

NOTIFICATION OF FILING FOR A GENERAL RATE CASE INCREASE  
BY CALIFORNIA AMERICAN WATER COMPANY FOR ITS  
**LOS ANGELES DISTRICT**, APPLICATION NO. 09-01-013

On January 23, 2009, California American Water filed Application 09-01-013 (A. 09-01-013) with the California Public Utilities Commission (CPUC) for a General Rate Case (GRC) increase in its Los Angeles District. This GRC application will set rates for years 2010 and 2011. The requested increase is intended to reflect increased plant investment and operating costs to provide service to customers since the last GRC request filed in January 2006. The following table shows the requested revenue increase for the Los Angeles District.

<b>Los Angeles District Rate Increase Request</b>		
Year (a)	Revenue Increase (b)	Percent Increase (c)
2010	\$7,886,200	41.29%
2011	\$1,100,000	4.09%

The main cost drivers of the rate increase in the Los Angeles District are plant and plant-related items. Plant investment is increasing significantly, which, in addition to the revenues necessary to support the capital investment, also requires additional depreciation, property taxes and income taxes. The plant investment includes new water treatment equipment, and replacement wells, pumps, motors, mains, services and fire hydrants. The other main cost drivers are purchased water expense, the cost of the Comprehensive Planning Study, which develops the future plant investment needs, chemical costs, customer service costs, regulatory expense, transportation cost and increased conservation costs.

California American Water is also requesting that the CPUC authorize it to continue the recently-approved conservation rates, with two changes: 1) elimination of the winter/summer rates and 2) addition of the Duarte irrigation customers to the conservation rates. These changes are designed to encourage conservation and to make the rate design equitable for all customers.

California American Water requests approval to increase its after-hours reconnection charges from \$15.00 to \$50.00 for the Los Angeles District. The current charge has remained unchanged since 1973 and falls far short of covering California American Water's related expenses.

**THE CPUC'S PROCESS**

As part of this application proceeding, evidentiary hearings (EHs) may be held whereby parties of record will present their testimony and present evidence. EHs are open for the public to attend and listen. Only formal parties may participate in the hearing by presenting evidence and cross-examining witnesses. The CPUC's independent Division of Ratepayer Advocates (DRA) will review the recommendations made by California American Water in its GRC application.

Analysts, engineers, economists, and other regulatory professionals are employed by DRA to represent the long-term interests of all utility ratepayers. DRA will prepare an analytical report on this application, which will be available on DRA's website at [www.dra.ca.gov](http://www.dra.ca.gov).

After considering all proposals and evidence presented during the formal hearing process, the assigned ALJ will then issue a proposed decision, which the CPUC may accept in whole or in part, or the CPUC may issue a different decision. The assigned Commissioner may offer his or her own alternate decision. The CPUC's final decision in this matter may be different from the original requests made by California American Water.

### **PUBLIC COMMENT**

The Public Advisor's Office (PAO) was established to assist members of the public and utility customers to participate in CPUC proceedings. This means sending comments, opinions or protests on proceedings before the CPUC or to participate in CPUC-sponsored Public Participation Hearings (PPHs). When PPHs are scheduled, California American Water's customers will be notified, via a bill insert notice or separate mailer, of the dates, times, and locations of the hearings. PPHs provide an opportunity for members of the public and customers of California American Water to give their comments and opinions on this application filing. You may also write or e-mail the PAO at the address shown below. All communications are circulated to the Commissioners, the assigned ALJ, and assigned staff. All correspondence becomes part of the formal correspondence record, and part of the formal record, for this proceeding.

### **PROTESTING THE APPLICATION**

If you wish to participate in these proceedings or if you would like to send comments or protest this application, please notify the CPUC's PAO at the address listed below. Please refer to GRC A. 09-01-013 when sending an e-mail or writing a letter.

CPUC  
Public Advisor's Office  
505 Van Ness Avenue  
San Francisco, CA 94102  
Toll Free: 1-866-849-8390 or 1-415-703-2074  
TTY Toll Free: 1-866-836-7825 or 1-415-703-5282  
E-mail: [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)

A copy of the application may be inspected at the business offices of California American Water at 2439 W. Hillcrest Drive, Newbury Park, CA 91320 and 8657 Grand Avenue, Rosemead, CA 91770, or at the CPUC's Central Files Office, Room 2002, 505 Van Ness Avenue, San Francisco, CA 94102.