

California Water Service Company

California Water Service Company (CWS) has applied to revise its cost of capital – the rate that the Company is authorized to earn on its invested capital.

| Application A.21-05-002 Cost of Capital | | | | | |
|--|------------------------------------|--------------------------------|-----------------------------|-------------------|--|
| <u>California Water Service Company</u> | | | | | |
| | | | <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% | 5.51% | 53.40% | 46.60% | 7.48% |
| <u>Current Application (Pending)</u> | 10.35% | 4.23% | 53.40% | 46.60% | 7.50% |

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 effect for typical residential customers if the application were granted in full.

| California Water Service, Cost of Capital Application -- Proposed Increases | | | | | | |
|--|----------------------------|----------------|----------------|-----------------|-----------------------|------------|
| <u>Rate-making Area</u> | <u>Average Monthly Use</u> | | <u>Current</u> | <u>Proposed</u> | <u>Change in Bill</u> | |
| | <u>CCF</u> | <u>Gallons</u> | <u>Bill</u> | <u>Bill</u> | <u>(\$)</u> | <u>(%)</u> |
| Antelope Valley Area | 10 | 7,480 | \$69.69 | \$69.95 | \$0.26 | 0.40% |
| Bayshore | 7 | 5,236 | \$62.38 | \$62.72 | \$0.34 | 0.50% |
| Bear Gulch | 11 | 8,228 | \$95.90 | \$96.60 | \$0.70 | 0.70% |
| Bakersfield | 15 | 11,220 | \$46.02 | \$46.31 | \$0.29 | 0.60% |
| Bakersfield—Flat | Flat | — | \$83.74 | \$84.28 | \$0.54 | 0.60% |
| Chico | 12 | 8,976 | \$34.22 | \$34.46 | \$0.24 | 0.70% |
| Dixon | 9 | 6,732 | \$73.21 | \$74.16 | \$0.95 | 1.30% |
| Dominquez | 9 | 6,732 | \$51.08 | \$51.31 | \$0.23 | 0.50% |
| East Los Angeles | 10 | 7,480 | \$65.53 | \$66.01 | \$0.48 | 0.70% |
| Hermosa-Redondo | 8 | 5,984 | \$48.95 | \$49.17 | \$0.22 | 0.40% |
| Kern River Valley | 4 | 2,992 | \$75.81 | \$76.20 | \$0.39 | 0.50% |
| King City | 9 | 6,732 | \$46.74 | \$47.16 | \$0.42 | 0.90% |
| Livermore | 10 | 7,480 | \$62.88 | \$63.22 | \$0.34 | 0.50% |
| Los Altos | 13 | 9,724 | \$87.67 | \$88.14 | \$0.47 | 0.50% |
| Marysville | 8 | 5,984 | \$47.63 | \$47.98 | \$0.35 | 0.70% |
| Oroville | 8 | 5,984 | \$47.82 | \$48.13 | \$0.31 | 0.60% |
| Palos Verdes | 15 | 11,220 | \$106.48 | \$107.20 | \$0.72 | 0.70% |
| Redwood Valley | 7 | 5,236 | \$62.38 | \$62.72 | \$0.34 | 0.50% |
| Salinas | 9 | 6,732 | \$46.74 | \$47.16 | \$0.42 | 0.90% |
| Selma | 13 | 9,724 | \$42.83 | \$43.13 | \$0.30 | 0.70% |
| Selma (Flat) | Flat | — | \$68.04 | \$68.51 | \$0.47 | 0.70% |
| Stockton | 9 | 6,732 | \$52.11 | \$52.48 | \$0.37 | 0.70% |
| Travis | Flat | — | \$163,932.64 | \$164,588.37 | \$655.73 | 0.40% |
| Visalia | 13 | 9,724 | \$27.11 | \$27.27 | \$0.16 | 0.60% |
| Westlake | 14 | 10,472 | \$85.76 | \$86.04 | \$0.28 | 0.30% |
| Willows | 10 | 7,480 | \$64.49 | \$65.09 | \$0.60 | 0.90% |

What other matters is CWS pursuing at the CPUC? The Company has an application for authorization to raise general rates, known as a General Rate Case (GRC), Application A.21-07-002. In that proceeding, the Company is requesting the revenue increases shown below:

| California Water Service Co General Rate Case -- Proposed Revenue Increases | | | | | | |
|---|---------------------|--------------|---------------------|-------------|---------------------|-------------|
| District/Region | 2023 Change | | 2024 Change | | 2025 Change | |
| | (\$) | (%) | (\$) | (%) | (\$) | (%) |
| Bakersfield | \$8,843,225 | 10.9% | \$4,829,498 | 5.4% | \$4,622,909 | 4.9% |
| Bay Area Region | \$14,531,566 | 15.6% | \$4,319,626 | 4.0% | \$4,266,293 | 3.8% |
| Bear Gulch | \$9,124,293 | 15.7% | \$4,965,987 | 7.4% | \$4,924,237 | 6.8% |
| Dixon | \$657,963 | 10.9% | \$249,184 | 3.7% | \$241,574 | 3.5% |
| East Los Angeles | \$2,643,328 | 6.6% | \$1,346,851 | 3.2% | \$1,019,829 | 2.3% |
| Kern River Valley | \$789,892 | 11.0% | \$490,838 | 6.2% | \$497,888 | 5.9% |
| Livermore | \$2,967,641 | 11.1% | \$1,776,916 | 6.0% | \$1,793,280 | 5.7% |
| Los Altos | \$2,133,127 | 4.9% | \$4,306,895 | 9.5% | \$4,291,379 | 8.6% |
| Los Angeles Co. Region - AV | \$98,389 | 5.2% | \$97,434 | 4.9% | \$94,704 | 4.6% |
| Los Angeles Co. Region - PV | \$5,427,531 | 8.7% | \$2,544,453 | 3.8% | \$2,466,932 | 3.5% |
| North Valley Region | \$3,385,233 | 10.5% | \$1,973,902 | 5.5% | \$1,933,939 | 5.1% |
| Marysville | \$463,749 | 10.6% | \$267,922 | 5.5% | \$265,968 | 5.2% |
| Salinas Valley Region | \$5,033,525 | 13.0% | \$2,373,096 | 5.4% | \$2,357,108 | 5.1% |
| Selma | (\$348,597) | -5.9% | \$271,840 | 4.9% | \$274,524 | 4.7% |
| South Bay Region | \$11,900,837 | 11.0% | \$5,749,706 | 4.8% | \$6,198,687 | 4.9% |
| Stockton | \$8,526,936 | 15.0% | \$3,901,345 | 6.0% | \$3,865,335 | 5.6% |
| Travis | \$1,436,025 | 73.0% | \$1,261,878 | 37.1% | \$1,255,832 | 26.9% |
| Visalia | \$2,271,916 | 7.4% | \$2,350,218 | 7.1% | \$2,323,542 | 6.6% |
| Westlake | \$490,016 | 2.2% | \$376,083 | 1.7% | \$378,478 | 1.7% |
| Willows | \$108,206 | 2.7% | \$128,971 | 3.1% | \$124,822 | 2.9% |
| Total | \$80,484,801 | 11.1% | \$43,582,644 | 5.4% | \$43,197,258 | 5.1% |

Where can I get more information?

- Contact California Water Service Company. Please reference Application A.21-05-002.
 - Phone: (800) 680-1160
 - Email: cwsrates@calwater.com
 - Mail: California Water Service Company, 1720 North First Street, San Jose, CA 95112
 - View the application and related information: www.calwater.com/rates/2021-coc-application.
- Contact the CPUC. Please reference Application A.21-05-002.
 - 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