

# START

## TEST YEAR

Historical and recorded costs for the past 5 years must be analyzed in the GRC. The process uses a future 12-month period to calculate and forecast the revenue required for the utility's costs in providing safe, reliable service.

## REVIEW

A utility determines the costs required to operate and maintain the drinking water system. This work takes 6-12 months prior to submittal of the proposed application.

## NOTIFY

60 days before the formal GRC begins, the utility submits a proposed application (PA) to Cal-PA, who ensures the PA has all the necessary information required.

## DAY 1 GRC FILED

The formal GRC application is filed with the CPUC. Utility testimony is included.

## 1-2 MONTHS PHC

Once filed, the administrative law judge (ALJ) holds a pre-hearing conference (PHC), establishes the scope and schedule, appoints the independent water quality expert, and affirms the parties (formal litigants) in the case.

## 3-7 MONTHS CAL-PA REVIEW

Cal-PA staff and other parties review, evaluate, and offer their opinions and testimony on the application. There are also public participation hearings, where customers and others can provide input.

## 4-10 MONTHS HEARING

The ALJ hears from expert witnesses during the evidentiary hearings, which are open to the public. Parties meet to resolve differences. Parties can also engage in settlement discussions.

## 8-16 MONTHS PROPOSED DECISION

The ALJ issues a Proposed Decision (PD). Parties may file comments and then reply to other parties' comments. Under strict ex-parte rules, parties can meet with commissioners and staff to discuss the PD.

## 9-18 MONTHS CPUC VOTE

The 5 CPUC Commissioners vote on the PD at an open, public meeting. A final decision is issued, which contains all of the orders the utility must implement in the next three years.

## HOW RATES ARE SET IN

# California

## FOR REGULATED WATER UTILITIES

Rates for California's largest regulated water utilities are set by an independent agency - the California Public Utilities Commission - after a comprehensive process that protects communities by ensuring adequate investment in safe, reliable water systems.

These utilities are required by law to file a general rate case (GRC) every three years. The GRC is a formal legal proceeding. It is a public process that includes notices, meetings, hearings and other opportunities for input by all interested individuals and groups, especially customers.



Utilities with single customer districts have a 14-month GRC cycle, while utilities with multiple districts have a 20-month cycle. The ranges shown reflect the timing differences for each.



The California Public Advocates Office (Cal-PA) represents customers. Its statutory mission is to obtain the lowest possible rate for service consistent with safety, reliability, and the state's environmental goals.

## NEW RATES BECOME EFFECTIVE