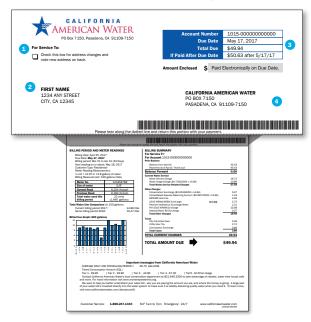
HOW TO READ YOUR CALIFORNIA AMERICAN WATER BILL

Monterey District - Residential



Your Bill (Sample)

This sample bill describes the charges that appear on customer bills in your service area. Please see below for information about how to read your California American Water bill.



Customer Contact Information

- 1 For Service To: Address of property receiving water service.
- 2 Customer name and billing address.

Customer Account Information

3 Your Account Number, Due Date and Total Amount Due are all easy to spot.

Payment

4 Detach this paystub and return with your payment. On this paystub, you will find the bill due date and total charges due. Please write the payment amount in the space provided. Your paystub will say "Paid Electronically on Due Date" if you have signed up for Auto Pay.

Make checks payable to California American Water and always include your account number. The address on the front of this paystub must be visible through the window on the return envelope when the payment is mailed.

Note: The return address shown is not a California American Water company office, but a payment collection center. For office locations please visit www.californiaamwater.com.

BILLING PERIOD AND METER READINGS

Billing Period and Meter Readings

- 5 Your account details, including billing date, billing period, next meter reading on/or about date, and type of rate you are charged. Note: Our meters are read in increments of 10 cubic feet approximately once every 30 days. All customers are billed in 100-gallon (CGL) increments.
 - 10 Cubic Feet = 1 Unit = 74.8 Gallons

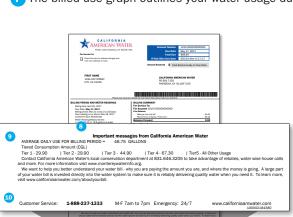
This section also reports your meter number and the size of your meter. We read meters approximately every 30 days to determine the amount of water used. Current and previous meter readings are also included here.

Total Water Use Comparison (in 100 gallons)

6 A comparison between your current usage versus your usage the same month the year prior, if available.

Billed Use Graph (100 gallons)

7 The billed use graph outlines your water usage during the past year.



Elling Fertion and Billing date: April 25, 2017 Due Date: May 17, 2017 Billing period: Mar 21 to Apr 21 (32 Days) Next reading on or about: May 18, 2017 Customer Type: Residential Meter Reading Measurement: Meter Reading Measurement. 1 unit = 10 CF or 74.8 gallons of water Billing Measurement: 100 gallons (CGL) Meter No Size of meter Current Read 6.204 (Actual 45.43 0.00 Total water used this billing period 20 units (1,496 gallons 16.73 10.95 27.59 Total Water Use Comparison (in 100 gallons) Current billing period 2017: 0.37 1.43 2.30 2.73 1.21 14.96 CGL 10.47 CGL Same billing period 2016: 10.05 0.37 15.49 TOTAL AMOUNT DUE

CALIFORNIA

Important Messages from California American Water

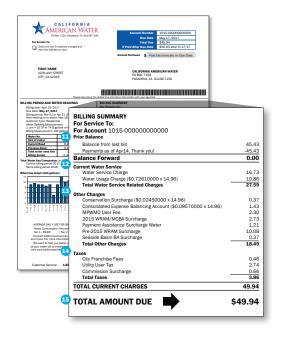
8 We often include important notices and customer information in this section. We encourage you to read this to keep up with the programs we offer, new projects, and important rate information.

Average Daily Use for Billing Period

The average daily water usage during the billing period. It also shows the five tiers of usage we use to calculate our conservation pricing, with higher rates assigned to higher than average levels of water use. Water usage is billed with this tiered structure to encourage water conservation. The water allotment per tier is listed in CGLs, which are 100-gallon units.

Questions About Your Bill

Our customer service center contact information and our website address are conveniently located in one area. Please visit our website to access your account online, to sign up for our auto-pay option and to read about our free conservation programs (online accounts available to residential customers only).



Prior Balance

11 The amount you owed in dollars from your previous bill, along with any payment you may have made in the past billing cycle. This section will also show any unpaid balances or overpaid credits to go towards your next bill.

Current Water Service

12 This section is divided into two charges.

- Water Service Charge: A fixed service charge that corresponds with the size of your meter.
- Water Usage Charge: The volume-based charges are divided into five tiers, with higher rates for higher than average levels of water use. Water usage is billed on a tiered billing structure to encourage water conservation. For the Monterey Main system, the tiers are as follows:

Tier	Cost per 100 gal (CGL)
Tier 1: For the first 29.9 CGL	\$0.7261
Tier 2: For the next 29.9 CGL	\$1.5000
Tier 3: For the next 44.9 CGL	\$3.4999
Tier 4: For the next 67.3 CGL	\$6.7435
Tier 5: For all water over 172.0 CGL	\$8.2434

Other Charges

- 43 Here you will find additional surcharges authorized by the California Public Utilities Commission (CPUC) through advice letter filings and decisions. These surcharges fund a variety of obligations associated with the Monterey system that are not included in the base rate. Please see below to learn more.
- **Conservation Surcharge:** This surcharge funds conservation initiatives and activities on the Monterey Peninsula such as California American Water's rebate program, free Rain Sensor Install Program, and Landscape Grant Program. For more information, visit www.montereywaterinfo.org. The surcharge is \$0.0245 per CGL of water consumed.
- Consolidated Expense Balancing Account Surcharge: This surcharge tracks the overcollection or undercollection of certain CPUC-authorized costs. The General Expense Balancing Account is used to capture (or refund) undercollections (or overcollections) for items where the CPUC allowed California American Water to track differences in authorized costs versus costs actually incurred for future recovery.
 - Some of the specific items that are recovered through this surcharge are Seaside Basin costs, Carmel River Cease and Desist Order costs, Benefit Plan costs, purchased power costs and others. This surcharge is \$0.0957 per CGL of water consumed.
- **MPWMD User Fee:** This surcharge funds the Monterey Peninsula Water Management District's (MPWMD) environmental mitigation, water supply, and conservation programs, as well as other activities. The surcharge is 8.325% of the customer's monthly base bill and will remain in effect until otherwise directed by the CPUC.
- 2015 Water Revenue Adjustment Mechanism (WRAM)/Modified Cost Balancing Account (MCBA) Surcharge: This surcharge makes
 up the difference between the CPUC's authorized quantity revenue and the amount actually billed to customers during the calendar
 year. This surcharge was approved by the CPUC in order to allow utilities to recover losses in revenues due to lower consumption
 resulting from Conservation Rate Designs that occurred during 2015. This surcharge is \$0.1824 per CGL of water consumed.
- Payment Assistance Surcharge Water: This surcharge helps fund the Low Income Assistance Program. Qualifying customers of this program receive a reduction in their overall bill due to financial hardship. The surcharge is \$1.21 added onto the total bill.
- **Pre-2015 WRAM Surcharge:** A 5-year WRAM surcharge will recover previously approved but uncollected revenue for the years 2010–2015. This surcharge is a flat monthly charge based on meter size.
- Seaside Basin Balancing Account (BA) Surcharge: This surcharge was approved to recover costs incurred in securing permanent
 Seaside Basin water rights. This surcharge is a flat monthly charge based on meter size and is designed to recover \$2.8 million of
 costs over 10 years.

Taxes

- (A) California American Water collects city and utility taxes on behalf of public agencies and then remits those funds to the taxing authorities.
 - Franchise Fees: These taxes allow for operations in public right of ways. Rates vary depending on the jurisdiction.
 - **Utility User Tax:** A tax that cities and counties may impose on businesses for providing utility, trash, water or communication services within the respective city or county. The city or county levies this tax. California American Water collects this tax on behalf of the government entity and remits it to the respective city or county. California American Water keeps no portion of the utility user tax.
 - Commission Surcharge: This tax, which funds the CPUC, is 1.5% of your bill.

Total Amount Due

15 The total summary of charges of your entire bill, including any past due amount. This should be paid on or before the current bill's due date.









