



**CALIFORNIA
AMERICAN WATER**

511 Forest Lodge Rd., Suite 100
Pacific Grove, CA 93950

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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
MONTEREY 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 HEARINGS

Wednesday, Feb, 23, 2011 at 2 p.m. and 7 p.m.
Oldemeyer Center, Seaside
986 Hilby Ave.
Seaside, CA 93955

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

February 1, 2011

About Public Participation Hearings

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

PUBLIC PARTICIPATION HEARINGS	
<p>Wednesday, Feb, 23, 2011 at 2 p.m. and 7 p.m. Oldemeyer Center, Seaside 986 Hilby Ave. Seaside, CA 93955</p>	

The hearings will be facilitated by an Administrative Law Judge (ALJ). The ALJ will consider public comments and include them in this proposed application. The hearing's location is wheelchair accessible. If you need a language interpreter or need 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 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 Monterey 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 511 Forest Lodge Road during normal business hours. Information will also be available at the Public Participation Hearing.**

DISTRICT		2012 Proposed	2013 Proposed	2014 Proposed
MONTEREY	Revenue increase	\$11,944,000	\$1,609,000	\$2,501,000
	% Revenue increase*	27.59%	2.94%	4.47%
Monterey Main	% Avg bill increase	22.65%	1.62%	3.12%
Ambler		21.10%	1.60%	4.00%
Bishop		40.89%	2.05%	3.97%
Hidden Hills/Ryan Ranch		23.15%	1.83%	3.55%
Toro		97.48%	5.45%	8.04%
Ralph Lane/Chualar		3%	3%	4.47%
Wastewater	Revenue increase	\$511,700	\$70,900	\$153,700
	% Revenue increase*	16.16%	1.92%	4.05%

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

Primary Drivers of the Rate Increase

The proposed rate increase is critical to sustain and improve the integrity of the area's water supply system and offset increases in operational and maintenance costs. Some of the major infrastructure projects that these rates will help

fund within the Monterey service district include rehabilitating wells, upgrading a booster station, constructing new water storage tanks, and replacing water mains.

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 511 Forest Lodge Rd., Suite 100, Pacific Grove, CA 93950 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
 505 Van Ness Avenue, Room 2103
 San Francisco, CA 94102
1-415-703-2074 or **1-866-849-8390** (toll free)
 TTY **1-415-703-5282** or **1-866-836-7825** (toll free)