

NOTICE OF APPLICATION REQUESTING THE SALE OF EAST PASADENA WATER COMPANY TO CALIFORNIA-AMERICAN WATER COMPANY APPLICATION NO. A.20-04-003

On April 6, 2020, California-American Water Company (California American Water) submitted Application A.20-04-003 to the California Public Utilities Commission (CPUC). The application seeks CPUC's approval of California American Water's acquisition of East Pasadena Water Company's (East Pasadena) assets, permission for California American Water to service East Pasadena's customers, and consolidation of those customers for operational and ratemaking purposes as part of California American Water's Los Angeles County District.

East Pasadena includes approximately 3,000 customer service connections, distribution facilities, infrastructure and approximately 1407.7 acre-feet of prescriptive water pumping rights in the Main San Gabriel Basin. The integration of the East Pasadena system into California American Water's systems is expected to create greater economies of scale and synergies, which would benefit both existing customers and East Pasadena customers over time. The acquisition also helps to ensure the provision of safe and reliable water service for East Pasadena and California American Water customers now and in the future.

The average residential California American Water customer is not expected to see any rate or bill impact from the purchase of East Pasadena Water until 2024. California American Water has requested a portion of the purchase price of the East Pasadena system to be included in the California American Water General Office costs and recovered from all California American Water customers. Based on requested rates in California American Water's ongoing General Rate Case (GRC)¹, this would result in an approximate 0.71% increase to all customers.²

If this purchase is approved, California American Water will in a future GRC seek to consolidate its East Pasadena customers with those of the Los Angeles District, for ratemaking purposes. Potential rate changes will be addressed in future GRCs. California American Water expects to file its next GRC in July of 2022, for rates to take effect in 2024. You will receive notice of the GRC proceedings.

CPUC PROCESS

This application will be assigned to a judge, who will consider proposals and evidence presented during the formal hearing process. The judge will issue a proposed decision which may adopt California American Water's application, modify it or deny it. Any CPUC Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon by the CPUC Commissioners.

¹ Application 19-07-004.

² Actual increases may vary depending on outcome of General Rate Case and subsequent requests.

The Public Advocates Office (Cal Advocates) is currently reviewing this application. Cal Advocates is the independent consumer advocate within the CPUC with a statutory mandate to represent customers of investor-owned utilities to obtain the lowest possible rate for service consistent with safe and reliable service and the state's environmental policy goals. Cal Advocates has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. For more information about Cal Advocates, please call (415) 703-1584, email PublicAdvocatesOffice@cpuc.ca.gov, or visit Cal Advocates' website at publicadvocates.cpuc.ca.gov.

WHERE CAN I GET MORE INFORMATION?

Contact California American Water

Write: Vera Kostikova
4701 Beloit Drive
Sacramento, CA 95838
Email: vera.kostikova@amwater.com
Phone: (916) 568-4246

Contact the CPUC

You may also get information about this proceeding by contacting the CPUC:

- If you would like to make a comment, please visit **cpuc.ca.gov/A2004003Comment** to submit a comment on the CPUC Docket Card. You can also review other public comments.
- If you have questions about CPUC processes, you may contact the CPUC's Public Advisor's Office:

Write: CPUC Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102
Email: public.advisor@cpuc.ca.gov
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 refer to **Application A.20-04-003** in any communications with the CPUC regarding this matter.