

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS**

Advice Letter Cover Sheet

Utility Name: California Water Service Company District: Bakerfield CPUC Utility #: U-60-W Advice Letter #: 2567 Tier: ☐ 1 ☒ 2 ☐ 3 ☐ Compliance Authorization: General Order 96-B & D.20-08-047 Description: Expansion of Service Area Map to include Palm Mutual Water Company	Date Mailed to Service List: 10/27/2025 Protest Deadline (20th Day): 11/24/2025 (extended) Review Deadline (30th Day): 12/01/2025 Requested Effective Date: 12/01/2025 Rate Impact: no immediate impact to Bakersfield customers
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The protest or response deadline for this advice letter is November 24, 2025. Please see the "Response or Protest" section in the advice letter for more information.

Utility Contact: Todd Pray

Phone: 408-367-8250

Email: tpray@calwater.com

Utility Contact: Kyle Wang

Phone: (408) 367-8250

Email: kwang@calwater.com

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

DATE

STAFF

COMMENTS

☐ APPROVED

☐ WITHDRAWN

☐ REJECTED

Signature: _____

Comments: _____

Date: _____



CALIFORNIA WATER SERVICE COMPANY
1720 NORTH FIRST STREET
SAN JOSE, CA 95112 ☎ (408) 367-8200 F (408) 367-8428

October 27, 2025

Advice Letter No. 2567

CALIFORNIA WATER SERVICE COMPANY (U 60 W)

To The Public Utilities Commission of the State of California:

California Water Service Company ("Cal Water") respectfully submits this Tier 2 advice letter requesting approval for the acquisition of Palm Mutual Water Company ("Palm Mutual") by Cal Water, and, once the transaction between Cal Water and Palm Mutual is closed, for authority to make the changes to the below tariff sheets applicable to its Bakersfield ratemaking area. ***Please note that this advice letter will only be distributed electronically to the Water Division and the attached service lists.***

C.P.U.C.		Canceling
		C.P.U.C.
<u>Sheet No.</u>	<u>Title of Sheet</u>	<u>Sheet No.</u>
XXXXX	Service Area Map, Bakersfield	XXXXXX
XXXXX	Table of Contents – Page 14	XXXXXX
XXXXX	Table of Contents – Page 1	XXXXXX

Summary

Cal Water requests approval to acquire Palm Mutual located near Cal Water's facilities in its Bakersfield District. Cal Water requests under General Order 96-B, Water Industry Rule 7.3.2(8), that its service area be expanded to encompass the service area of the Palm Mutual Water Company after Cal Water acquires Palm Mutual.

Cal Water also requests under Water Industry Rule 7.3.2 (1) that the Commission authorize Cal Water to apply its current Bakersfield District tariff rates to Palm Mutual customers. There is no rate change being proposed for existing Cal Water customers.

Finally, Cal Water proposes to delay updating its tariffs on Cal Water's website until after the acquisition transaction closes.

Background

Cal Water and Palm Mutual have signed an agreement for Cal Water to purchase its water system, subject to Commission and other regulatory approvals. Palm Mutual serves approximately 66 residential customer service connections in Bakersfield. Cal Water currently serves Palm Mutual through a 4" master meter.



Discussion

Palm Mutual is well within the 2,000-feet of Cal Water's Bakersfield District, and as such is contiguous within the meaning of General Order 96-B, Water Industry Rule 8.1. As such, the expansion of the Bakersfield District's service area map to include Palm Mutual is appropriately addressed through a Tier 2 advice letter filing in accordance with Water Industry Rule 7.3.2 paragraphs (1), (8), and (9).

Small System Acquisitions

Cal Water will acquire Palm Mutual's distribution system, which serves mostly residential customers, and all associated physical operating assets (as discussed further below). Palm Mutual currently receives water from Cal Water through a master meter and charges residents according to their own billing practices. They will be switched over to Cal Water's existing Bakersfield rates post-acquisition. The acquisition of Palm Mutual will not change any rates of Cal Water's current customers in the Bakersfield District.

The Commission has previously recognized the benefits of small water system acquisitions. Per Resolution W-5080 approving California American Water's acquisition of Adams Ranch Mutual Water Company, the Commission stated:

The State of California and the Commission encourage mergers of water systems especially when small systems can no longer economically provide adequate and safe water supplies. In Resolution No. 2008-0048 the State Water Resources Control Board noted that small or disadvantaged communities cannot "provide the economies of scale necessary to build and maintain adequate water and wastewater systems."

With the transition to Cal Water, Palm Mutual customers will have access to full-time customer service representatives to handle issues, access its website, and other online services such as online payment and paperless billing. Additionally, Palm Mutual customers who qualify can enroll in Cal Water's Customer Assistance Program (CAP), which provides a monthly bill discount to certain low-income customers. Customers will also be able to utilize Cal Water's conservation programs.

Palm Mutual has not been classified as a public water system since approximately 2000 and, as such, has no outstanding compliance issues with the Division of Drinking Water at this time. However, Palm Mutual owns a 70,000-gallon ground bolted steel tank that was estimated to have been installed in the 1970s that does not currently comply with American Water Works Standards. Further, the system does not comply with city or county fire flow requirements. Cal Water plans to decommission the tank in the usual course of its operations and make capital improvements to bring the system into compliance.

Although Cal Water is already currently serving Palm Mutual, Cal Water plans on making additional



CALIFORNIA WATER SERVICE COMPANY

Advice Letter 2567, Bakersfield Map Extension for Palm Mutual Acquisition

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improvements to the system post-acquisition to address the deficiencies noted below. The transaction would also incur estimated one-time, non-recurring fees of approximately \$1,700 for title, escrow, and insurance costs.

Adequacy of Water Supply

Palm Mutual has already been receiving water from Cal Water for some time, therefore, Palm Mutual production is already factored into the latest production data and would not count as new demand.

Rates and Tariffs

Palm Mutual is currently serviced by Cal Water through a master meter and does not have any tariffs. Palm Mutual takes the bills received from Cal Water and then allocates its customers' shares of the overall bill according to their use. Upon closing of the transaction, Palm Mutual customers will be switched over to Cal Water's Bakersfield rates and tariffs.

Future Improvements

As part of the transaction, Palm Mutual will pay Cal Water \$182,000 which will be applied to Contributions in Aid of Construction (CIAC) to partially fund expected capital improvements. Thus far, Cal Water has identified approximately \$1.4M in future capital improvements primarily to address fire flow deficiency:

<u>Item</u>	<u>Description [units]</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total</u>
Main Tie-in	Tie-into existing (work by CWS)	7	\$5,100.00	\$35,700.00
New piping	8" piping	7850	\$125.00	\$981,250.00
Service reconnections	1" Services	65	\$3,150.00	\$204,750.00
Fire hydrant connections	New Fire Hydrants for system	14	\$13,000.00	\$182,000.00

Base Cost \$1,403,700

For administrative efficiency, Cal Water proposes to have these and any other capital improvements incorporated into future GRCs for review at that time. Accordingly, Cal Water is not asking for a rate change associated with approval of this advice letter.

Any remaining capital improvements are expected to be carried out in future GRCs. As a result, Cal Water is not asking for an immediate rate change associated with the approval of this advice letter.

Potential Bill Impacts

The table below shows the anticipated bill impact to Palm Mutual's customers by moving to Cal



CALIFORNIA WATER SERVICE COMPANY

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Water's current Bakersfield residential rate schedule. Cal Water attempted as best it could to approximate Palm Mutual's current billing method in order to provide a relevant comparison.

Single-Family Residential	Palm Mutual	Cal Water	\$ Change	% Change
Service Charge				
1" Meter	\$ 65.00	\$ 69.78	\$ 4.78	7%
Total Monthly Bill Estimates:				
<i>Service Charge plus usage in CCF (without surcharges, fees, or local taxes)</i>				
10	\$ 96.98	\$ 86.42	\$ (10.57)	-11%
20	\$ 128.96	\$ 121.14	\$ (7.83)	-6%
30	\$ 160.95	\$ 166.41	\$ 5.46	3%
40	\$ 192.93	\$ 222.98	\$ 30.05	16%
50	\$ 224.91	\$ 279.56	\$ 54.65	24%
75	\$ 304.86	\$ 420.99	\$ 116.13	38%
100	\$ 384.82	\$ 562.43	\$ 177.61	46%
125	\$ 464.77	\$ 703.86	\$ 239.09	51%
150	\$ 544.73	\$ 845.30	\$ 300.57	55%
175	\$ 624.68	\$ 986.73	\$ 362.05	58%
200	\$ 704.64	\$ 1,128.17	\$ 423.53	60%

Metered residential customers in Cal Water's Bakersfield District typically average around **12 CCF** (8,977 gallons) of water use per month. At that level, the bill would approximately be \$92.46 based on current residential metered rates (without surcharges, fees, or local taxes), which is slightly less than \$103.38, the current estimated Palm Mutual bill at the same usage. Note, however, that based on billing statements that Cal Water inspected, most Palm Mutual customers use substantially more water than the typical Bakersfield resident, especially during the summer months.

Service Area Map Modifications

With Cal Water's purchase of Palm Mutual Water Company, Palm Mutual's service area will be incorporated into that of the Bakersfield District. Cal Water has determined that the service area map of Bakersfield has historically erroneously included the areas already being served by Palm Mutual. The service area map submitted with this advice letter therefore specifically identifies the Palm Mutual area within the district's existing boundaries.

Required Documentation

Cal Water complies with the data elements approved in D.20-08-047. Please refer to the checklist in **Appendix A**.



Requested Effective Date

Cal Water requests an effective date of **December 1, 2025** for Commission approval of this advice letter, and for approved tariffs to be posted on Cal Water's website only upon completion of the acquisition

Notice

Customer Notice: A customer notice has been provided to Palm Mutual customers in the form of a letter mailed **October 27, 2025**. A copy of the notice is provided in **Appendix B**. As there is no change in existing rates as a result of the transaction, no special notice is being provided to Bakersfield customers under Water Industry Rule 3.1 of General Order 96-B.

Service List: In accordance with General Order 96-B, General Rule 4.3 and 7.2 and Water Industry Rules 4.1 and 4.2, a copy of this advice letter will be transmitted electronically on **October 27, 2025**, to competing and adjacent utilities and other utilities or interested parties having requested such notification, including the Local Agency Formation Commission (LAFCO). ***Please note that this advice letter will only be distributed electronically to the Water Division and the attached service lists.***

Response or Protest

Anyone may respond to or protest this advice letter. When submitting a response or protest, please include the utility name and advice letter number in the subject line. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding; or
- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided such a protest may not be made where it would require relitigating a prior order of the Commission.)

A protest shall provide citations or proofs where available to allow staff to properly consider the protest. *To allow time for Palm Mutual customers to receive the letter mailed on October 27, 2025, Cal Water proposes to extend the protest deadline to November 24, 2025.* Accordingly, a response or protest must be made in writing or by electronic mail and must be received by the Water Division by **November 24, 2025**. The address for mailing or delivering a protest is:



CALIFORNIA WATER SERVICE COMPANY

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Tariff Unit, Water Division, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
water.division@cpuc.ca.gov

On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy by mail (or e-mail) to Cal Water at the following address:

Natalie Wales
California Water Service Company
1720 North First Street,
San Jose, California 95112
Fax 408/367-8430 or
E-mail cwsrates@calwater.com

Cities and counties requiring Board of Supervisors or Board of Commissioners' approval to protest should inform the Water Division within the protest period noted above so a late-filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on. The advice letter process does not provide for any responses, protests or comments, except for the utility's reply, after the comment period.

Replies: The utility shall reply to each protest and may reply to any response. Each reply must be received by the Water Division within 5 business days after the end of the protest period and shall be served on the same day to the person who filed the protest or response. If you have not received a reply to your protest within 10 business days, contact California Water Service Company at (408) 367-8200, and ask for the Rates Department.

CALIFORNIA WATER SERVICE COMPANY

/s/

Todd Pray, Regulatory Program Manager

Enclosures

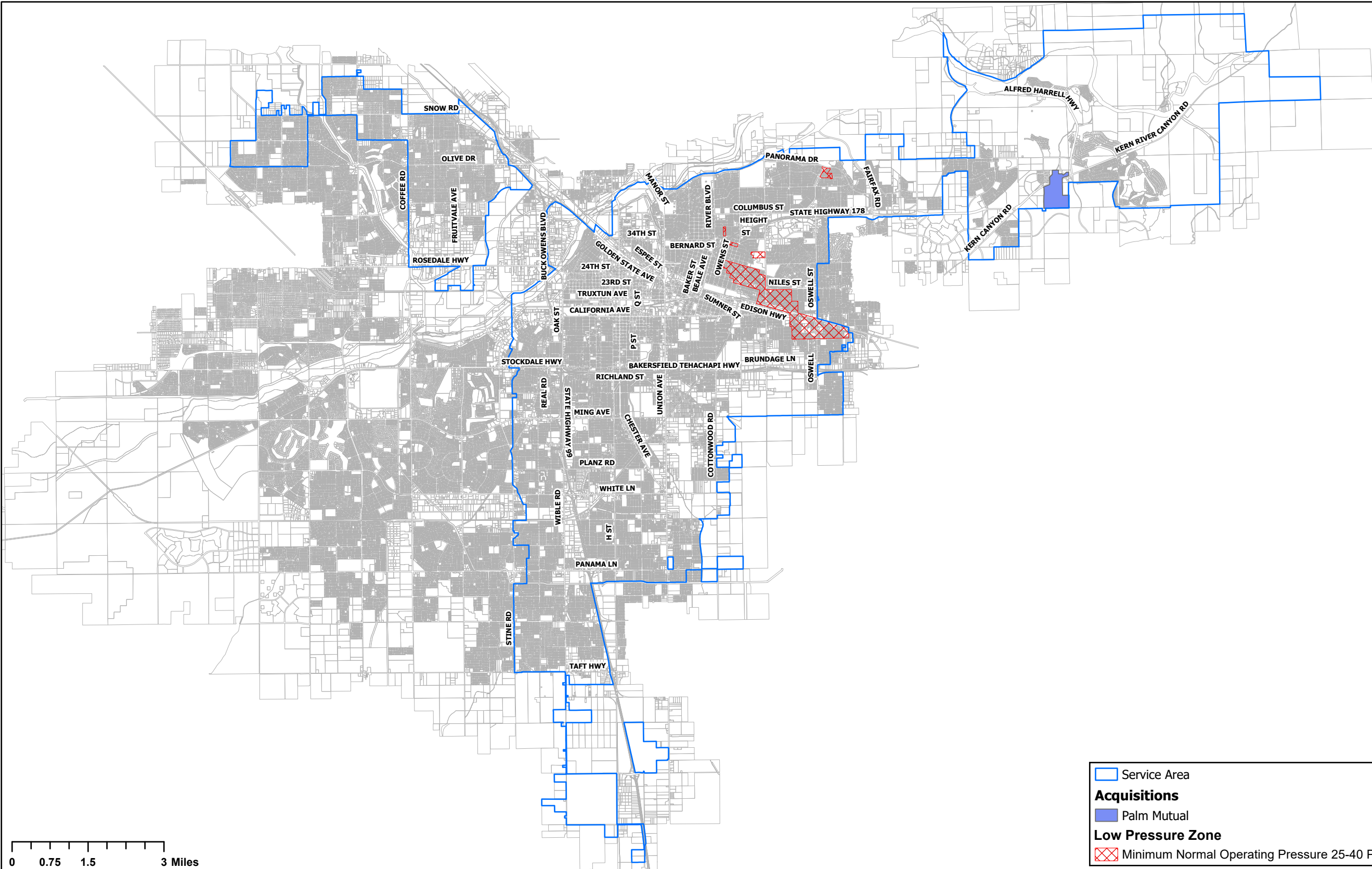
cc: Syreeta Gibbs (Public Advocates Office), PublicAdvocatesWater@cpuc.ca.gov



CALIFORNIA WATER SERVICE
1720 North First Street, San Jose, CA 95112
(408) 367 - 8200

Revised _____ Cal. P.U.C. Sheet No. _____

Cancelling _____ Cal. P.U.C. Sheet No. _____



NOTE :
This map may not be considered by the Public Utilities Commission of the State of California as a final conclusive determination or establishment of the dedicated area of service or any other portion thereof.

(To be inserted by Utility)
Advice Letter No. : 2567
Decision No. : _____

Issued By
Greg Milleman
NAME
Vice President of Rates
& Regulatory Affairs
TITLE

(To be inserted by Cal. P.U.C.)
Date Filed : _____
Effective : _____
Resolution No. : _____

CALIFORNIA WATER SERVICE COMPANY

1720 North First Street

San Jose, CA 95112

(408) 367-8200

Revised
CancellingCal. P.U.C. Sheet No. XXXXX-W
Cal. P.U.C. Sheet No. XXXXX-W**Table of Contents**
Service Area Maps

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Service Area Map**Service Area****CPUC Sheet No.****General Location of Districts**

3027-W

Antelope Valley District (in the Los Angeles County Region)

Fremont Valley

13418-W

Leona Valley

13421-W

Lake Hughes

13419-W

Lancaster

13420-W

Bakersfield District

XXXXXX-W

(C)

Bayshore District (in the Bay Area Region)

Mid Peninsula

13789-W

South San Francisco

13423-W

Bear Gulch District

13608-W

Chico-Hamilton City District (in the North Valley Region)

13812-W

Dixon District

13427-W

Dominguez District (in the South Bay Region)

13577-W

East Los Angeles District

13429-W

Grand Oaks District

13430-W

Hermosa-Redondo District (in the South Bay Region)

13578-W

King City District (in the Salinas Valley Region)

13441-W

(Continued)

(To be inserted by utility)

Advice Letter 2567

Decision

Issued By

Greg MillemanVice PresidentRates and Regulatory Affairs

(To be inserted by CPUC)

Date Filed

Effective

Resolution

CALIFORNIA WATER SERVICE COMPANY

1720 North First Street

San Jose, CA 95112

(408) 367-8200

Revised

Cancelling

Cal. P.U.C. Sheet No. XXXXX-W

Cal. P.U.C. Sheet No. XXXXX-W

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The following listed tariff sheets contain all effective rates and rules affecting the rates and service of the Utility together with information relating thereto:

<u>Sheet</u>	<u>Subject Matter</u>	<u>Service Area</u>	<u>Schedule No.</u>	<u>CPUC Sheet No.</u>
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	Title Page			13288-W
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Page 7	Rate Schedules - All Districts	13305-W	
Page 8	Rate Schedules - District Specific	13810-W	
Page 9	Rate Schedules - District Specific	13760-W	
Page 10	Rate Schedules - District Specific	13759-W	
Page 11	Rate Schedules - District Specific	13804-W	
Page 12	Rate Schedules - District Specific	13772-W	
Page 13	Rate Schedules - District Specific	13794-W	
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Page 21	Sample Forms	13291-W	
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(Continued)

(To be inserted by utility)	Issued By	(To be inserted by CPUC)
Advice Letter <u>2567</u>	<u>Greg Milleman</u>	Date Filed _____
Decision	<u>Vice President</u>	Effective _____
	<u>Rates and Regulatory Affairs</u>	Resolution _____

APPENDIX A

APPENDIX A
D.20-08-047 Minimum Data Requirements (MDRs)

<u>Requirements</u>	<u>Reference</u>
1. Estimate the potential monthly incremental cost impact on existing and acquired customers following the actual results of the Buyer's most recently authorized tariffs.	Cal Water forecasts a zero incremental cost impact at this time. Palm Mutual has already been receiving water through a Cal Water connection for some time and any costs are already included in the five year average.
1.a If a Buyer has pending request before the Commission to change rates, it must also calculate the above using data as proposed in its pending request.	N/A
2. If the Buyer is seeking authority to increase the acquired system's rates to a certain level, please state the basis for the targeted rate and period of time for such targeted rate to be implemented.	Palm Mutual customers will transition to current Cal Water Bakersfield tariffs at the time of closing the transaction.
3. Provide the annual depreciation expense using the proposed rate base of the acquired assets. If the exact depreciation expense is not available, provide the best estimate of the annual depreciation expense. Show how the depreciation expense is calculated.	Since Cal Water is acquiring the assets for \$1, the proposed rate base of the acquired assets is \$1. Hence there is no depreciation expense component.
4. Provide an estimate of the annual revenue requirement of the system proposed to be acquired. Provide the assumptions for the annual revenue requirement, including expected rate of return, expected depreciation expense, O&M expenses, etc.	No separate revenue requirement is proposed for this acquisition.
5. Other than the revenue requirement data requested above, separately identify all other approved and/or intended impacts to customer bills (i.e., surcharges, passthrough fees, etc.).	See Advice Letter discussion on changes to customer rates.
6. Provide a listing of any entities that currently receive free service from the acquired utility.	None, to Cal Water's knowledge
7. If the acquired utility has increased rates in the last year, please state the date of the increase and provide a copy of the new rate schedule and the total annual revenues projected under the new rates.	None, to Cal Water's knowledge
8. Are there any leases, easements, and access to public rights-of-way that Buyer expects to be needed in order to provide service which will not be conveyed at closing? If yes, identify when the conveyance will take place and whether there are expected to be additional costs involved.	CWS has identified all critical easements and expects that those main line easements be assigned over to Cal Water at the time of close.
9. Provide a breakdown of the estimated transaction and closing costs. Provide invoices to support any transaction and closing costs that have already been incurred.	Closing costs per the APA are listed in section 4.6. Buyer pays 100% of ALTA Standard Title Insurance (est \$1000), 100% of Endorsements (est \$200), and 50% of escrow fees (est \$500). Seller pays 100% of the title report (est \$1200 ea for two properties), 100% of the ALTA Standard Title Insurance (est \$1000). 100% of Conveyance Taxes (TBD based on close date), 100% of recordation fees (Est. \$500 to record files at Kern County), and 50% of the escrow (Est \$500). There may also be a search fee that is variable. We have no invoice to date on the items requested.

APPENDIX A
D.20-08-047 Minimum Data Requirements (MDRs)

	<u>Requirements</u>	<u>Reference</u>
10.	Describe known and anticipated general expense savings and efficiencies under Buyer's ownership. State the basis for assumptions used in developing these savings and efficiencies and provide all supporting documentation for the assumptions.	Cal Water does not expect any anticipated general expense savings associated with the transaction.
11.	Provide a copy of the Seller's request for proposals (if there was one) and any accompanying exhibits with respect to the proposed sale of the water system or water system assets.	There were no requests for proposals. Please see Workpaper A. for the proposed sale agreement.
12.	Provide a copy of the response to the request for proposals (if there was one) of the Buyer for the purchase of the acquired water system or water system assets.	N/A
13.	For each Utility Valuation Expert (UVE) providing testimony or exhibits, please provide the following:	N/A, ratebase is \$1.
13.a	A list of valuations of utility property performed by the UVE in the last two years;	N/A, ratebase is \$1.
13.b	A list of appraisals of utility property performed by the UVE in the last two years;	N/A, ratebase is \$1.
13.c	A list of all dockets in which the UVE submitted testimony to a public utility commission or regulatory authority related to the acquisition of utility property in the last two years; and	N/A, ratebase is \$1.
13.d	An electronic copy of or electronic link to written testimony in which the UVE testified on public utility fair value acquisitions in the past two years.	N/A, ratebase is \$1.
14.	Explain each discount rate used in the appraisals and valuations, including explanations of the capital structure, cost of equity and cost of debt. State the basis for each input. Provide all sources, documentation, calculations and/or workpapers used in determining the inputs.	N/A, ratebase is \$1.
15.	Explain whether the appraisal/valuation used replacement cost or reproduction cost and why that methodology was chosen.	N/A, ratebase is \$1.
16.	Explain the basis for any comparable acquisitions used in the appraisal/valuation including the purchase price and number of customers for each comparable acquisition.	N/A, ratebase is \$1.
17.	Are there any outstanding compliance issues, including but not limited to water quality violations, that the Seller's system has pending with the Board's Division of Drinking Water? If yes, provide the following information:	Palm Mutual has not been classified as a public water system since approximately 2000; therefore, there are no outstanding compliance issues with DDW at this time.
17.a	Identify the compliance issue(s);	N/A
17.b	Provide an estimated date of compliance;	N/A
17.c	Explain Buyer's anticipated or actual plan for remediation;	N/A
17.d	Provide Buyer's estimated costs for remediation; and,	N/A

APPENDIX A
D.20-08-047 Minimum Data Requirements (MDRs)

<u>Requirements</u>	<u>Reference</u>
17.e Indicate whether the cost of remediation was or is anticipated to be factored into either or both fair market valuation appraisals offered in this proceeding.	N/A, ratebase is \$1.
18. Are there any outstanding compliance issues that the Seller's system has pending with the US Environmental Protection Agency? If yes, provide the following information:	Palm Mutual has not been classified as a public water system since approximately 2000; therefore, there are no outstanding compliance issues with EPA at this time.
18.a Identify the compliance issue(s);	N/A
18.b Provide an estimated date of compliance;	N/A
18.c Explain Buyer's anticipated or actual plan for remediation;	N/A
18.d Provide Buyer's estimated costs for remediation; and	N/A
18.e Indicate whether the cost of remediation was or is anticipated to be factored into either or both fair market valuation appraisals offered in this proceeding.	N/A
19. Provide copies of all notices of a proposed acquisition given to affected customers.	N/A
20. Provide copies of all disclosures and customer notices required by Pub. Util. Code § 10061 related to the sale and disposal of utilities owned by municipal corporations.	N/A
21. Describe other requests to be included in the application, including but not limited to requests for approval of:	
21.a Consulting, transition of service, water wholesaling, or other agreements;	N/A
21.b Interim rate increases outside of a general rate case proceeding or other special rate treatment (e.g., CPI-U rate increases, or rate increases under Class C/D requirements);	N/A
21.c Facilities construction;	No construction projects are needed immediately to serve customers. Palm Mutual is currently being served by a 4" Cal Water Master meter and billed accordingly. After acquisition Cal Water will install AMI and improve the distribution system to ensure that it meets the minimum fire flow and pressure requirements.
21.d Memorandum or Balancing Accounts.	N/A

APPENDIX A
D.20-08-047 Minimum Data Requirements (MDRs)

<u>Requirements</u>		<u>Reference</u>
22.	Identify the ratepayer benefits that accrue to current ratepayers of the system being acquired due to this transaction.	Palm Mutual Water Company currently does not operate its water system and is serviced by Cal Water through a 4" master meter. The water system currently has a fire flow deficiency that will need to be addressed. There is also a bolted steel tank that is out of compliance with with American Water Works Standards. Upon acquisition, Cal Water would be able to address the fire flow deficiency, decommission the out of compliance tank, and make various other capital improvements over time such as AMI. Further, Palm Mutual customers would gain access to Cal Water's customer support system and various programs such as the Customer Assistance Program.
23.	Identify all actions the applicant has taken with governmental agencies related to obtaining required permits and/or approvals to effectuate the acquisition.	Once the transfer of ownership is complete, the newly acquired system will need to be re-permitted with the Division of Drinking Water (DDW) in accordance with current regulations. Also, an inquiry regarding submission of a new TMF made to DDW, but no response has been received to date.
24.	Provide all workpapers that support the testimony for each of the witnesses that accompany the application, in native format where possible.	N/A
25.	A list of recommended, proposed or required capital improvements to the acquired water system known at the time of the application, with cost estimates, if available;	Please see Workpaper B. for the list of projects. These are not required to operate the system immediately, but over time, these improvements should be made to ensure the assets are not substandard, and compliant with the local fire flow requirements.
26.	If applicable, supporting documentation for the designation of Disadvantaged Community; and	N/A
27.	If applicable, documents required by Pub. Util. Code Section 10061(c).	N/A

<u>Agreed-upon data elements approved by D.99-10-064</u>		<u>Reference</u>
1.	A copy of the purchase agreement	See Workpaper A.
2.	A copy of any appraisals conducted in the past five years;	None
3.	A forecast of the results of operation for (1) the acquiring utility, (2) the acquired utility, and (3) the combined operation;	See Workpaper C.
4.	A list of all assets funded by the state or federal government and other contributions;	None
5.	Assets funded by contributions; and	None
6.	Indication of compliance orders for failures to meet drinking water standards	None

APPENDIX B



CALIFORNIA WATER SERVICE

Bakersfield District 3725 South H Street
Bakersfield, CA 93304 Tel: (661) 837-7200

October 27, 2025

Dear Palm Mutual Water Company Customer:

In May 2025, California Water Service (Cal Water) entered into an agreement with Palm Mutual Water Company (Palm Mutual) to acquire Palm Mutual's water utility assets and serve its customers. When completed, the Palm Mutual system will become part of our Bakersfield District.

In Bakersfield, we currently provide water utility service to about 445,600 people through 120,000 customer connections in both our regulated water system and the City of Bakersfield's system, which we operate. We are committed to providing safe, clean, reliable water and excellent service to each customer, every day. We invest in the water system infrastructure to keep it reliable for customers' and firefighters' everyday and emergency needs, and our quality assurance programs confirm the water we provide meets all water quality and environmental standards. As your water provider, we will do the same for your system.

To complete this acquisition, Cal Water needs approval from the California Public Utilities Commission (CPUC), the state agency that regulates our operations. We are requesting that approval by filing what's referred to as "advice letter" 2567 (AL 2567) on October 27, 2025. A copy of that request can be found at www.calwater.com/district/bakersfield.

Because Palm Mutual customers currently receive water measured through a meter, we propose in AL 2567 to apply the existing metered tariff in our Bakersfield District to Palm Mutual customers. The table below shows the anticipated bill impact to Palm Mutual customers of moving to Cal Water's current metered tariff.

Single-Family Residential	Palm Mutual	Cal Water	\$ Increase	% Increase
Service charge				
1" Meter	\$ 65.00	\$ 69.78	\$ 4.78	7%
Monthly bill (Usage (CCF) + Service Charge, without surcharges, fees, or local taxes)				
10	\$ 96.98	\$ 86.42	\$ (10.57)	-11%
20	\$ 128.96	\$ 121.14	\$ (7.83)	-6%
30	\$ 160.95	\$ 166.41	\$ 5.46	3%
40	\$ 192.93	\$ 222.98	\$ 30.05	16%
50	\$ 224.91	\$ 279.56	\$ 54.65	24%
75	\$ 304.86	\$ 420.99	\$ 116.13	38%
100	\$ 384.82	\$ 562.43	\$ 177.61	46%
125	\$ 464.77	\$ 703.86	\$ 239.09	51%
150	\$ 544.73	\$ 845.30	\$ 300.57	55%
175	\$ 624.68	\$ 986.73	\$ 362.05	58%
200	\$ 704.64	\$ 1,128.17	\$ 423.53	60%





CALIFORNIA WATER SERVICE

Metered residential customers in our Bakersfield District typically average about 8,977 gallons (12 CCF) of water use each month. At that level, with a 1-inch meter, your monthly bill would be about \$92.46, based on current residential metered rates (without surcharges, fees, or local taxes).

To provide input to the CPUC regarding this proposed acquisition, please see the instructions in AL 2567 at the above link. Comments on AL 2567 must be submitted by **November 24, 2025**. If AL 2567 is approved, note that future rate changes would occur using the CPUC's usual processes.

If you have any questions at this time, we recommend that you contact Palm Mutual at palmmutualar@yahoo.com. Thank you for your cooperation, and we look forward to serving you.

Regards,

Rafael Molina
Bakersfield District Manager





Bakersfield District

ADVICE LETTER FILING MAILING LIST
PER SECTION III (G) OF GENERAL ORDER NO. 96-A

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