

Your Rates Are Changing

Monterey District: Residential

The **California Public Utilities Commission (CPUC)** has ordered a new way of charging residential customers on the Monterey Peninsula for water service. The change will not generate additional revenue for California American Water, although it will result in a rate increase for most customers. The new rates will bridge the gap between the amount of revenue the utility company was authorized to collect and the actual amount collected due to increased conservation resulting from restrictions on the local water supply.



What Are the Major Changes?

- A new Water Revenue Adjustment Mechanism (WRAM) surcharge will be implemented to collect approximately \$32 million of previously approved but uncollected revenues over a five-year period. The charge will be based on meter size.
- The current residential allotment system will be eliminated. A new system will allow the same amount of water at each tier of the rate structure for all residential customers.
- The monthly fixed water charge will increase for all residential customers.

Average Monthly Increase	Ratepayer	Increase ¹
	Single-Family	\$30.26
	Multi-Family	\$27.54
	Low-Income	\$23.34

New Monthly Service Charge	Meter Size	Cost per month ²
	5/8"	\$16.73
	3/4"	\$29.30
	1"	\$58.55
	1 1/2"	\$183.58
	2"	\$313.30
	3"	\$587.44
	4"	\$1,028.02
	6"	\$2,202.91
	8"	\$3,524.65

New WRAM Surcharge	Meter Size	Cost per month
	5/8"	\$10.08
	3/4"	\$20.16
	1"	\$30.23
	1 1/2"	\$50.39
	2"	\$80.62
	3"	\$151.17
	4"	\$251.95
	6"	\$503.91
	8"	\$806.25

The new rates will be reflected in customers' March 2017 bills.

¹ Based on approved 2017 step increases with the CPUC. Includes other taxes and surcharges.

² Based on approved 2017 step filing with the CPUC. Includes rate design changes approved in D16-12-003.



CALIFORNIA
AMERICAN WATER



We're Here to Help

Resources are available to help customers save water and money on their bills. California American Water offers robust conservation incentives including:



Generous rebates

for indoor appliances and efficient outdoor irrigation technology.



Free devices

including low-flow showerheads, sink aerators and positive shut-off hose nozzles (available at our business office during normal hours).



Water wise house calls

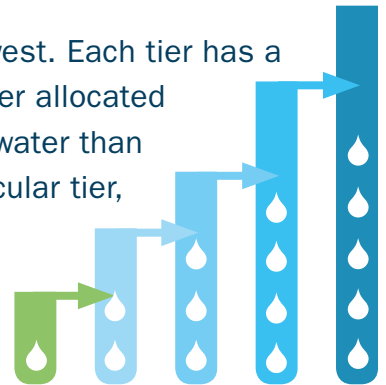
when a conservation specialist will visit your home and make recommendations on ways to save water.

How Does the New Plan Work?

The amount of water allowed in each tier will now be standardized for single-family and multi-family residential customers.

During each billing period, your household water use starts in the first tier, where the price per

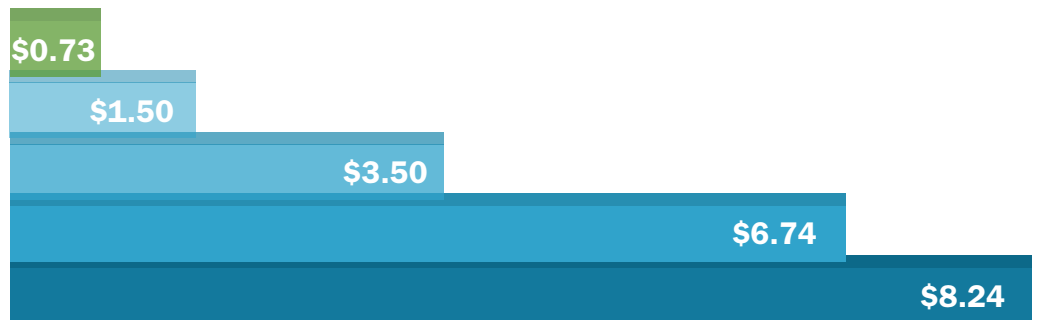
100 gallons is the lowest. Each tier has a certain amount of water allocated to it. If you use more water than is allocated to a particular tier, you move to the next, higher-priced tier.



MONTHLY WATER CHARGES

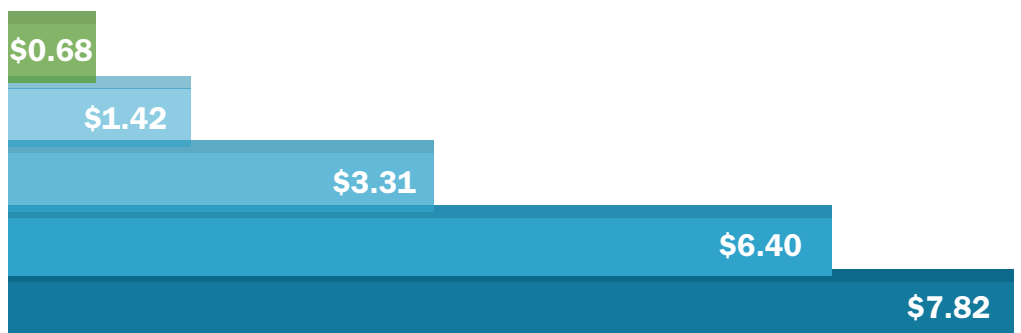
Single-Family Rates²

Tier ①	0 to 29.9 CGL
Tier ②	30.0 to 59.8 CGL
Tier ③	59.9 to 104.7 CGL
Tier ④	104.8 to 172.0 CGL
Tier ⑤	More than 172.0 CGL



Multi-Family Rates²

Tier ①	0 to 18.7 CGL
Tier ②	18.8 to 37.4 CGL
Tier ③	37.5 to 50.5 CGL
Tier ④	50.6 to 69.2 CGL
Tier ⑤	More than 69.2 CGL



Low-Income Ratepayer Assistance Program

The current 20% discount on the monthly service charge and tier 1 and 2 rates will increase to a 30% discount and also include tiers 3 and 4.

20% → **30%**
Tiers ① & ② Tiers ①, ②, ③ & ④

² Based on approved 2017 step filing with the CPUC. Includes rate design changes approved in D16-12-003.