

# Monterey Annual Consumption Adjustment Mechanism (ACAM) – Notice of Rate Change



March 3, 2025

**WHY AM I RECEIVING THIS NOTICE?**

In Decision 18-05-027 of Application 15-07-019, the California Public Utilities Commission (CPUC) established the Annual Consumption True-Up Pilot Program/Consumption Adjustment Mechanism (ACAM) for California-American Water Company (CalAm) customers in the Monterey area water system. Decision 24-12-025 continued the ACAM program in the Monterey Service Area. The ACAM adjusts rates annually, based on the previous year’s water consumption and production data. The updated rates provide more rate and customer bill stability and allow for timelier recovery of costs.

**HOW DID THE ACAM IMPACT RATES THIS YEAR?**

On March 7, 2025, CalAm implemented rates from Decision 24-12-025 in its recent General Rate Case (GRC). The decision authorized new rates for 2024. CalAm also filed for its 2025 Escalation Year increase for rates effective January 1, 2025. At the same time, an adjustment to rates to reflect the most recent water year’s (WY) consumption or ACAM went into effect for 2024 and 2025. ACAM rates were calculated to reflect actual water consumption during WY 2024 (October 2023 – September 2024). Additionally, production expenses including purchased water and power were reset with new rates coming out of the GRC decision and incremental offsets were added. Finally, the CPUC User Fee, Customer Assistance Program (CAP) surcharge, and the Consolidated Expense Balancing Account (CEBA) also changed. Single family residential customers saw a rate decrease. For a typical residential customer, the net effect of these changes is as follows:

| AVERAGE BILL IMPACT                               |                   |                         |
|---|-------------------|-------------------------|
| February 2024 Residential Bill*                   | \$129.26          |                         |
| 2024 Test Year and CAP and CEBA Surcharge Updates | -\$6.07 or -4.7%  | Effective March 7, 2025 |
| 2024 ACAM Adjustment                              | \$1.55 or 1.26%   | Effective March 7, 2025 |
| 2025 Escalation Year                              | \$2.56 or 2.05%   | Effective March 7, 2025 |
| 2025 ACAM Adjustment                              | -\$1.81 or -1.42% | Effective March 7, 2025 |
| 2025 Production Expense Reset and Offset          | -\$1.58 or -1.26% | Effective March 7, 2025 |
| Average Total Bill Impact**                       | -\$5.35 or -4.14% | Effective March 7, 2024 |

*\*Based on a typical residential customer on a 5/8” meter with monthly usage of approximately 35 CGLs (1 CGL = 100 gallons).*

*\*\*The CPUC surcharge changed from 0.7% to 0.68%, the CAP surcharge increased to \$3.15 per month, and the CEBA decreased to 0.0909 per CGL.*

**WHEN WILL THE NEXT ACAM ADJUSTMENT BE CONSIDERED?**

The CPUC authorized the ACAM through Decision 24-12-025. CalAm anticipates filing its next ACAM filing for 2026 rates in November 2025; based on actual water consumption during WY 2025 (October 2024 – September 2025).

**WHAT RESOURCES ARE AVAILABLE TO HELP CUSTOMERS SAVE WATER AND MONEY ON THEIR BILLS?**

For customers needing financial assistance, CalAm has several ways to help with bills. We offer our Customer Assistance Program, payment plans, crisis assistance, and more. Visit our website for more information at [californiaamwater.com](http://californiaamwater.com).

CalAm offers robust conservation incentives including rebates for indoor appliances and efficient outdoor irrigation technology. Free devices including low-flow showerheads, sink aerators, and positive shut-off hose nozzles are also

available at our business office during normal hours.

Visit **[montereywaterinfo.org](http://montereywaterinfo.org)** or call **831-646-3205** for more information.