



East Pasadena Water Company

3725 Mountain View Avenue, Pasadena, CA 91107 • 626-793-6189 • www.epwater.com

Para leer este aviso importante en español, visite www.epwater.com

閱讀這則重要的中文通知,請造訪 www.epwater.com

**NOTICE OF VIRTUAL PUBLIC FORUMS (PUBLIC PARTICIPATION HEARINGS)
FOR CALIFORNIA AMERICAN WATER COMPANY'S REQUEST TO PURCHASE THE ASSETS OF
EAST PASADENA WATER COMPANY, APPLICATION A.20-04-003**

The California Public Utilities Commission (CPUC) wants to hear from you. Virtual Public Forums, also called Public Participation Hearings (PPHs), have been scheduled to receive your comments about California American Water Company's (Cal-Am) application (A.20-04-003) to purchase and operate the water system presently owned and operated by East Pasadena Water Company (East Pasadena).

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.

Day	Time	Details
Monday August 3	2:00 PM	Webcast: http://www.adminmonitor.com/ca/cpuc/ Toll-Free: 800-857-1917 Passcode: 5248329
	6:00 PM	

If you require a translator, please contact the Public Advisor's Office, seven days prior to the public forums 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. The application seeks the CPUC's approval of Cal-Am's 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.

The East Pasadena water system includes approximately 3,000 customer service connections, distribution facilities, infrastructure and 1,407.7 acre-feet of prescriptive water pumping rights in the Main San Gabriel Basin and 515 acre-feet of decreed water rights in the Raymond Basin.

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.

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 \$34.0M, the requested rates in Cal-Am's ongoing GRC, and forecasted revenues for East Pasadena, consolidation would result in an approximate 0.71% increase to all

customers. 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 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 Cal-Am'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 are currently reviewing Cal-Am'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 **(415) 703-1584**, email **PublicAdvocatesOffice@cpuc.ca.gov**, or visit **PublicAdvocates.cpuc.ca.gov**.

Your participation by providing your thoughts on Cal-Am's request can help the CPUC make an informed decision.

Where can I get more information?

Contact East Pasadena Water Company

Lawrence Morales, President
East Pasadena Water Company
3725 Mountain View Avenue
Pasadena, CA 91107
Email: customerservice@epwater.com
Phone: 626-793-6189

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, which is where documents related to the proceeding are accessible. You can also review other public comments.
- If you have questions about CPUC processes, you may contact the CPUC's PAO:

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

Please refer to **Application A.20-04-003** in any communications with the CPUC regarding this matter.