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**Notification of Application Filed by California Water Service to Increase
Hermosa Redondo District Rates in 2020, 2021, and 2022
(Application No. A.18-07-001)**

On July 2, 2018, California Water Service (Cal Water) filed its 2018 General Rate Case (GRC) Application (A.18-07-001) with the California Public Utilities Commission (CPUC). Cal Water is requesting total company revenue increases of \$50,673,500 (or 7.6%) for 2020, \$31,461,900 (or 4.4%) for 2021, and \$33,000,700 (or 4.4%) for 2022. If approved by the CPUC, rates would increase beginning in January 2020.

The Application

Cal Water is requesting an overall revenue increase of \$4,081,640 (or 13.3%) for Hermosa Redondo District customers over three years, as shown in the table below. Cal Water is requesting this increase for infrastructure upgrades, maintenance, water quality, safety measures, business operations, and inflation.

Revenue increases for 2021 and 2022 may vary from the provided estimates below due to the use of a CPUC-provided, inflation-based formula.

Proposed Revenue Increases

<i>Current Revenue Requirement</i>	<i>Proposed 2020 Revenue Increase</i>	<i>Proposed 2021 Revenue Increase</i>	<i>Proposed 2022 Revenue Increase</i>
\$30,763,700	\$2,280,396 7.4%	\$868,191 2.6%	\$933,055 2.8%

Proposed Revenue Increases by Type of Service**

<i>Type of Service Provided</i>	<i>Current Revenue Requirement</i>	<i>Proposed 2020 Revenue Increase</i>	<i>Proposed 2021 Revenue Increase</i>	<i>Proposed 2022 Revenue Increase</i>
Residential Metered Service	\$17,946,619	\$486,327 3%	\$515,768 3%	\$553,513 3%
Nonresidential Metered Service*	\$12,384,955	\$1,719,537 14%	\$335,876 2%	\$361,931 3%

*Nonresidential Metered Service applies to all customer classes that are not residential (such as business, multi-family, and public authority customers) and do not have a separate tariff. **The sum of residential and nonresidential revenues will not equal total revenue due to other revenue sources like construction meter charges, fire protection services, and recycled water.

Typical Customer Impact

The following table details the increase a residential customer with a 5/8”x3/4” meter would see in his or her bill if Cal Water’s proposed rates for 2020, 2021, and 2022 are approved by the CPUC as requested. In 2017, the average residential customer with a 5/8”x3/4” meter used 9 Ccf (6,732 gallons) of water per month. **These numbers do not include temporary surcharges and credits.**

Typical Residential Customer Bill Increase

<i>Residential Customer</i>	<i>Current Bill</i>	<i>Proposed 2020 Bill Increase</i>	<i>Proposed 2021 Bill Increase</i>	<i>Proposed 2022 Bill Increase</i>
9 Ccf (6,732 gallons)	\$51.79	\$0.05 0.1%	\$1.28 2.5%	\$1.37 2.6%

Key Reasons for Increase

Cal Water has been providing water utility service to California communities for more than 90 years, and many of the facilities used for water service have reached the end of their useful lives. Some of the key reasons Cal Water is making this request is to:

- Continue to invest in infrastructure to enhance safety and reliability, and to manage risks that could impact customers and/or fire protection systems;
- Meet water quality and environmental regulatory requirements; and
- Secure water supplies to ensure future reliability.

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 2632 West 237th Street, Torrance, CA 90505. An electronic or paper copy of the application and related exhibits will be provided by Cal Water upon written request to California Water Service, 1720 North First Street, San Jose, CA 95112-4598.

A digital copy of the application may be reviewed on the CPUC's Docket Card webpage at <https://apps.cpuc.ca.gov/apex/f?p=401:1:0> by typing the proceeding number, without dashes, in the Proceeding Number Search box. A hard copy can be reviewed at the CPUC's Central Files Office by appointment. For more information, contact aljcentralfilesid@cpuc.ca.gov or (415)-703-2045.

The CPUC's Process

This application will be assigned to an Administrative Law Judge (Judge), who will determine how to receive evidence and other related documents necessary for the CPUC to establish a record upon which to base its decision. Evidentiary Hearings (EHs) may be held, where parties of record will present their testimony and may be subject to cross-examination by other parties. These EHs are open to the public, but only those who are parties of record can participate. After considering all proposals and evidence presented during the formal hearing process, the assigned Judge will issue a proposed decision determining whether to adopt all or part of Cal Water's request, modify it, or deny it. The CPUC Commissioners may sponsor an alternate decision, and the issue will be decided at a scheduled Commission Voting Meeting.

The Office of Ratepayer Advocates (ORA) may review this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers. For more information about ORA, please call (415) 703-1584, e-mail ora@cpuc.ca.gov, or visit ORA's web site at ora.ca.gov/default.aspx.

Stay Informed

The CPUC offers a free Subscription Service available on the CPUC web site at <http://subscribecpuc.cpuc.ca.gov/>, which allows you to follow this proceeding. If you would like to learn how you can participate in the proceeding, or if you have informal comments or questions about the CPUC process, you may contact the CPUC's Public Advisor's Office at the address noted below.

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

Please reference **Cal Water's Application No. A.18-07-001** 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 made available for review for the assigned Judge, Commissioners, and appropriate CPUC staff.