



## PUBLIC PARTICIPATION HEARING

### Union Pacific Railroad Company – Keene Water System Consolidated General Rate Case Application (A.25-03-016) and Withdrawal of Service Application (A.25-03-017)

#### What is a Public Participation Hearing?

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This Public Participation Hearing provides you an opportunity to communicate with the California Public Utilities Commission (CPUC) about Union Pacific Railroad Company – Keene Water System’s (UP/Keene) rate increase proposal. At the hearing you may share concerns about the service you receive from UP/Keene and how its proposal would impact you.

#### What is this Rate Application About?

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Water utilities undergo a General Rate Case, or GRC, at the CPUC. A GRC allows the CPUC to consider a water company’s revenues and expenses, as well as other factors like quality of service, to arrive at just and reasonable rates. A water company requests revenues in a GRC Proceeding based on its forecasted expenses and must justify any proposed rate increase.

Parties<sup>1</sup> to the proceeding then examine and comment on the request in a public process before the CPUC. Below is information on UP/Keene’s GRC as submitted on March 28, 2025.

#### What is Union Pacific Requesting in A.25-03-016?

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##### Increases in Revenue to be Recovered:

- 2026: \$780,627 (469%) above present revenues

The amount of revenue to be authorized is based on the forecasted operating and capital costs of doing business. This, combined with forecasted water sales and number of customers, produces the corresponding increase in rates.

#### Motion for Interim Rate Relief

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UP/Keene is requesting interim rate relief to raise rates while its full proposal is being considered by the Commission. UP/Keene has filed a motion for rate relief that would be in effect until the Commission approves final rates for UP/Keene. UP/Keene proposes a 401% increase in revenue starting January 1, 2026; The table below shows the impact on rates.

#### What is Union Pacific Requesting in A.25-03-017?

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UP/Keene requests that the CPUC “authorize KWS [Keene Water Service] to be relieved of its public utility status and duties to furnish water service.”<sup>2</sup> **If UP/Keene’s request is granted, Keene would no longer provide service to its customers and would no longer be a public utility.**

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<sup>1</sup> Parties to the proceeding can actively participate and file documents. Information for becoming a party to the proceedings can be found at the following link: <https://www.cpuc.ca.gov/proceedings-and-rulemaking/cpuc-public-participation-hearings/methods-for-becoming-a-party-to-a-proceeding>.

<sup>2</sup> Application 25-03-017, p.11



### What are the Main Reasons Union Pacific Cites for Needing to Increase Rates?

- **Water Hauling Expense:** \$292,313 (accounts for 46.18% of total proposed 2026 revenue increase)
- **Purchased Water Expense:** \$16,936 (accounts for 2.68% of total proposed 2026 revenue increase)
- **Contractor Costs:** \$63,071 (accounts for 9.96% of total proposed 2026 revenue increase)

### How will Union Pacific’s Request Impact Me?

#### Residential Rate Impacts from GRC Request (Not including CPUC fee, surcharges, refunds, or tax)

Service Charge (Meter Size)	Current Rates Eff. 9/1/2024 per Advice Letter 24		Proposed Interim Rates		Proposed Final Rates	
	Service Charge	Rate Based Surcharge <sup>3</sup>	Service Charge	Rate Based Surcharge	Service Charge	SWRCB Compliance Order Surcharge <sup>4</sup>
¾"	\$162.41	\$95.75	\$100.07	\$0.00	\$100.07	\$129.49
Variable Rates						
Quantity Charge (per 1,000 gal)	Current Rates Eff. 1/1/2025		Proposed Interim Rates		Proposed Final Rates	
	\$10.29		\$119.00		\$146.39	

Bills are calculated by combining a service charge and a usage charge. The service charge is a fixed, once per month charge for maintaining the meters, pipes, pumps, valves, and other equipment to deliver water to your residence. Your service charge depends on your meter size. Most residential customers use a 3/4-inch meter. The usage charge is a monthly charge based on each household’s water use, meaning the more water used, the higher the usage charge could become.

Excluding CPUC fee, City Tax, surcharges and refunds, a residential customer with a 3/4-inch meter using the State Water Resources Control Board Division of Drinking Water’s usage standard of 55 gallons per person<sup>5</sup> per day would see an increase from \$206.20 per month currently to \$1,099.80 per month (a 433% increase) under UP/Keene’s request in A.25-03-016.

### Where Can I Go for Further Information on the Proceeding?

- **Documents related to this proceeding are available on the CPUC’s website at** <https://apps.cpuc.ca.gov/p/A2503016>
- **The Public Advisor’s Office has information on participating in proceedings:** <https://www.cpuc.ca.gov/pao>. The Public Advisor’s Office can also be reached at 1-866-849-8390 or at [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)

<sup>3</sup> D.06-07-034 ordered KWS to improve its distribution system and costs found reasonable are to be collected through a rate base surcharge.

<sup>4</sup> The SWRCB Compliance Order Surcharge is a meter-size-dependent surcharge intended to recover the costs associated with the 2023 State Water Resources Control Board Compliance Order No. 03\_19\_23R\_003 to be amortized over 3 years.

<sup>5</sup> Assuming 2 persons per connection.