

EXHIBIT B
CORRECTIONS TO SETTLEMENT AGREEMENT

**Attachment to Joint Motion to
Correct Proposed Settlement Agreement**

CHAPTER 1. GENERAL ISSUES

1 The “2017 Revenue at Current Rates” uses the water sales (consumption) and
 2 the number of services (customers) that the Parties forecast Cal Water will have in
 3 2017,² and applies current rates (as of September 1, 2016) to those amounts.³

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WITH 10/3/16 CORRECTIONS

Table 2. Settlement Change from Revenue at Current Rates (\$ in 1,000s)				
District	2017 Revenue at Current Rates	2017 Revenue under Settlement	Change	Change %
Bay Area Region	\$81,632.9	\$85,353.5	\$3,720.6	4.6%
Bakersfield	\$75,142.1	\$76,671.8	\$1,529.7	2.0%
Bear Gulch	\$52,642.0	\$54,151.0	\$1,509.0	2.9%
Chico	\$24,765.4	\$23,353.6	(\$1,411.8)	-5.7%
Dixon	\$3,256.2	\$3,427.0	\$170.8	5.2%
Dominguez	\$65,120.1	\$70,456.4	\$5,336.3	8.2%
East Los Angeles	\$36,031.9	\$34,359.2	(\$1,672.7)	-4.6%
Hermosa Redondo	\$29,026.5	\$29,712.0	\$685.4	2.4%
Kern River Valley	\$6,369.4	\$6,717.6	\$348.2	5.5%
Livermore	\$23,332.3	\$24,363.3	\$1,031.0	4.4%
Los Altos	\$34,793.6	\$35,761.7	\$968.1	2.8%
Los Angeles County Region	\$47,595.2	\$49,525.7	\$1,930.5	4.1%
Marysville	\$3,564.4	\$3,953.8	\$389.4	10.9%
Monterey Region	\$32,885.6	\$37,623.9	\$4,738.3	14.4%
Oroville	\$5,544.8	\$5,222.6	(\$322.2)	-5.8%
Selma	\$5,083.2	\$5,631.4	\$548.2	10.8%
Stockton	\$44,858.8	\$48,888.2	\$4,029.4	9.0%
Visalia	\$29,535.7	\$29,554.7	\$19.1	0.1%
Westlake	\$18,251.7	\$18,380.7	\$129.1	0.7%
Willows	\$2,357.4	\$2,467.8	\$110.4	4.7%
Total	\$621,789.2	\$645,575.9	\$23,786.7	3.8%

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² See Chapter 8 of this Agreement.

³ By contrast, the “last adopted revenue” (in Table 1) is the revenue requirement from the latest approved advice letters as of September 1, 2016.

CALIFORNIA WATER SERVICE COMPANY
1720 North First Street, San Jose, CA 95112
(408) 367-8200

Revised _____ Cal. P.U.C. Sheet No. _____
Cancelling _____ Cal. P.U.C. Sheet No. 10369-W

Schedule No. RSF
All Tariff Areas

RATE SUPPORT FUND

The Rate Support Fund (RSF) Program provides credits on the bills of customers in the Kern River Valley District. (C)
It also provides a subsidy of \$993,015 to reduce the revenue requirements of the service areas in the Redwood (N)
Valley District for each of the three years in this rate case cycle (2017-2019). (N)

The RSF Program is funded through surcharges on other customers as specified below. (T)

RSF SURCHARGE

APPLICABILITY:

Applicable to all water service except that provided for:
(1) public and private fire protection services (T)
(2) under Schedules OR-3M, OR-3M-I, and OR-2UL for raw water delivery along the Powers Canal and (T)
(3) LIRA customers located in an RSF District (see Schedule LIRA).

TERRITORY:

All territories served.

SURCHARGE:

An RSF surcharge rate of .354% will be applied to the basic water charges (identified below) on (R)
a customer's bill.

"Basic water charges" as referenced in this Schedule consist of the service charge and quantity charges for (T)
a metered customer, and the flat charge for flat-rate customers, after RSF credits are applied; they do not
include any other fees, surcharges, or credits.

RSF CREDIT

APPLICABILITY:

Applicable to all water service in the Kern River Valley District (the "RSF District"), except (C)
that provided for public and private fire protection services. (T)
(D)

CREDIT AMOUNTS:

A discounted quantity rate on the first units of water consumption per month up to the "RSF Usage Limit."
Discounted RSF quantity rate..... \$5.28 per 100 cubic feet (CCF) (I) (C)

The Discounted RSF Quantity Rates apply to monthly water consumption up to the following RSF Usage Limits:
Kern River Valley District First 10 CCF (C)
(D)

Additional units will be charged at the quantity rates described on the rate schedules for those service areas.
Kern River Valley District Schedule KRV-1 (C)
(D)

SPECIAL CONDITIONS

- 1. The RSF Credits and Surcharges on this tariff shall be separately identified on customer bills. (C)
- 2. Customer bills in the former Redwood Valley District service areas (Coast Springs, Lucerne, and Unified) shall have (N)
a message indicating that their basic water rates (service charge and quantity rates) are lower due to a subsidy from (N)
the RSF program. This bill message will continue as long as the RSF subsidy continues. (N)
- 3. In no instance should the total amount of the combined RSF Credit and and LIRA discount received by a (L)
customer in any month exceeds that customer's water bill for service in that month. (T) (L)

(To be inserted by utility)
Advice Letter No. _____
Decision No. _____

Issued by
PAUL G. TOWNSLEY
NAME
Vice President
TITLE

(To be inserted by Cal. P.U.C.)
Date Filed _____
Effective _____
Resolution No. _____

Schedule No. CMT

(N)

All Tariff Areas

CONSTRUCTION AND TEMPORARY METERED SERVICE

(Page 1)

APPLICABILITY

Applicable to all temporary water service furnished for customers engaged in construction and temporary activities within the utility service area.

TERRITORY

This schedule is applicable within the entire area served by the utility.

RATES

Monthly quantity rates and service charge listed in applicable Non-residential Metered Service will apply to service furnished under this schedule. Monthly quantity rates and service charge listed in applicable General Metered Service will apply in case Non-residential Meter Service Schedule does not exist.

SPECIAL CONDITIONS

1. Where it is necessary to obtain a temporary or construction meter, the customer will be required to sign an agreement and deposit \$2,400 for a construction meter with a Reduced Pressure (RP) or backflow prevention assembly (BPA).
2. If hardware is lost, stolen, damaged beyond repair, relocated without utility approval, or not inspected and tested annually (for use lasting longer than 12 months), the customer will forfeit the entire deposit. The deposit less the cost of any repairs other than those due to normal depreciation will be returned to the customer after termination of the service for which the meter was installed.
3. If utility requires customer to call, fax, or email the meter reading. It is the customer's months, meter may be removed and permit revoked (if utility is unable to contact responsibility to do so by the 15th of each month. Customers that do not call, fax, or email the meter reading by the 15th of each month will be charged for 100 CCF of use.
4. In the event of failure to provide a meter read for a period of:
 - Two months, meter may be removed and permit revoked (if utility is unable to contact customer).
 - Six months, the meter will be considered abandoned, and deposit forfeited.
5. Meter can only be used in locations approved by utility and cannot be relocated without utility approval.
6. Once water passes through meter it is no longer potable.
7. Water taken from a utility hydrant may not be transported out of the service area.

(N)

(continued)

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Schedule No. CMT	(N)
All Tariff Areas	
<u>CONSTRUCTION AND TEMPORARY METERED SERVICE</u>	
(Page 2)	
8. Meter must be inspected annually by utility. Customer is responsible for arranging inspection appointment.	
9. RP and BPA must be tested annually by a certified backflow specialist. Fee for testing is the responsibility of customer.	
10. Utility will require customer to apply for a permanent service to obtain potable water to a premises. This tariff gives customer no implied rights for obtaining building permits and permanent extensions to serve customers are to be made under Rule 15.	
11. Meter is not to be used for fire protection such as fire sprinkler or on-site fire hydrants. This tariff does not imply that any fire protection standards required by local or state authorities are met.	
12. It is the customer's duty to notify the local fire protection agency of any connection to a fire hydrant and to disclose the intended use of water.	
13. Failure of a customer to use proper spanner wrenches on the utility's fire hydrant operating nut, or if customer is causing any damage to the water distribution system, can result in the immediately termination of service and use of the meter.	
14. Persons found using water from a utility hydrant location without the use of proper metering equipment will receive a warning letter and citation. A second citation may result in the suspension of all hydrant use permits issued to that customer for a period of six months. Additionally, copies of the citations will be sent to the local law enforcement authorities and the fire department will be notified that all hydrant use permits have been revoked.	
15. Water used without a meter is water theft and customer will be held accountable in accordance with California Penal Code 498.	
	(N)
(End)	

(To be inserted by utility)
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 Decision No. _____

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PAUL G. TOWNSLEY
 NAME
Vice President
 TITLE

(To be inserted by Cal. P.U.C.)
 Date Filed _____
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