



**California-American Water Company (Cal-Am)
General Rate Case – D.18-12-021
LA Baldwin Hills District**

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

**Increases in Operating Costs in the Following Areas Required
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: \$2.90 million (9.18%) above authorized 2017 revenues
- 2019*: \$1.59 million (4.63%) above authorized 2018 revenues
- 2020*: \$1.44 million (4.00%) 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 - \$6,875,810

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



**LA Baldwin Hills District***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 | \$9.89 | \$9.63 (-2.6%) | \$10.23 (6.2%) | \$10.64 (4%) |
| 3/4-inch | \$14.84 | \$14.45 (-2.6%) | \$15.35 (6.2%) | \$15.96 (4%) |
| 1-inch | \$24.73 | \$24.08 (-2.6%) | \$25.58 (6.2%) | \$26.60 (4%) |
| Water Usage Quantity Rate | | | | |
| Tier 1 0 to 11 Ccf | \$3.3428 | \$3.7718 (12.8%) | \$3.9100 (3.7%) | \$4.0664 (4%) |
| Tier 2 11+ to 18 Ccf | \$4.0766 | \$4.3354 (6.3%) | \$4.4942 (3.7%) | \$4.6740 (4%) |
| Tier 3 18+ to 40 Ccf | \$5.2809 | \$6.5031 (23.1%) | \$6.7413 (3.7%) | \$7.0110 (4%) |
| Tier 4 Over 40 Ccf | \$7.3386 | \$8.0638 (9.9%) | \$8.3592 (3.7%) | \$8.6936 (4%) |

Excluding CPUC fee, City Tax, surcharges and refunds, an average residential customer with a 5/8-inch meter using 7 ccf (1 ccf = 748 gallons) every month will see an increase in their monthly bill from \$33.29 in 2017 to \$36.03 in 2018. The same bill is estimated to be \$37.60 in 2019 and \$39.10 in 2020, resulting in an overall 17.5% rate increase over 3 years.

Where Can I Go for Further Information?

- To review Cal-Am's tariff schedules, go to:
<https://www.amwater.com/caaw/Customer-Service-Billing/Water-Rates/>
- To review the Commission's D.18-12-021, go to:
<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M252/K251/252251101.pdf>
- To obtain information on the Commission's General Rate Case Process, go to:
<https://www.cpuc.ca.gov/about-cpuc/divisions/water-division/water-rates-and-general-rate-case-proceedings-section/general-rate-case-process>

