

NOTICE OF PUBLIC FORUM (Public Participation Hearing) California-American Water Company's (California American Water) Request to Increase its Cost of Capital APPLICATION 21-05-001

How can I participate?

California American Water and the California Public Utilities Commission (CPUC) would like to hear from you. You are invited to participate in a Public Forum, also called a Public Participation Hearing (PPH), about California American Water's request to increase its cost of capital.

This Public Forum is part of a formal proceeding that will be documented and placed into the formal record so the CPUC can make a decision about California American Water's request. You can make comments and raise concerns to the CPUC Administrative Law Judge overseeing this application.

You can also provide written public comments at any time during the proceeding at apps.cpuc.ca.gov/c/A2105001. Here you can also view documents and other public comments related to this proceeding.

Where and when will this Virtual Public Forum be held?

Tuesday, March 15, 2022

6 p.m.

Phone Number: 1-800-857-1917, Pass Code: 1673482#

Webcast: www.adminmonitor.com/ca/cpuc/

The Public Forum can be viewed via internet, or listened to via phone, with the information above. If you wish to make a public comment, please participate by phone using the phone number and pass code above and **pressing *1**. Your participation by providing your thoughts on California American Water's request can help the CPUC make an informed decision.

Please note: if you need a language interpreter, please contact the CPUC's Public Advisor's Office using the contact information at the end of this notice at least five business days before the Public Forum.

Why am I receiving this notice?

On May 1, 2021, California American Water filed its Cost of Capital application, A.21-05-001, with the CPUC. In the application, California American Water is requesting an increase to its cost of capital, which is the rate of return the company is authorized to earn on its investments in critical infrastructure to deliver safe and reliable water and/or wastewater service. If approved by the CPUC, California American Water's total revenue requirement will increase by 2.61 percent or \$7,305,000 annually.

If the CPUC approves this application, California American Water will recover forecasted costs in rates over a three-year period effective January 1, 2022. This will impact your bill.

Why is California American Water requesting this increase to its cost of capital?

- Every three years California American Water is required to file a Cost of Capital application with the CPUC.
- The Cost of Capital application determines the cost of financing infrastructure and determines the allowed return on equity and debt. It also determines the amount of equity and debt used by California American Water.
- California American Water is requesting an increased rate of return on its financing to attract investment in infrastructure used to provide safe, reliable water and wastewater service to its customers.

How could this affect my water bill?

If California American Water's proposed Cost of Capital application is approved by the CPUC, the typical bill impacts by customer class are outlined in the following tables for customers in the Central Division.

AUTHORIZED REVENUE INCREASE		
	AMOUNT (\$1,000)	%
CENTRAL DIVISION	\$2,401	3.18%

MONTEREY MAIN TARIFF AREA (including service areas in cities of Monterey, Pacific Grove, Carmel-by-the-Sea, Del Rey Oaks, Sand City, Seaside, Hidden Hills and Ryan Ranch subdivisions, Bishop subdivision and certain unincorporated areas in the County of Monterey)						
CUSTOMER CLASS	Typical Meter Size (inches)	Average Monthly Usage (CGL)	2022 Projected Bill at Current Cost of Capital	\$ Increase	2022 Projected Bill at Proposed Cost of Capital	% Increase
Single Family Residential	5/8 x 3/4"	38.44	\$116.28	\$3.69	\$119.97	3.18%
Multifamily Residential	5/8 x 3/4"	184.00	\$970.18	\$30.80	\$1,000.98	3.18%
Non-Residential - Division 1	1"	194.00	\$631.63	\$20.05	\$651.68	3.18%
Non-Residential - Division 2	1"	194.00	\$687.02	\$21.81	\$708.83	3.18%
Non-Residential - Division 3	1"	194.00	\$742.40	\$23.57	\$765.98	3.18%
Non-Residential - Division 4	1"	194.00	\$1,296.37	\$41.16	\$1,337.53	3.18%
CENTRAL SATELLITES TARIFF AREA (including service areas in Ambler, Toro, Ralph Lane, and Garrapata)						
CUSTOMER CLASS	Typical Meter Size (inches)	Average Monthly Usage (CGL)	2022 Projected Bill at Current Cost of Capital	\$ Increase	2022 Projected Bill at Proposed Cost of Capital	% Increase
Residential	5/8 x 3/4"	92.26	\$123.57	\$3.92	\$127.50	3.18%
Commercial	2"	503.69	\$866.75	\$27.52	\$894.27	3.18%
Public Authority	2"	413.92	\$734.97	\$23.34	\$758.31	3.18%
CHUALAR TARIFF AREA						
CUSTOMER CLASS	Typical Meter Size (inches)	Average Monthly Usage (CGL)	2022 Projected Bill at Current Cost of Capital	\$ Increase	2022 Projected Bill at Proposed Cost of Capital	% Increase
Residential	5/8 x 3/4"	146.74	\$43.79	\$0	\$43.79	0.00%
Commercial	1"	82.91	\$36.93	\$0	\$36.93	0.00%
Public Authority	2"	581.22	\$74.40	\$0	\$74.40	0.00%

How does the rest of this 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 California American 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 will review California American 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, 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

Phone: **1-888-237-1333**
 Email: cawc.customeradvocacy@amwater.com
 Mail: California American Water
 4701 Beloit Drive
 Sacramento, CA 95838

A copy of the Application and any related documents may also be reviewed at amwater.com/rate_app.

Contact CPUC

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

Phone: 1-866-849-8390 (toll-free) or 1-415-703-2074
 Email: Public.Advisor@cpuc.ca.gov
 Mail: CPUC Public Advisor's Office
 505 Van Ness Avenue
 San Francisco, CA 94102

Please reference **Application 21-05-001** in any communications you have with the CPUC regarding this matter.



CALIFORNIA
AMERICAN WATER

WE KEEP LIFE FLOWING®