



California-American Water Company (Cal-Am) General Rate Case – D.18-12-021

What Does D.18-12-021 Authorize for Cal-Am?

Increases in Operating Costs in the Following Areas Require Increases in Utility Revenue to be Recovered in Rates:

- Water supply costs (purchased water, pump taxes, purchased power, Chemicals)
- Water infrastructure: Mains replacement, plant improvements
- Payroll
- Other - Rent, Insurance, Purchased services

Cost Increases Require the Following Increase in Utility Revenue:

- 2018: \$2.74 million (4.90%) above authorized 2017 revenues
- 2019*: \$1.36 million (2.31%) above authorized 2018 revenues
- 2020*: \$1.27 million (2.18%) above authorized 2019 revenues

*Revenue increases for 2019 and 2020 are estimated using escalation and inflation factors. Actual increases may vary based on current inflation estimates.

Cal-Am's 2018 Revenue to be Recovered in Rates - \$58,615,334

Authorized Rate Design Changes:

- Consolidation with Monterey satellite systems
- 13% more revenue from Tier 1 consumption

2018 Balancing and Memorandum Account Recovery:

- \$18.9M (8.5%) to be recovered company-wide by surcharge
- \$7.2M (3.2%) tax credit to be refunded company-wide by surcredit





What Are the Residential Bill Impacts Based on Adopted Revenue Increases?

| Monthly Service Charge by Meter Size | Present Rates | 2018 | 2019 | 2020 |
|--------------------------------------|------------------|-------------------------|-------------------------|-------------------------|
| 5/8-inch | \$16.80 | \$18.19 (8.3%) | \$18.51 (1.8%) | \$18.91 (2.2%) |
| 3/4-inch | \$29.41 | \$31.84 (8.3%) | \$32.41 (1.8%) | \$33.12 (2.2%) |
| 1-inch | \$58.77 | \$63.63 (8.3%) | \$64.76 (1.8%) | \$66.17 (2.2%) |
| Water Usage Quantity Rate | | | | |
| Tier 1 0 to 4 Ccf | \$5.4507 | \$5.8052 (6.5%) | \$5.9930 (3.2%) | \$6.1236 (2.2%) |
| Tier 2 4+ to 8 Ccf | \$8.1764 | \$8.7078 (6.5%) | \$8.9895 (3.2%) | \$9.1855 (2.2%) |
| Tier 3 8+ to 14 Ccf | \$19.0785 | \$20.3181 (6.5%) | \$20.9755 (3.2%) | \$21.4328 (2.2%) |
| Tier 4 14+ to 23 Ccf | \$35.4320 | \$37.7336 (6.5%) | \$38.9545 (3.2%) | \$39.8037 (2.2%) |
| Tier 5 Over 23 Ccf | \$43.6084 | \$46.4414 (6.5%) | \$47.9440 (3.2%) | \$48.9892 (2.2%) |

Excluding CPUC fee, City Tax, surcharges and refunds, an average residential customer with a 5/8-inch meter using 5 ccf (1 ccf = 748 gallons) every month will see an increase in their base monthly bill from \$46.78 in 2017 to \$50.12 in 2018. The same bill is estimated to be \$51.47 in 2019 and \$52.59 in 2020, resulting in an overall 12% rate increase over 3 years.

Where Can I Go for Further Information?

- To review Cal-Am’s tariff schedules, go to:
<https://amwater.com/caaw/customer-service-billing/billing-payment-info/water-rates>
- To review the Commission’s D.18-12-021, go to:
<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M252/K251/25251101.pdf>
- To obtain information on the Commission’s General Rate Case Process, go to:
<https://www.cpuc.ca.gov/General.aspx?id=6442461381>

