



CALIFORNIA
AMERICAN WATER

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**IMPORTANT: PUBLIC HEARING
ON RATE INCREASES**

**NOTICE OF PUBLIC PARTICIPATION HEARINGS REGARDING
CALIFORNIA AMERICAN WATER'S GENERAL RATE CASE FOR YEARS 2012 TO 2014
APPLICATION NO. 10-07-007
LOS ANGELES COUNTY DISTRICT**

**FOR MORE INFORMATION, CALL (888) 237-1333.
*Para mas detalles llame al (888) 237-1333.***

The California Public Utilities Commission would like to hear from you!

**You are invited to attend a Public Participation Hearing
Regarding California American Water's Proposed General Rate Increase (GRC)**

PUBLIC PARTICIPATION HEARING

Wednesday, February 16, 2011, 6:00 p.m.
Arcadia City Council Chambers
240 West Huntington Dr.
Arcadia, CA

Para una versión en español de este aviso, visite nuestro sitio web www.californiaamwater.com.

January 20, 2011

About Public Participation Hearings

The California Public Utilities Commission will hold a local Public Participation Hearing at the time and date listed below. This hearing will be your opportunity to present your comments regarding this GRC to the assigned Administrative Law Judge in Application 10-07-007.

PUBLIC PARTICIPATION HEARING
<p>Wednesday, February 16, 2011, 6:00 p.m. Arcadia City Council Chambers 240 West Huntington Dr. Arcadia, CA</p>

The hearing will be facilitated by a CPUC Administrative Law Judge (ALJ). The ALJ will consider all public comments in this proposed application. All public comments will be included in the formal record of this case. The hearing's location is wheelchair accessible. If you need a language interpreter and/or special assistance, please contact the CPUC's Public Advisor's office at the address listed below at least five days in advance of the hearing date.

Customer services representatives from California American Water will be present to assist with individual customer billing and service concerns. Staff from the CPUC's Public Advisor's office will also be present at all meetings to assist you.

What is a General Rate Case (GRC)?

The CPUC requires that each water company with more than 10,000 customers to file a GRC every three years. In accordance with this requirement, California American Water has filed Application 10-07-007 to set rates for the years 2012 to 2014 based on forecasts of water demand and costs associated with supplying water.

Summary

The proposed revenue increase for the Los Angeles District is outlined in the chart below. **For more detailed information about these rate designs please visit the "news" section of our website www.californiaamwater.com or by visiting our office at 8657 Grand Ave during normal business hours. Information will also be available at the Public Participation Hearing.**

LOS ANGELES DISTRICT			
	2012 Proposed	2013 Proposed	2014 Proposed
Revenue increase	\$5,367,000	\$1,652,000	\$1,789,000
% Revenue increase*	21.9%	5.53%	5.67%

*percent calculated from rates in effect as of 7/1/10

Primary Drivers of the Rate Increase

The proposed revenue adjustment is necessary to offset increases in operational and maintenance costs. It will also allow for investment in new information systems to improve customer service and water system infrastructure to improve reliability. The proposed investments include replacing water lines, meters and hydrants, as well as making improvements to pumping and storage facilities.

For more information

By Phone: For more details, call California American Water at 888-237-1333.

By Mail: If you would like copies of the applications and exhibits, please write to California American Water at 1033 B Avenue, Suite #200, Coronado, CA 92118.

On the Web: In addition, you may obtain electronic access to the GRC application on California American Water's Web site at <http://www.amwater.com/caaw/customer-service/rates-information/index.html>

In Person: Copies of the application are available for your review at your local California American Water office located at 8657 Grand Ave., Rosemead, CA 91770 as well as at the California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102, Monday - Friday, 8 a.m. - noon.

The CPUC Process

The CPUC's Division of Ratepayer Advocates (DRA) will review this application. The DRA is an independent arm of the CPUC, created by the Legislature to represent the interests of investor owned utility customers throughout the state and obtain the lowest possible rate consistent with reliable and safe service levels. The DRA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. The DRA's views do not necessarily reflect those of the CPUC. Other parties of record will also participate.

The CPUC may hold evidentiary hearings whereby parties of record present their proposals in direct testimony and are subject to cross-examination before the assigned Administrative Law Judge. These hearings are open to the public but only those who are parties of record may present evidence or cross-examine witnesses during evidentiary hearings. Members of the public may attend to observe, but only parties of record are permitted to participate.

After considering all proposals and evidence presented during the hearing process, the ALJ will issue a draft decision for review and approval by the five CPUC Commissioners. The commissioners may adopt all or part of California American Water's request, amend or modify it, or deny the application. The CPUC's final decision may be different from California American Water's proposed application.

If you are writing or e-mailing a letter to the Public Advisor's Office regarding any portion of the application identified in this notice, please reference the Application 10-07-007 in your communication. All public comments will be circulated to the Commissioners, the assigned Administrative Law Judge and the Water Division Staff for review. You may view the GRC proposed application at the CPUC's Formal Files Office in San Francisco, CA Monday - Friday, 8:00 a.m. to noon.

If you would like more advice on how to participate at these hearings or if you would like to submit written comments about the rate applications, please call or write to:

The Public Advisor
California Public Utilities Commission
320 West 4th Street, Suite 500
Los Angeles, CA 90013
1-213-576-7055 or 1-866-849-8391 (toll free)