

California American Water Company

California-American Water Company (Cal-Am) has applied to revise its cost of capital – the rate that the Company is authorized to earn on its invested capital.

Application A.21-05-001 Cost of Capital					
California-American Water Company					
			<u>Debt/Equity Portions</u>		
	<u>Authorized Return on Equity</u>	<u>Authorized Cost of Debt</u>	<u>Equity Ratio</u>	<u>Debt Ratio</u>	<u>Overall Authorized Rate of Return</u>
<u>Previous Authorization (In place now)</u>	9.20%	5.63%	55.39%	44.61%	7.61%
<u>Current Application (Pending)</u>	10.75%	4.35%	57.04%	42.96%	8.00%

What effect would this have on my bill? The effect on each customer would depend on the district and the level of consumption. The table below shows the effects for typical residential customers if the application were granted in full.

California-American Water Co, Cost of Capital Application -- Residential Service Requested Increases						
<u>Service Area</u>	<u>Typical Meter Size</u>	<u>Average Monthly Usage</u>	<u>2022 Projected Bill at Current Cost of Capital</u>	<u>Increase for Proposed Cost of Capital</u>	<u>2022 Projected Bill at Proposed Cost of Capital</u>	<u>Percent Increase</u>
	(Inches)	(CGL)	(\$)	(\$)	(\$)	(%)
California Northern Division						
Sacramento Tariff Area (including service areas in Sacramento County, Geyserville, and Dunnigan)	5/8	83.94	\$63.92	\$2.21	\$66.13	3.46%
Larkfield District	5/8	64.52	\$79.61	\$0	\$79.61	0%
Meadowbrook Service Area	5/8	126.82	\$62.17	\$2.15	\$64.32	3.46%
Fruitridge Service Area	1 (Metered)	99.40	\$63.95	\$0	\$63.95	0%
Fruitridge Service Area	Flat (Not Metered)	99.40	\$56.07	\$0	\$56.07	0%
Hillview Service Area	3/4	61.00	\$67.39	\$2.33	\$69.72	3.46%
Dunnigan Wastewater Service	Flat	99.40	\$37.39	\$1.31	\$39.10	3.46%
California Central Division						
Monterey Main Tariff Area (including service areas in the 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)						
Monterey Main Tariff Area	5/8 x 3/4 Single Family	38.44	\$119.60	\$3.80	\$123.40	3.18%
Monterey Main Tariff Area	5/8 x 3/4 Multi Family	184.00	\$973.50	\$30.91	\$1,004.41	3.18%
Central Satellites Tariff Area (including service areas in Ambler, Toro, Ralph Lane, and Garrapata)	5/8 x 3/4	92.26	\$122.38	\$3.89	\$126.26	3.18%
Chualar Tariff Area	5/8 x 3/4	146.74	\$42.59	\$0	\$42.59	0%
Southern Division						
Los Angeles -- Duarte Service Area	5/8 x 3/4	117.82	\$94.84	\$1.89	\$96.74	2.00%
Los Angeles -- Baldwin Hills Service Area	5/8 x 3/4	100.72	\$87.39	\$1.74	\$89.14	2.00%
Los Angeles -- San Marino Service Area	5/8 x 3/4	139.75	\$112.87	\$2.25	\$115.12	2.00%
San Diego Service Area	5/8 x 3/4	65.49	\$81.33	\$1.62	\$82.95	2.00%
Ventura Service Area	5/8 x 3/4	120.31	\$115.75	\$2.31	\$118.06	2.00%
Rio Plaza Service Area	3/4	98.66	\$79.53	\$1.59	\$81.12	2.00%
Monterey Wastewater Division						
Active Sewer Service (including service areas in Las Palmas, Pasadera, Carmel Valley Ranch, and Indian Springs)			\$127.86	\$0.99	\$128.85	0.78%
Passive Sewer Service (including service areas in White Oaks, Spreckels, Village Green, and Oak Hills)			\$85.91	\$0.19	\$86.10	0.22%

What other matters is Cal-Am pursuing before the CPUC? The Company does not have other ratemaking matters before the Commission. There are four other applications pending that are not ratemaking matters:

- A.12-04-019 Monterey Water Supply Project
- A.18-09-013 Application to purchase the assets of Bellflower Municipal Water System
- A.20-04-017 Application to purchase the assets of Warring Water
- A.21-11-024 Application for approval of a water purchase agreement with PureWater Monterey

Where can I get more information?

- Contact California-American Water Company. Please reference Application A.21-05-001.
 - Phone: 1-888-237-1333
 - Email: cawc.customeradvocacy@amwater.com
 - Mail: California American Water Company, 4701 Beloit Drive, Sacramento, CA 95838
 - View the application and related information: www.amwater.com/caaw/Service-Billing/Water-Rates/GRC-Applications-and-Customer-Notifications
- Contact the CPUC. Please reference Application A.21-05-001.
 - 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