

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 Northern Division

Tuesday, January 14, 2020, at 6:00 p.m.
Rancho Cordova City Council Chambers
2729 Prospect Park Dr
Rancho Cordova, CA 95670

The California Public Utilities Commission (CPUC) wants to hear from you. A Public Participation Hearing (PPH) has been scheduled for customers in the Northern Division at the date, time, and location 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 PPH 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 this hearing. All public comments from the PPH 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 back 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 Northern Division, would be \$13,560,300 (or 20.28%). 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 each district in the Northern Division are shown below.

NORTHERN DIVISION-PROPOSED REVENUE INCREASE (Includes service areas in Sacramento, Dunnigan, Geyserville, Larkfield, Meadowbrook, Dunnigan Wastewater, and the proposed acquisitions of Fruitridge Vista and Hillview)							
	2021		2022		2023		
CUSTOMER CLASS	\$ Increase	% Increase	\$ Increase	% Increase	\$ Increase	% Increase	Total \$ Increase
Residential	\$4,114,987	10.65%	\$2,045,673	4.78%	\$1,923,077	4.29%	\$8,083,737
Commercial	\$1,992,287	10.24%	\$1,026,352	4.78%	\$965,229	4.29%	\$3,983,868
Industrial	(\$9,695)	-0.59%	\$101,472	6.17%	\$74,895	4.29%	\$166,672
Public Authority	\$362,974	10.22%	\$190,638	4.86%	\$176,345	4.29%	\$729,957
Other	\$141	33.57%	\$28	4.99%	\$25	4.29%	\$194
Residential Fire Protection Service	\$39,224	10.67%	\$21,385	4.79%	\$20,037	4.29%	\$80,646
Private Fire Protection Service	\$342,863	26.81%	\$3,443	0.21%	\$69,680	4.29%	\$415,986
Residential Flat	\$302,455	18.81%	\$171,936	9.00%	\$89,268	4.29%	\$563,659
Mobile Home Residential (Sewer)	\$5,191	10.67%	\$2,581	4.79%	\$2,418	4.29%	\$10,190
Commercial (Sewer)	\$88	10.77%	\$43	4.75%	\$41	4.29%	\$172
TOTAL	\$7,150,515		\$3,563,551		\$3,321,014		\$14,035,080

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. **Rate impacts may vary due to pending proposed changes in rate design. Amounts shown include fees, taxes, and surcharges.**

SACRAMENTO DISTRICT: AVERAGE RESIDENTIAL BILL (including service areas in Sacramento County, Geyserville, and Dunnigan)						
YEAR	Meter Size	Average Use (CGL) ¹	Current Bill	\$ Increase	100 Day Update Filing October 2019 Proposed Bill	% Increase
2021	5/8-inch	85.65	\$58.30	\$8.18	\$66.49	14.04%
2022	5/8-inch	85.65	\$66.49	\$3.19	\$69.67	4.79%
2023	5/8-inch	85.65	\$69.67	\$2.99	\$72.66	4.29%

LARKFIELD DISTRICT: AVERAGE RESIDENTIAL BILL						
YEAR	Meter Size	Average Use (CGL) ¹	Current Bill	\$ Increase	100 Day Update Filing October 2019 Proposed Bill	% Increase
2021	5/8-inch	65.83	\$97.11	(\$5.59)	\$91.52	-5.76%
2022	5/8-inch	65.83	\$91.52	\$0.00	\$91.52	0.00%
2023	5/8-inch	65.83	\$91.52	\$0.00	\$91.52	0.00%

¹ One (1) CGL = 100 gallons

MEADOWBROOK DISTRICT: AVERAGE RESIDENTIAL BILL

YEAR	Meter Size	Average Use (CGL) ¹	Current Bill	\$ Increase	100 Day Update Filing October 2019 Proposed Bill	% Increase
2021	5/8-inch	129.4	\$58.59	\$11.76	\$70.35	20.08%
2022	5/8-inch	129.4	\$70.35	\$3.37	\$73.72	4.79%
2023	5/8-inch	129.4	\$73.72	\$3.16	\$76.88	4.29%

DUNNIGAN WW DISTRICT: AVERAGE RESIDENTIAL BILL

YEAR	Meter Size	Average Use (CGL) ¹	Current Bill	\$ Increase	100 Day Update Filing October 2019 Proposed Bill	% Increase
2021	NA	N/A	\$34.48	\$4.00	\$38.48	11.60%
2022	NA	N/A	\$38.48	\$1.84	\$40.32	4.79%
2023	NA	N/A	\$40.32	\$1.73	\$42.05	4.29%

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

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 locations below:

- Sacramento Area – 4701 Beloit Drive, Sacramento, CA 95838
- Sonoma County – 4787 Old Redwood Highway, Santa Rosa, CA 95403

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