



FOR IMMEDIATE RELEASE

PRESS RELEASE

Media Contacts:

Cheryl Cox, Policy Advisor, 415-703-2495, cxc@cpuc.ca.gov

Tom Hall, Information Officer, 415-730-2964, tbh@cpuc.ca.gov

DRA Press Room: <http://www.dra.ca.gov/DRA/News/>

DRA Urges Significant Reduction of Cal Am Water Statewide Rate Increase Requests

SAN FRANCISCO, March 16, 2011 – The Division of Ratepayer Advocates (DRA), an independent consumer advocacy division of the California Public Utilities Commission (CPUC), has submitted its report on California American Water Company’s (Cal Am) proposal to significantly increase expenses that would raise customer rates by up to 37 percent across the state.

Cal Am’s proposed rate increases in its statewide general rate case for 2012 and 2013 would impact 600,000 customers across Sonoma, Sacramento, Monterey, Ventura, Los Angeles and San Diego counties. Based on its continuing investigation, DRA determined that Cal Am’s administrative requests were excessive and unnecessary in order to support quality service for Cal Am’s customers. DRA’s report finds that Cal Am overestimated administrative cost needs across the board, placing an unnecessary burden on customers. These requests include:

- Customer-financed national business development;
- Customer-financed corporate charitable contributions;
- Overstated personnel, pension, and health insurance costs; and
- Loosely defined “Business Transformation” costs.

“DRA’s report demonstrates that double-digit increases to customer water bills are unnecessary to provide safe and reliable water service to Cal Am customers,” said DRA acting director Joe Como.

“Cal Am’s proposed increases would benefit the utility’s parent company, American Water Works Company, but provide little benefit to California customers.”



DRA's filing to the CPUC recommends significantly smaller rate increases with no more than a 9.9 percent increase in 2012, and rate decreases for all customers in 2013. DRA's report and a summary of DRA's findings and specific rate recommendations by district can be found on [its Cal Am page](#).

For more information on DRA, please visit www.dra.ca.gov.

###