

# NOTICE OF APPLICATION

## California-American Water Company's Request to Increase Water Rates in its Central Division

### APPLICATION 22-07-001

**Why am I receiving this notice?**

On July 1, 2022, California-American Water Company (California American Water) filed its General Rate Case A.22-07-001 with the California Public Utilities Commission (CPUC). The application is requesting an increase of revenues for water service in its Central Division by \$12,923,200 or 14.93% in the year 2024, by \$2,424,300 or 2.44% in the year 2025, and by \$3,475,500 or 3.41% in the year 2026.

If the CPUC approves this application, California American Water will recover forecasted costs in rates over a 3-year period beginning January 1, 2024. This will impact your bill.

**Why is California American Water requesting this rate increase?**

Every three years California American Water is required to file an application with the CPUC detailing its infrastructure improvement plans and operations and maintenance needs. In this rate case we are requesting the following increases for 2024:

- \$5.8 million in funding for infrastructure improvements
- \$0.7 million to consolidate small water systems with California American Water
- \$1.7 million for staffing
- \$1.8 million in inflationary increases
- \$2.4 million in operating and administrative expenses

**Customer Impact**

California American Water's revenue proposals for the Central Division are shown by customer class in the chart below.

<b>CENTRAL DIVISION-PROPOSED REVENUE INCREASE</b> <b>(INCLUDES SERVICE AREAS IN MONTEREY, PACIFIC GROVE, CARMEL-BY-THE-SEA, DEL REY OAKS, SAND CITY, SEASIDE, HIDDEN HILLS, RYAN RANCH, BISHOP, TORO, MONTEREY COUNTY, AMBLER PARK, OAKS, RIM ROCK, RANCHO EL TORO COUNTRY CLUB, CHUALAR, RALPH LANE AND GARRAPATA)</b>							
<b>CUSTOMER CLASS</b>	<b>2024</b>		<b>2025</b>		<b>2026</b>		<b>Total \$ Increase</b>
	<b>\$ Increase</b>	<b>% Increase</b>	<b>\$ Increase</b>	<b>% Increase</b>	<b>\$ Increase</b>	<b>% Increase</b>	
Residential	\$2,221,514	4.82%	\$1,211,958	2.51%	\$1,688,591	3.41%	\$5,122,063
Multiresidential	\$1,346,782	16.43%	\$214,201	2.24%	\$332,714	3.41%	\$1,893,697
Commercial	\$6,646,380	26.63%	\$761,073	2.41%	\$1,103,814	3.41%	\$8,511,267
Industrial	\$37,734	28.13%	\$4,055	2.36%	\$5,999	3.41%	\$47,788
Public Authority	\$2,393,269	49.13%	\$178,546	2.46%	\$253,799	3.41%	\$2,825,614
Sales for Resale	(\$13,803)	-20.10%	\$1,466	2.67%	\$1,921	3.41%	(\$10,416)
Construction	(\$80,026)	-17.79%	\$9,330	2.52%	\$12,929	3.41%	(\$57,767)
Residential Fire Protection Service	\$347,936	43.66%	\$30,937	2.70%	\$40,112	3.41%	\$418,985
Private Fire Protection Service	\$8,787	1.13%	\$0	0.00%	\$26,928	3.41%	\$35,715
<b>Total</b>	<b>\$12,911,135</b>		<b>\$2,412,004</b>		<b>\$3,467,002</b>		<b>\$18,790,141</b>

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

<b>MONTEREY MAIN DISTRICT AVERAGE RESIDENTIAL BILL</b>						
<b>Year</b>	<b>Meter Size</b>	<b>Average Use (CGL)<sup>1</sup></b>	<b>Current Bill<sup>2</sup></b>	<b>\$ Increase</b>	<b>Proposed Bill</b>	<b>% Increase</b>
2024	5/8-inch	34.83	\$102.60	\$5.62	\$108.21	5.48%
2025	5/8-inch	34.83	\$108.21	\$2.64	\$110.85	2.44%
2026	5/8-inch	34.83	\$110.85	\$3.78	\$114.63	3.41%

**CENTRAL SATELLITES SERVICE AREA AVERAGE RESIDENTIAL BILL**

Year	Meter Size	Average Use (CGL) <sup>1</sup>	Current Bill <sup>2</sup>	\$ Increase	Proposed Bill	% Increase
2024	5/8-inch	82.68	\$114.74	\$7.87	\$122.61	6.86%
2025	5/8-inch	82.68	\$122.61	\$3.81	\$126.42	3.11%
2026	5/8-inch	82.68	\$126.42	\$3.93	\$130.36	3.11%

**CHUALAR SERVICE AREA AVERAGE RESIDENTIAL BILL**

Year	Meter Size	Average Use (CGL) <sup>1</sup>	Current Bill <sup>2</sup>	\$ Increase	Proposed Bill	% Increase
2024	5/8-inch	117.03	\$42.04	\$0.41	\$42.45	0.96%
2025	5/8-inch	117.03	\$42.45	\$1.32	\$43.77	3.11%
2026	5/8-inch	117.03	\$43.77	\$1.36	\$45.13	3.11%

<sup>1</sup> 1 CGL = 100 Gallons

<sup>2</sup> Present rates reflect the 2019 GRC Interim Rate True-up which is pending CPUC approval.

**How does the rest of this process work?**

This application will be assigned to a CPUC Administrative Law Judge who will consider proposals and evidence presented during the formal hearing process. The Administrative Law Judge will issue a proposed decision that may adopt California American Water's application, modify it, or deny it. Any CPUC Commissioner may sponsor an alternate decision with a different outcome. The proposed decision, and any alternate decisions, will be discussed and voted upon by the CPUC Commissioners at a public CPUC Voting Meeting.

Parties to the proceeding will review California American Water's application, including the Public Advocates Office, which is an independent consumer advocate within the CPUC that represents customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. For more information, please call **1-415-703-1584**, email [PublicAdvocatesOffice@cpuc.ca.gov](mailto:PublicAdvocatesOffice@cpuc.ca.gov), or visit **PublicAdvocates.cpuc.ca.gov**.

Your participation by providing your thoughts on California American Water's request can help the CPUC make an informed decision.

**Where can I get more information?****Contact California American Water**

Phone: **1-619-446-5520**

Email: [cawc.customeradvocacy@amwater.com](mailto:cawc.customeradvocacy@amwater.com)

Mail: 655 W. Broadway, Suite 1410, Attn: Customer Advocacy, San Diego, CA 92101

**Obtaining a Copy of the Application**

A copy of California American Water's proposed GRC application and related exhibits may be reviewed online at [amwater.com/rate\\_app](http://amwater.com/rate_app), or can be viewed in-person at California American Water's offices at the locations below:

Los Angeles County - 8657 Grand Avenue, Rosemead, CA 91770

San Diego County - 1025 Palm Avenue, Imperial Beach, CA 91932

Madera County - 40312 Greenwood Way, Oakhurst, CA 93644

Sonoma County - 4787 Old Redwood Highway, Santa Rosa, CA 95403

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

Ventura County - 2439 W. Hillcrest Drive, Newbury Park, CA 91320

Sacramento Area - 4701 Beloit Drive, Sacramento, CA 95838

Copies of the proposed application and related exhibits are also available to review at the CPUC's Central Files Office in San Francisco by appointment.

**Contact CPUC**

Please visit [apps.cpuc.ca.gov/c/A2207001](http://apps.cpuc.ca.gov/c/A2207001) to submit a comment about this proceeding on the CPUC Docket Card. Here you can also view documents and other public comments related to this proceeding.

If you have questions about CPUC processes, you may contact the CPUC's Public Advisor's Office at:

Phone: **1-866-849-8390** (toll-free) or **1-415-703-2074**

Email: [Public.Advisor@cpuc.ca.gov](mailto:Public.Advisor@cpuc.ca.gov)

Mail: CPUC Public Advisor's Office

505 Van Ness Avenue

San Francisco, CA 94102

Please reference **Application 22-07-001** in any communications you have with the CPUC regarding this matter.



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AMERICAN WATER**

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