request on the subject, it was described as a contingent expense included because "it is impossible to identify every event that could occur."[24] The data response further indicates that such expenses might be incurred in California after an earthquake. Overland recommends removing this speculative, contingent expense from NSC expense charged to CalAm ratepayers. In addition, it is Overland's understanding that such a risk reserve is unnecessary because the California Public Utility Code permits utilities to set up a memorandum account to capture the costs associated with a catastrophic event. Using CalAm's requested allocation factor, this adjustment component reduces CalAm expense by $57,100 in 2008 and 2009.

- <u>Labor Expense for a "Non-Departmental" External Affairs Director</u> - Included in the "Non-Departmental" business unit is the labor expense for an employee listed as "Director External Affairs". We asked CalAm to explain what this employee's responsibilities were, why the employee was not included in one of the External Affairs business units, why an External Affairs Director's position paid a salary higher than the Senior Vice President of External Affairs and whether the responsibilities of the position included lobbying government officials.[25] AW declined to provide the information. Overland recommends that this unsupported, and likely unrecoverable, expense be removed from NSC expense charged to CalAm ratepayers. Using CalAm's requested allocation factor, this component of our recommended adjustment reduces CalAm's requested test year expense by $25,420.

<u>7. Correct NSC Income Tax Expense and Interest Income</u> - Among the items in the "Non-Departmental" business unit budget are interest income and income tax expense. Based on updated budget estimates provided by CalAm, Overland recommends adjustments to income tax and interest income that increase total NSC expense by $668,910, and increase CalAm's ratepayer-funded expense by $38,195, using CalAm-requested allocation factors. The adjustment amounts apply to 2008 and the 2009 test year.

- <u>Interest Income</u> - The 2008 NSC budget includes $2.4 million in interest income associated with NSC bank balances. In response to a data request, AW stated that interest income was over-estimated when budgeted in 2007. AW estimated that based on the first half of the year, interest income for 2008 will be about $1 million, rather than $2.4 million.[26] Overland recommends accepting AW's updated, lower estimate of interest income. This requires an adjustment reducing NSC-budgeted interest income by $1,427,200 (from $2,443,000 to $1,016,000). Because it an income item within the NSC expense budget, the adjustment *increases* CalAm's ratepayer funded expense by $81,493 in 2008 and 2009, using CalAm's recommended allocation factor.

---

[24] Response to OC-162.

[25] OC-163.

[26] Response to OC-191.

- Income Tax Expense - AW stated that $879,828 in income tax expense (pre-allocation) included in the "Non-Departmental" business unit is associated with expense that is not deductible for tax purposes, primarily non-deductible business meals.[27] There is not nearly enough non-deductible meal expense budgeted in 2008 in the business units allocable to CalAm to account for the income tax expense. AW offered a new, lower calculation of income tax based primarily on $546,000 in non-deductible meals and $12,000 in non-deductible dues. The actual amount budgeted in 2008 for non-deductible meals is $334,275. Overland recommends income tax expense on non-deductible employee meals be limited to the amount budgeted for the NSC business units that CalAm is requesting to recover from California ratepayers. Before allocation, the revised calculation of income tax expense is $121,537. This component of our recommended adjustment reduces AW's 2008 budgeted NSC tax expense by $758,291. Using CalAm's recommended allocation factor, this adjustment component *reduces* CalAm expense by $43,298 in 2008 and in 2009.

8. Remove NSC Sales and Marketing Expense - Overland recommends that corporate Marketing and Sales expenses involving promotion of the corporate brand be removed from NSC expenses recovered from CalAm's ratepayers. Sales and Marketing business unit 32068 includes a Marketing Director, a Brand Manager, a Manager of Advertising and Trade Events and a Communications Specialist. The responsibilities of the Brand Manager include [redacted] The responsibilities of the Trade Events and Advertising Manager include [redacted] We did not receive a requested job description for the Marketing Director.

Regulators do not typically permit utilities to charge captive utility customers for advertising or marketing unless the efforts are aimed at educating the customer about safety issues or service usage. NSC Marketing and Sales positions focused on brand management and brand promotion are far removed from the objective of educating CalAm customers about safety or service usage. Our recommended adjustment removes $1,467,534 from NSC total expense. Using CalAm's requested allocation factors, this adjustment reduces CalAm expense by $72,056 in 2009.

9. Limit Customer Service Center (CSC) Expense to 2003 Expense Plus Inflation - CalAm requests that it be permitted to recover from ratepayers nearly 70 percent more for customer service in the test year than it incurred in 2003.[28] Overland recommends limiting CalAm's CSC expense to $1,971,507 based on the *per-customer* expense incurred in 2003, adjusted upward by for inflation.[29] CSC expense comprises about one-third of the total NSC expense requested by

---

[27] Id.

[28] General Office Rate Filing Exhibit B, Chapter 4, Section 1, Table 1, Service Company - Call Center, $2,802,618 in 2009, 69.5% higher than $1,653,390 in 2003. 2,802,618 / 171,444 (OC-90) = $16.347.

[29] Inflation is based on the change in the Consumer Price Index between May, 2003 and May, 2008 (U.S. BLS., 125.6 / 107.6 = 1.1673; Dec. 1999 base=100, Chained, U.S. City Avg.). $1,653,390 (Ex.B, Ch.4, Sec.1,Tbl.1) / 167,834 (Ex.B, Ch.6, Sec.1, Tbl.3) = $9.8513 x 1.1673 x 171,444 (OC-90) = $1,971,507.

CalAm, and about one-sixth of requested General Office expense. CalAm requests to recover test year expense of $16.24 per customer for the CSC (based on CalAm's proposed test year customers), up from just $9.85 in 2003, the year before national-scope call centers were fully deployed. The requested increase far exceeds consumer price inflation during this period, which results in expense per customer of $11.50.[30] As discussed more fully in Chapter 4, CalAm's transition from a local customer call center in Chula Vista to the allocated expense of national call centers in Alton, IL and Pensacola, FL has produced dis-economies for CalAm. One factor contributing to a significantly higher expense for CalAm may be AW's provision of call center services to non-regulated customers.

In light of the significant, unexplained increases in CSC expense per customer, Overland recommends that CalAm be prohibited from passing along apparent dis-economies associated with the implementation of the Alton and Pensacola centers, some of which may be attributable to non-regulated activities. Our adjustment reduces CalAm's requested level of CSC expense by $831,111, from $2,802,618 to $1,971,507 in 2009.

10. Remove Unnecessary Payroll Reserve - Overland recommends an adjustment to remove a CalAm-allocated LSC payroll reserve for "bonus or promotional increase[s]." 2009 LSC expense allocated to CalAm already includes pay and benefit increases ranging from 3 to 5%, as well as incentive compensation. Layered on top of the salary increases and incentive compensation, CalAm proposes to include a "catch-all" reserve for unexpected raises, promotions, and unanticipated, market-driven increases to fill vacant positions. No apparent consideration is given to mitigating circumstances such as the possibility of filling position vacancies with employees who have less seniority than those being replaced, the potential softening of future job markets, or the ability of management to control future pay increases. Overland does not believe that the additional payroll reserve is warranted and proposes that it be excluded from CalAm's allocated GO costs. Our recommended adjustment reduces CalAm-allocated expense by $30,050 in 2008 and $30,801 in 2009, using CalAm-requested allocation factors.

11. Correct Omission of Operating Risk Department Salaries - CalAm inadvertently excluded the base salaries of two employees from the LSC Operating Risk Department projections in 2009. These same employees' base salaries were included in the 2008 projections. Total labor expense omitted was $154,092 for the LSC, of which $83,036 distributes to CalAm using CalAm-requested factors. Overland recommends an adjustment to correct this error by adding back the expense. This adjustment increases CalAm expense by $83,036 in 2009.

12. Reverse Allocation Impact of Re-Branding LSC Employees as California-Only - Overland recommends that 12 of 17 employees reclassified in 2006 and 2007 from the LSC organization to the Cal Corp organization be allocated to the states served by the LSC as they were before they we re-branded as Cal Corp employees. In 2006 and 2007 AW moved 17 regionally-allocated LSC employees to the California-specific Cal Corp. Under the auspices of creating a "strong state organizational structure", these employees, who were once allocated to as

[30] $9.8513 x 1.1673

many as five different regulated jurisdictions, are 100 percent attributable to CalAm for purposes of CalAm's project test year expense request. Although they have new locations on AW organization charts and new California-only cost attributions, 16 of the employees have continued to work in the same city, most with the same or similar job titles as they did when they were considered part of the LSC.

The re-branding of LSC employees as Cal Corp poses a potential for the manipulation of cost allocations. For example, an employee deemed to be part of Cal Corp in this rate application can be transferred back to the LSC or to another jurisdiction soon afterwards and be claimed as a partially- or wholly-dedicated employee of the transferred-to jurisdiction in a different rate case. We attempted to obtain information concerning rate cases in the other states served by AW's Western Region LSC and did not receive a meaningful response.[31]

We also found that the increase in Cal Corp costs associated with the re-branding was not offset by any meaningful decrease in CalAm-allocated costs from the LSC (as one would expect if the services being provided had actually been transferred).

Taking into consideration subsequent employee reclassifications and a few cases in which employees had obvious new job responsibilities, Overland recommends that 12 of the 17 reclassified employees be allocated across LSC cost objectives as they were before the re-branding to Cal Corp occurred. For purposes of this calculation, Overland used the allocations from the calendar year most representative of the date the employee "shift" took place.[32] Our recommended reallocation reduces CalAm expense by $321,011 in 2008 and $334,197 in 2009.

13. Remove Cal Corp Labor Separately Requested in Rate Case Expense - In its request, CalAm has included a portion of the labor costs of four Cal Corp employees in both its allocated operating expenses and deferred rate case expenses.

For 2009 test year purposes, labor for each employee of Cal Corp was assigned by management to either 1) operating expense or 2) capital expenditures and/or rate case expense through the use of allocation factors. In total, these allocation factors summed to 100 percent. Based on a review of deferred rate case expense support, Overland discovered that some employees had more time allocated to rate case expense than management had allowed for in its allocation factors. As a result, more than 100 percent of these particular salaried employees' labor costs were effectively requested for recovery from ratepayers.

---

[31] States served by the Western Region LSC, in addition to California, include Arizona, Texas, New Mexico and Hawaii. Operations in New Mexico, Texas and Hawaii are relatively small in comparison to California and Arizona.

[32] If the reclassification occurred near the end of a calendar year, we used the LSC allocation factors for that year. If the reclassification occurred near the beginning of a calendar year, we used the LSC allocation factors for the year prior to the move.

Taking into consideration previous proposed adjustments that affect the recommended allocations of two of the four employees, Overland proposes to adjust the remaining two employees' labor costs so that no more than 100 percent of their cumulative time is included in any area of the rate application. The impact of this adjustment is a reduction of $33,236 and $34,664 to CalAm-allocated operating expense in 2008 and 2009, respectively.

14. Correct Allocations to CalAm - We reviewed the distribution of NSC and LSC expenses to CalAm. As discussed below, Overland recommends adjustments to CalAm's test year-requested NSC and LSC allocation factors for CalAm. Our adjustments reduce CalAm's NSC-allocated expense by $716,334 in 2008 and 2009 and reduce LSC-allocated expense by $48,823 in 2008 and $51,000 in 2009. In total, CalAm expense is reduced by $765,157 in 2008 and by $767,334 in the 2009 test year.

NSC Allocations to CalAm - The NSC serves both the regulated and non-regulated segments of American Water. Within the regulated segment AW allocates costs among 20 regulated state-based water companies. AW has two levels of allocation. "Tier 1" factors distribute expense between the regulated and non-regulated segments based on various measures of relative segment size, including revenues, expenses and employees. Tier 2 allocations distribute regulated segments costs (after Tier 1 allocation) among the 20 regulated water companies. Tier 2 allocations are based on customers.[33]

[33] Customers are used only for Tier 2 allocation. They are not used to allocate between the regulated and non-regulated segments. For example, in the regulated water companies a customer is a residential or commercial user of water service. On the non-regulated side, AW may have an operating agreement with a city to perform services for the city's water users. The "customer" in this case is the city, not the residents and businesses that use the city's water service.

Table 2-4
CalAm Percentages of NSC Rate Filing Category Allocations and American Water Regulated Customers

Rate Filing Category	2006	2007	Test Year per CalAm	Test Year per Overland
Belleville Lab	5.41%	5.42%	5.40%	4.56%
Customer Service Center (1)	5.28%	5.41%	5.42%	4.56%
Finance	4.67%	5.03%	5.16%	4.56%
HR	4.12%	4.37%	4.70%	4.70%
IT	4.92%	5.22%	5.42%	4.56%
NSC Functions (2)	5.93%	5.33%	5.02%	4.56%
Operations / Network	4.34%	4.89%	5.05%	4.56%
Procurement	5.21%	6.89%	6.48%	6.48%
Shared Services	5.62%	6.45%	6.12%	4.56%
Weighted Avg Allocation	5.38%	5.43%	5.41%	4.59%
	2006	2007	2008	
Regulated Customers	5.29%	5.38%	5.18%	5.18%

(1) Included for calculation of weighted average only. Our recommendation for the CSC negates the use of an allocation factor. (2) The common cost pool used for the NSC Functions calculation excludes Northeast, charged to CalAm.

Sources: Allocation Percentages calculated from analysis of OC-52. Customers are from OC-85.

As shown Table 2-4, even with an ostensible allocation to the non-regulated segment, CalAm's test year composite allocation of common NSC expenses (5.41%), is greater than its 2007 year-end share of regulated customers (5.18%). We asked CalAm to support its proposed test year NSC allocation factors. These are shown in the "Test Year per CalAm" column above. CalAm responded:[34]

> Regarding 2008 and 2009 information, there is no "common" cost allocation, as the data for these periods are forecast. The distribution of costs by function is developed based on prior period overall cost assignment experience.

Overland interprets this to mean that there is no calculation support for the test year factors used to distribute NSC costs to CalAm's rate filing. CalAm states that the "distribution of costs" is "based on prior period overall cost assignment experience"; yet, while CalAm's share of regulated customers is *lower* at December 31, 2007 that at the end of 2006, its 2008 share of budgeted NSC expense, based on "prior period overall cost assignment experience," is *higher* than in 2007 and also higher than its share of total regulated customers (even after an ostensible allocation to the non-regulated segment). Our own analysis of historical NSC allocations showed that a significant portion of the NSC's expense was assigned to cost pools that were allocated *only* to the regulated water companies.

[34] Response to OC-51.

As discussed in Chapter 4, we found that the CSC serves non-regulated customers, but that no CSC expenses are allocated to these non-regulated customers or to the non-regulated business segment. Specifically, we determined that for some time the CSC has provided operating services to municipal water systems for the Township of Edison, NJ and for the City of Elizabeth, NJ (Liberty Water) without allocating any CSC expense to these non-regulated customers. AW acknowledged that it should be allocating expense for "comparable" CSC services to non-regulated customers.[35]

Months after we submitted our data request, AW supplemented its response concerning CSC expense allocations with a list of an additional 104 municipal customers from which AW currently collects $5.7 million for billing services.[36] As with the non-regulated Edison and Liberty contracts, CSC expenses are also not allocated to the 104 municipal customers receiving CSC billing services. In the case of the customers receiving billing services, it appears that AW believes allocations should not be made because the services are not "comparable" to those provided to the regulated segment. Overland notes that AW's opinion and its procedure are inconsistent with fully distributed cost allocation principles required by most regulators.

<u>Calculation of Overland's Recommended NSC Allocation Factors</u> - Overland's recommended allocation of NSC expense to CalAm is simple. For each appropriate rate filing category, NSC expense should be allocated using the following "Tier 1" and "Tier 2" factors:

- <u>Tier 1 NSC Expense Allocation</u> - All NSC expense should be subjected to a reasonable allocation between the regulated and non-regulated segments. This should be based on revenue and expense, measures to which each segment contributes in amounts comparable to the size of its operations.[37] Although AW declined to provided requested non-regulated financial data, AW's 2008 public equity offering required AW to file GAAP-based segment information. From this, we were able to obtain recent regulated and non-regulated revenues and expenses. Overland's recommended regulated non-regulated calculation is summarized in the table below.

---

[35] Response to OC-73-C.

[36] Response to OC-210 and attachment.

[37] AW uses relative customers to allocate NSC expense among the regulated water companies. This works because customers are comparable within the regulated segment; that is, customers in each regulated water company consist of thousands of residential and commercial water users. Since Tier 1 and Tier 2 allocations are components of the same cost distribution process, the allocation basis should be consistent to the extent possible (in other words, if customers is the accepted basis, it would ideally be used for both regulated and non-regulated companies, reducing the process to one tier). Unfortunately, AW's regulated and non-regulated customers are not comparable and do not properly reflect the relative size of segment operations. As noted, regulated "customers" consist of millions of residential and commercial water users. On the non-regulated side, "customers" consist of (a few hundred?) water system owners and operators, on average producing a significantly greater amount of revenue than the average regulated customer. The result of combining these two would be a customer ratio not reflective of relative segment size, and therefore not reasonable for use as an "unattributable" allocator ("unattributable" is what all of AW's size-based allocators are).

Table 2-5 Overland-Recommended Allocation of Common NSC Management Fee Expense Between Regulated and Non-Regulated Operations Based on Average of Relative Segment Revenues and Operating Expenses					
	Revenue		Expense		Average
Segment	Amount	Percent	Amount	Percent	Percentage
Regulated	$ 1,987,565	89.12%	$ 1,490,794	86.86%	87.99%
Non-Regulated	242,678	10.88%	225,600	13.14%	12.01%
Total	**$ 2,230,243**	**100.00%**	**$ 1,716,394**	**100.00%**	**100.00%**
Source: American Water Form 424B3, Filed 5/12/2008, Segment Information, pp. F35 & F36 Amounts are from Year Ended December 31, 2007					

- <u>Tier 2 NSC Expense Allocation</u> - AW allocates the NSC's regulated segment expense among its regulated water companies based on customers. Although customers is a relatively blunt method for allocating all regulated NSC expense, Overland did not have the resources or the time to conduct a detailed review of or redesign the process. Although we concur with AW's use of customers, we note that the test year factors should be based on the most recently available, accurate customer counts. Using year-end 2007 counts, CalAm's customers are 5.18% of total regulated customers.

Overland's recommended test year allocation to CalAm, applicable to most of the NSC rate filing categories, is 4.56%, as summarized below.

Table 2-6 Overland-Recommended Allocation of Common NSC Management Fee Expense to California American Water		
Component	Percentage	Basis
1. Regulated Share	87.99%	Regulated average pct. of combined segment revenue & expense
2. California Jurisdictional Share	5.18%	CalAm percent of of total regulated customers
3. CalAm Regulated Allocation	4.56%	Line 1 x Line 2
Source: American Water Form 424B3, Filed 5/12/2008, pp. F35 & F36 Amounts are from Year Ended December 31, 2007		

We recommend a 4.56% allocation for 7 of 9 NSC rate filing categories (6 if the Customer Service Center is limited, as recommended, to 2003 CalAm expense plus inflation). As indicated in Table 2-4 above, we concur with AW's proposed CalAm allocations in the Human Resources function (4.70%) and the Procurement category (6.48%). The allocator for Human Resources is reasonably close to the overall NSC allocator we found to be reasonable (4.56%). Procurement is a unique category. Because a majority of AW's non-regulated operations do not involve the construction of AW-owned plant, we concur with AW's assessment that the Procurement function primarily serves the regulated segment. In recognition of the possibility that construction levels are somewhat higher in California than in other states, and due to the lack of time or resources to perform a detailed analysis, Overland has chosen not to contest the fact that CalAm's proposed test year Procurement factor (6.48%) is 25% higher than CalAm's share of regulated customer (5.18%).

Combining reasonable allocations for each NSC rate filing category results in Overland's recommended weighted average (overall) allocation of 4.59% of common NSC to CalAm, as shown in Table 2-4. The change in allocation factors reduces NSC expense allocated to CalAm by $716,334 in 2008 and 2009.

LSC Allocations to CalAm - Underlying the total charges from the LSC to CalAm are jurisdictional labor cost allocations of 27 employees that are entirely based on projected customer count data. Overland believes actual year-end 2007 customers counts are a more objective basis for the allocation. The adjustment associated with this allocation factor change reduces CalAm ex by $48,823 and $51,000 in 2008 and 2009, respectively. In addition, allocations of non-labor expenses were also affected by the synchronization of labor costs to May 31, 2008 employee levels. The impact of this change is included in adjustment to calculate labor expense based on end-of-May, 2008 employee levels.

REDACTED

REDACTED

Attachment 2-1

General Office Operations and Maintenance Expenses
As Filed By CalAm, Summary of Overland-Recommended Adjustments, As Adjusted by Overland
2008 and 2009 Per CalAm, Overland-Recommended Adjustments, and As Recommended by Overland

2008 Description	As Filed 2008	1. Annualize Labor Expense Based on May 31, 2008 Actual Staff Levels	2. Reduce Incentive Compensation to 2007 Actual Award Levels	3. Remove Business Development Expense	4. Remove Corporate Contributions	5. Remove Legislative Influence Expense	6. Remove Unsupported "Non-Departmental" & "NSC Functions" Expense	7. Correct "Non Departmental" Interest Income and Income Tax	8. Remove Sales and Marketing Expense	9. Limit CSC Expense to 2003 Plus Inflation	10. Remove Unnecessary Payroll Reserve	11. Correct Ommission of Oper Risk Dept Salaries	12. Reverse Allocation Effect of Re-branding LSC Employees as Cal-Corp	13. Remove CalCorp Labor Separately Requested as Rate Case Expense.	14. Correct NSC & LSC Allocations to Cal-Am	Total Adjustments	Adjusted 2008 Totals
Operating Expenses - Dollars:																	
National Service Company																	
Service Company - Belleville Laboratory	302,875	(24,655)	(6,162)	-	-	-	-	-	-	-	-	-	-	-	(42,320)	(73,137)	229,738
Service Company - Call Center	2,802,618	-	-	-	-	-	-	-	-	(831,111)	-	-	-	-	-	(831,111)	1,971,507
Service Company - Finance	581,351	(23,198)	(44,076)	-	-	-	-	-	-	-	-	-	-	-	(59,776)	(127,050)	454,301
Service Company - Human Resources	296,649	(28,306)	(19,204)	-	-	-	-	-	-	-	-	-	-	-	-	(47,509)	249,140
Service Company - Information Technology	1,786,495	(53,939)	(93,007)	-	-		-	-	-	-	-	-	-	-	(260,150)	(407,096)	1,379,399
Service Company - "NSC Functions"	1,489,659	139,976	(35,795)	(30,439)	(20,623)	[redacted]	(545,959)	38,195	(72,056)	-	-	-	-	-	[redacted]	[redacted]	[redacted]
Service Company - Operation / Network	267,594	(11,639)	(50,729)	-	-		-	-	-	-	-	-	-	-	(19,[illegible])	(82,282)	185,312
Service Company - Shared Services	1,141,013	(70,099)	(59,540)	-	-	-	-	-	-	-	-	-	-	-	(252,651)	(382,290)	758,723
Service Company - Procurement	152,311	1,926	(19,520)	-	-	-	-	-	-	-	-	-	-	-	-	(17,594)	134,717
Subtotal National Service Company	8,820,565	(69,934)	(328,033)	(30,439)	(20,623)	[redacted]	(545,959)	38,195	(72,056)	(831,111)	-	-	-	-	[redacted]	[redacted]	[redacted]
Local Service Company	3,471,949	26,341	(121,159)	(341,030)	-		-	-	-	-	(30,050)	-	-	-	(48,823)	(514,721)	2,957,228
California AW GO Function (Cal Corp)	4,768,058	(294,998)	(139,966)	-	-	[redacted]	-	-	-	-	-	-	(321,011)	(33,236)		[redacted]	[redacted]
TOTAL	17,060,572	(338,591)	(589,158)	(371,469)	(20,623)	(211,004)	(545,959)	38,195	(72,056)	(831,111)	(30,050)	-	(321,011)	(33,236)	(765,157)	(4,091,231)	12,969,341

2009 Description	As Filed 2009	Annualize Labor Expense Based on May 31, 2008 Actual Staff Levels	2. Reduce Incentive Compensation to 2007 Actual Award Levels	3. Remove Business Development Expense	4. Remove Corporate Contributions	5. Remove Legislative Influence Expense	6. Remove Unsupported "Non-Departmental" & "NSC Functions" Expense	7. Correct "Non Departmental" Interest Income and Income Tax	8. Remove Sales and Marketing Expense	9. Limit CSC Expense to 2003 Plus Inflation	10. Remove Unnecessary Payroll Reserve	11. Correct Ommission of Oper Risk Dept Salaries	12. Reverse Allocation Effect of Re-branding LSC Employees as Cal-Corp	Correct Labor Costs Requested More Than Once	14. Correct NSC & LSC Allocations to Cal-Am	Total Adjustments	Adjusted 2009 Totals
Operating Expenses - Dollars																	
National Service Company																	
Service Company - Belleville Laboratory	302,875	(24,655)	(6,162)	-	-	-	-	-	-	-	-	-	-	-	(42,320)	(73,137)	229,738
Service Company - Call Center	2,802,618	-	-	-	-	-	-	-	-	(831,111)	-	-	-	-	-	(831,111)	1,971,507
Service Company - Finance	581,351	(23,198)	(44,076)	-	-	-	-	-	-	-	-	-	-	-	(59,776)	(127,050)	454,301
Service Company - Human Resources	296,649	(28,306)	(19,204)	-	-	-	-	-	-	-	-	-	-	-	-	(47,509)	249,140
Service Company - Information Technology	1,786,495	(53,939)	(93,007)	-	-		-	-	-	-	-	-	-	-	(260,150)	(407,096)	1,379,399
Service Company - "NSC Functions"	1,026,220	139,976	(35,795)	(30,439)	(20,623)	[redacted]	(82,520)	38,195	(72,056)	-	-	-	-	-	[redacted]	[redacted]	[redacted]
Service Company - Operation / Network	267,594	(11,639)	(50,729)	-	-	-	-	-	-	-	-	-	-	-	(19,913)	(82,282)	185,312
Service Company - Shared Services	1,141,013	(70,099)	(59,540)	-	-	-	-	-	-	-	-	-	-	-	(252,651)	(382,290)	758,723
Service Company - Procurement	152,311	1,926	(19,520)	-	-	-	-	-	-	-	-	-	-	-	-	(17,594)	134,717
Subtotal National Service Company	8,357,126	(69,934)	(328,033)	(30,439)	(20,623)	[redacted]	(82,520)	38,195	(72,056)	(831,111)	-	-	-	-	[redacted]	[redacted]	[redacted]
Local Service Company	3,546,988	29,170	(125,515)	(352,746)	-		-	-	-	-	(30,801)	83,036	-	-	(51,000)	(447,856)	3,099,132
California AW GO Function (Cal Corp)	4,954,495	(339,407)	(144,998)	-	-	[redacted]	-	-	-	-	-	-	(334,197)	(34,664)	-	[redacted]	[redacted]
TOTAL	16,858,609	(380,171)	(598,546)	(383,185)	(20,623)	(218,213)	(82,520)	38,195	(72,056)	(831,111)	(30,801)	83,036	(334,197)	(34,664)	(767,334)	(3,632,190)	13,226,419