

Minutes from the Public Hearing

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EAST L.A. TRIBUNE

4201 WILSHIRE BLVD STE 600, LOS ANGELES, CA 90010
Telephone (323) 556-5720 / Fax (323) 556-5705

KRISTAL ANN ARAGON
CALIFORNIA WATER SERVICE
3316 W BEVERLY BLVD
MONTEBELLO, CA - 90640

PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California)
County of LOS ANGELES) ss

Notice Type: HRG - NOTICE OF HEARING

Ad Description: APPLICATION NO. 07-07-001 FOR A GENERAL RATE INCREASE

I am a citizen of the United States and a resident of the State of California; 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 and publisher of the EAST L.A. TRIBUNE, a newspaper published in the English language in the city of N/A, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of LOS ANGELES, State of California, under date of 07/27/1931, Case No. 323832. That the notice, of which the annexed is a 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:

10/18/2007

Executed on: 10/18/2007
At Los Angeles, California

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



Signature



Notification of Public Participation Hearing

Application No. 07-07-001 for a General Rate Increase
California Water Service Company - East Los Angeles Service Area

On July 1, 2007 California Water Service Company (Cal Water) filed Application 07-07-001 requesting rate increases in the EAST LOS ANGELES district of \$7,193,200 or 36.5% in July 2008, \$2,034,800 or 7.6% in July 2009, and \$2,034,800 or 7.0% in July 2010. As part of the hearing, Cal Water is also seeking your comment on its Urban Water Management Plan filed with the Application. Copies of the plan are available from Cal Water's offices and will be provided at the hearings.

- Cal Water is proposing this increase due to the following factors:
- Cal Water faces higher purchased water costs from decreased ability to pump local groundwater.
- Cal Water's capital improvement program will add \$17.5 million in utility plant from July 1, 2005 through June 30, 2010.
- Cal Water's benefits costs for health care, pension, and retiree health care have increased faster than the general rate of inflation.
- Cal Water's general operating costs including insurance and regulatory compliance have increased. These costs are allocated to the operating districts.
- Cal Water's costs for payroll in general operations, including experts in water quality, operations, information systems, accounting and finance, engineering, purchasing, field maintenance, regulatory compliance, and administration are increasing due to additional personnel.

The following table shows Cal Water's forecasted rate changes by connection type:

Monthly Metered Service Charge Meter Sizes	Present Rates	Rates Proposed in Cal Water's Application		
		7/1/2008 Rates	7/1/2009 Rates	7/1/2010 Rates
5/8 x 3/4-inch	\$12.32	\$16.16	\$17.00	\$17.84
3/4-inch	\$18.47	\$24.24	\$25.50	\$26.76
1-inch	\$24.95	\$40.40	\$42.50	\$44.60
1 1/2-inch	\$47.18	\$80.80	\$85.00	\$89.20
2-inch	\$62.86	\$129.28	\$136.00	\$142.72
3-inch	\$119.26	\$242.40	\$255.00	\$267.60
4-inch	\$173.34	\$363.05	\$390.50	\$417.94
6-inch	\$287.36	\$601.86	\$647.36	\$692.85
8-inch	\$434.01	\$909.02	\$977.73	\$1,046.44
10-inch	\$962.90	\$1,858.40	\$1,955.00	\$2,051.60
12-inch	\$2,031.99	\$2,666.40	\$2,805.00	\$2,943.60
14-inch	\$2,770.90	\$3,636.00	\$3,825.00	\$4,014.00
Quantity Charges (Per Ccf)				
Potable Water Tier I	\$1.7050	\$2.2509	\$2.4431	\$2.6354

The California Public Utilities Commission (CPUC) will hold a Public Participation Hearing (PPH) on the above application filing in Commerce, CA on Wednesday, November 14, 2007 at 7:00 pm, in the Crowne Plaza Hotel at the Commerce Casino - Diamond Room - 6121 E. Telegraph Road, Commerce, CA. The purpose of the hearing is to allow customers of Cal Water to present their views and comments on the proposed increases and any other aspect of the company's operations.

(Continued on back)

The rates shown do not include the effect of an increasing block rate structure that is expected to be approved in another proceeding. You will be provided notice of any proposed conservation rate design when that is proposed.

Cal Water's Proposal

Under Cal Water's proposal, rates for each year would become effective on July 1. Rate increases for 2009 and 2010 are derived using inflation factors provided by the CPUC. The factors used to calculate rates in these years will be the most recent inflation at that time. In accordance with the CPUC's rate case plan, Cal Water has requested authority from the CPUC to increase its rates for 2009-2010 and 2010-2011 by actual inflation without further notice to customers. This means that if inflation is greater than assumed here, rates for fiscal years 2009-2010 and 2010-2011 may be higher than shown in this notice.

- Almost all residential customers in the East Los Angeles District have 5/8" x 3/4" meters. The average customer uses about 16 Ccf of water per month and would see their monthly water bill increase by \$12.57 or 31.7% from \$39.60 at present rates to \$52.17 in mid-2008, of \$3.92 or 7.5% to \$56.09 in mid-2009, and of \$3.92 or 7.0% to \$60.01 in mid-2010.
- The effect on your water bill will vary depending on whether you use more or less water than these averages, or if you have a meter larger than 5/8" x 3/4".

The rates shown on your monthly water bill may vary slightly from the existing rates shown above due to temporary surcredits or surcharges currently in effect in your area.

In addition to the general rate increase, Cal Water's application requests a surcharge to recover of a balance in the water supply balancing account of \$517,863. Cal Water is proposing a surcharge of \$0.062 Ccf for metered customers for 12 months to amortize the balance. Cal Water's application also requests surcharges to recover the balance in the general office synergies memorandum account of \$102,284. Cal Water is proposing a surcharge of \$0.33 per customer per month for 12 months to amortize the balance.

CPUC Process

The CPUC's Division of Ratepayer Advocates (DRA) will review the Application and submit its independent analysis and recommendations in written reports for the CPUC's consideration. Once completed, the report is available to the public upon request, or by downloading from DRA's website. DRA consists of engineers, auditors, and other professional staff who represent the long-term interest of all utility ratepayers.

Evidentiary hearings will be held whereby parties of record will present their testimony and will be subject to cross-examination before the assigned Administrative Law Judge (ALJ). These evidentiary hearings are open to the public to attend and listen, but only parties of record participate in the actual evidentiary hearing. Parties at these hearings may offer proposals to the CPUC that differ from those proposed by Cal Water. After considering all proposals and evidence presented during these formal hearings, the ALJ will issue a draft proposed decision. In its final decision on this application the CPUC may adopt all or part of the ALJ's proposed decision.

Public Advisor's Office and Public Comment

If you would like to protest this filing or present your comments on the proposed application filing you may do so by contacting the CPUC's Public Advisor's Office at: CPUC, Public Advisor's Office, 505 Van Ness Avenue, San Francisco, CA 94102, or by email to public.advisor@cpuc.ca.gov. You may also call 866-849-8390 (toll free) or 415-703-2074.

If you are unable to attend the PPH, you may submit written comments to the Public Advisor at the address listed above. Please reference the application (A.07-07-001) when writing to the CPUC. All comments received are circulated to the assigned Commissioner and ALJ in this proceeding for review, and also serve as formal comments.

If you are attending the hearing, and need specialized accommodations please contact the CPUC's Public Advisor's Office at the phone number listed above at least 3-5 working days in advance of the hearing.

A copy of Cal Water's Application and further information may be obtained from the company's local offices by calling (323) 722.8601. You may also contact the company's headquarters at 1720 North First Street, San Jose, CA 95112-4598, or by calling (408) 367-8200.

CALIFORNIA WATER SERVICE COMPANY

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1 COMMERCE, CALIFORNIA, NOVEMBER 14, 2007 - 7:00 PM

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3 ADMINISTRATIVE LAW JUDGE MC VICAR: Please come to
4 order.

5 There is the time and place set by the
6 California Public Utilities Commission for the public-
7 participation hearing in Application 07-07-001, the
8 Application of California Water Service Company for
9 General Rate Increases in eight of its California
10 districts.

11 I'm Administrative Law Judge Jim McVicar.

12 And currently we have no members of the public
13 here, only members of the DRA water staff and the
14 company, so my intent is to remain until 8:00 o'clock,
15 and we will come back on the record if necessary to take
16 any statements of people who come in from the public.
17 Otherwise we will adjourn to 8:00 o'clock, so we are in
18 recess until then.

19 (Recess taken)

20 ALJ MC VICAR: Please come to order.

21 It is now 8:00 O'clock.

22 No additional members of the public have
23 showed up.

24 There was one gentleman here who did not wish
25 to make a statement but he discussed his bill and the
26 rates with the company representative and then he left.

27 Mr. Foth, you had a statement you wanted to
28 make?

