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NOTICE TO CALIFORNIA-AMERICAN WATER COMPANY CUSTOMERS

April 28, 2020

NOTICE OF APPLICATION REQUESTING THE SALE OF WARRING WATER SERVICE, INC. TO CALIFORNIA-AMERICAN WATER COMPANY APPLICATION A.20-04-017

On April 27, 2020, California-American Water Company (California American Water) submitted Application A.20-04-017 to the California Public Utilities Commission (CPUC). The application seeks CPUC's approval of California American Water's acquisition of Warring Water Service, Inc's (Warring) assets, permission for California American Water to service Warring customers, and consolidation of those customers for operational purposes into California American Water's Ventura County District and consolidation for ratemaking purposes into California American Water's Los Angeles County District.

Warring includes approximately 518 customer service connections. It owns and operates a water production, storage and distribution system consisting of wells, meters, mains and distribution lines. The integration of the Warring system into California American Water's systems is expected to create greater economies of scale and synergies, which would benefit both existing customers and Warring customers over time. The acquisition also helps to ensure the provision of safe and reliable water service for Warring 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 Warring Water until 2024. California American Water has requested a portion of the purchase price of the Warring water 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 0.12% increase to all customers.²

If approved, the Warring service area will immediately be included in California American Water's Ventura County District, for operational purposes. However, for ratemaking purposes, California American Water is proposing the Warring service area be consolidated into its Los Angeles County District, effective January 1, 2024. A decision on any rate impact from the proposed consolidation will be considered in California American Water's next GRC. 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

¹ Application 19-07-004.

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

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.

The Public Advocates Office (Cal Advocates) will review 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/A2004017Comment 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

1-866-836-7825 TTY

Please refer to **Application A.20-04-017** in any communications with the CPUC regarding this matter.