



PUBLIC PARTICIPATION HEARING

California Water Service Company – Diablo Ranch Region - Livermore District General Rate Case Application (A.24-07-003)

January 23, 2025

The purpose of the Public Participation Hearing (PPH) is to provide an opportunity for you to communicate directly with the California Public Utilities Commission (CPUC) about California Water Service Company’s (CWS) rate increase proposal in its application that would impact you and to share any concerns you may have about the service that you receive from CWS.

What is this Rate Application About?

Every three years the large Class A water utilities file applications for a “General Rate Case” (GRC) at the California Public Utilities Commission (CPUC). A GRC allows the CPUC to take a broad, in-depth look at a water company’s revenues and expenses and consider quality of service and other factors to arrive at just and reasonable rates. As part of a GRC proceeding, a water company requests revenues for the next three years based on its forecasted expenses and necessary investments and must justify the proposed rate increase.¹ Parties to the proceeding then examine and comment on the request in a public process before the CPUC. Below is information on CWS’s GRC submitted July 8th, 2024.

What is CWS Requesting in A.24-07-003?²

District Consolidation

CWS has proposed consolidating the revenue requirements for the Dixon and Livermore districts into the Diablo Ranch region to address affordability concerns for the Dixon area. Under consolidation Dixon and Livermore customers would still have different rates, but more revenues would be allocated to Dixon customers in the form of a “transitional assessment” that will help alleviate the impact of consolidation on Livermore customers. Cal Water plans to gradually decrease the assessment to bring Dixon rates closer to those of Livermore.

Increases in Revenue to be Recovered:

- 2026: \$8.0 million (28.0%) above 2024 revenues³
- 2027: \$2.8 million (7.5%) above proposed 2026 revenues

¹ There will likely be other increases outside of the three-year GRC period. The company can request to increase rates if certain operating costs increase, such as electricity and purchased water.

² The values for 2026 and 2027 are estimated. The actual increases may differ based on the company’s recorded data and the inflation forecast for each year.

³ Reflects 2024 authorized revenues effective May 1, 2024.





- 2028: \$3.1 million (8.0%) above proposed 2027 revenues

The amount of CWS’s revenue request is based on its forecasted operating and capital costs. This, combined with forecasted water sales and the number of customers, produces the estimated changes in rates.

What are the Main Reasons CWS Cites for Needing to Increase Rates?

- **Infrastructure investment:** \$3.8 million increase to maintain the water system by replacing aging infrastructure and implementing enhancements that ensure system reliability and compliance with state and federal water quality standards.
- **Customer Support Service Prorated Expenses:** \$1.3 million increase for Livermore District’s share of CWS’s central customer support services.
- **Operations & Maintenance:** \$338 thousand increase for rising material and supplies cost.

How will CWS’s Request Impact Me?

Residential Rate Impacts from GRC Request (Not including CPUC fee, surcharges, refunds, or tax)

Service Charge (Meter Size)	Current Eff. 5/1/2024	Proposed Rates under consolidation / non consolidation		
		Eff. 1/1/2026	Eff. 1/1/2027	Eff. 1/1/2028
5/8”	\$30.60	\$38.15 / \$36.71	\$40.40 / \$39.10	\$43.57 / \$41.80
¾”	\$45.90	\$57.23 / \$55.06	\$60.59 / \$58.66	\$65.35 / \$62.71
1-inch	\$76.50	\$95.38 / \$91.77	\$100.99 / \$97.76	\$108.92 / \$104.51
Variable Rates				
Tier 1	\$1.7575 (0 to 6 CCF)	\$1.7961 / \$1.8276 (0 to 6 CCF)	\$1.9787 / \$1.9394	\$2.1652 / \$2.0655
Tier 2	\$6.9856 (7 to 15 CCF)	\$7.1843 / \$7.3106 (7 to 15 CCF)	\$7.7478 / \$7.7580	\$8.3222 / \$8.2625
Tier 3	\$8.7283 (16 to 23 CCF)	\$14.3687 / \$14.6211 (16 to 30 CCF / 16 to 32 CCF)	\$15.4400 / \$15.5158	\$16.5316 / \$16.5247
Tier 4	\$13.0850 (over 23 CCF)	\$28.7374 / \$29.2423 (over 30 CCF / 32 CCF)	\$30.8245 / \$31.0318	\$32.9505 / \$33.0497

Bills are calculated by combining a service charge and a usage charge. The service charge is a fixed, once per month charge for maintaining the meters, pipes, pumps, valves, and other equipment to deliver water to your residence. Your service charge depends on your meter size. Most of CWS’s customers use a 5/8-inch meter. The usage charge is a monthly charge based on each household’s water use, meaning the more water used, the higher the volumetric per unit charge could become. For example, for a household with a



5/8-inch meter, using 8 CCF (1 CCF = 748 gallons) in 2024, the usage charge would be calculated by first multiplying 6 CCF by \$1.7575, which equals \$10.55. The remaining 2 CCF is multiplied by \$6.9856, which equals \$13.97. The total bill is calculated by adding the service charge and usage charge together (\$30.60+\$10.55+\$13.97=\$55.12).

If consolidation is approved, an average-use, residential customer with a 5/8-inch meter using 8 CCF would see an increase in each bill from \$55.12 currently to \$63.30 per month in 2026 under CWS's request in A.24-07-003. The same bill would be \$67.77 in 2027 and \$73.21 in 2028 resulting in an overall \$18.09 or 32.8% rate increase over 3 years. If consolidation is not approved, the same customer would see an increase from \$55.12 currently to \$62.30 in 2026, \$66.25 in 2027, and \$70.72 in 2028, resulting in an overall \$15.60 or 28.3% rate increase over 3 years.

Where Can I Go for Further Information on the Proceeding?

- Documents related to this proceeding are available on the CPUC's website at <https://apps.cpuc.ca.gov/p/A2407003>
- Subscribe to receive documents related to this proceeding at <http://subscribecpuc.cpuc.ca.gov/>
- To review CWS's Application, or to request a copy of all exhibits, including supporting testimony, please go to: <https://www.calwater.com/iip/>
- To review Public Advocates Office's testimony, go to: <https://www.publicadvocates.cpuc.ca.gov>
- The Public Advisor's Office provides information for the public on how to get involved in proceedings: www.cpuc.ca.gov/pao
- The CPUC's Water Division provides information on the regulatory process for water utilities: <https://www.cpuc.ca.gov/about-cpuc/divisions/water-division>.

How Can I Have My Voice Heard?

- Speak at an upcoming CPUC Public Participation Hearing. A list of dates, times, and locations is at: www.cpuc.ca.gov/pph
- Submit comments electronically to the CPUC using the "Add Public Comment" button on the "Public Comment" tab of the Docket Card for A.24-07-003. You can also review other public comments related to this rate request: <https://apps.cpuc.ca.gov/p/A2407003> The public may submit multiple public comments throughout the proceeding.
- Mail a letter to the CPUC's Public Advisor and include the proceeding number A.24-07-003, to: public.advisor@cpuc.ca.gov or CPUC, Public Advisor's Office, 505 Van Ness Ave., San Francisco, CA 94102.