

Exhibit "12"

Calculation of Monthly Surcharge

Regulatory Asset 12/31/06	\$	9,790,000	
Regulatory Asset annual recovery 15yrs	\$	652,667	
Regulatory Asset Monthly recovery 15 yrs			\$ 54,389
Cal Water Customers		440000	440000
Amount to be recovered over 15 years	\$	22 25	
Surcharge per customer per month			\$ 0 12