

**NOTICE OF PUBLIC PARTICIPATION HEARING:
CALIFORNIA WATER SERVICE'S REQUEST TO INCREASE RATES IN ITS
GENERAL RATE CASE APPLICATION NO. A.15-07-015
REDWOOD VALLEY - LUCERNE SERVICE AREA**

**August 25, 2016 • 1:00 & 6:00 p.m.
Lucerne Alpine Senior Center – Barnes Hall Room
3985 Country Club Drive
Lucerne, CA 95458**

The California Public Utilities Commission (CPUC) wants to hear from you. Public Participation Hearings (PPHs) have been scheduled for customers in the Redwood Valley - Lucerne District at the date, times, and location noted above to receive your comments about California Water Service's (Cal Water) General Rate Case (GRC) application (A.15-07-015).

A CPUC Administrative Law Judge (Judge) will preside at the PPHs to listen to concerns, comments, and opinions on the proposed application. One or more Commissioners may attend, but **no decisions will be reached at this hearing**. All public comments from these PPHs will be included in the formal record of this proceeding and become public record.

The hearing location is wheelchair accessible. If you need a non-English language translator or special assistance, please contact the CPUC's Public Advisor's Office (PAO) at the address listed at the bottom of this notice at least five days in advance of the hearing date. If you cannot attend either PPH, you may submit your comments via a letter or email to the PAO.

Cal Water's Application

Every three years, Cal Water is required to file a GRC with the CPUC to ensure water rates reflect the cost of providing water service. On July 9, 2015, Cal Water filed its 2015 GRC application (A. 15-07-015) requesting approval to increase rates by \$94,838,100 or 16.5% in 2017, \$22,959,600 or 3.4% in 2018, and \$22,588,200 or 3.3% in 2019. Also included in A.15-07-015 is Cal Water's proposal to gradually merge the costs of its Bayshore and Redwood Valley Districts to improve affordability and develop administrative efficiencies. This cost consolidation will improve affordability and develop administrative efficiencies.

A. With Cost Consolidation – If this consolidation is approved by the CPUC as proposed, the portion of the requested revenue increase for Redwood Valley - Lucerne customers would be \$44,000, or 2.0%, for 2017; \$33,000, or 1.5%, for 2018; and \$33,000, or 1.5%, for 2019. With consolidation, the total revenue increase over the three years would be \$111,000, or 5.0% (annual increases do not sum to total due to rounding).

Redwood Valley - Lucerne Revenue Increases with Consolidation

Type of Service Provided	2017 Increase		2018 Increase		2019 Increase	
General Metered Service	\$44,000	2.0%	\$33,000	1.5%	\$33,000	1.5%

Typical Customer Impact with Consolidation – If Cal Water's proposed consolidation of the Bayshore and Redwood Valley - Lucerne Districts is approved, the bills for a typical residential customer in Redwood Valley - Lucerne with a 5/8" x 3/4" meter using 3,740 gallons (5 CCF) of water per month would resemble those below. **These numbers do not include surcharges and credits, except the RSF credit.**

Redwood Valley - Lucerne Typical Residential Customer Bill Increase with Consolidation

	Jul 2015	2017		2018		2019				
<i>Residential Customer</i>	<i>Bill</i>	<i>Increase</i>	<i>Bill</i>	<i>Increase</i>	<i>Bill</i>	<i>Increase</i>	<i>Bill</i>			
5/8" x 3/4" meter	\$74.18	\$3.32	4.5%	\$77.51	\$0.81	1.0%	\$78.32	\$0.84	1.1%	\$79.16

B. Without Cost Consolidation – If consolidation is not approved, Cal Water requests revenue increases for its Redwood Valley - Lucerne District of \$822,000, or 37.1%, for 2017; -\$46,000, or -1.5%, for 2018; and -\$46,000, or -1.5%, for 2019. Without consolidation, the total revenue increase over the three years would be \$730,000, or 33.0%.

Redwood Valley - Lucerne Estimated Revenue Increases without Consolidation

Type of Service Provided	2017 Increase		2018 Increase		2019 Increase	
General Metered Service	\$822,000	37.1%	-\$46,000	-1.5%	-\$46,000	-1.5%

Typical Customer Impact *without Consolidation* – If Cal Water’s proposal is adopted **without consolidation**; the bill of a typical residential customer with a 5/8” x 3/4” meter using 3,740 gallons (5 CCF) of water per month would resemble those below. **These numbers do not include surcharges and credits, except the RSF credit.**

*Redwood Valley - Lucerne Typical Residential Customer Bill Increase **without Consolidation***

	Jul 2015	2017		2018		2019				
<i>Residential Customer</i>	<i>Bill</i>	<i>Increase</i>	<i>Bill</i>	<i>Increase</i>	<i>Bill</i>	<i>Increase</i>	<i>Bill</i>			
5/8” x 3/4” meter	\$74.18	\$22.34	30.1%	\$96.52	-\$10.76	-11.2%	\$85.75	-\$0.95	-1.1%	\$84.81

Reasons for Increase

Cal Water has been providing water to California communities for nearly 90 years, and many of the facilities used for water service have reached the end of their useful lives. For the Redwood Valley - Lucerne District, most of Cal Water’s requested revenue increases are made up of the following components:

- Water infrastructure improvements (82.4%)
- Projected operation and maintenance expenses (17.6%)

Cal Water’s proposed rates for 2017-2019 would become effective on January 1, 2017. The rate increases for 2018 and 2019 are calculated using the most recent inflation factors provided by the CPUC. The CPUC requires that Cal Water use a simplified, inflation-based, escalation methodology for its proposed rates for 2018 and 2019.

Obtaining a Copy of the Application

A copy of Cal Water’s proposed GRC application and related exhibits may be reviewed at Cal Water’s office, located at 6125 East Highway 20, Lucerne, CA 95458, (707) 274-6624. An electronic or paper copy of the application and related exhibits will be provided by Cal Water upon written request to California Water Service Company, 1720 North First Street, San Jose, CA 95112-4598. Copies are also available to review at the CPUC’s Central Files Office in San Francisco by appointment. For more information, please contact them at aljcentralfilesid@cpuc.ca.gov or (415) 703-2045.

The CPUC’s Process

After considering all proposals and all evidence presented during the formal hearing process, the Judge will issue a proposed decision determining whether to adopt Cal Water’s request, modify it, or deny it. Any of the CPUC’s Commissioners may sponsor an alternate decision. The proposed decision and any alternate decisions will be discussed and voted upon at a scheduled Commission Voting Meeting.

As a party of record, the Office of Ratepayer Advocates (ORA) has reviewed this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting, and engineering. For more information about ORA, please call (415) 703-1584, e-mail ora@cpuc.ca.gov, or visit ORA’s website at www.ora.ca.gov.

Stay Informed

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at <http://subscribecpuc.cpuc.ca.gov/>.

If you would like to learn how you can participate in the proceeding, have informal comments, or have questions about the CPUC’s processes, you may access the CPUC’s Public Advisor’s webpage at <http://consumers.cpuc.ca.gov/pao/>. You may also contact the Public Advisor as follows:

Email: public.advisor@cpuc.ca.gov	Phone: 1-866-849-8390 (toll-free) or 1-415-703-2074
Write: CPUC	1-866-836-7825 (toll-free) or TTY 1-415-703-5282
Public Advisor’s Office	
505 Van Ness Avenue	
San Francisco, CA 94102	

Please reference **Cal Water’s GRC Application No. 15-07-015** in any communications you have with the CPUC regarding this matter. All public comments will become part of the public correspondence file for this proceeding and be made available for review for the assigned Judge, the Commissioners, and appropriate CPUC staff.

