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APPENDIX A

MONTEREY MAIN SYSTEM	Current Quantity Rate Per 10 Cf	Existing WRAM Surcharge Per 10 Cf	Proposed WRAM Surcharge Per 10 Cf
Residential, Multi-Residential & Sale for Resale			
Block 1: For the first 10 cu. ft. x Customer Allotment	\$0.2821	\$0.0000	\$0.0000
Block 2: For the second 10 cu. ft. x Customer Allotment	\$0.4075	\$0.0473	\$0.0940
Block 3: For the third 10 cu. ft. x Customer Allotment	\$0.8151	\$0.0947	\$0.1879
Block 4: For the fourth 10 cu. ft. x Customer Allotment	\$1.6301	\$0.1894	\$0.3759
Block 5: All Water over 40 cu. ft. x Customer Allotment	\$2.8526	\$0.3314	\$0.6578
Non-Residential			
Block 1: For all water delivered up to monthly allotment, per 10 cu. ft.	\$0.4075	\$0.0473	\$0.0940
Block 2: For the next 15% of monthly allotment delivered, per 10 cu. ft.	\$1.2226	\$0.1420	\$0.2819
Block 3: For all water delivered over Block 2, per 10 cu. ft.	\$2.8526	\$0.3314	\$0.6578
Dedicated Irrigation			
Block 1: For all water delivered up to monthly allotment, per 10 cu. ft.	\$0.8151	\$0.0947	\$0.1879
Block 2: For all water delivered over monthly allotment, per 10 cu. ft.	\$2.8526	\$0.3314	\$0.6578
Special Use			
For all water delivered, per 10 cu. ft.	\$0.8151	\$0.0947	\$0.1879

HIDDEN HILLS & RYAN RANCH	Current Quantity Rate Per 10 Cf	Existing WRAM Surcharge Per 10 Cf	Proposed WRAM Surcharge Per 10 Cf
Residential, Multi-Residential & Sale for Resale			
Block 1: For the first 10 cu. ft. x Customer Allotment	\$0.2821	\$0.0000	\$0.0000
Block 2: For the second 10 cu. ft. x Customer Allotment	\$0.4075	\$0.0473	\$0.0940
Block 3: For the third 10 cu. ft. x Customer Allotment	\$0.8151	\$0.0947	\$0.1879
Block 4: For the fourth 10 cu. ft. x Customer Allotment	\$1.2050	\$0.1184	\$0.2349
Block 5: All Water over 40 cu. ft. x Customer Allotment	\$2.0024	\$0.1894	\$0.3759
Non-Residential			
Block 1: For all water delivered up to monthly allotment, per 10 cu. ft.	\$0.4075	\$0.0473	\$0.0940
Block 2: For the next 15% of monthly allotment delivered, per 10 cu. ft.	\$1.2226	\$0.1420	\$0.2819
Block 3: For all water delivered over Block 2, per 10 cu. ft.	\$2.8526	\$0.3314	\$0.6578
Dedicated Irrigation			
Block 1: For all water delivered up to monthly allotment, per 10 cu. ft.	\$0.8151	\$0.0947	\$0.1879
Block 2: For all water delivered over monthly allotment, per 10 cu. ft.	\$2.8526	\$0.3314	\$0.6578
Special Use			
For all water delivered, per 10 cu. ft.	\$0.8151	\$0.0947	\$0.1879

BISHOP	Current Quantity Rate Per 10 Cf	Existing WRAM Surcharge Per 10 Cf	Proposed WRAM Surcharge Per 10 Cf
Residential, Multi-Residential & Sale for Resale			
Block 1: For the first 10 cu. ft. x Customer Allotment	\$0.1862	\$0.0000	\$0.0000
Block 2: For the second 10 cu. ft. x Customer Allotment	\$0.3056	\$0.0355	\$0.0355
Block 3: For the third 10 cu. ft. x Customer Allotment	\$0.5006	\$0.0473	\$0.0473
Block 4: For the fourth 10 cu. ft. x Customer Allotment	\$0.6956	\$0.0592	\$0.0592
Block 5: All Water over 40 cu. ft. x Customer Allotment	\$0.7975	\$0.0710	\$0.0710
Non-Residential			
Block 1: For all water delivered up to monthly allotment, per 10 cu. ft.	\$0.4075	\$0.0473	\$0.0940
Block 2: For the next 15% of monthly allotment delivered, per 10 cu. ft.	\$1.2226	\$0.1420	\$0.2819
Block 3: For all water delivered over Block 2, per 10 cu. ft.	\$2.8526	\$0.3314	\$0.6578
Dedicated Irrigation			
Block 1: For all water delivered up to monthly allotment, per 10 cu. ft.	\$0.8151	\$0.0947	\$0.1879
Block 2: For all water delivered over monthly allotment, per 10 cu. ft.	\$2.8526	\$0.3314	\$0.6578
Special Use			
For all water delivered, per 10 cu. ft.	\$0.8151	\$0.0947	\$0.1879

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**NOTICE OF APPLICATION FILING BY
CALIFORNIA AMERICAN WATER COMPANY
TO REVIEW THE RECOVER PERIOD
FOR THE WATER REVENUE ADJUSTMENT
MECHANISM(S) (WRAM) AND MODIFIED COST
BALANCING ACCOUNT(S) (MCBA) OF
THE CALIFORNIA AMERICAN WATER COMPANY
TEMPORARY SURCHARGE ADJUSTMENT
- VENTURA DISTRICT**

Application No. 10-09-017

The California Public Utilities Commission (CPUC) is seeking public comment on proposed Application 10-09-017 filed on September 20, 2010 by Class A water utilities: California American Water Company, California Water Service Company, Park Water Company, Apple Valley Ranchos Water Company, and Golden State Water. Class A water utilities have more than 10,000 customers. Each water company is providing separate bill insert notices to their own customers.

The purpose of the proposed application is to shorten to 18 months the time periods over which balances in two CPUC-approved regulatory accounts are recovered through bill surcharges. The two regulatory accounts, Water Revenue Adjustment Mechanisms (WRAMs) and Modified Cost Balancing Accounts (MCBAs), track the differences between actual and adopted water sales and production costs as part of a water conservation program.

proposed draft decision. When the CPUC issues a final decision, it may adopt, amend, or modify all or part of the ALJ's draft decision. The final decision may differ from the requests in the proposed applications filed by each water utility listed above.

Public Comments

If you wish to comment on this proposed application filing or informally protest this filing as a customer of California American Water, you may do so by contacting the CPUC's Public Advisor's Office (PAO). Written public comment by California American Water customers is very much desired by the CPUC and may be sent to the Public Advisor's Office at 505 Van Ness Avenue, San Francisco, California 94102, or via e-mail to public.advisor@cpuc.ca.gov. Please state that you are writing about California American Water's Application 10-09-017 when sending your written correspondence or e-mail. All public comments become part of the formal public comment file. These public comments will be circulated to the assigned Administrative Law Judge (ALJ), the assigned Commissioner and appropriate line Division CPUC staff for review.

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This proposed Application requests approval to reduce the time period for recovery of the net WRAM and MCBA balances that are at or over 5% to 18 months or less. This is necessary to ensure that, consistent with Generally Accepted Accounting Principles (GAAP), the balances tracked during the year are collected within 24 months from the end of that year. Existing CPUC policy mandates recovery of some balances over periods of up to 36 months. If approved, the proposed Application affects how customers are billed, but does not affect the total amount that is to be recovered. Reducing the length of time for recovery will result in a **higher surcharge** (temporary rate increase) that lasts for a shorter time period. **Existing surcharges are lower**, but last for a longer time period. Annual net WRAM and MCBA balances that are less than 5% of a district's annual revenue requirement will not be affected. In addition, future bill surcredits (or refunds) that may result from over-collections of revenue tracked in the WRAM and MCBA accounts will not be affected.

For example, the average monthly bill of a residential customer using 22 Ccfs in the **Ventura District** is \$82.13 not including a surcharge for the WRAM and MCBA balances. The sample illustrative chart reflects the rate increase a typical residential customer would have to pay. Under the CPUC's current rules, an additional monthly surcharge of \$2.07 (2.52% of the bill) for the same usage would end after 12 months. If the Application is approved, the monthly surcharge would remain the same since the net WRAM and MCBA balance is estimated to be less than 5%. This is illustrated by the chart below.

If Surcharge Needed, Average Bi-Monthly Bill for Residential Customers (5/8" meter size)

	Current	After 12 months	Proposed	After 12 months
Average Bi-monthly bill	\$82.13	\$82.13	\$82.13	\$82.13
Surcharge	\$2.07		\$2.07	
Duration	for 12 months		for 12 months	
Total Bi-monthly bill	\$84.20	\$82.13	\$84.20	\$82.13
Total surcharge collected		\$24.84		\$24.84
Impact of Temporary Surcharge Adjustment				
Bi-monthly increase (in dollars)				\$0.00
Bi-monthly increase (as percentage of bill)				0.00%

Obtaining a Copy of the Application

The Application and related exhibits may be inspected at your local California American Water office located at 2439 W. Hillcrest Drive, Newbury Park, CA 91320. It may also be inspected at the CPUC's Central Files Office in San Francisco at 505 Van Ness Avenue, San Francisco, California 94102 between the hours of 8:00 a.m. and noon daily. If you need additional information, you may call California American Water at (888) 237-1333.

Evidentiary Hearings

The CPUC may schedule formal Evidentiary Hearings (EH's) whereby formal parties of record provide testimony and are subject to cross examination before the CPUC's Administrative Law Judge (ALJ). These hearings are open to the public to listen, but only those who are formal parties of record are allowed to participate. The CPUC has their own court reporters who will take the comment of those formal parties of record participating in the EH's. The water companies that submitted the proposed Application will provide testimony at the hearings. The Division of Ratepayer Advocates (DRA) consists of engineers, accountants, economists and attorneys who independently evaluate the proposals of utilities for and present their analyses and recommendations for the CPUC at EH's. Once hearings are completed, the ALJ will consider all of the evidence presented and release the

APPENDIX B



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IMPORTANT: INFORMATION REGARDING REQUESTED RATE INCREASE

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NOTICE OF APPLICATION FILING BY CALIFORNIA AMERICAN WATER COMPANY TO REVIEW THE RECOVERY PERIOD FOR THE WATER REVENUE ADJUSTMENT MECHANISM(S) (WRAM) AND MODIFIED COST BALANCING ACCOUNT(S) (MCBA) OF THE CALIFORNIA AMERICAN WATER COMPANY

TEMPORARY SURCHARGE ADJUSTMENT LOS ANGELES DISTRICT - BALDWIN HILLS SERVICE AREA

Application No. 10-09-017

March 10, 2011

The California Public Utilities Commission (CPUC) is seeking public comment on proposed Application 10-09-017 filed on September 20, 2010 by Class A water utilities: California American Water Company, California Water Service Company, Park Water Company, Apple Valley Ranchos Water Company, and Golden State Water. Class A water utilities have more than 10,000 customers. Each water company is providing separate bill insert notices to their own customers.

The purpose of the proposed application is to shorten to 18 months the time periods over which balances in two CPUC-approved regulatory accounts are recovered through bill surcharges. The two regulatory accounts, Water Revenue Adjustment Mechanisms (WRAMs) and Modified Cost Balancing Accounts (MCBAs), track the differences between actual and adopted water sales and production costs as part of a water conservation program.

This proposed Application requests approval to reduce the time period for recovery of the net WRAM and MCBA balances that are at or over 5% to 18 months or less. This is necessary to ensure that, consistent with Generally Accepted Accounting Principles (GAAP), the balances tracked during the year are collected within 24 months from the end of that year. Existing CPUC policy mandates recovery of some balances over periods of up to 36 months. If approved, the proposed Application affects how customers are billed, but does not affect the total amount that is to be recovered. Reducing the length of time for recovery will result in a **higher surcharge** (temporary rate increase) that lasts for a shorter time period. **Existing surcharges are lower**, but last for a longer time period. Annual net WRAM and MCBA balances that are less than 5% of a district's annual revenue requirement will not be affected. In addition, future bill surcredits (or refunds) that may result from over-collections of revenue tracked in the WRAM and MCBA accounts will not be affected.

For example, the average bi-monthly bill of a residential customer using 34 Ccfs in the **Baldwin Hills** service area of the **Los Angeles District** is \$105.55 not including a surcredit for the WRAM and MCBA balances. The sample illustrative chart reflects the rate decrease a typical residential customer would see based on the current net over-collection for the WRAM and MCBA balances. Under the CPUC's current rules, an additional bi-monthly surcredit of \$8.26 (8.49% of the bill) for the same usage would end after 12 months. If the Application is approved, the bi-monthly surcredit would remain the same since the net WRAM and MCBA balance is estimated to be less than 5%.

If Surcredit Needed, Average Bi-Monthly Bill for Residential Customers (5/8" meter size)

	Current	After 12 months	Proposed	After 12 months
Average Bi-monthly bill	\$105.55	\$105.55	\$105.55	\$105.55
Surcredit	(\$8.26)		(\$8.26)	
Duration	for 12 months		for 12 months	
Total Bi-monthly bill	\$97.29	\$105.55	\$97.29	\$105.55
Total surcredit refunded		(\$99.12)		(\$99.12)
Impact of Temporary Surcredit Adjustment				
Bi-monthly increase (in dollars)			\$0.00	
Bi-monthly increase (as percentage of bill)			0.00%	

Obtaining a Copy of the Application

The Application and related exhibits may be inspected at your local California American Water office located at 8657 Grand Ave, Rosemead, CA 91770. It may also be inspected at the CPUC's Central Files Office in San Francisco at 505 Van Ness Avenue, San Francisco, California 94102 between the hours of 8:00 a.m. and noon daily. If you need additional information, you may call California American Water at (888) 237-1333.

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TEMPORARY SURCHARGE ADJUSTMENT LOS ANGELES DISTRICT - DUARTE SYSTEM

Application No. 10-09-017

March 10, 2011

The California Public Utilities Commission (CPUC) is seeking public comment on proposed Application 10-09-017 filed on September 20, 2010 by Class A water utilities: California American Water Company, California Water Service Company, Park Water Company, Apple Valley Ranchos Water Company, and Golden State Water. Class A water utilities have more than 10,000 customers. Each water company is providing separate bill insert notices to their own customers.

The purpose of the proposed application is to shorten to 18 months the time periods over which balances in two CPUC-approved regulatory accounts are recovered through bill surcharges. The two regulatory accounts, Water Revenue Adjustment Mechanisms (WRAMs) and Modified Cost Balancing Accounts (MCBAs), track the differences between actual and adopted water sales and production costs as part of a water conservation program.

This proposed Application requests approval to reduce the time period for recovery of the net WRAM and MCBA balances that are at or over 5% to 18 months or less. This is necessary to ensure that, consistent with Generally Accepted Accounting Principles (GAAP), the balances tracked during the year are collected within 24 months from the end of that year. Existing CPUC policy mandates recovery of some balances over periods of up to 36 months. If approved, the proposed Application affects how customers are billed, but does not affect the total amount that is to be recovered. Reducing the length of time for recovery will result in a **higher surcharge** (temporary rate increase) that lasts for a shorter time period. **Existing surcharges are lower**, but last for a longer time period. Annual net WRAM and MCBA balances that are less than 5% of a district's annual revenue requirement will not be affected. In addition, future bill surcredits (or refunds) that may result from over-collections of revenue tracked in the WRAM and MCBA accounts will not be affected.

For example, the average bi-monthly bill of a residential customer using 40 Ccfs in the **Duarte** service area of the **Los Angeles District** is \$100.66 not including a surcharge for the WRAM and MCBA balances. The sample illustrative chart reflects the rate increase a typical residential customer would have to pay. Under the CPUC's current rules, an additional bi-monthly surcharge of \$3.92 (3.75% of the bill) for the same usage would end after 36 months. If the Application is approved, the additional bi-monthly surcharge would be \$7.84 (7.23% of the bill) for the same usage, but would end after 18 months. This is illustrated by the chart below.

If Surcharge Needed, Average Bi-Monthly Bill for Residential Customers (5/8" meter size)

	Current	After 36 months	Proposed	After 18 months
Average Bi-monthly bill	\$100.66	\$100.66	\$100.66	\$100.66
Surcharge	\$3.92		\$7.84	
Duration	for 36 months		for 18 months	
Total Bi-monthly bill	\$104.58	\$100.66	\$108.50	\$100.66
Total surcharge collected		\$141.12		\$141.12
Impact of Temporary Surcharge Adjustment				
Bi-monthly increase (in dollars)			\$3.92	
Bi-monthly increase (as percentage of bill)			3.89%	

Obtaining a Copy of the Application

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TEMPORARY SURCHARGE ADJUSTMENT LOS ANGELES DISTRICT - SAN MARINO SYSTEM

Application No. 10-09-017

March 10, 2011

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This proposed Application requests approval to reduce the time period for recovery of the net WRAM and MCBA balances that are at or over 5% to 18 months or less. This is necessary to ensure that, consistent with Generally Accepted Accounting Principles (GAAP), the balances tracked during the year are collected within 24 months from the end of that year. Existing CPUC policy mandates recovery of some balances over periods of up to 36 months. If approved, the proposed Application affects how customers are billed, but does not affect the total amount that is to be recovered. Reducing the length of time for recovery will result in a **higher surcharge** (temporary rate increase) that lasts for a shorter time period. **Existing surcharges are lower**, but last for a longer time period. Annual net WRAM and MCBA balances that are less than 5% of a district's annual revenue requirement will not be affected. In addition, future bill surcredits (or refunds) that may result from over-collections of revenue tracked in the WRAM and MCBA accounts will not be affected.

For example, the average bi-monthly bill of a residential customer using 40 Ccfs in the **San Marino** service area of the **Los Angeles District** is \$100.24 not including a surcharge for the WRAM and MCBA balances. The sample illustrative chart reflects the rate increase a typical residential customer would have to pay. Under the CPUC's current rules, an additional bi-monthly surcharge of \$2.96 (2.87% of the bill) for the same usage would end after 24 months. If the Application is approved, the additional bi-monthly surcharge would be \$3.95 (3.79% of the bill) for the same usage, but would end after 18 months. This is illustrated by the chart below.

If Surcharge Needed, Average Bi-Monthly Bill for Residential Customers (5/8" meter size)

	Current	After 24 months	Proposed	After 18 months
Average Bi-monthly bill	\$100.24	\$100.24	\$100.24	\$100.24
Surcharge	\$2.96		\$3.95	
Duration	for 24 months		for 18 months	
Total Bi-monthly bill	\$103.20	\$100.24	\$104.19	\$100.24
Total surcharge collected		\$71.04		71.04
Impact of Temporary Surcharge Adjustment				
Bi-monthly increase (in dollars)			\$0.99	
Bi-monthly increase (as percentage of bill)			0.98%	

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TEMPORARY SURCHARGE ADJUSTMENT LARKFIELD DISTRICT

Application No. 10-09-017

March 10, 2011

The California Public Utilities Commission (CPUC) is seeking public comment on proposed Application 10-09-017 filed on September 20, 2010 by Class A water utilities: California American Water Company, California Water Service Company, Park Water Company, Apple Valley Ranchos Water Company, and Golden State Water. Class A water utilities have more than 10,000 customers. Each water company is providing separate bill insert notices to their own customers.

The purpose of the proposed application is to shorten to 18 months the time periods over which balances in two CPUC-approved regulatory accounts are recovered through bill surcharges. The two regulatory accounts, Water Revenue Adjustment Mechanisms (WRAMs) and Modified Cost Balancing Accounts (MCBAs), track the differences between actual and adopted water sales and production costs as part of a water conservation program.

This proposed Application requests approval to reduce the time period for recovery of the net WRAM and MCBA balances that are at or over 5% to 18 months or less. This is necessary to ensure that, consistent with Generally Accepted Accounting Principles (GAAP), the balances tracked during the year are collected within 24 months from the end of that year. Existing CPUC policy mandates recovery of some balances over periods of up to 36 months. If approved, the proposed Application affects how customers are billed, but does not affect the total amount that is to be recovered. Reducing the length of time for recovery will result in a **higher surcharge** (temporary rate increase) that lasts for a shorter time period. **Existing surcharges are lower**, but last for a longer time period. Annual net WRAM and MCBA balances that are less than 5% of a district's annual revenue requirement will not be affected. In addition, future bill surcredits (or refunds) that may result from over-collections of revenue tracked in the WRAM and MCBA accounts will not be affected.

For example, the average bi-monthly bill of a residential customer using 40 Ccf in the **Larkfield District** is \$70.98 not including a surcharge for the WRAM and MCBA balances. The sample illustrative chart reflects the rate increase a typical residential customer would have to pay. Under the CPUC's current rules, an additional monthly surcharge of \$1.94 (2.66% of the bill) for the same usage would end after **36 months**. If the Application is approved, the additional monthly surcharge would be \$3.88 (5.18% of the bill) for the same usage, but would end after **18 months**. This is illustrated by the chart below.

If Surcredit Needed, Average Bi-Monthly Bill for Residential Customers (5/8" meter size)

	Current	After 36 months	Proposed	After 18 months
Average Bi-monthly bill	\$70.98	\$70.98	\$70.98	\$70.98
Surcharge	\$1.94		\$3.88	
Duration	for 36 months		for 18 months	
Total Bi-monthly bill	\$72.92	\$70.98	\$74.86	\$70.98
Total surcharge collected		\$69.84		\$69.84
Impact of Temporary Surcredit Adjustment				
Bi-monthly increase (in dollars)			\$1.94	
Bi-monthly increase (as percentage of bill)			2.73%	

Obtaining a Copy of the Application

The Application and related exhibits may be inspected at your local California American Water office located at 640 Larkfield Center, Santa Rosa, CA 95403. It may also be inspected at the CPUC's Central Files Office in San Francisco at 505 Van Ness Avenue, San Francisco, California 94102 between the hours of 8:00 a.m. and noon daily. If you need additional information, you may call California American Water at (888) 237-1333.

Evidentiary Hearings

The CPUC may schedule formal Evidentiary Hearings (EH's) whereby formal parties of record provide testimony and are subject to cross examination before the CPUC's Administrative Law Judge (ALJ). These hearings are open to the public to listen, but only those who are formal parties of record are allowed to participate. The CPUC has their own court reporters who will take the comment of those formal parties of record participating in the EH's. The water companies that submitted the proposed Application will provide testimony at the hearings. The Division of Ratepayer Advocates (DRA) consists of engineers, accountants, economists and attorneys who independently evaluate the proposals of utilities for and present their analyses and recommendations for the CPUC at EH's. Once hearings are completed, the ALJ will consider all of the evidence presented and release the proposed draft decision. When the CPUC issues a final decision, it may adopt, amend, or modify all or part of the ALJ's draft decision. The final decision may differ from the requests in the proposed applications filed by each water utility listed above.

Public Comments

If you wish to comment on this proposed application filing or informally protest this filing as a customer of California American Water, you may do so by contacting the CPUC's Public Advisor's Office (PAO). Written public comment by California American Water customers is very much desired by the CPUC and may be sent to the Public Advisor's Office at 505 Van Ness Avenue, San Francisco, California 94102, or via e-mail to public.advisor@cpuc.ca.gov. Please state that you are writing about California American Water's Application 10-09-017 when sending your written correspondence or e-mail. All public comments become part of the formal public comment file. These public comments will be circulated to the assigned Administrative Law Judge (ALJ), the assigned Commissioner and appropriate line Division CPUC staff for review.

Public Advisor's Phone number: 415-703-2074
Toll Free: 1-866-8390





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AMERICAN WATER**

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IMPORTANT: INFORMATION REGARDING REQUESTED RATE INCREASE

For a Spanish version of this notice you may visit our website at www.californiaamwater.com.

Para una versión en Español de este aviso usted puede visitar nuestro sitio web en www.californiaamwater.com.

NOTICE OF APPLICATION FILING BY CALIFORNIA AMERICAN WATER COMPANY TO REVIEW THE RECOVERY PERIOD FOR THE WATER REVENUE ADJUSTMENT MECHANISM(S) (WRAM) AND MODIFIED COST BALANCING ACCOUNT(S) (MCBA) OF THE CALIFORNIA AMERICAN WATER COMPANY

TEMPORARY SURCHARGE ADJUSTMENT SAN DIEGO DISTRICT

Application No. 10-09-017

March 10, 2011

The California Public Utilities Commission (CPUC) is seeking public comment on proposed Application 10-09-017 filed on September 20, 2010 by Class A water utilities: California American Water Company, California Water Service Company, Park Water Company, Apple Valley Ranchos Water Company, and Golden State Water. Class A water utilities have more than 10,000 customers. Each water company is providing separate bill insert notices to their own customers.

The purpose of the proposed application is to shorten to 18 months the time periods over which balances in two CPUC-approved regulatory accounts are recovered through bill surcharges. The two regulatory accounts, Water Revenue Adjustment Mechanisms (WRAMs) and Modified Cost Balancing Accounts (MCBAs), track the differences between actual and adopted water sales and production costs as part of a water conservation program.

This proposed Application requests approval to reduce the time period for recovery of the net WRAM and MCBA balances that are at or over 5% to 18 months or less. This is necessary to ensure that, consistent with Generally Accepted Accounting Principles (GAAP), the balances tracked during the year are collected within 24 months from the end of that year. Existing CPUC policy mandates recovery of some balances over periods of up to 36 months. If approved, the proposed Application affects how customers are billed, but does not affect the total amount that is to be recovered. Reducing the length of time for recovery will result in a **higher surcharge** (temporary rate increase) that lasts for a shorter time period. **Existing surcharges are lower**, but last for a longer time period. Annual net WRAM and MCBA balances that are less than 5% of a district's annual revenue requirement will not be affected. In addition, future bill surcredits (or refunds) that may result from over-collections of revenue tracked in the WRAM and MCBA accounts will not be affected.

For example, the average bi-monthly bill of a residential customer using 22 Ccfs in the **San Diego District** is \$81.17 not including a surcharge for the WRAM and MCBA balances. The sample illustrative chart reflects the rate increase a typical residential customer would have to pay. Under the CPUC's current rules, an additional bi-monthly surcharge of \$2.83 (3.37% of the bill) for the same usage would end after 24 months. If the Application is approved, the additional bi-monthly surcharge would be \$3.77 (4.44% of the bill) for the same usage, but would end after 18 months. This is illustrated by the chart below.

If Surcharge Needed, Average Bi-Monthly Bill for Residential Customers (5/8" meter size)

	Current	After 24 months	Proposed	After 18 months
Average Bi-monthly bill	\$81.17	\$81.17	\$81.17	\$81.17
Surcharge	\$2.83		\$3.77	
Duration	for 24 months		for 18 months	
Total Bi-monthly bill	\$84.00	\$81.17	\$84.94	\$81.17
Total surcharge collected		\$67.92		\$67.92
Impact of Temporary Surcharge Adjustment				
Bi-monthly increase (in dollars)			\$0.94	
Bi-monthly increase (as percentage of bill)			1.16%	

Obtaining a Copy of the Application

The Application and related exhibits may be inspected at your local California American Water office located at 1033 B Avenue, Suite 200, Coronado CA 92118. It may also be inspected at the CPUC's Central Files Office in San Francisco at 505 Van Ness Avenue, San Francisco, California 94102 between the hours of 8:00 a.m. and noon daily. If you need additional information, you may call California American Water at (888) 237-1333.

Evidentiary Hearings

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Public Comments

If you wish to comment on this proposed application filing or informally protest this filing as a customer of California American Water, you may do so by contacting the CPUC's Public Advisor's Office (PAO). Written public comment by California American Water customers is very much desired by the CPUC and may be sent to the Public Advisor's Office at 505 Van Ness Avenue, San Francisco, California 94102, or via e-mail to public.advisor@cpuc.ca.gov. Please state that you are writing about California American Water's Application 10-09-017 when sending your written correspondence or e-mail. All public comments become part of the formal public comment file. These public comments will be circulated to the assigned Administrative Law Judge (ALJ), the assigned Commissioner and appropriate line Division CPUC staff for review.

Public Advisor's Phone number: 415-703-2074
Toll Free: 1-866-8390



APPENDIX C

RECORDING/FILING REQUESTED BY AND MAIL TO:
 Bob Nelson Associates
 P.O. Box 632940
 San Diego, CA 92163

PROOF OF PUBLICATION
 (California Code of Civil Procedure 2016, 2015.5)

STATE OF CALIFORNIA
 County of Los Angeles

I am a citizen of the United States and a resident of the aforesaid County. I am over the age of eighteen years (18) years, and not a party to or interested in the above-entitled matter. I am the Principal Clerk of the printer of the **LOS ANGELES TIMES**, a newspaper of general circulation, printed and published DAILY in the City of Los Angeles, County of Los Angeles and which newspaper was adjudged a newspaper of general circulation the Superior Court of the County of Los Angeles, State of under the date of April 28, 1952, Case Number 598599. The notice, a true and correct copy of which is annexed, has published in each regular and entire issue of said newspaper following dates, to wit:

WEDNESDAY; APRIL 6, 2011

I certify (or declare) under penalty of perjury under the laws that the foregoing is true and correct.

Dated at Los Angeles, California,

This 6th day of APRIL 2011

Signature

Angelina de Cordova

For a Spanish version of this notice you may visit our website at www.californiaamwater.com.
 Para una versión en Español de este aviso usted puede visitar nuestro sitio web en www.californiaamwater.com.

NOTICE OF APPLICATION FILING BY CALIFORNIA AMERICAN WATER COMPANY TO REVIEW THE RECOVERY PERIOD FOR THE WATER REVENUE ADJUSTMENT MECHANISMS (WRAM) AND MODIFIED COST BALANCING ACCOUNT(S) (MCBA) OF THE CALIFORNIA AMERICAN WATER COMPANY

**TEMPORARY SURCHARGE ADJUSTMENT
 LOS ANGELES DISTRICT - BALDWIN HILLS SERVICE AREA**

Application No. 10-09-017

The California Public Utilities Commission (CPUC) is seeking public comment on proposed Application 10-09-017 filed on September 20, 2010 by Class A water utilities: California American Water Company, California Water Service Company, Park Water Company, Apple Valley Ranchos Water Company, and Golden State Water. Class A water utilities have more than 10,000 customers. Each water company is providing separate bill insert notices to their own customers.

The purpose of the proposed application is to shorten to 18 months the time periods over which balances in two CPUC-approved regulatory accounts are recovered through bill surcharges. The two regulatory accounts, Water Revenue Adjustment Mechanisms (WRAMs) and Modified Cost Balancing Accounts (MCBAs), track the differences between actual and adopted water sales and production costs as part of a water conservation program.

This proposed Application requests approval to reduce the time period for recovery of the net WRAM and MCBA balances that are at or over 5% to 18 months or less. This is necessary to ensure that, consistent with Generally Accepted Accounting Principles (GAAP), the balances tracked during the year are collected within 24 months from the end of that year. Existing CPUC policy mandates recovery of some balances over periods of up to 36 months. If approved, the proposed Application affects how customers are billed, but does not affect the total amount that is to be recovered. Reducing the length of time for recovery will result in a higher surcharge (temporary rate increase) that lasts for a shorter time period. Existing surcharges are lower, but last for a longer time period. Annual net WRAM and MCBA balances that are less than 5% of a district's annual revenue requirement will not be affected. In addition, future bill surcredits (or refunds) that may result from over-collections of revenue tracked in the WRAM and MCBA accounts will not be affected.

For example, the average bi-monthly bill of a residential customer using 34 Ccfs in the Baldwin Hills service area of the Los Angeles District is \$105.55 not including a surcredit for the WRAM and MCBA balances. The sample illustrative chart reflects the rate decrease a typical residential customer would see based on the current net over-collection for the WRAM and MCBA balances. Under the CPUC's current rules, an additional bi-monthly surcredit of \$8.26 (8.49% of the bill) for the same usage would end after 12 months. If the Application is approved, the bi-monthly surcredit would remain the same since the net WRAM and MCBA balance is estimated to be less than 5%.

If Surcredit Needed, Average Bi-Monthly Bill for Residential Customers (5/8" meter size)

	Current	After 12 months	Proposed	After 12 months
Average Bi-monthly bill	\$105.55	\$105.55	\$105.55	\$105.55
Surcredit	(\$8.26)		(\$8.26)	
Duration	for 12 months		for 12 months	
Total Bi-monthly bill	\$97.29	\$105.55	\$97.29	\$105.55
Total surcredit refunded		(\$99.12)		(\$99.12)

Impact of Temporary Surcredit Adjustment

Bi-monthly increase (in dollars)	\$0.00
Bi-monthly increase (as percentage of bill)	0.00%

Obtaining a Copy of the Application
 The Application and related exhibits may be inspected at your local California American Water office located at 8657 Grand Ave, Rosemead, CA 91770. It may also be inspected at the CPUC's Central Files Office in San Francisco at 505 Van Ness Avenue, San Francisco, California 94102 between the hours of 8:00 a.m. and noon daily. If you need additional information, you may call California American Water at (888) 237-1333.

Evidentiary Hearings
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Public Comments
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Public Advisor's Phone number: 415-703-2074
 Toll Free: 1-866-8390

NOTICE OF APPLICATION FILING BY CALIFORNIA AMERICAN WATER COMPANY TO REVIEW THE RECOVERY PERIOD FOR THE WATER REVENUE ADJUSTMENT MECHANISM(S) (WRAM) AND MODIFIED COST BALANCING ACCOUNT(S) (MCSA) OF THE CALIFORNIA AMERICAN WATER COMPANY

TEMPORARY SURCHARGE ADJUSTMENT
MONTEREY DISTRICT
Application No. 10-09-017

The California Public Utilities Commission (CPUC) is seeking public comment on proposed Application 10-09-017 filed on September 20, 2010 by Class A water utilities: California American Water Company, California Water Service Company, Park Water Company, Apple Valley Ranches Water Company, and Golden State Water. Class A water utilities have more than 10,000 customers. Each water company is providing separate bill insert notices to their own customers.

The purpose of the proposed application is to shorten to 18 months the time periods over which balances in two CPUC-approved regulatory accounts are recovered through bill surcharges. The two regulatory accounts, Water Revenue Adjustment Mechanism (WRAM) and Modified Cost Balancing Account (MCSA), track the differences between actual and adopted water sales and production costs as part of a water conservation program.

This proposed Application requests approval to reduce the time period for recovery of the net WRAM and MCSA balances that are at or over 5% to 18 months or less. This is necessary to ensure that, consistent with Generally Accepted Accounting Principles (GAAP), the balances tracked during the year are collected within 24 months from the end of that year. Existing CPUC policy prohibits recovery of actual balances over periods of up to 36 months. If approved, the proposed Application affects how customers are billed, but does not affect the total amount due to be recovered. Reducing the length of time for recovery will result in a higher surcharge (temporary rate increase) that lasts for a shorter time period. Existing surcharges are lower, but last for a longer time period. Annual net WRAM and MCSA balances that are less than 5% of a utility's annual revenue requirement will not be affected. The large under-collection of the WRAM/MCSA Accounts continues in 2011 for the Monterey District and others to increasingly address the issue are being separately considered in this proceeding (A 10-09-017). In addition, future bill surcharges (or rebates) that may result from over-collections of revenue tracked in the WRAM and MCSA accounts will not be affected.

A WRAM/MCSA surcharge for 2010 undercollection has not yet been applied to customer bills. The existing methodology used by Cal-Am will result in an increasing level of customer's surcharge for Monterey, Hills, Bishop, and other customer classes. A complete rate schedule comparison is attached to this notice. In addition, Cal-Am continues to accumulate large WRAM/MCSA undercollections in 2011, and applies to address this issue are being considered in this proceeding.

For example, the average monthly bill of a residential customer using 70 units in the Monterey District is \$36.79 not including a surcharge for the 2010 WRAM and MCSA balances. The sample illustrative chart reflects the rate increase a typical residential customer would have to pay under the CPUC's current rules, an additional monthly surcharge of \$1.18 (3.22% of the bill) for the same usage would end after 36 months. If the Application is approved, the additional monthly surcharge would be \$2.36 (6.42% of the bill) for the same usage, but would end after 18 months. This is illustrated by the chart below.

Average Monthly Bill for Residential Customer (60' water use, assuming 3 people on a 3/4 acre lot with water usage)

RESIDENTIAL	Current	After 36 months	Proposed	After 18 months
Average monthly bill	\$36.79	\$36.79	\$36.79	\$36.79
Surcharge	\$1.18		\$2.36	
Duration		for 36 months	for 18 months	
Total monthly bill	\$37.97	\$36.79	\$39.15	\$36.79
Total surcharge collected		\$42.48		\$42.48

Impact of Temporary Surcharge Adjustment	
Monthly increase (in dollars)	\$1.18
Monthly increase (as percentage of bill)	3.21%

Obtaining a Copy of the Application
The Application and related exhibits may be inspected at your local California American Water office located at 511 Forest Lodge Road #100, Pacific Grove CA 93950. It may also be inspected at the CPUC's Central File Office in San Francisco at 505 Van Ness Avenue, San Francisco, California 94102 between the hours of 8:30 a.m. and noon daily, if you need additional information, you may call California American Water at (888) 237-1333.

Exhibitory Hearings
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Public Advisor's Phone number: 415-763-2074 • Toll Free: 1-866-6360

MONTEREY MAIN SYSTEM	Current Quantity Rate Per 10 Cf	Existing WRAM Surcharge Per 10 Cf	Proposed WRAM Surcharge Per 10 Cf
Residential, Multi-Residential & Sale for Resale			
Block 1: For the first 10 cu. ft. x Customer Allowment	\$0.2921	\$0.0000	\$0.0000
Block 2: For the second 10 cu. ft. x Customer Allowment	\$0.4375	\$0.0473	\$0.0940
Block 3: For the third 10 cu. ft. x Customer Allowment	\$0.8151	\$0.0947	\$0.1879
Block 4: For the fourth 10 cu. ft. x Customer Allowment	\$1.6301	\$0.1894	\$0.3759
Block 5: All Water over 40 cu. ft. x Customer Allowment	\$2.8526	\$0.3314	\$0.6578
Non-Residential			
Block 1: For all water delivered up to monthly allotment, per 10 cu. ft.	\$0.4075	\$0.0473	\$0.0940
Block 2: For the next 15% of monthly allotment delivered, per 10 cu. ft.	\$1.2228	\$0.1420	\$0.2819
Block 3: For all water delivered over Block 2, per 10 cu. ft.	\$2.8526	\$0.3314	\$0.6578
Dedicated Irrigation			
Block 1: For all water delivered up to monthly allotment, per 10 cu. ft.	\$0.8151	\$0.0947	\$0.1879
Block 2: For all water delivered over monthly allotment, per 10 cu. ft.	\$2.8526	\$0.3314	\$0.6578
Special Use			
For all water delivered, per 10 cu. ft.	\$0.8151	\$0.0947	\$0.1879
HIDDEN HILLS & PLYN HANCOCK			
Residential, Multi-Residential & Sale for Resale			
Block 1: For the first 10 cu. ft. x Customer Allowment	\$0.1821	\$0.0000	\$0.0000
Block 2: For the second 10 cu. ft. x Customer Allowment	\$0.4375	\$0.0473	\$0.0940
Block 3: For the third 10 cu. ft. x Customer Allowment	\$0.8151	\$0.0947	\$0.1879
Block 4: For the fourth 10 cu. ft. x Customer Allowment	\$1.6301	\$0.1894	\$0.3759
Block 5: All Water over 40 cu. ft. x Customer Allowment	\$2.8526	\$0.3314	\$0.6578
Non-Residential			
Block 1: For all water delivered up to monthly allotment, per 10 cu. ft.	\$0.4075	\$0.0473	\$0.0940
Block 2: For the next 15% of monthly allotment delivered, per 10 cu. ft.	\$1.2228	\$0.1420	\$0.2819
Block 3: For all water delivered over Block 2, per 10 cu. ft.	\$2.8526	\$0.3314	\$0.6578
Dedicated Irrigation			
Block 1: For all water delivered up to monthly allotment, per 10 cu. ft.	\$0.8151	\$0.0947	\$0.1879
Block 2: For all water delivered over monthly allotment, per 10 cu. ft.	\$2.8526	\$0.3314	\$0.6578
Special Use			
For all water delivered, per 10 cu. ft.	\$0.8151	\$0.0947	\$0.1879
BISHOP			
Residential, Multi-Residential & Sale for Resale			
Block 1: For the first 10 cu. ft. x Customer Allowment	\$0.1862	\$0.0000	\$0.0000
Block 2: For the second 10 cu. ft. x Customer Allowment	\$0.3656	\$0.0355	\$0.0711
Block 3: For the third 10 cu. ft. x Customer Allowment	\$0.5006	\$0.0473	\$0.0947
Block 4: For the fourth 10 cu. ft. x Customer Allowment	\$0.9956	\$0.0947	\$0.1879
Block 5: All Water over 40 cu. ft. x Customer Allowment	\$0.7975	\$0.0710	\$0.1420
Non-Residential			
Block 1: For all water delivered up to monthly allotment, per 10 cu. ft.	\$0.4075	\$0.0473	\$0.0940
Block 2: For the next 15% of monthly allotment delivered, per 10 cu. ft.	\$1.2228	\$0.1420	\$0.2819
Block 3: For all water delivered over Block 2, per 10 cu. ft.	\$2.8526	\$0.3314	\$0.6578
Dedicated Irrigation			
Block 1: For all water delivered up to monthly allotment, per 10 cu. ft.	\$0.8151	\$0.0947	\$0.1879
Block 2: For all water delivered over monthly allotment, per 10 cu. ft.	\$2.8526	\$0.3314	\$0.6578
Special Use			
For all water delivered, per 10 cu. ft.	\$0.8151	\$0.0947	\$0.1879

Monterey County
The Herald

www.montereyherald.com
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Fax: 831-372-4225
Email: mlegal@montereyherald.com

Legal No. 3943254

PROOF OF PUBLICATION

STATE OF CALIFORNIA

County of Monterey

I am a citizen of the United States and County aforesaid. I am over the age of 18 and not a party to or interested in the above named newspaper. I am the principal clerk of the printer and newspaper of general circulation, printed and Sunday in the City of Monterey, California, and which newspaper has been adjudged general circulation by the Superior Court of Monterey, State of California; that the newspaper annexed is a printed copy (set in type point), has been published in each regular issue of said newspaper and not in any supplement following dates, to wit:

April 6, 2011

I certify (or declare), under penalty of perjury, that foregoing is true and correct

Executed on 4/6/11 at Monterey, California

Jannie Allene
Signature

Certificate of Publication

I.O. #1204943

In Matter of Publication of:

Public Notice

State of California)

)§

County of Ventura)

I, **Maria Rodriguez**, hereby certify that the **Ventura County Star Newspaper** has been adjudged a newspaper of general circulation by the Superior Court of California, County of Ventura within the provisions of the Government Code of the State of California, printed in the City of Camarillo, for the County of Ventura, State of California; that I am a clerk of the printer of said paper; that the annexed clipping is a true printed copy and publishing in said newspaper on the following dates to wit:

April 06, 2011

I, Maria Rodriguez certify under penalty of perjury, that the foregoing is true and correct.

Dated this April 06, 2011, in Camarillo, California, County of Ventura.


Maria Rodriguez
 (Signature)

For a Spanish version of this notice you may visit our website at www.californiaamwater.com.
 Para una version en Espanol de este aviso usted puede visitar nuestro sitio web en www.californiaamwater.com.

NOTICE OF APPLICATION FILING BY CALIFORNIA AMERICAN WATER COMPANY TO REVIEW THE RECOVERY PERIOD FOR THE WATER REVENUE ADJUSTMENT MECHANISM(S) (WRAM) AND MODIFIED COST BALANCING ACCOUNT(S) (MCBA) OF THE CALIFORNIA AMERICAN WATER COMPANY

TEMPORARY SURCHARGE ADJUSTMENT VENTURA DISTRICT

Application No. 10-09-017

The California Public Utilities Commission (CPUC) is seeking public comment on proposed Application 10-09-017 filed on September 20, 2010 by Class A water utilities: California American Water Company, California Water Service Company, Park Water Company, Apple Valley Ranchos Water Company, and Golden State Water. Class A water utilities have more than 10,000 customers. Each water company is providing separate bill insert notices to their own customers.

The purpose of the proposed application is to shorten to 18 months the time periods over which balances in two CPUC-approved regulatory accounts are recovered through bill surcharges. The two regulatory accounts, Water Revenue Adjustment Mechanisms (WRAMs) and Modified Cost Balancing Accounts (MCBAs), track the differences between actual and adopted water sales and production costs as part of a water conservation program.

This proposed Application requests approval to reduce the time period for recovery of the net WRAM and MCBA balances that are at or over 5% to 18 months or less. This is necessary to ensure that, consistent with Generally Accepted Accounting Principles (GAAP), the balances tracked during the year are collected within 24 months from the end of that year. Existing CPUC policy mandates recovery of some balances over periods of up to 36 months. If approved, the proposed Application affects how customers are billed, but does not affect the total amount that is to be recovered. Reducing the length of time for recovery will result in a **higher surcharge** (temporary rate increase) that lasts for a shorter time period. Existing surcharges are lower, but last for a longer time period. Annual net WRAM and MCBA balances that are less than 5% of a district's annual revenue requirement will not be affected. In addition, future bill surcredits (or refunds) that may result from over-collections of revenue tracked in the WRAM and MCBA accounts will not be affected.

For example, the average monthly bill of a residential customer using 22 Ccfs in the Ventura District is \$82.13 not including a surcharge for the WRAM and MCBA balances. The sample illustrative chart reflects the rate increase a typical residential customer would have to pay. Under the CPUC's current rules, an additional monthly surcharge of \$2.07 (2.52% of the bill) for the same usage would end after 12 months. If the Application is approved, the monthly surcharge would remain the same since the net WRAM and MCBA balance is estimated to be less than 5%. This is illustrated by the chart below.

If Surcharge Needed, Average Bi-Monthly Bill for Residential Customers (5/8" meter size)

	Current	After 12 months	Proposed	After 12 months
Average Bi-monthly bill	\$82.13	\$82.13	\$82.13	\$82.13
Surcharge	\$2.07		\$2.07	
Duration	for 12 months		for 12 months	
Total Bi-monthly bill	\$84.20	\$82.13	\$84.20	\$82.13
Total surcharge collected		\$24.84		\$24.84
Impact of Temporary Surcharge Adjustment				
Bi-monthly increase (in dollars)				\$0.00
Bi-monthly increase (as percentage of bill)				0.00%

Obtaining a Copy of the Application

The Application and related exhibits may be inspected at your local California American Water office located at 2439 W. Hillcrest Drive, Newbury Park, CA 91320. It may also be inspected at the CPUC's Central Files Office in San Francisco at 505 Van Ness Avenue, San Francisco, California 94102 between the hours of 8:00 a.m. and noon daily. If you need additional information, you may call California American Water at (888) 237-1333.

Evidentiary Hearings

The CPUC may schedule formal Evidentiary Hearings (EH's) whereby formal parties of record provide testimony and are subject to cross examination before the CPUC's Administrative Law Judge (ALJ). These hearings are open to the public to listen, but only those who are formal parties of record are allowed to participate. The CPUC has their own court reporters who will take the comment of those formal parties of record participating in the EH's. The water companies that submitted the proposed Application will provide testimony at the hearings. The Division of Ratepayer Advocates (DRA) consists of engineers, accountants, economists and attorneys who independently evaluate the proposals of utilities for and present their analyses and recommendations for the CPUC at EH's. Once hearings are completed, the ALJ will consider all of the evidence presented and release the proposed draft decision. When the CPUC issues a final decision, it may adopt, amend, or modify all or part of the ALJ's draft decision. The final decision may differ from the requests in the proposed applications filed by each water utility listed above.

Public Comments

If you wish to comment on this proposed application filing or informally request this filing as a customer of California American Water, you may do so by contacting the CPUC's Public Advisor's Office (PAO). Written public comment by California American Water customers is very much desired by the CPUC and may be sent to the Public Advisor's Office at 505 Van Ness Avenue, San Francisco, California 94102, or via e-mail to public.advisor@cpuc.ca.gov. Please state that you are writing about California American Water's Application 10-09-017 when sending your written correspondence or e-mail. All public comments become part of the formal public comment file. These public comments will be circulated to the assigned Administrative Law Judge (ALJ), the assigned Commissioner and appropriate line Division CPUC staff for review.

Public Advisor's Phone number: 415-703-2074

Toll Free: 1-866-8390

PROOF OF PUBLICATION

(2015.5 C.C.P.)

STATE OF CALIFORNIA

County of Sonoma

I am a citizen of the United States and a resident of the county aforesaid: I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer of The Press Democrat, a newspaper of general circulation, printed and published DAILY IN THE City of Santa Rosa, County of Sonoma; and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Sonoma, State of California, under the date of November 29, 1951, Case number 34831, that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates to wit:

The Press Democrat - Legal Notices
4/5 1x - 04/05/2011

I certify (or declare) under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

Dated at Santa Rosa, California, on

04/05/2011

Alan Thorne
SIGNATURE

This space for County Clerk's Filing Stamp

Proof of Publication of

For a Spanish version of this notice you may visit our website at www.californiaamwater.com.
Para una versión en Español de este aviso usted puede visitar nuestro sitio web on www.californiaamwater.com.

NOTICE OF APPLICATION FILING BY CALIFORNIA AMERICAN WATER COMPANY TO REVIEW THE RECOVERY PERIOD FOR THE WATER REVENUE ADJUSTMENT MECHANISM(S) (WRAM) AND MODIFIED COST BALANCING ACCOUNT(S) (MCBA) OF THE CALIFORNIA AMERICAN WATER COMPANY TEMPORARY SURCHARGE ADJUSTMENT LARKFIELD DISTRICT
APPLICATION NO. 10-09-017

The California Public Utilities Commission (CPUC) is seeking public comment on proposed Application 10-09-017 filed on September 20, 2010 by Class A water utilities: California American Water Company, California Water Service Company, Park Water Company, Apple Valley Ranchos Water Company, and Golden State Water. Class A water utilities have more than 10,000 customers. Each water company is providing separate bill insert notices to their own customers.

The purpose of the proposed application is to shorten to 18 months the time periods over which balances in two CPUC-approved regulatory accounts are recovered through bill surcharges. The two regulatory accounts, Water Revenue Adjustment Mechanisms (WRAMs) and Modified Cost Balancing Accounts (MCBAs), track the differences between actual and adopted water sales and production costs as part of a water conservation program.

This proposed Application requests approval to reduce the time period for recovery of the net WRAM and MCBA balances that are at or over 5% to 18 months or less. This is necessary to ensure that, consistent with Generally Accepted Accounting Principles (GAAP), the balances tracked during the year are collected within 24 months from the end of that year. Existing CPUC policy mandates recovery of some balances over periods of up to 36 months. If approved, the proposed Application affects how customers are billed, but does not affect the total amount that is to be recovered. Reducing the length of time for recovery will result in a higher surcharge (temporary rate increase) that lasts for a shorter time period. Existing surcharges are lower, but last for a longer time period. Annual net WRAM and MCBA balances that are less than 5% of a district's annual revenue requirement will not be affected. In addition, future bill discounts (or refunds) that may result from over-collections of revenue tracked in the WRAM and MCBA accounts will not be affected.

For example, the average bi-monthly bill of a residential customer using 40 Ccf in the Larkfield District is \$70.98 not including a surcharge for the WRAM and MCBA balances. The sample illustrative chart reflects the rate increase a typical residential customer would have to pay. Under the CPUC's current rules, an additional monthly surcharge of \$1.94 (2.68% of the bill) for the same usage would end after 36 months. If the Application is approved, the additional monthly surcharge would be \$3.68 (5.18% of the bill) for the same usage, but would end after 18 months. This is illustrated by the chart below.

If Surcredit Needed, Average Bi-Monthly Bill for Residential Customers (5/0" meter size)

	Current	After 36 months	Proposed	After 18 months
Average bi-monthly bill	\$70.98	\$70.98	\$70.98	\$70.98
Surcharge	\$1.94		\$3.68	
Duration	for 36 months		for 18 months	
Total bi-monthly bill	\$72.92	\$70.98	\$74.66	\$70.98
Total surcharge collected		\$69.94		\$69.94
Impact of temporary surcredit adjustment				
Bi-monthly increase (in dollars)				\$1.94
Bi-monthly increase (as percentage of bill)				2.73%

Obtaining a Copy of the Application
The Application and related exhibits may be inspected at your local California American Water office located at 640 Larkfield Center, Santa Rosa, CA 95403. It may also be inspected at the CPUC's Central Files Office in San Francisco at 525 Van Ness Avenue, San Francisco, California 94102 between the hours of 8:00 a.m. and noon daily. If you need additional information, you may call California American Water at (888) 237-1333.

Evidentiary Hearings
The CPUC may schedule formal Evidentiary Hearings (EH's) whereby formal parties of record provide testimony and are subject to cross examination before the CPUC's Administrative Law Judge (ALJ). These hearings are open to the public to listen, but only those who are formal parties of record are allowed to participate. The CPUC has their own court reporters who will take the comment of these formal parties of record participating in the EH's. The water companies that submitted the proposed Application will provide testimony at the hearings. The Division of Ratepayer Advocates (DRA) consists of engineers, accountants, economists and attorneys who independently evaluate the proposals of utilities for and present their analyses and recommendations for the CPUC at EH's. Once hearings are completed, the ALJ will consider all of the evidence presented and release the proposed draft decision. When the CPUC issues a final decision, it may adopt, amend, or modify all or part of the ALJ's draft decision. The final decision may differ from the requests in the proposed applications filed by each water utility listed above.

Public Comments
If you wish to comment on this proposed application filing or informally protest this filing as a customer of California American Water, you may do so by contacting the CPUC's Public Advisor's Office (PAO). Written public comment by California American Water customers is very much desired by the CPUC and may be sent to the Public Advisor's Office at 506 Van Ness Avenue, San Francisco, California 94102, or via e-mail to public.advisor@cpuc.ca.gov. Please state that you are writing about California American Water's Application 10-09-017 when sending your written correspondence or e-mail. All public comments become part of the formal public comment file. These public comments will be circulated to the assigned Administrative Law Judge (ALJ), the assigned Commissioner and appropriate line Division CPUC staff for review.

Public Advisor's Phone number: 415-703-2074
Toll Free: 1-888-8390
2528115 - Pub. Apr. 5, 2011

(Space below for use of County Clerk only)

SAN GABRIEL VALLEY TRIBUNE

Affiliated with
SGV Newspaper Group
1210 N. Azusa Canyon Road
West Covina, CA 91790

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For a Spanish version of this notice you may visit our website at www.san GabrielValleyTribune.com

Para una versión en español de este aviso usted puede visitar nuestro sitio web en www.san GabrielValleyTribune.com.

**NOTICE OF APPLICATION FILING BY CALIFORNIA AMERICAN WATER COMPANY
TO REVIEW THE RECOVERY PERIOD FOR THE WATER REVENUE ADJUSTMENT
MECHANISM(S) (WRAM) AND MODIFIED COST BALANCING ACCOUNT(S) (MCBA)
OF THE CALIFORNIA AMERICAN WATER COMPANY**

P

**TEMPORARY SURCHARGE ADJUSTMENT
LOS ANGELES DISTRICT - SAN MARINO SYSTEM**

Application No. 10-09-017

STATE OF CALIFORNIA

County of Los Angeles

I am a citizen of the United States, and a resident of the county aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I am the principal clerk of the printer of **SAN GABRIEL VALLEY TRIBUNE**, a newspaper of general circulation which has been adjudicated as a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California, on the date of September 10, 1957, Case Number 684891. The notice, of which the annexed is a true printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

04/04/2011

I declare under penalty of perjury that the foregoing is true and correct.

Executed at West Covina, LA Co. California
This 4th day of APRIL, 2011.



Signature

12/22/99 (R)

The California Public Utilities Commission (CPUC) is seeking public comment on proposed Application 10-09-017 filed on September 30, 2010 by Class A water utilities California American Water Company, California Water Service Company, Park Water Company, Apple Valley Ranches Water Company, and Chukcha Stone Water. Class A water utilities have more than 10,000 customers. Each water company is providing separate bill insert notices to their own customers.

The purpose of the proposed application is to shorten to 18 months the time periods over which balances in two CPUC-approved regulatory accounts are recovered through bill surcharges. The two regulatory accounts, Water Revenue Adjustment Mechanism (WRAM) and Modified Cost Balancing Account (MCBA), track the differences between actual and adopted water rates and production cost as part of a water conservation program.

This proposed Application requests approval to reduce the time period for recovery of the net WRAM and MCBA balances that are in or over 5% to 18 months or less. This is necessary to ensure that, consistent with University Accepted Accounting Principles (GAAP), the balances incurred during the year are collected within 24 months from the end of that year. Existing CPUC policy requires recovery of these balances over periods of up to 36 months. If approved, the proposed Application affects how customers are billed, but does not affect the total amount that is to be recovered. Reducing the length of time for recovery will result in a higher surcharge (temporary rate increase) that lasts for a shorter time period. Existing surcharges are lower, but last for a longer time period. Annual net WRAM and MCBA balances that are a less than 5% of a customer's annual revenue requirements will not be affected. In addition, future bill surcharges (or credits) that may result from over-collections of revenue tracked in the WRAM and MCBA accounts will not be affected.

For example, the average bi-monthly bill of a residential customer using 40 Ccf in the San Marino service area of the Los Angeles District is \$108.24 not including a surcharge for the WRAM and MCBA balances. The sample illustrative chart reflects the rate increase a typical residential customer would have to pay under the 18-month current rule, an additional bi-monthly surcharge of \$2.96 (2.74% of the bill) for the same usage would end after 18 months. If the Application is approved, the additional bi-monthly surcharge would be \$3.92 (3.59% of the bill) for the same usage, but would end after 18 months. This is illustrated by the chart below.

If Surcharges Method: Average Bi-Monthly Bill for Residential Customers (3.5% meter credit)

	Current	After 24 months	Proposed	After 18 months
Average Bi-monthly bill	\$108.24	\$108.24	\$108.24	\$108.24
Surcharge	\$2.96		\$3.92	
Duration	for 24 months		for 18 months	
Total Bi-monthly bill	\$108.24	\$108.24	\$104.70	\$108.24
Total surcharge collected		\$31.04		\$71.04
Impact of Temporary Surcharge Adjustment				
Bi-monthly increase (in dollars)				\$3.92
Bi-monthly increase (as percentage of bill)				3.59%

Obtaining a Copy of the Application

The Application and related exhibits may be inspected at your local California American Water office located at 5077 Grand Ave., Rosemead, CA 91770. It may also be inspected at the CPUC's Public Files Office in San Francisco at 505 Van Ness Avenue, San Francisco, California 94102 between the hours of 8:00 a.m. and noon daily. If you need additional information, you may call California American Water at (925) 237-1333.

Exhibitory Hearings

The CPUC may schedule formal Exhibitory Hearings (EHs) whereby formal parties of record provide testimony and are subject to cross-examination before the CPUC's Administrative Law Judge (ALJ). These hearings are open to the public in person, but only those who are formal parties of record are allowed to participate. The CPUC has their own court reporters who will take the content of these formal parties of record participating in the EHs. The water companies that submitted the proposed Application will provide testimony at the hearings. The Division of Ratepayer Advocates (DRA) consists of employee, non-employee, community and advocacy ratepayers who independently evaluate the proposals of utilities and present their analyses and recommendations for the CPUC at EHs. Once hearings are completed, the ALJ will consider all of the evidence presented and release the proposed draft decision. When the CPUC makes a final decision, it may adopt, amend, or modify all or part of the ALJ's draft decision. The final decision may differ from the requests in the proposed applications filed by each water utility listed above.

Public Comments

If you wish to comment on this proposed application filing or informally protest this filing as a customer of California's local Class A water, you may do so by contacting the CPUC's Public Advice Office (PAO). Write a public comment to California American Water Company or to any such desired by the CPUC and may be sent to the Public Advice Office at 505 Van Ness Avenue, San Francisco, California 94102, or via e-mail to public.advice@cpuc.ca.gov. Please note that you are writing about California American Water's Application 10-09-017 when sending your written correspondence or e-mail. All public comments become part of the formal public comment file. These public comments will be distributed to the assigned Administrative Law Judge (ALJ), the assigned Commissioners and appropriate law Division CPUC staff for review.

Public Advice Office number: 415 761-2074

Toll Free: 1-800-4709

Published: April 4, 2011
San Gabriel Valley Tribune

Ad#161093

(Space below for use of County Clerk only)

SAN GABRIEL VALLEY TRIBUNE

Affiliated with
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1210 N. Azusa Canyon Road
West Covina, CA 91790

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For a Spanish version of this notice you may visit our website at www.californiamwater.com.

Para una versión en Español de este aviso usted puede visitar nuestro sitio web en www.calliforniamwater.com.

**NOTICE OF APPLICATION FILING BY CALIFORNIA AMERICAN WATER COMPANY
TO REVIEW THE RECOVERY PERIOD FOR THE WATER REVENUE ADJUSTMENT
MECHANISM(S) (WRAM) AND MODIFIED COST BALANCING ACCOUNT(S) (MCBA)
OF THE CALIFORNIA AMERICAN WATER COMPANY**

**TEMPORARY SURCHARGE ADJUSTMENT
LOS ANGELES DISTRICT - DUARTE SYSTEM**

Application No. 10-09-017

STATE OF CALIFORNIA

County of Los Angeles

I am a citizen of the United States, and a resident of the county aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I am the principal clerk of the printer of **SAN GABRIEL VALLEY TRIBUNE**, a newspaper of general circulation which has been adjudicated as a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California, on the date of September 10, 1957, Case Number 684891. The notice, of which the annexed is a true printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

04/04/2011

I declare under penalty of perjury that the foregoing is true and correct.

Executed at West Covina, LA Co. California
This 4th day of APRIL, 2011.

Signature

12/22/09 (R)

Pro

The California Public Utilities Commission (CPUC) is seeking public comment on proposed Application 10-09-017 filed on September 29, 2010 by Class A water utilities: California American Water Company, California Water Service Company, Park Water Company, Apple Valley Ranches Water Company, and Golden State Water. Class A water utilities have more than 10,000 customers. Each water company is providing separate bill insert notices to their own customers.

The purpose of the proposed application is to shorten to 18 months the time periods on which balances for the CPUC-approved regulatory accounts are recovered through bill surcharges. The two regulatory accounts, Water Revenue Adjustment Mechanism (WRAM) and Modified Cost Balancing Account (MCBA), track the difference between actual and adopted water sales and production costs as part of a water conservation program.

This proposed Application requests approval to reduce the time period for recovery of the net WRAM and MCBA balances that are at or over 3% to 18 months or less. This is necessary to ensure that, consistent with Generally Accepted Accounting Principles (GAAP), the balances tracked during the year are collected within 24 months from the end of that year. Existing CPUC policy excludes recovery of some balances over periods of up to 36 months. If approved, the proposed Application affects four companies and billed, but does not affect the total amount that is to be recovered. Reducing the length of time for recovery will result in a higher surcharge (temporary rate increase) that lasts for a shorter time period. Existing surcharges are lower, but last for a longer time period. Amounts net WRAM and MCBA balances that are less than 3% of a district's annual revenue requirements will not be collected in addition, future bill inserts for refunds that may result from over-collection of revenue tracked in the WRAM and MCBA accounts will not be affected.

For example, the average 18-month bill for a residential customer using 271 cfs of the Duarte service as of the Los Angeles District is \$100.66 not including a surcharge for the WRAM and MCBA balances. The sample illustration chart reflects the rate increase a typical residential customer would have to pay. Under the CPUC's current rules, an additional monthly surcharge of \$3.92 (3.9% of the bill) for the same usage would still be required. If the Application is approved, the additional monthly surcharge would be \$2.84 (2.8% of the bill) for the same usage, but would end after 18 months. This is illustrated by the chart below.

If Surcharge Applied, Average Bi-Monthly Bill for Residential Customers (271 mcfcs day)

	Current	After 36 months	Proposed	After 18 months
Average bi-monthly bill	\$100.66	\$100.66	\$100.66	\$100.66
Surcharge	\$3.92		\$3.92	
Duration	for 36 months		for 18 months	
Total bi-monthly bill	\$100.66	\$100.66	\$100.66	\$100.66
Total surcharge collected		\$141.12		\$141.12
Impact of Temporary Surcharges Adjustment				
18-monthly increase (in dollars)				\$3.92
18-monthly increase (as percentage of BCB)				3.9%

Obtaining a Copy of the Application

The Application and related exhibits may be inspected at your local California American Water office located at 6007 Grand Ave., Rosemead, CA 91770. It may also be inspected at the CPUC's Central File Office in San Francisco at 500 Van Ness Avenue, San Francisco, California 94107 between the hours of 8:00 a.m. and 5:00 p.m. daily. If you need additional information, you may call California American Water at (925) 337-1333.

Evidentiary Hearings

The CPUC may schedule formal Evidentiary Hearings (EHs) to hear the formal parties of record provide testimony and are subject to cross examination before the CPUC's Administrative Law Judge (ALJ). These hearings are open to the public to listen, but only those who are formal parties of record are allowed to participate. The CPUC has the discretion to require who will take the testimony of those formal parties of record and testimony in the EHs. The names of those who submitted the proposed Application will provide testimony at the hearing. The Division of Hearings and Adjudication (DHA) consists of employees, administrators, economists, and attorneys who independently evaluate the proposal's of utilities for and present their analyses and recommendations for the CPUC. At the EH, these hearings are completed, the ALJ will consider all of the evidence presented and issue the proposed draft decision. When the CPUC issues a final decision, it may adopt, amend, or modify all or part of the ALJ's draft decision. The final decision may differ from the proposals or the proposed applications filed by each water utility listed above.

Public Comments

If you wish to comment on this proposed application (filed on publicly prior to this filing as a customer of California American Water), you may do so by contacting the CPUC's Public Advisory Center (PAC) in their public comment by e-mail at PublicAdvisoryCenter@cpuc.ca.gov or by mail to the Public Advisory Center, at 500 Van Ness Avenue, San Francisco, California 94102, or via e-mail to public.advisory@cpuc.ca.gov. Please state that you are writing about California American Water's Application 10-09-017 when sending your written correspondence or e-mail. All public comments become part of the formal public comment file. These public comments will be compiled by the assigned Administrative Law Judge (ALJ), the assigned Commissioner and appropriate key Division CPUC staff for review.

Public Advisory Center number: 415.774.5274

Toll free: 1-866-4390

Published: April 4, 2011
San Gabriel Valley Tribune

ADP16104

APPENDIX D

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of California-American Water Company (U210W), California Water Service Company (U60W), Golden State Water Company (U133W), Park Water Company (U314W) and Apple Valley Ranchos Water Company (U346W) to Modify D.08-02-036, D.08-06-002, D.08-08-030, D.08-09-026, D.08-11-023, D.09-05-005, D.09-07-021, and D.10-06-038 regarding the Amortization of WRAM-related Accounts

A.10-09-017
(Filed September 20, 2010)

Declaration of Barry Pawelek

1. My name is Barry Pawelek and I am employed by American Water as the Customer Communications Manager for its Western Area. My business address is American Water, 1033 B Avenue, Suite 200, Coronado, CA, 92118.

2. I am submitting this declaration on behalf of California-American Water Company (“California American Water”), the applicant in the above-captioned proceeding. California American Water is part of American Water’s Western Area.

3. As part of my duties, I reviewed California American Water’s September 20, 2010 *Application of California-American Water Company (U210W), California Water Service Company (U60W), Golden State Water Company (U133W), Park Water Company (U314W) and Apple Valley Ranchos Water Company (U346W) to Modify D.08-02-036, D.08-06-002, D.08-08-030, D.08-09-026, D.08-11-023, D.09-05-005, D.09-07-021, and D.10-06-038 regarding the Amortization of WRAM-related Accounts* (“A.10-09-017”).

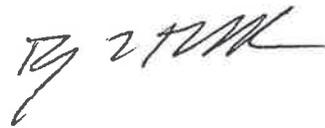
4. As part of my job duties, I caused notices of A.10-09-017 to be provided to customers as a bill insert in the April 2011 billing cycle in California American Water's Monterey and Village districts.

5. As part of my job duties, I caused notices of A.10-09-017 to be provided to customers as a direct mail piece sent on March 25, 2011 in California American Water's Los Angeles (Baldwin Hills, Duarte, and San Marino), Larkfield, and San Diego districts.

6. As part of my duties, I caused notices of A.10-09-017 to be published in various newspapers serving California American Water's Larkfield, Los Angeles, Monterey, San Diego and Ventura districts between April 4, 2011 and April 7, 2011.

7. The statements in this declaration are true to my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters I believe them to be true. I declare under penalty of perjury that the following is true and correct.

Executed on May 23, 2011 in Coronado, California.



Barry Pawelek