

Exhibit D (Pending PAO Approval)

Notice of California Water Service's Request to Increase Rates for the Cost of Capital Application (A.17-04-XXX)

BAY AREA REGION

(Bayshore and Redwood Valley Areas)

Para más información sobre este aviso, póngase en contacto con su centro local de atención al cliente.

On April 3, 2017, California Water Service (Cal Water) filed Application A.xx-xx-xx with the California Public Utilities Commission (CPUC) to increase rates to establish its authorized Cost of Capital (CoC) for the period of Jan. 1, 2018 through Dec. 31, 2020. The purpose of this notice is to provide information about the filing and instructions for providing input.

What is CoC?

Utilities must obtain funding to finance the cost of infrastructure improvements and repay that debt. This ensures funds are available to make infrastructure improvements, so water mains, wells, pumps, tanks, treatment systems, and other parts of the water system continue to provide a safe, reliable water supply. Cal Water's CoC is the amount of return needed to attract investors and secure long-term debt (loans and financial obligations longer than one year) for that funding. As the agency regulating Cal Water, the CPUC is tasked with ensuring the CoC is reasonable.

How Does the CPUC Determine the Appropriate CoC?

The CPUC assesses the market to determine the level of return investors should receive on water system improvements, and the amount of interest banks are expected to charge on loans for capital projects.

Proposed Revenue Increase

If the CPUC approves Cal Water's proposed financing structure, Cal Water's revenues would increase company-wide by \$9,182,000, or 1.41. Revenue would increase in your area as follows:

Type of Service Provided	Current <i>(in thousands)</i>	Proposed <i>(in thousands)</i>	Difference	
Residential Metered Service	\$	\$	\$	%
Nonresidential Metered Service*	\$	\$	\$	%

*Nonresidential Metered Service applies to all customer classes that are not residential (such as business, multi-family, and public authority customers) and do not have a separate tariff.

Impact of Cal Water's Request on Typical Residential Bills – Bayshore Area

The impact of Cal Water's requested CoC varies by area. The following table details how the request would change the water rates of a typical residential customer in your area (based on average monthly residential usage of 10 Ccf, with a 5/8" x 3/4" meter). *Note: Your water bill may vary from this estimate due to credits and surcharges in effect.*

Residential Customer	Usage	Current	Proposed	Difference	
5/8" x 3/4" meter	Ccf	\$	\$	\$	%

For More Information

Additional information may be obtained by contacting the company's headquarters at 1720 North First Street, San Jose, CA, 95112, or by calling your local office at (650) 558-7800.

The 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 (EHs) may be held where utilities, consumer advocacy groups, and other entities which have been given official status as parties, will present their testimony and may be subject to cross-examination by other parties. These EHs are open to the public, but only those who are parties may participate. The hearings and documents submitted in the proceeding become part of the formal record. The Judge relies upon the formal record when writing a proposed decision to present to the Commissioners for their consideration.

After considering all proposals and evidence presented during the formal hearing process, the Judge will issue a proposed decision determining whether to adopt, modify, or deny Cal Water's request. Any CPUC Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled Commission Voting Meeting.

The Office of Ratepayer Advocates (ORA) may review this application on behalf of Cal Water ratepayers. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting, and engineering. For more information about ORA, please call (415) 703-1584, e-mail ora@cpuc.ca.gov or visit ORA's website at www.ora.ca.gov/.

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

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 reference Cal Water's CoC Application No. xx-xx-xxx in any communications you have with the CPUC regarding this matter. All public 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.