



**Notice of Public Participation Hearing:
California American Water's Request to Increase Water Rates in its General Rate Case
Application No. A.19-07-004
Central Division**

Tuesday, February 18, 2020, at 6 p.m.
Seaside City Hall - Council Chambers
440 Harcourt Ave, Seaside, CA 93950

Wednesday, February 19, 2020, at 6 p.m.
Gonzales Council Chambers
117 Fourth St., Gonzales, CA 93926

The California Public Utilities Commission (CPUC) wants to hear from you. Public Participation Hearings (PPHs) have been scheduled for customers in the Central Division at the dates, times, and locations noted above to receive your comments about California American Water's General Rate Case (GRC) application (A.19-07-004).

A CPUC Administrative Law Judge (Judge) will preside at the PPHs to listen to concerns, comments, and opinions on the proposed rate increase and application. One or more Commissioners may attend, but no decisions will be reached at these hearings. All public comments from the PPHs will be included in the formal record of this proceeding and become public record.

The hearing location is wheelchair accessible. If you need a non-English language interpreter or special assistance, please contact the CPUC's Public Advisor's Office (PAO) at the address listed on the reverse of this notice at least five days in advance of the hearing date. If you cannot attend the PPH, you may submit your comments via a letter or email to the PAO.

The Application

The CPUC requires California American Water to file a GRC every three years. On July 1, 2019, California American Water filed a GRC requesting revenue increases of \$25,999,900 (or 10.60%) for 2021, \$9,752,500 (or 3.59%) for 2022, and \$10,754,500 (or 3.82%) for 2023. If approved by the CPUC, the total revenue increase for all three years, for the Central Division, would be \$8,384,800 (or 12.22%). The GRC includes revenue requirement information, the anticipated cost to run the water company's systems, new infrastructure investments, a request to increase rates to cover anticipated costs and other requests the water company deems necessary to run its business.

Customer Impact

The proposed revenue increases for the Central Division are shown below.

Central Division-Proposed Revenue Increase							
CUSTOMER CLASS	2021		2022		2023		Total \$ Increase
	\$ Increase	% Increase	\$ Increase	% Increase	\$ Increase	% Increase	
Residential	\$1,570,225	4.13%	\$1,636,217	4.13%	\$1,388,703	3.37%	\$4,595,145
Multiresidential	\$179,668	2.99%	\$258,438	4.17%	\$217,371	3.37%	\$655,477
Commercial	\$828,985	4.32%	\$832,562	4.16%	\$702,060	3.37%	\$2,363,607
Industrial	\$6,372	3.17%	\$8,663	4.17%	\$7,286	3.37%	\$22,321
Public Authority	\$215,700	5.84%	\$162,831	4.17%	\$137,092	3.37%	\$515,623
Sales for Resale	\$4,098	39.54%	\$603	4.17%	\$508	3.37%	\$5,209
Construction	\$51,239	22.00%	\$11,781	4.15%	\$9,969	3.37%	\$72,989
Residential Fire Protection Service	\$46	0.02%	\$49	0.02%	\$9,729	3.37%	\$9,824
Private Fire Protection Service	\$49,255	7.37%	\$0	0.00%	\$24,162	3.37%	\$73,417
TOTAL	\$2,905,588		\$2,911,144		\$2,496,880		\$8,313,612

If California American Water's General Rate Case is approved, a typical residential customer's monthly water bills (with a 5/8-inch meter size) would resemble those below. **Amounts shown include fees, taxes, and surcharges.**

Monterey Main District: Average Residential Bill						
YEAR	Meter Size	Average Use (CGL)¹	Current Bill	\$ Increase	Proposed Bill	% Increase
2021	5/8-inch	37.91	\$89.40	\$8.96	\$98.36	10.02%
2022	5/8-inch	37.91	\$98.36	\$4.01	\$102.37	4.07%
2023	5/8-inch	37.91	\$102.37	\$3.41	\$105.78	3.33%

¹ One (1) CGL = 100 gallons

Central Satellites Service Area: Average Residential Bill

YEAR	Meter Size	Average Use (CGL) ¹	Current Bill	\$ Increase	Proposed Bill	% Increase
2021	5/8-inch	99.08	\$129.88	\$(5.84)	\$124.04	-4.50%
2022	5/8-inch	99.08	\$124.04	\$3.86	\$127.90	3.11%
2023	5/8-inch	99.08	\$127.90	\$3.98	\$131.88	3.11%

Chualar Service Area: Average Residential Bill

YEAR	Meter Size	Average Use (CGL) ¹	Current Bill	\$ Increase	Proposed Bill	% Increase
2021	5/8-inch	146.73	\$41.99	\$1.25	\$43.23	2.97%
2022	5/8-inch	146.73	\$43.23	\$1.34	\$44.58	3.11%
2023	5/8-inch	146.73	\$44.58	\$1.39	\$45.96	3.11%

Primary Drivers of Rate Increase

There is an ongoing need to invest in the infrastructure that provides safe, reliable water for our customers. The proposed rate increases will:

- sustain new infrastructure investments
- support increased labor costs
- fund centralized services including information technology and laboratory costs
- balance changing demand

Obtaining a Copy of the Application

A copy of California American Water's proposed GRC application and related exhibits may be reviewed at California American Water's offices at the location below:

- Monterey County – 511 Forest Lodge Road, Pacific Grove, CA 93950

Copies of the proposed application are also available to review at the CPUC's Central Files Office in San Francisco by appointment. For more information, please contact them at aljcentralfilesid@cpuc.ca.gov or (415) 703-2045.

The CPUC's Process

This application has been assigned to a Judge who will determine how to receive evidence and other related documents necessary for the CPUC to establish a record upon which to base its decision. Evidentiary hearings may be held where utilities, consumer advocacy groups, and other entities which have been given official status as "parties" will present their testimony and may be subject to cross-examination by other parties. These evidentiary hearings are open to the public, but only those who are parties may participate. The hearings and documents submitted in the proceeding become part of the formal record that the Judge relies upon when writing a proposed decision to present to the Commissioners for their consideration.

After considering all proposals and all evidence presented during the formal hearing process, the Judge will issue a proposed decision determining whether to adopt California American Water's request, modify it, or deny it. Any of the CPUC's Commissioners may sponsor an alternate decision. The proposed decision and any alternate decisions will be discussed and voted upon at a scheduled Commission Voting Meeting.

The Public Advocates Office (Cal PA) is reviewing this application. Cal PA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. Cal PA has a multi-disciplinary staff with expertise in economics, finance, accounting, and engineering. For more information about Cal PA, please call (415) 703-1584, e-mail PublicAdvocatesOffice@cpuc.ca.gov, or visit Cal PA's website at <http://www.publicadvocates.cpuc.ca.gov>.

Stay Informed

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at <http://subscribecpuc.cpuc.ca.gov/>.

If you would like to learn how you can participate in the proceeding, have informal comments, or have questions about the CPUC's processes, you may access the CPUC's PAO webpage at <http://consumers.cpuc.ca.gov/pao/>. You may also contact the Public Advisor as follows:

Email: public.advisor@cpuc.ca.gov

Write: Public Advisor's Office, 505 Van Ness Avenue, San Francisco, CA 94102.

Call: Toll free 1-866-849-8390; TTY toll free 1-866-836-7825

Please reference **California American Water's GRC Application No. 19-07-004** in any communications you have with the CPUC regarding this matter. All public comments will become part of the public correspondence file for this proceeding and be made available for review for the assigned Judge, the Commissioners, and appropriate CPUC staff.

¹ One (1) CGL = 100 gallons