

NOTICE OF PUBLIC PARTICIPATION HEARING:  
 CALIFORNIA WATER SERVICE'S REQUEST TO INCREASE RATES IN ITS GENERAL RATE CASE  
 APPLICATION NO. A.18-07-001  
 BAKERSFIELD SERVICE AREA

February 5, 2019 • 6 p.m.  
 Bakersfield City Council Chambers  
 1600 Truxtun Avenue  
 Bakersfield, CA 93301

**The California Public Utilities Commission (CPUC) wants to hear from you.** A Public Participation Hearing (PPH) has been scheduled for customers in the Bakersfield District at the date, time, and location noted above to receive your comments about California Water Service's (Cal Water) 2018 General Rate Case (GRC) application (A.18-07-001). Cal Water is requesting total company revenue increases of \$50,673,500 (or 7.6%) for 2020, \$31,461,900 (or 4.4%) for 2021, and \$33,000,700 (or 4.4%) for 2022. If approved by the CPUC, rates would change beginning in January 2020. A CPUC Administrative Law Judge (Judge) will preside at the PPH to listen to concerns, comments, and opinions on the proposed application. One or more CPUC Commissioners may attend, but **no decisions will be reached at the PPH**. All public comments from the PPH will be included in the formal record 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 at the bottom 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**

Every three years, Cal Water is required to file a GRC with the CPUC. On July 2, 2018, Cal Water filed its 2018 GRC application (A.18-07-001) requesting an overall revenue increase of \$12,229,986 (or 15.7%) for Bakersfield District customers over three years, as shown in the table below. Cal Water is requesting this increase for infrastructure upgrades, maintenance, water quality, safety measures, business operations, and inflation.

Revenue increases for 2021 and 2022 may vary from the provided estimates below due to the use of a CPUC-provided, inflation-based formula.

Proposed Revenue Increases

| 2018 Revenue Requirement | Proposed 2020 Revenue Increase | Proposed 2021 Revenue Increase | Proposed 2022 Revenue Increase |
|--------------------------|--------------------------------|--------------------------------|--------------------------------|
| \$78,051,000             | \$5,087,445 6.5%               | \$3,378,510 4.1%               | \$3,764,031 4.4%               |

Proposed Revenue Increases by Type of Service\*\*

| Type of Service Provided        | 2018 Revenue Requirement | Proposed 2020 Revenue Increase | Proposed 2021 Revenue Increase | Proposed 2022 Revenue Increase |
|---------------------------------|--------------------------|--------------------------------|--------------------------------|--------------------------------|
| Residential Metered Service     | \$52,804,375             | \$2,683,430 5%                 | \$2,226,499 4%                 | \$2,496,771 4%                 |
| Nonresidential Metered Service* | \$24,675,665             | \$2,032,137 8%                 | \$1,113,280 4%                 | \$1,227,328 4%                 |

\*Nonresidential Metered Service applies to all customer classes that are not residential (such as business, multi-family, and public authority customers) and do not have a separate tariff. \*\*The sum of residential and nonresidential revenues will not equal total revenue due to other revenue sources like construction meter charges, fire protection services, and recycled water.

**Typical Customer Impact**

The following table details the increase a typical residential customer with a 5/8" x 3/4" meter would see in their bill if Cal Water's proposed rates for 2020, 2021, and 2022 are approved by the CPUC as requested. In 2017, the average residential customer with a 5/8" x 3/4" meter used 18 Ccf (13,464 gallons) of water per month. **These numbers do not include temporary surcharges and credits.**

## Typical Residential Customer Bill Increases

| <i>Residential Customer</i> | <i>Dec. 2018 Bill</i> | <i>Proposed 2020 Bill Increase</i> | <i>New Bill</i> | <i>Proposed 2021 Bill Increase</i> | <i>New Bill</i> | <i>Proposed 2022 Bill Increase</i> | <i>New Bill</i> |        |      |         |
|-----------------------------|-----------------------|------------------------------------|-----------------|------------------------------------|-----------------|------------------------------------|-----------------|--------|------|---------|
| 18 Ccf (13,464 gallons)     | \$51.66               | \$2.32                             | 4.5%            | \$53.98                            | \$2.17          | 4.0%                               | \$56.15         | \$2.43 | 4.3% | \$58.58 |

### Key Reasons for Increase

Cal Water has been providing water utility service to California communities for more than 90 years, and many of the facilities used for water service have reached the end of their useful lives. Some of the key reasons Cal Water is making this request is to:

- Continue to invest in infrastructure to enhance safety and reliability, and to manage risks that could impact customers and/or fire protection systems;
- Meet water quality and environmental regulatory requirements; and
- Secure water supplies to ensure future reliability.

### Obtaining a Copy of the Application

A copy of Cal Water's proposed GRC application and related exhibits may be reviewed at Cal Water's office, located at 3725 South H Street, Bakersfield, CA 93304. An electronic or paper copy of the application and related exhibits will be provided by Cal Water upon written request to California Water Service, 1720 North First Street, San Jose, CA 95112-4598.

A digital copy of the application may be reviewed on the CPUC's Docket Card webpage at <https://apps.cpuc.ca.gov/apex/f?p=401:1:0> by typing the proceeding number, without dashes, in the Proceeding Number Search box. A hard copy can be reviewed at the CPUC's Central Files Office by appointment. For more information, contact [aljcentralfilesid@cpuc.ca.gov](mailto: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 (EHs) may be held, where parties of record will present their testimony and may be subject to cross-examination by other parties. These EHs are open to the public, but only those who are parties of record can participate. After considering all proposals and evidence presented during the formal hearing process, the assigned Judge will issue a proposed decision determining whether to adopt all or part of Cal Water's request, modify it, or deny it. Any CPUC Commissioner may sponsor an alternative decision based upon the formal record. The proposed decision and any alternative decision will be considered and voted upon at a scheduled CPUC Voting Meeting.

The CPUC's Public Advocates Office (Cal PA) has reviewed Cal Water's Application. Cal PA is the independent consumer advocate with the CPUC with a legislative mandate to represent customers of investor-owned utilities. For more information about Cal PA, please call (415) 703-1584, email [PublicAdvocatesOffice@cpuc.ca.gov](mailto:PublicAdvocatesOffice@cpuc.ca.gov), or visit Cal PA's website at <http://www.publicadvocates.cpuc.ca.gov>.

### Stay Informed

The CPUC offers a free Subscription Service available on the CPUC web site at <http://subscribecpuc.cpuc.ca.gov/>, which allows you to follow this proceeding. If you would like to learn how you can participate in the proceeding, or if you have informal comments or questions about the CPUC process, you may contact the CPUC's Public Advisor's Office at the address noted below.

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

Please reference **Cal Water's GRC Application No. A.18-07-001** 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 made available for review to the assigned Judge, Commissioners, and appropriate CPUC staff.