

Exhibit C Cal Water Example WRAM Tariff Sheets

Cal Water will include a preliminary statement in its tariffs to document the calculation and values for calculation of WRAM. Listed below is an example of the WRAM tariff sheet. Following the proposed Preliminary Statement is an example calculation of the WRAM related quantities for the Bear Gulch District. The values are based on D. 06-08-001.

PRELIMINARY STATEMENT

WRAM: Water Revenue Adjustment Mechanism

1. Purpose:

The purpose of the WRAM is to record the difference between Cal Water's authorized base revenue requirements and recorded revenues from authorized base revenues. The WRAM is authorized by the Commission in Decision _____.

2. Definitions:

- | | | |
|-------|---|--|
| WRAM | - | base revenue requirement balancing account |
| TRR | - | total revenue requirement |
| BR | - | base revenue requirement authorized |
| BRR | - | base revenue requirement rate |
| MBR-A | - | monthly base revenue requirement authorized |
| MBR-R | - | monthly base revenue requirement recorded |
| B/MAR | - | balancing/memorandum account revenues excluding WRAM |
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- a. The WRAM is calculated by using the most recently adopted general rate case values of TRR, MBR-A, BR, B/MAR and BR for each district.
 - b. The base revenue requirement (BR) is determined for each ratemaking district in it's the Commission's general rate case decisions. To determine the BR the GRC decision's adopted revenues associated with any costs that are subject to balancing/memorandum accounts (excluding WRAM) e.g. purchased water, purchased power, pump taxes, conservation expenses, or other balancing/memorandum accounts, are subtracted from the adopted total revenue requirement.
 - c. The adopted balancing/memorandum account revenues (B/MAR) are calculated by adding the associated franchise/business license fees and uncollectibles to the balancing/memorandum account expenses.
 - d. The monthly base revenue requirement (MBR-A) is based a five year average of historical monthly water sales (as a percent of annual water sales) by district be adopted in each general rate case. The MBR-A is calculated by multiplying the

- monthly percent of annual sales by the BR. The MBR-A will be identified in each general rate case decision.
- e. The recorded monthly base revenue requirement (MBR-R) is calculated by multiplying the recorded monthly sales by the authorized base revenue requirement rate (BRR) where the BRR is equal to the BR divided by the authorized sales.
 - f. The monthly entry into the BRA is the difference between the MBR-A and the MBR-R.
 - g. Cal Water's BRA is an interest bearing account that tracks the balance between monthly recorded vs. authorized base revenues. The monthly interest rate is one-twelfth of the Federal Reserve three-monthly Commercial Paper Rate – Non-Financial, from Federal Reserve Statistical Release H.15 (expressed as annual rate. If in any month a non-financial rate is not published, Cal Water shall use the Federal Reserve three-month commercial Paper Rate – Financial.
 - h. Any change in base rates, e.g. attrition, will result in a revision to the BR, BRR, and MBR-A. The balancing/memorandum accounts, excluding WRAM, continue to operate as previously.
 - i. Annually, by March 31st, Cal Water proposes shall provide the Commission's Water division a showing the revenue over- and under-collection related to recorded water sales as of December 31st of the preceding calendar year. Differences between recorded base revenues and adopted base revenue requirements will be tracked in the balancing account and accrue interest. If the annual report filed with Water Division indicates that the over- or under-collection for any district exceeds 5% of the district's prior calendar year total recorded base revenue requirement, Cal Water will file an advice letter within 30 days that amortizes the balance in the account. In each general rate filing, Cal Water will request an amortization of any remaining amounts in the WRAM, credits or debits.
 - j. The BRR shall be identified on Cal Water's metered rate schedules.
 - k. If the most recent general rate case decision does not have an adopted BRR, the following process is applied to determine BRR for the applicable district:
 - (1). Use the adopted annual sales and total revenue requirement (TRR) from the last general rate case decision, updated for any escalation.
 - (2). Calculate the annual B/MAR by totaling the authorized Purchase Water, Purchase Power, Pump taxes, and other balancing accounts included in the last GRC decision.
 - (3). Calculate BR by subtracting B/MAR from TRR.
 - (4). Convert the BR to monthly data by using five years of monthly sales data. If available, use monthly sales coefficients from the GRC decision.

Example Calculation of WRAM Quantities

Table A provides the calculation of the base revenue requirement rate from general rate case inputs.

Table A
WRAM input - District: Bear Gulch

| | | |
|---|----|------------|
| Total Revenue Requirement | \$ | 19,822,200 |
| Balancing/Memorandum Account Revenues (B/MAR) | \$ | 7,126,800 |
| Base Revenue Requirement (BR) | \$ | 12,695,400 |
| Total Sales in CCF | | 6,367,800 |
| Base Revenue Rate (BRR in \$/CCF) | \$ | 1.9937 |

Table B provides the sales adjustment information.

Table B
Monthly Base Revenue Requirement Authorized, District: Bear Gulch

| | | |
|-------|--|---------------|
| BR | \$ | 12,695,400 |
| | Percent of sales by Month | MBR-A |
| JAN | 3.87% | \$ 490,711 |
| FEB | 3.52% | \$ 447,283 |
| MAR | 3.93% | \$ 499,095 |
| APR | 5.59% | \$ 709,456 |
| MAY | 7.63% | \$ 968,157 |
| JUN | 11.21% | \$ 1,423,204 |
| JUL | 13.20% | \$ 1,675,863 |
| AUG | 13.60% | \$ 1,726,714 |
| SEP | 13.06% | \$ 1,657,989 |
| OCT | 11.47% | \$ 1,456,373 |
| NOV | 7.97% | \$ 1,012,120 |
| DEC | 4.95% | \$ 628,435 |
| Total | 100.00% | \$ 12,695,400 |