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ATTACHMENT A



NOTICE OF APPLICATION REQUESTING THE SALE OF
MEADOWBROOK WATER COMPANY OF MERCED INC. TO
CALIFORNIA-AMERICAN WATER COMPANY – APPLICATION
NO. A.15-12-016

On December 21, 2015, California-American Water Company (California American Water) and Meadowbrook Water Company of Merced, Inc. (Meadowbrook Water) submitted Application A.15-12-016 to the California Public Utilities Commission (Commission). Along with the Office of Ratepayer Advocates, California American Water and Meadowbrook Water have now also submitted a settlement agreement to the Commission. The application in combination with a settlement seeks Commission approval for California American Water to purchase Meadowbrook Water, permission for California American Water to serve Meadowbrook Water's customers, and consolidation of the Meadowbrook Water customers into California American Water's Sacramento District.

Meadowbrook Water's roots date back to the 1950s, when Fred Walker Sr. and Fred Walker Jr. built it to provide water service in the area around Meadowbrook, in Merced County. Since 2003, their descendant, Dave Walker, has run it. He is now planning to retire. California American Water is a large Class A water utility with operations throughout the state. California's Legislature and the Commission recognize that cost can be reduced by increasing the size of the operation in public water systems. California American Water believes that acquiring Meadowbrook Water will provide cost advantages in its operations, leading to greater efficiencies and lower overall rates.

Rate Impact

This acquisition is not expected to impact rates in either Sacramento or Meadowbrook for the first year after the acquisition. As the second chart below shows, the impact from the transaction surcharge is expected to be small.

Average residential user

District	Current Bill (Avg)*	Customer Usage (CCF)	Avg Bill for First Year After Acquisition
Meadowbrook	\$41.23	25	\$41.23
Sacramento	\$43.15	11	\$43.15

* Excludes taxes, surcharges and other fees

Average residential user – includes surcharge for transaction costs associated with California American Water purchase of Meadowbrook Water

District	Current Bill (Avg)*	Customer Usage (CCF)	Avg Bill for First Year After Acquisition**
Meadowbrook	\$41.23	25	\$42.30
Sacramento	\$43.15	11	\$43.15

* Excludes taxes, other fees, and all surcharges except those for transaction surcharge.

Further Information

The application, its attachments, and the settlement agreement will be made available upon request. Such requests should be directed to Todd Pray at todd.pray@amwater.com or mailed to: 4701 Beloit Drive, Sacramento, CA 95838. For more information about this application and the settlement, you may contact California American Water at (916) 568-4232.

The application and a copy of the motion to approve the settlement (which contains a copy of the settlement) may also be reviewed at the Commission's Central Files Office, 505 Van Ness Avenue, San Francisco, California 94102, between the hours of 8:00 a.m. and noon daily.

Commission Process

The Office of Ratepayer Advocates (ORA) has reviewed the application and agreed to the settlement. ORA is the independent consumer advocate within the Commission with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting, and engineering. For more information about

ORA, please call (415) 703-1584, email ora@cpuc.ca.gov, or visit ORA's website at www.ora.ca.gov.

The application and the motion to approve the settlement agreement are assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related documents necessary for the Commission to establish a record upon which to base its decision. That evidence becomes part of the formal record that the Judge relies on when writing a proposed decision to present to the Commissioners for their consideration. That decision will determine whether to the requests of California American Water, Meadowbrook Water, and ORA as made through the application and subsequent settlement agreement should be adopted. Any Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled Commission Voting Meeting.

Stay Informed

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Write: CPUC Public Advisor's Office
Room 2103
505 Van Ness Avenue
San Francisco, CA 94102
Email: public.advisor@cpuc.ca.gov
Phone: 1-866-849-8390 (toll-free)
or 1-415-703-2074
1-866-836-7825 (toll-free)
or TTY 1-415-703-5282

Please reference California American Water Purchase of Meadowbrook Water Company of Merced, Inc., Application No. A.15-12-016 in any communications you have with the Commission regarding this matter. All public comments will become part of the public correspondence file for this proceeding and made available for review for the assigned Judge, the Commissioners, and appropriate Commission staff.