



Hillview Water Company Customer

Re: California American Water's Request to Purchase Hillview Water Company, Inc. Application A. 18-04-025

Dear Customers:

California American Water recently agreed to purchase your water provider, Hillview Water Company, Inc. (Hillview Water). The California Public Utilities Commission (CPUC) must approve the sale.

On April 25, 2018, California American Water and Hillview Water submitted Application A.18-04-025 to the CPUC. The application seeks approval of California American Water's request to purchase Hillview Water and to serve Hillview Water's customers for operation purposes as part of its Sacramento service district.

If approved, Hillview Water customers will not see a rate increase in the first years after the purchase, other than slight increases based on the Consumer Price Index<sup>1</sup>. Subsequent potential rate increases will be addressed through a General Rate Case (GRC) process. California American Water expects to file its next GRC in July of 2019, for rates to take effect in 2021. If this purchase is approved, you will receive notice of these future GRC proceedings. In its 2016 GRC<sup>2</sup>, California American Water requested consolidation of several service districts, including Sacramento. A decision is still pending for that proceeding. A total average bill comparison of Hillview Water's current rates and California American Water's proposed consolidated rates for 2018 is provided below.

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<sup>1</sup>The Consumer Price Index is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

<sup>2</sup>California American Water 2016 GRC Application A.16-07-002.

2018 Total Bill Comparison  
Hillview Current and Proposed and California American Water Proposed Northern Division  
Consolidated Rates

	Hillview Current and Proposed Rates	CAW Sacramento Authorized Rates as of May 2018
Average Monthly Usage per 100 gallons (cgl)	78.3 cgl <sup>3</sup>	78.3 cgl
<b>Total Average Monthly Bill</b>	<b>\$97.52</b>	<b>\$60.22<sup>4</sup></b>

California American Water has significant experience providing water service throughout California. Provided the CPUC approves the application, customers in Hillview will have access to California American Water online payment options, web self-service account management tools, and the option of paperless billing. California American Water can also offer a low-income discount program for qualifying seniors and families facing financial difficulties along with an extensive water conservation program that provides audits, advice, and other tools to help reduce water consumption.

#### **OBTAINING A COPY OF THE APPLICATION**

Non-confidential portions of the application and its attachments will be made available upon request. Such requests should be directed to Jonathan Morse at [jonathan.morse@amwater.com](mailto:jonathan.morse@amwater.com); 4701 Beloit Drive, Sacramento, CA 95838; (916) 568-4237. The application may also be reviewed online on the CPUC's Docket Card webpage <https://apps.cpuc.ca.gov/apex/f?p=401:1:0>. Type the application number (18-04-025) without dashes into the Proceeding Number Search box. The application may also be reviewed in person at the CPUC's Central Files Office by appointment. For more information, contact [aljcentralfilesid@cpuc.ca.gov](mailto:aljcentralfilesid@cpuc.ca.gov) or 1-415-703-2045.

#### **CPUC PROCESS**

This application will be assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related documents necessary for the CPUC to establish a record upon which to base its decision. Evidentiary hearings may be held where parties of record will present their testimony and may be subject to cross-examination before the Judge. These hearings are open to the public, but only those who are parties of record may present evidence or cross-examine witnesses. After considering all proposals and all evidence presented during the formal hearing process, the Judge will issue a draft decision which may adopt all or part of California American Water's request, modify, or deny the application. Any of the five CPUC Commissioners may sponsor an alternate decision and the issue will be voted on at a scheduled CPUC Voting Meeting.

<sup>3</sup>Sacramento's current average bill is based on 2017's average usage of 78.3 cgl and rates as of May 2018. The average usage for Hillview customers is higher; however Sacramento's consumption was used in order to show a direct comparison.

<sup>4</sup>Total contains surcharges and estimated taxes and fees of \$7.78.

The Office of Ratepayer Advocates (ORA) is reviewing this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers. For more information about ORA, please call (415) 703-1584, email [ora@cpuc.ca.gov](mailto:ora@cpuc.ca.gov) or visit ORA's website at <http://ora.ca.gov/default.aspx>.

### **STAY INFORMED**

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at: <http://subscribecpuc.cpuc.ca.gov/>.

If you would like to learn how you can participate in the proceeding, have informal comments, or have questions about the CPUC processes, you may access the CPUC's Public Advisor's Office (PAO) webpage at <http://consumers.cpuc.ca.gov/pao/>. You may also contact the PAO as follows:

Write: CPUC Public Advisor's Office  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [public.advisor@cpuc.ca.gov](mailto: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 refer to **California American Water's Hillview Water Purchase Request Application No. 18-04-025** in any communications with the CPUC regarding this matter. These comments will become part of the public correspondence file for this proceeding and made available for review to the assigned Judge, the Commissioners, and appropriate CPUC staff.

Sincerely,

Roger Forrester, Jerry Moore, and Diane Moore  
Hillview Water Company