant amount that is easily determinable and relatively noncontroversial. It is expensive to determine, it leads to considerable controversy, and when used it is generally modified by offsetting limitations on its theoretical goals. The fair value allowed by commissions is generally closer to an original cost than the value suggested by studies presented to them, and the commissions typically do not reveal in full the methods they have used in determining fair value or the specific allowances permitted.

Rates of return allowed on a fair-value basis are consistently lower than those allowed on original cost, primarily because capital structure, expressed at historical level, must be related to an increased base at fair value. This is not necessarily inequitable to the utility, because a lower rate (e.g., 7 percent) on the fair-value base may result in the same return as a higher rate (e.g., 9.5 percent) on the original-cost base. If the higher rate were used on the fair value base, it could result in an unjustifiably high return on equity capital. This raises the question of whether to apply fair value to the total plant or only to the portion supported by equity capital. If applied to the whole plant, the increment will flow to equity, since the returns to preferred stock and long-term debt are contractual. This excess flow to equity is often avoided by applying fair value only to the plant portion supported by common equity and limiting the debt and preferred-supported portion to original cost.

Original cost. This approach uses the cost incurred by the first person to dedicate a facility to public service. If utility property changes hands, the original cost identified remains, even though the new operator may get full recognition of the purchase price through other means.

The rules of most regulators require the use of original costs for regulatory accounting purposes, whether a facility was constructed or acquired. If an acquired property has already been in public service, any difference between the seller's recorded cost, net of accumulated depreciation, and the current fair value of the plant is recorded as an "acquisition adjustment" so that the original cost remains intact.

Original-cost ratemaking is the formal posture for rate-base determination by all federal jurisdictions and most states, probably in large part because the amounts involved are readily accessible, and their use minimizes the expense and controversy entailed by plant measurement under fair value. The remaining states, even though labeling their process as representing fair value or some other standard, in fact typically produce original-cost results by adjusting the rate of return.

Allowable components. Certain basic components are frequently encountered in determining the rate-base investment. Other miscellaneous components are found less often.

Plant in service. This is the most important rate-base item, since it usually represents over 90 percent of the total (after deducting related accumulated depreciation). As the discussion of "test period" will indicate, there are three alternatives for deciding the time period to be used in determining this portion of the rate base: average monthly balances over the period used for determining operating income; end-of-period balance; or a projected amount, either averaged into the future or stated at a specific future time.

Accumulated depreciation. Since the life of a plant normally spans many operating periods, systematic recovery of the investment is permitted by depreciation. Recovery is normally on a straight-line basis, in which an equal portion of the investment is recovered in each period. Deduction of the accumulated depreciation is an accepted principle in developing a rate base, since it has presumably already been collected from customers through rates in effect.

Construction Work in Progress (CWIP). Historically, CWIP was not included in the rate base in most jurisdictions under the theory that it was not used in providing service to current customers. Companies were therefore allowed

to capitalize the financing costs of their CWIP (allowance for funds used during construction or AFUDC). This is still the position in many regulatory jurisdictions.

During the late 1970s, there was a trend toward allowing CWIP in rate base and toward discontinuing the capitalization of AFUDC. The trend was the result of financial stress in the utility industry. The tremendous amounts of capital invested in CWIP produced amounts of AFUDC capitalized that often exceeded net income. Because of these conditions, many regulators concluded that the customer was better off paying for this financing cost as incurred rather than paying for the additional financing costs over the life of the assets, through capitalizing and depreciating financing costs.

As discussed in later sections, the reporting of income generated by AFUDC is proper; however, it does not produce current cash-flow dollars. As cash flow was one of the most severe problems of the industry, allowing CWIP in the rate base was a natural solution to the problem. The reply to the argument that current customers are being asked to pay for facilities to be used in supplying future customers is that the building of new facilities is to maintain a viable system to continue service to the existing customers and, more important, that the loss of financial integrity, which would affect current customers adversely, is being avoided.

Plant held for future use. This includes property acquired for future utility service. Land is frequently acquired in advance and held for transmission and distribution facilities, generating units, and substations. It is usually allowed in the rate base if there is a definite plan for its use, but the cost is sometimes not allowed if the use is to occur after some arbitrary time period. Commissions closely scrutinize any transfers of plant from this category to nonutility accounts, and any sales of such plant resulting in gains that commissions might decide should be passed on to customers.

Contributions in aid of construction. This represents nonrefundable funds contributed by customers for property construction. Electric and gas utilities do not maintain contributions in aid of construction as a separate account. These accounts are maintained as credits in the plant accounts supported by contributed funds. Water companies still maintain such accounts as deferred credits or equity, and they are frequently quite substantial as a source of plant support. They are generally deducted from rate base.

Customer advances for construction. These amounts are similar to contributions in aid of construction, but are refundable to the contributor if certain conditions are met. In most instances, these items are deducted from the rate base because, although temporary, they represent a source of cost-free funds supporting facilities included in the rate base.

Operating reserves. These represent advance provisions for the cost of service in the event of anticipated future losses. When the expense provision is allowed as part of cost of service, rates produce funds in advance of need. Since these cost-free funds may be used in supporting the rate-base investment, they are frequently deducted from the rate base, although in rare cases the reserves are segregated and not deducted.

Deferred income taxes. When deferred income tax liabilities accumulate as a result of liberalized depreciation, accelerated amortization, or other temporary differences, the balances are frequently deducted directly from the rate base, although they are sometimes treated as an element of cost-free capital recognized in the rate of return. Both methods produce similar effects on revenue requirements.

Although the Tax Reform Act of 1986 phased out investment tax credits (ITC), the Internal Revenue Code (IRC) generally requires a sharing (between investors and customers) of the benefits of existing investment tax credits by providing the utility the option of reducing rate base or amortizing the deferred balance in operating income. The IRC prohibits ratemaking treatment that would do both, because it would result in the entire benefit going to the consumer.

Working capital. This term refers to various rate-base funding requirements other than the utility plant in service. These funding requirement would include inventories, prepayments, minimum and compensating

Under present tax law, CIACs are generally taxed as ordinary income in the year that they are received. However, property purchased with these funds can be depreciated for tax purposes.

Allowances for funds used during construction. The FERC's USOA specifies that: "The cost of construction ... shall include, where applicable" allowances for funds used during construction. Such amounts include the "net cost ... of borrowed funds ... and a reasonable rate on other funds" used for construction purposes. The practice of capitalizing the cost of funds used during the construction period accomplishes a number of objectives, including these:

1. The cost of the plant, including the construction financing cost, is fully recognized.
2. The utility operation is shielded from costs associated with construction activity.
3. The present customer is not burdened with supporting an investment designed for future needs.
4. The utility, by capitalizing the financing cost, is afforded an opportunity to recover these costs whenever the plant is placed in service (through depreciation of the costs and a return thereon until they are fully depreciated).
5. The customers of the future will pay the full cost of the facility constructed for their use.

Although the concept has long been recognized as appropriate for the utility industry (which is generally the same as for capitalizing interest under Statement No. 34 for enterprises in general), many aspects of AFUDC have been sources of vexation for both regulators and the industry. In earlier years the difficulties were largely academic because the amounts involved were small and had little impact on the financial statements of utilities. In the 1970s and 1980s, however, a surge in construction expenditures increased the AFUDC amounts to the point where their impact on financial statements was substantial.

Financing for construction may come from external sources (such as bank loans, long-term debt, preferred stock or common stock sales) or from internal sources (such as retained earnings). Over any given period, financing may come from any one or all of these sources. Debt, bank loans, and preferred stock reflect stated cost rates, and the costs for these sources are subject to fairly precise determination when they are adjusted to recognize related premium, discount, and cost of issuance.

FERC Order No. 561 provides a uniform method of determining the annual maximum allowable AFUDC rate. The computation of the maximum allowable rate assumes that short-term debt is the first source of funds used for construction, with the remainder assumed to be financed out of long-term debt, preferred stock, and common equity on the basis of the ratio of such funds that existed at the end of the prior year.

The order also provides that the AFUDC is to be segregated into two component parts - borrowed funds and other funds. The borrowed funds are located in the interest-charges section of the income statement, while the other-funds component is reflected in the other-income-and-deductions section.

Depreciation. Although the USOA does not specify a method of depreciation to be used, the straight-line method is applied almost universally for both accounting and ratemaking (although units-of-production and accelerated/decelerated methods of depreciation have been utilized in certain cases). Straight-line depreciation is generally considered reasonable and systematic in spreading investment cost over the life of the plant. It is also common practice to include in depreciation a provision for the estimated cost of removing plant from service, less the estimated salvage. The cost of plant removal has become a more significant factor in the past decade, due to the increasing cost of removals, inability to retire many plant items in place without removal, and the recent focus on environmental restoration.

Attachment 7-23:
CWS 2017 10k and Proxy Statement at 66

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following table represents depreciable plant and equipment as of December 31:

	2017	2016
Equipment	$ 592,612	$ 561,909
Office buildings and other structures	245,877	218,711
Transmission and distribution plant	1,891,268	1,741,554
Total	$2,729,757	$2,522,174

Depreciation of utility plant is computed on a straight-line basis over the assets' estimated useful lives including cost of removal of certain assets as follows:

	Useful Lives
Equipment	5 to 50 years
Transmission and distribution plant	40 to 65 years
Office Buildings and other structures	50 years

The provision for depreciation expressed as a percentage of the aggregate depreciable asset balances was 3.00% in 2017, 2.70% in 2016 and 2.80% in 2015.

Allowance for Funds Used During Construction

The allowance for funds used during construction (AFUDC) represents the capitalized cost of funds used to finance the construction of the utility plant. In general, AFUDC is applied to Cal Water construction projects requiring more than one month to complete. No AFUDC is applied to projects funded by customer advances for construction, contributions in aid of construction, or applicable state-revolving fund loans. AFUDC includes the net cost of borrowed funds and a rate of return on other funds when used, and is recovered through water rates as the utility plant is depreciated. Cal Water was authorized by the CPUC to record AFUDC on construction work in progress effective January 1, 2017. Prior to January 1, 2017, the CPUC authorized Cal Water to only record capitalized interest on borrowed funds. Cal Water previously reported the amounts authorized as capitalized interest and a reduction to interest expense. The amount of AFUDC related to equity funds and to borrowed funds for 2017, 2016, and 2015 are shown in the tables below:

	2017	2016	2015
Allowance for equity funds used during construction	$3,750	$ —	$ —
Allowance for borrowed funds used during construction	2,360	2,965	1,915
Total	$6,110	$2,965	$1,915

Attachment 7-24:
CWS Response to Cal Advocates DR SBH-005 AFUDC-IDC) (CWS Response to DR SBH-005), question 1

CALIFORNIA WATER SERVICE COMPANY
1720 NORTH FIRST STREET
SAN JOSE, CA 95112 • (408) 367-8200 • F (408) 367-8428

RESPONSE TO DATA REQUEST 2018

GENERAL RATE CASE, A.18-07-001

To: Office of Ratepayer Advocates	
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From: Tess Cayas Regulatory Program Manager	Phone: (408) 367-8229 Email: tcayas@calwater.com
Natalie D. Wales Regulatory Attorney	Phone: (408) 367-8566 Email: nwales@calwater.com
Date: August 30, 2018 Re: SBH-005 Subj: AFUDC-IDC	Request Received from ORA: August 30, 2018 Requested Due Date: September 7, 2018

Comments: Full Response submitted.

Data Requests and Responses

1. CWS' General Report, page 82, Section c) Accumulated Funds Used During Construction (AFUDC) states that "Cal Water includes AFUDC in the budgeted cost of proposed plant additions at its Commission approved 7.48% return on ratebase in this Application." Please explain what "Accumulated Funds Used is during Construction" and provide the page references in CPUC Uniform System of Accounts for Class A Water Utilities where the Commission has allowed AFUDC in plant additions.

   Response: Prior to the 2015 GRC, Cal Water was understating the amount of capitalized interest for ratemaking, which has been very beneficial for ratepayers. Cal Water used an interest during construction ("IDC") rate that only included debt costs, and excluded the cost of equity, for both income taxes and ratemaking.

   In the 2015 GRC Settlement, the parties agreed that Cal Water would withdraw its request for Construction Work in Progress ("CWIP") in rate base, and that Cal Water would "include the capital financing costs of its project totals consistent with the California utility industry practices approved by the California Public Utilities Commission and the Commission's Uniform System of Accounts."[1]

   The Commission's Uniform System of Accounts ("USOA") defines IDC as follows.

   > Interest during construction" includes the net cost of borrowed funds used for construction purposes and a reasonable rate upon the utility's own funds when so used. Interest during construction may be charged to the individual job upon which the funds are expended to and, if so charged, shall be credited to Account 536, Interest Charged to Construction---Cr. The period for which interest may be capitalized shall be limited the period of construction. No interest charges shall be included in these accounts upon expenditures for construction projects which have been abandoned.[2]

   By the above definition, IDC therefore includes the net cost of borrowed funds (debt) and a reasonable return on a utility's own funds (equity). Note that the terms "allowance for funds used during construction" (AFUDC) and IDC are often used interchangeably in referring to capitalized interest.

   In D.14-08-032, the Commission affirmed that IDC/AFUDC includes both debt and equity. For example, the Commission rejected a proposal to decrease PG&E's AFUDC rate, which was set at

[1] D.16-12-042, Attachment A (Settlement) at 138.

[2] USOA at page A54 (emphasis added).

the company's authorized rate of return, to reflect a lower level of equity. In Ordering Paragraph 32, the Commission concluded:

> 32. The Division of Ratepayer's Advocates' recommendation to change the computation of Pacific Gas and Electric Company's Allowance for Funds Used During Construction rate by lowering equity returns and imputing short term debt is denied.[3]

At the time of the 2015 GRC Settlement, Cal Water's authorized rate of return was 7.94%. The customer rates in the settlement were calculated using the midpoint of an IDC rate of 7.6%. Cal Water's use of 7.6% as IDC was clearly not intended to reflect the company's actual rate of return. (For the 2015 GRC settlement, water rates were calculated by applying the midpoint of 7.6% to all approved projects in aggregate. The full annual rate of 7.6% was not used because construction times for some projects would be less than one year, and some would be more than year. The midpoint of 7.6% was chosen to be conservative.)

At that time, the chosen rate was intended to be IDC (Interest During Construction). Cal Water later found out that, from the perspective of Cal Water's external auditors (Deloitte), if the percentage used for interest during construction is more than the cost of debt, by default the excess should be treated as an equity component under GAAP (Generally Accepted Accounting Principles), and is more properly referred to as "AFUDC." Cal Water now uses the term "AFUDC" to refer to that, rather than "IDC."

In preparing the 2018 GRC Application, Cal Water programmed ROM to use 7.6% (now applied to projects on an individualized basis according to the forecasted construction time for each project), consistent with the calculations approved in the 2015 GRC Settlement. Because the percentage used in the 2015 GRC Settlement was not intended to reflect the rate of return, Cal Water did not modify its use of 7.6% when the Commission lowered Cal Water's rate of return from 7.94% to 7.48% in D.18-03-035.

Cal Water notes that it is not unusual for other Commissions to allow AFUDC in lieu of CWIP in rate base (The Process of Ratemaking Vol II, Leonard Saul Goodman, page 809].

[3] D.14-08-032 at 738.

Attachment 7-25:
CWS Workpaper X_GBL_Info, sheet REF_AFUDC Rate

California Water Service Company Adjusted Years Only for 2024 GRC, not AFUDC Rate

AFUDC Rate

All Districts - 2024 General Rate Case

WP-GBL_Info-21

Filing Type: Application

28 VALID

AFUDC Rate	Year	Print Filter
7.460%	2024	Print
7.460%	2025	Print
7.460%	2026	Print
7.460%	2027	Print
End		Print

Attachment 7-26:
CWS Response to Cal Advocates DR CHA-014 (Capital Projects_Rate Base) (CWS Response to DR CHA-014), questions 6 and 7

RESPONSE TO DATA REQUEST

GENERAL RATE CASE, A.24-07-003

To: **Public Advocates Office**

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From: **California Water Service**

Natalie D. Wales Director, Rates	(408) 367-8566 nwales@calwater.com
Patrick Alexander General Rate Case Manager	(408) 367-8230 palexander@calwater.com
Melody Singh Manager, Revenue	(916) 329-1856 msingh@calwater.com

Date: **December 27, 2024** **Partial Response #1 sent on December 23, 2024** Re: **CHA-014** Subj: **Capital Projects_Rate Base**	Request Received from CPUC: **December 16, 2024** Requested Due Date: **December 23, 2024**

Comments:

- Partial Response #2 FINAL **attached.**
- **Response provided by Rates and Engineering.**
- **Does not contain confidential information.**
- **This response refers to the following attachments included separately:**
  - **Attachment #1 – 2023 Quarterly LOC Borrowing Interest**
  - **Attachment #2 – Q3 2024 Quarterly LOC Borrowing**
  - **Interest Analysis Attachment #3 – CLTD Amort Schedule**
  - **Attachment #4 – AFUDC equity component 2018-2023**
  - **Attachment #5 – Regulated Capital Lease 2022-2023 Info**

Data Requests and Responses

6. Please confirm that for financial reporting purposes, CWSC does not capitalize the equity portion of AFUDC. If unable to confirm, please explain how the equity portion of AFUDC is accounted for in financial statements submitted by CWSC (or its parent) for financial reporting. **Response: Cal Water capitalizes the equity component of AFUDC.**

7. Please identify the total equity component (expressed as a dollar value) resulting from AFUDC over the last five years (2019-2023). Please indicate the total equity component for each year. **Response: Please see CHA-014 Attachment #4.**

Year	AFUDC Equity (000's)
2019	6,685
2020	4,976
2021	3,186
2022	4,127
2023	5,551

Attachment 7-27:
Annual Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act for the fiscal year ended December 31, 2022 at 53 and 78

infrastructure investments in 2022-2024. Capital expenditures in California are evaluated in the context of the pending GRC and may change as the case moves forward. We expect our annual capital expenditure to continue to increase during the next five years due to increasing needs to replace and maintain infrastructure.

Management expects there will be developer-funded expenditures in 2023 and expects that these expenditures will be financed by developers through refundable advances for construction and non-refundable contributions in aid of construction. Developers are required to deposit the cost of a water construction project with us prior to our commencing construction work, or the developers may construct the facilities themselves and deed the completed facilities to us. Funds are generally received in advance of incurring costs for these projects. Advances are normally refunded over a 40-year period without interest. Future payments for advances received are listed under contractual obligations above. Because non-Company-funded construction activity is solely at the discretion of developers, we cannot predict the level of future activity. The cash flow impact is expected to be minor due to the structure of the arrangements.

Capital Structure

Total equity was $1,322.4 million at December 31, 2022, compared to $1,171.9 million at December 31, 2021. The Company sold 1,802,063 and 3,286,865 shares of its common stock in 2022 and 2021, respectively through its at-the-market equity program.

Total capitalization, including the current portion of long-term debt, was $2,378.2 million at December 31, 2022 and $2,232.9 million at December 31, 2021. Cal Water repaid $5.4 million of other long-term debt obligations in both 2022 and 2021 for matured First Mortgage Bonds and other long-term debt obligations. In future periods, the Company intends to issue common stock and long-term debt to finance our operations. The capitalization ratios will vary depending upon the method we choose to finance our operations.

At December 31, capitalization ratios were:

	2022	2021
Equity	55.6%	52.5%
Long-term debt	44.4%	47.5%

The return (from both regulated and non-regulated operations) on average equity was 7.7% in 2022 compared to 9.7% in 2021. Cal Water does not include construction work in progress in its regulated rate base; instead, Cal Water was authorized to record AFUDC on construction work in progress, effective January 1, 2017. Construction work in progress for Cal Water was $219.2 million at December 31, 2022 and $200.7 million at December 31, 2021.

Acquisitions

There were no significant acquisitions in 2022, and refer to "Note 15—Acquisitions" for 2021 acquisition activity.

Real Estate Program

We own real estate. From time to time, certain parcels are deemed no longer used or useful for water utility operations. Most surplus properties have a low cost basis. We developed a program to realize the value of certain surplus properties through sale or lease of those properties. The program will be ongoing for a period of several years. There were no significant sales in 2022 and 2021. As sales are dependent on real estate market conditions, future sales, if any, may or may not be at prior year levels.

Item 7A. ***Quantitative and Qualitative Disclosures about Market Risk.***

We do not participate in hedge arrangements, such as forward contracts, swap agreements, options, or other contractual agreements to mitigate the impact of market fluctuations on our assets, liabilities, production, or contractual commitments. We operate only in the United States and, therefore, are not subject to foreign currency exchange rate risks.

7 SHORT-TERM BORROWINGS

On March 29, 2019, the Company and Cal Water entered into certain syndicated credit agreements, which provide for unsecured revolving credit facilities of up to an initial aggregate amount of $550.0 million for a term of five years. The revolving credit facilities amend, expand, and replace the Company's and its subsidiaries' prior credit facilities originally entered into on May 10, 2015. The new credit facilities extended the terms until March 29, 2024, and increased Cal Water's unsecured revolving line of credit. The Company and subsidiaries that it designates may borrow up to $150.0 million under the Company's revolving credit facility. Cal Water may borrow up to $400.0 million under its revolving credit facility. All borrowings must be repaid within 24 months unless a different period is required or authorized by the CPUC. Additionally, the credit facilities may be increased by up to an incremental $150.0 million under the Cal Water facility and $50.0 million under the Company facility, subject in each case to certain conditions. The proceeds from the revolving credit facilities may be used for working capital purposes. Borrowings under the credit facilities typically have maturities varying between one month and six months and will bear interest annually at a rate equal to (i) the base rate or (ii) the Eurodollar rate, plus an applicable margin of 0.650% to 0.875%, depending on the Company and its subsidiaries' consolidated total capitalization ratio.

The revolving credit facilities contain affirmative and negative covenants and events of default customary for credit facilities of this type including, among other things, limitations and prohibitions relating to additional indebtedness, liens, mergers, and asset sales. Also, these unsecured credit agreements contain financial covenants governing the Company and its subsidiaries' consolidated total capitalization ratio and interest coverage ratio.

As of each of December 31, 2022 and 2021, the outstanding borrowings on the Company lines of credit were $35.0 million. Outstanding borrowings on the Cal Water lines of credit as of December 31, 2022 were $35.0 million and there were no outstanding borrowings as of December 31, 2021. The average borrowing rate for borrowings on the Company and Cal Water lines of credit during 2022 was 2.74% compared to 0.98% for the same period last year.

Attachment 7-28:
Annual Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act for the fiscal year ended December 31, 2021 at 51 and 75

Company-funded and developer-funded utility plant expenditures were $293.2 million and $298.7 million in 2021 and 2020, respectively. A majority of capital expenditures was associated with mains and water treatment equipment.

For 2022, the Company's capital program will be dependent in part on the timing and nature of regulatory approvals in connection with Cal Water's 2021 GRC filing. The Company proposed to the CPUC spending $1.0 billion on water infrastructure investments in 2022-2024. Capital expenditures in California are evaluated in the context of the pending GRC and may change as the case moves forward. We expect our annual capital expenditure to increase during the next five years due to increasing needs to replace and maintain infrastructure.

Management expects developer-funded expenditures in 2022. These expenditures will be financed by developers through refundable advances for construction and non-refundable contributions in aid of construction. Developers are required to deposit the cost of a water construction project with us prior to our commencing construction work, or the developers may construct the facilities themselves and deed the completed facilities to us. Funds are generally received in advance of incurring costs for these projects. Advances are normally refunded over a 40-year period without interest. Future payments for advances received are listed under contractual obligations above. Because non-Company-funded construction activity is solely at the discretion of developers, we cannot predict the level of future activity. The cash flow impact is expected to be minor due to the structure of the arrangements.

Capital Structure

Total equity was $1,183.0 million at December 31, 2021, compared to $921.3 million at December 31, 2020. The Company sold 3,286,865 and 1,710,779 shares of its common stock in 2021 and 2020, respectively through its at-the-market equity program.

Total capitalization, including the current portion of long-term debt, was $2,244.0 million at December 31, 2021 and $1,707.6 million at December 31, 2020. Cal Water repaid $5.4 million of other long-term debt obligations in 2021 and $22.1 million for matured First Mortgage Bonds and other long-term debt obligations in 2020. In future periods, the Company intends to issue common stock and long-term debt to finance our operations. The capitalization ratios will vary depending upon the method we choose to finance our operations.

At December 31, capitalization ratios were:

	2021	2020
Equity	52.7%	54.0%
Long-term debt	47.3%	46.0%

The return (from both regulated and non-regulated operations) on average equity was 9.6% in 2021 compared to 11.4% in 2020. Cal Water does not include construction work in progress in its regulated rate base; instead, Cal Water was authorized to record AFUDC on construction work in progress, effective January 1, 2017. Construction work in progress for Cal Water was $200.7 million at December 31, 2021 and $156.6 million at December 31, 2020.

Acquisitions

Refer to "Note 16—Acquisitions" for 2021 and 2020 acquisition activity.

Real Estate Program

We own real estate. From time to time, certain parcels are deemed no longer used or useful for water utility operations. Most surplus properties have a low cost basis. We developed a program to realize the value of certain surplus properties through sale or lease of those properties. The program will be ongoing for a period of several years. There were no significant sales in 2021 and 2020. As sales are dependent on real estate market conditions, future sales, if any, may or may not be at prior year levels.

Item 7A. ***Quantitative and Qualitative Disclosures about Market Risk.***

We do not participate in hedge arrangements, such as forward contracts, swap agreements, options, or other contractual agreements to mitigate the impact of market fluctuations on our assets, liabilities, production, or contractual commitments. We operate only in the United States and, therefore, are not subject to foreign currency exchange rate risks.

6 PREFERRED STOCK

On February 27, 2019, the Company filed with the Delaware Secretary of State a Certificate of Elimination of Series D Participating Preferred Stock, which returned the 221,000 shares that had previously been designated as Series D Preferred Stock but had never been issued to the status of preferred shares of the Company, without designation as to series.

The foregoing summary of the Certificate of Elimination is qualified in its entirety by reference to the full text of the Certificate of Elimination, a copy of which is attached as Exhibit 4.2.

7 COMMON STOCKHOLDERS' EQUITY

As of December 31, 2021 and 2020, 53,715,569 and 50,333,655 shares, respectively, of common stock were issued and outstanding.

Effective January 1, 2019, the Company implemented an Employee Stock Purchase Plan (ESPP). Under the ESPP, qualified employees are permitted to purchase the Company's common stock at 90% of the market value of the common stock on the specified stock purchase date. The ESPP is deemed compensatory and compensation costs will be accounted for under ASC 718, Stock Compensation. Employees' payroll deductions for common stock purchases may not exceed 10% of their salaries. Employees may purchase up to 2,000 shares per period provided that the value of the shares purchased in any calendar year may not exceed $25,000, as calculated pursuant to the ESPP. The Company recorded expense of $0.2 million for 2021, 2020, and 2019. The Company issued 37,460, 43,332 and 35,281 shares of common stock related to the ESPP in 2021, 2020 and 2019, respectively.

On October 31, 2019, the Company entered into an equity distribution agreement to sell shares of its common stock having an aggregate gross sales price of up to $300.0 million from time to time depending on market conditions through an at-the-market equity program. The equity distribution agreement concluded in the fourth quarter of 2021. The Company used the net proceeds from these sales, after deducting commissions on such sales and offering expenses, for general corporate purposes, which may include working capital, construction and acquisition expenditures, investments and repurchases, and redemptions of securities. In 2021, the Company sold 3,286,865 shares of common stock through the at-the-market equity program and raised proceeds of $195.9 million net of $2.0 million in commissions paid under the equity distribution agreement. In 2020, the Company sold 1,710,779 shares of common stock through the at-the-market equity program and raised proceeds of $81.8 million net of $0.8 million in commissions paid under the equity distribution agreement. The Company also incurred $0.2 million and $0.1 million of equity issuance costs in 2021 and 2020, respectively.

Dividend Reinvestment and Stock Repurchase Plan

The Company has a Dividend Reinvestment and Stock Purchase Plan (DRIP Plan). Under the DRIP Plan, stockholders may reinvest dividends to purchase additional Company common stock without commission fees. The DRIP Plan also allows existing stockholders and other interested investors to purchase Company common stock through the transfer agent up to certain limits. The Company's transfer agent operates the DRIP Plan and purchases shares on the open market to provide shares for the DRIP Plan.

8 SHORT-TERM BORROWINGS

On March 29, 2019, the Company and Cal Water entered into certain syndicated credit agreements, which provide for unsecured revolving credit facilities of up to an initial aggregate amount of $550.0 million for a term of five years. The revolving credit facilities amend, expand, and replace the Company's and its subsidiaries' prior credit facilities originally entered into on May 10, 2015. The new credit facilities extended the terms until March 29, 2024, and increased Cal Water's unsecured revolving line of credit. The Company and subsidiaries that it designates may borrow up to $150.0 million under the Company's revolving credit facility. Cal Water may borrow up to