



CALIFORNIA
AMERICAN WATER

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San Diego, CA 92101

NOTICE OF VIRTUAL PUBLIC FORUM (PUBLIC PARTICIPATION HEARING)

Para más información sobre este aviso o para obtener una copia in español,
por favor llame al número 1-888-237-1333.

NOTICE OF VIRTUAL PUBLIC FORUM (PUBLIC PARTICIPATION HEARING) CALIFORNIA AMERICAN WATER COMPANY'S REQUEST TO PURCHASE EAST PASADENA WATER COMPANY APPLICATION No. A.20-04-003

California American Water Company (Cal-Am) and the California Public Utilities Commission (CPUC) would like to hear from you. You are invited to attend a virtual public forum, also called a Public Participation Hearing, regarding Cal-Am's request to purchase the assets of East Pasadena Water Company (East Pasadena). At the public forum, you can make comments and raise concerns to the CPUC's Administrative Law Judge who is overseeing this merger request.

Where and when will this public forum be held?

Due to the Governor's directive and the CPUC's ongoing efforts to protect customers and community members during COVID-19, there will be no in-person physical location for these public forums.

The public forums can be viewed via internet, or listened to via phone, with the information below. If you wish to make a public comment, please participate by phone using the phone number and passcode below.

Monday, August 3, 2020, 2 p.m. & 6 p.m.

PHONE NUMBER: 1-800-857-1917

PASSCODE: 5248329

WEBCAST: www.adminmonitor.com/ca/cpuc

If you require a translator, please contact the Public Advisor's Office, seven days prior to the PPH at the contact information below.

The public forums are intended to be an opportunity for affected customers to communicate directly with the CPUC regarding the effects of the proposed acquisition, including the rate base changes proposed in the application and the estimated potential revenue and rate impacts.

Why am I receiving this notice?

On April 6, 2020, Cal-Am submitted Application A.20-04-003 to the CPUC. Cal-Am seeks the CPUC's approval for the acquisition of East Pasadena's assets for a purchase price of \$34.0 million, permission for Cal-Am to service East Pasadena's customers, and consolidation of those customers for operational and ratemaking purposes as part of Cal-Am's Los Angeles County District. Cal-Am has requested that a portion of the purchase price of the East Pasadena system be included in its General Office costs and recovered from all Cal-Am customers.

How could this affect my water bill?

If this purchase is approved, Cal-Am will in a future general rate case (GRC) application with the CPUC seek to consolidate its East Pasadena customers with those of the Los Angeles District, for ratemaking purposes. There will be no change to rates immediately after consolidation. Potential rate changes will be addressed in future GRC applications. Cal-Am expects to file its next GRC application in July of 2022, for rates to take effect in 2024. You will receive notice of the GRC proceedings.

Although Cal-Am is not seeking to adjust rates upon approval of the acquisition, rates will be adjusted in a future GRC proceeding, therefore it is instructive to understand future rate impacts related to the acquisition. Based on the agreed upon purchase price of \$34.0 million, the requested rates in Cal-Am's ongoing GRC,¹ and forecasted revenues for East Pasadena, consolidation would result in an approximate 0.71% increase to all customers.² Additionally, Cal-Am has requested to establish an East Pasadena Acquisition Contingency Memorandum Account to track revenue shortfalls related to the acquisition expected to be incurred prior to consolidation in 2024. If this request is approved, Cal-Am estimates approximately \$5.7M will be tracked in the account from 2021 through 2023 and sought for recovery in a future rate filing. This would produce an approximate bill increase of 0.60% if spread over a three-year period.

How does the rest of the process work?

This application has been 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 Cal-Am'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 that represents customers to obtain the lowest possible rate for service consistent with safe and reliable service levels. For more information, please call 1-415-703-1584, email PublicAdvocatesOffice@cpuc.ca.gov, or visit 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: 1-916-568-4246

A copy of the application and any related documents may also be reviewed at amwater.com/caaw/customer-service-billing/billing-payment-info/water-rates/grc-applications-and-customer-notifications.

CONTACT 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 related to this purchase request.

If you have questions about CPUC processes, you may contact the CPUC's PAO:

Write: California Public Utilities Commission
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.20-04-003** in any communications you have with the CPUC regarding this matter.

¹ Application 19-07-004.

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

