

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



April 21, 2023

Jonathan Morse  
Sr. Manager Rates & Regulatory  
California-American Water Company  
520 Capitol Mall Ste. 630  
Sacramento, CA 95814

Dear Mr. Morse,

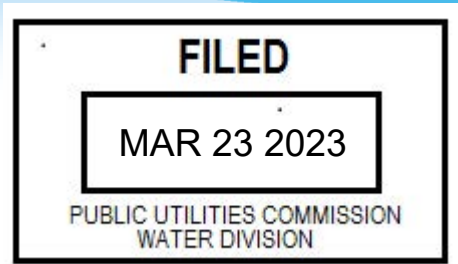
The Water Division of the California Public Utilities Commission has approved California-American Water Company's Advice Letter No. 1405, filed on March 23, 2023, regarding Emergency Protections – March Storms for Central Division.

Enclosed is a copy of the advice letter with an effective date of March 8, 2023 for the utility's files.

Please contact Bradley Leong at [BL4@cpuc.ca.gov](mailto:BL4@cpuc.ca.gov) or 415-703-2307, if you have any questions.

Thank you.

Enclosures



520 Capitol Mall, Suite 630  
Sacramento, CA 95814  
[www.amwater.com](http://www.amwater.com)

P (916) 568-4237

March 23, 2023

ADVICE LETTER NO. 1405

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California-American Water Company (California American Water) (U210W) hereby submits for review this advice letter.

**Subject: Implementation of Emergency Disaster Relief Program for March 2023 Winter Storms for Residential Customer and Non-Residential Customer Protections Pursuant to Decision (D.) 19-07-015**

**Purpose:**

Pursuant to California Public Utilities Commission (Commission) Decision (“D.”) 19-07-015, California American Water hereby notifies the Commission of implementation of emergency customer protections to support residential customers and small businesses impacted by the March 2023 winter storms (“March storms”) in Monterey County.

**Background:**

In D.19-07-015, the Commission established a permanent set of minimum emergency disaster customer protection measures that the utilities are mandated to implement in the event of a declared emergency.

Conclusion of Law 25 of D.19-07-015 provides:

It is reasonable to require the water and sewer corporations, as identified in Conclusion of Law 2, to file a Tier 1 advice letter with the Commission’s Water Division within 15 days of a governor’s state of emergency proclamation and/or a presidential state of emergency demonstrating implementation of the following emergency customer protections: (1) activation of their CEMA effective to the time of the declaration of emergency; (2) make insurance claims on all costs and expenses incurred as a result of the fires, and credit insurance payments to their CEMA; (3) work cooperatively with affected customers to resolve unpaid bills, and minimize disconnections for non-payment; (4) waive reconnection or facilities fees for affected customers and suspend deposits for affected customers who must reconnect to the system; (5) provide reasonable payment options to affected customers; and (5) waive bills for victims who lost their homes or if their homes are rendered uninhabitable; and (6)

authorize a pro rata waiver of any fixed element of a water bill for the time that the home is uninhabitable, even if the reason for it being uninhabitable is not loss of water service.

Additionally, Ordering Paragraphs 9 and 10 of D.19-07-015 provide as follows:

9. In the event the Governor of California or the President of the United States declares a state of emergency because a disaster has either resulted in the loss or disruption of the delivery or receipt of utility service and/or resulted in the degradation of the quality of utility service, all Class-A Water utilities ... shall file a Tier 1 Advice Letter within 15 days of the Governor's or the President of the United States state of emergency proclamation reporting compliance with implementing this Decision's mandated emergency customer protections and outreach activities.

10. All Class-A Water utilities ... shall track the associated costs with the emergency customer protections in the respective Catastrophic Event Memorandum Accounts and extend their applicability of those memorandum accounts to costs for implementing customer protections for all disasters in which the Governor of California or the President of the United States has declared a state of emergency. Catastrophic Event Memorandum Accounts or Emergency Customer Protections Memorandum Account tariff language must specify that entries in the account will be segregated by qualifying event. Costs for emergency customer protection activities should be recovered across each utility's entire customer base and the water and sewer utilities stated above, shall make any necessary tariff changes in accordance with the advice letter procedures prescribed by General Order 96-B.

On March 8, 2023, Governor Newsom issued a Proclamation of a State of Emergency due to severe winter storms that were forecasted to continue through Mid-March.<sup>1</sup> On March 10, 2023, the County of Monterey began issuing evacuation orders for portions of Monterey County serviced by California American Water.<sup>2</sup> The same day, on March 10, 2023, President Biden declared that an emergency exists in over 30 California counties, including Monterey County.<sup>3</sup> The evacuation orders for portions of Monterey County

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<sup>1</sup> See <https://www.gov.ca.gov/wp-content/uploads/2023/03/3.8.23-SOE-Storms-Additional-Counties.pdf?emrc=ddf421>.

<sup>2</sup> See <https://www.co.monterey.ca.us/government/departments-a-h/administrative-office/office-of-emergency-services/incidents/2023-pineapple-express>.

<sup>3</sup> See <https://news.caloes.ca.gov/president-biden-approves-california-emergency-declaration/>.

serviced by California American Water were lifted on March 17, 2023, but another major wind storm impacted Monterey County on March 21, 2023.

The evacuation orders may have resulted in a loss or disruption for the receipt of utility service for customers in the evacuation zones. California American Water also believes that some of our customers may have suffered property damage due to the March storms.

California American Water also suffered damage to its property and infrastructure because of the March storms, and incurred operations and maintenance expenses above and beyond normal work hours for Monterey staff as a result of the March storms. In compliance with the CEMA, California American Water will provide a letter to the Commission's Executive Director regarding costs resulting from the March storms.

**Discussion:**

Following issuance of the Governor's emergency proclamation and the announcement of evacuation notices, and in accordance with D.19-07-015, California American Water activated its Catastrophic Event Memorandum Account (CEMA) effective to March 8, 2023, the date of the Proclamation of a State of Emergency. Its CEMA will remain open to respond to further catastrophic events. Each event will be tracked separately in the CEMA. At this time, California American Water has not made any insurance claims.

California American Water will extend customers in its Monterey County services areas impacted by the mandatory evacuations associated with the March storms the following customer protections:

- Dunning locks through June 8, 2023
- Cease late payment fees through June 8, 2023
- Offer customer payment options for up to one year
- Work with customers to adjust extraordinary water use due to the storms

California American Water believes some customer homes may have been damaged as a result of the March storms, and for those customers it will also:

- waive reconnection or facilities fees for affected customers
- suspend deposits for affected customers who must reconnect to the system,
- waive bills for victims who lost their homes or if their homes are rendered uninhabitable, and
- authorize a pro rata waiver of any fixed element of a water bill for the time that the home is uninhabitable, even if the reason for it being uninhabitable is not loss of water service.

California American Water is communicating these protections through letter, bill text message, press release, social media and our website in in English and Spanish, the

languages commonly spoken in our service areas. We are also providing abbreviated information to customers in other languages commonly spoken in California. These customer protections will be announced through social media and a press release; bill text messages are appearing on customer bills in April. A mailing to all customers is expected to go out in early April.

California American Water will record costs associated with the protections described herein in the CEMA. As stated above, the costs recorded will be incurred beginning March 8, 2023, the date of the Governor's proclamation. California American Water will seek recovery of these costs in a General Rate Case or other appropriate ratemaking proceeding. When California American files for recovery of costs related to the CEMA or others costs that will be recovered separately, California American Water will allocate those costs across all customer classes and all Districts in California.

**Effective Date:**

California American Water requests an effective date of March 8, 2023.

**Tier Designation:**

California American Water is also requesting an expedited advice letter treatment pursuant to the Commissions GO 96-B, requesting a waiver or a shortened protest and reply period of five days. This advice letter is submitted with a Tier 1 designation pursuant to General Order No. 96-B and D.19-07-015.

**Notice:**

Pursuant to Section 4.3 of General Order No. 96-B, a copy of this advice letter is being provided to those entities listed in the attached "SERVICE LIST PURSUANT TO SECTION 4.3 OF G.O. NO. 96-B." Per guidance from the California Public Utilities Commission's Water Division, during the COVID-19 pandemic, advice letters will only be delivered electronically to the service list.

**Protests and Responses:**

Anyone may respond to or protest this advice letter. When submitting a response or protest, **please include the utility name and advice letter number in the subject line.**

A **response** supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A **protest** objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds<sup>4</sup> are:

1. The utility did not properly serve or give notice of the AL;

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<sup>4</sup> G.O. 96-B, General Rule 7.4.2

2. The relief requested in the AL would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
3. The analysis, calculations, or data in the AL contain material error or omissions;
4. The relief requested in the AL is pending before the Commission in a formal proceeding; or
5. The relief requested in the AL requires consideration in a formal hearing, or is otherwise inappropriate for the AL process; or
6. The relief requested in the AL is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require relitigating a prior order of the Commission.)

A protest shall provide citations or proofs where available to allow staff to properly consider the protest.

A response must be made in writing or by electronic mail and must be received by the Water Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3<sup>rd</sup> floor  
California Public Utilities Commission,  
505 Van Ness Avenue, San Francisco, CA 94102  
[water\\_division@cpuc.ca.gov](mailto:water_division@cpuc.ca.gov)

In the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy by mail (or e-mail) to us, addressed to:

**Email Address:**

[chase.grady@amwater.com](mailto:chase.grady@amwater.com)

[sarah.leeper@amwater.com](mailto:sarah.leeper@amwater.com)

[ca.rates@amwater.com](mailto:ca.rates@amwater.com)

**Mailing Address:**

520 Capital Mall, Suite 630  
Sacramento, CA 95814

555 Montgomery Street, Suite 816  
San Francisco, CA 94111

520 Capital Mall, Suite 630  
Sacramento, CA 95814

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division, within the 20-day protest period,



**CENTRAL DIVISION SERVICE LIST**  
**CALIFORNIA-AMERICAN WATER COMPANY**

**BY MAIL:**

Alco Water Service  
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Salinas, CA 93901

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Monterey County DPW  
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Salinas, CA 93901-2680

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City Clerk  
City of Salinas  
200 Lincoln Avenue  
Salinas, CA 93901

Karen Crouch  
City Clerk,  
Carmel-By-The-Sea  
PO Box CC  
Carmel-by-the-Sea, CA 93921

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4062 El Bosque Drive  
Pebble Beach, CA 93953-3011

Los Angeles Docket Office  
California Public Utilities Commission  
320 West 4th Street, Suite 500  
Los Angeles, CA 90013

Monterey Regional Water Pollution  
Control Agency (MRWPCA)  
5 Harris Court Road. Bldg D.  
Monterey, CA 93940

City of Pacific Grove  
c/o Community Development Department  
Attention: Sarah Hardgrave  
300 Forest Ave., 2nd floor  
Pacific Grove, CA 93950

City of Sand City  
City Hall  
California & Sylvan Avenues  
Sand City, CA 93955  
Attn: City Clerk

Darryl D. Kenyon  
Monterey Commercial Property Owners  
Association  
P.O. Box 1953  
Monterey, CA 93942

Vibeke Norgaard  
City Attorney of Sand City  
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Carmel, CA 93921

Monterey Peninsula Water Management  
District  
Chief Financial Officer  
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Monterey, CA 93942

City of Pacific Grove  
City Attorney/City Hall  
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**CENTRAL DIVISION SERVICE LIST**  
**CALIFORNIA-AMERICAN WATER COMPANY**

**BY E-MAIL:**

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