Schedule No. CAP Page 1

Customer Assistance Program (CAP)

The Customer Assistance Program ("CAP") provides credits on the bills of customers who meet certain qualifications. The CAP was formerly known as the "Low-Income Ratepayer Assistance" or "LIRA" program.

I. CAP CREDIT

A. CREDIT APPLICABILITY

Applicable to individually metered and flat rate residential customers, qualified non-profit group living facilities, qualified agricultural employee housing facilities, and migrant farm worker housing centers where the customer meets all the special conditions of this schedule.

B. CREDIT TERRITORY

All tariffed service areas of the California Water Service Company.

C. CREDIT FOR RESIDENTIAL CUSTOMERS

(D)
(D)

METERED SINGLE-FAMILY RESIDENTIAL RATES

Quantity Rates: Customers will be charged per 100 cubic feet of water delivered at the metered rates as reflected in the applicable rate schedule for single-family service.

Service Charges: Eligible customers will receive a monthly CAP credit equal to 50% of the 5/8" x 3/4" service charge for single-family residential service, prorated based on the days of service, if service is not provided for a full month. The maximum monthly credit is $48.00.

FLAT RATE RESIDENTIAL RATES

Eligible customers will be charged the flat rates reflected in the applicable rate schedule for residential flat rate service, with a monthly CAP credit equal to 50% of the 5/8" x 3/4" service charge for metered single-family residential service, prorated based on the days of service, if service is not provided for a full month. The maximum monthly credit is $48.00.

(Continued)

Schedule No. CAP Page 2 (T)
Customer Assistance Program (CAP) (T)

I. CAP CREDIT (continued) (T)

D. CREDIT FOR NON-RESIDENTIAL CUSTOMERS (L) (T)

QUALIFIED NON-PROFIT GROUP LIVING FACILITIES, QUALIFIED AGRICULTURAL EMPLOYEE HOUSING FACILITIES, MIGRANT FARM WORKER HOUSING CENTERS

Quantity Rates: Customers will be charged per 100 cubic feet of water delivered at the metered rates as reflected in applicable rate schedule for single-family service.

Service Charges: Eligible customers will receive a monthly CAP credit of $20.00, prorated based on the days of service, if service is not provided for a full month. (T)
The maximum monthly credit per qualifying sub-metered customer is $20.00.

SPECIAL CONDITIONS:

1. CAP Household: A CAP household is one for which the total gross income from all sources is less than or equal to the maximum household income level for the CARE (T) programs approved by the Commission. Southern California Edison's (Edison) CARE program will be applicable to customers residing within Edison's service area and Pacific Gas and Electric Company's (PG&E) CARE program will be applicable to customers residing within PG&E's service area. Total gross income shall include income from all sources, both taxable and non-taxable. The billed customer must not be a person who is claimed as a dependent on another person's income tax return.

2. Application and Eligibility Declaration: Proof of active participation in a CARE program or an application and eligibility declaration on a form authorized by the Commission is required for each request for service under this schedule. Renewal of a customer's eligibility declaration may be required consistent with CARE program renewal requirements, but not more often than annually. Customers, excluding qualified non-profit group living facilities, qualified agricultural employee housing facilities, and migrant farm worker housing centers, are eligible to receive service under this rate schedule at no more than one residential location at any one time, and the rate applies only to the customer's permanent primary residence.

(L)

(Continued)

SPECIAL CONDITIONS (continued) (N)

3. Commencement of Rate: CAP rates become effective January 1, 2007. After CAP rates are effective eligible customers shall be billed on this schedule commencing no later than one billing period after receipt and approval of the customer's application by the Utility.

4. Verification: Information provided by the applicant is subject to verification by the Utility. Refusal or failure of a customer to provide sufficient documentation of eligibility acceptable to the Utility, upon the request of the Utility, shall result in removal from this rate schedule. Failure to comply with any terms of the CAP program shall result in removal from this rate schedule.

5. Notice from Customer: It is the customer's responsibility to notify the Utility if there is a change in the customer's eligibility status.

6. Customers may be re-billed for periods of ineligibility under the applicable rate schedule.

II. CAP SURCHARGE

A. SURCHARGE APPLICABILITY

Applicable to all water service except that provided for:

(1) under Schedules OR-3M, OR-3M-I, and OR-2UL for raw water delivery along the Powers Canal and
(2) CAP customers.

B. SURCHARGE TERRITORY

All territories served.

C. RATE SURCHARGE

A CAP surcharge rate of **2.873%** will be applied to the basic water charges (identified below) on a customer's bill. (R)

(Continued)

Schedule No. CAP Page 4

Customer Assistance Program (CAP)

II. CAP SURCHARGE (continued)

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

SPECIAL CONDITIONS

[None]