

Notification of Application Filed by California Water Service to Increase Rates in 2023-2025 for the Dominguez District (Application No. A.21-07-002)

Why am I receiving this notice?

On July 1, 2021, California Water Service (Cal Water) filed its 2021 Infrastructure Improvement Plan, also known as a General Rate Case (GRC), Application (A.21-07-002) with the California Public Utilities Commission (CPUC). As part of the application, Cal Water is requesting to increase rates to fund needed infrastructure improvements, water system maintenance, water quality initiatives, safety measures, business operations, and to keep pace with inflation. If the CPUC approves the application, forecasted costs will be recovered over a three-year period, beginning in January 2023, which will affect your water bill.

Why is Cal Water requesting this?

- Cal Water is required to file a GRC every three years to ensure water rates accurately reflect the costs of providing safe, reliable water service.
- This multi-year plan enables the utility to make infrastructure improvements to keep the water system reliable for customers and firefighters, protect customers from known and emerging contaminants, and expand water supplies to ensure they are sustainable.
- Some of the key projects Cal Water proposes in this cycle include: replacing approximately 5.5 miles of water mains, developing new water supplies, and installing new pumps and tanks to improve system reliability.
- Cal Water is proposing to combine the rates of the Dominguez and Hermosa-Redondo districts into a new “South Bay Region” to help improve affordability, develop administrative efficiencies, and stabilize rates long-term.

How could this affect my water bill?

With consolidation: If Cal Water’s proposal for consolidation **is** approved by the CPUC, beginning in 2023, the average residential bill in the Dominguez District (with a 5/8”x3/4” meter and using 6,732 gallons, or 9 Ccf, per month) would increase by approximately \$3.18, or 6.2%, per month. These numbers do not include temporary surcharges and credits.

Average Residential Customer Bill Increase **With** Consolidation

<i>Residential Customer</i>	<i>Current Bill</i>	<i>Proposed 2023 Bill Increase</i>	<i>Proposed 2024 Bill Increase</i>	<i>Proposed 2025 Bill Increase</i>
9 Ccf (6,732 gallons)	\$51.08	\$3.18 6.2%	\$2.48 4.6%	\$2.67 4.7%

These adjustments to rates would allow for district revenue increases of \$8,722,533 in 2023, \$3,997,032 in 2024, and \$4,438,052 in 2025, which will offset the additional expense of needed infrastructure improvements, water system maintenance, water quality initiatives, safety measures, business operations, and to keep pace with inflation.

Proposed Revenue Request by Customer Type **With** Consolidation**

<i>Type of Service Provided</i>	<i>Current Revenue Requirement</i>	<i>Proposed 2023 Revenue Increase</i>	<i>Proposed 2024 Revenue Increase</i>	<i>Proposed 2025 Revenue Increase</i>
Residential Metered Service	\$21,734,607	\$3,224,095 15%	\$1,184,358 5%	\$1,276,144 5%
Nonresidential Metered Service*	\$42,629,229	\$5,337,742 13%	\$2,130,557 4%	\$2,296,858 5%
Recycled Metered Service	\$8,901,815	\$1,562,549 18%	\$697,893 7%	\$755,359 7%

*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 such as construction meter charges, fire protection services, and recycled water.

Without consolidation: If Cal Water’s proposal for consolidation **is not** approved by the CPUC, beginning in 2023, the average residential bill in the Dominguez District (with a 5/8”x3/4” meter and using 6,732 gallons, or 9 Ccf, per month) would increase by approximately \$3.36, or 6.6%, per month. These numbers do not include temporary surcharges and credits.

Average Residential Customer Bill Increase **Without** Consolidation

<i>Residential Customer</i>	<i>Current Bill</i>	<i>Proposed 2023 Bill Increase</i>	<i>Proposed 2024 Bill Increase</i>	<i>Proposed 2025 Bill Increase</i>
9 Ccf (6,732 gallons)	\$51.08	\$3.36 6.6%	\$2.49 4.6%	\$2.77 4.9%

These adjustments to rates would allow for district revenue increases of \$8,709,081 in 2023, \$4,000,332 in 2024, and \$4,441,352 in 2025, which will offset the additional expense of needed infrastructure improvements, water system maintenance, water quality initiatives, safety measures, business operations, and to keep pace with inflation.

Proposed Revenue Request by Customer Type **Without** Consolidation**

<i>Type of Service Provided</i>	<i>Current Revenue Requirement</i>	<i>Proposed 2023 Revenue Increase</i>	<i>Proposed 2024 Revenue Increase</i>	<i>Proposed 2025 Revenue Increase</i>
Residential Metered Service	\$21,734,607	\$2,969,833 14%	\$1,174,430 5%	\$1,304,927 5%
Nonresidential Metered Service*	\$42,629,229	\$4,161,601 10%	\$2,080,093 4%	\$2,313,149 5%
Recycled Metered Service	\$8,901,815	\$1,409,786 16%	\$690,896 7%	\$764,547 7%

*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 such as construction meter charges, fire protection services, and recycled water.

How does the rest of this process work?

This application will be 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 Water'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 Water'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 regarding the Public Advocates Office, please call (415) 703-1584, email PublicAdvocatesOffice@cpuc.ca.gov, or visit PublicAdvocates.cpuc.ca.gov.

Where can I get more information?

Contact Cal Water:

Phone: (310) 257-1400

Email: infoRD@calwater.com

Mail: 1720 North First Street, San Jose, CA, 95112

A copy of the application and any related documents may also be reviewed at calwater.com/iip/2021.

Contact CPUC:

Please visit apps.cpuc.ca.gov/c/A2107002 to submit a comment about this proceeding on the CPUC Docket Card. Here you can also view documents and other public comments related to this proceeding. Your participation by providing your thoughts on Cal Water's request can help the CPUC make an informed decision.

If you have questions about CPUC processes, you may contact the CPUC's Public Advisor's Office at:

Phone: (866) 849-8390 (toll-free) or (415) 703-2074

Email: Public.Advisor@cpuc.ca.gov

Mail: CPUC Public Advisor's Office

505 Van Ness Avenue, San Francisco, CA 94102

Please reference **Cal Water's Application No. A.21-07-002** in any communications you have with the CPUC regarding this matter.