

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 29, 2020

Jeffrey T. Linam
Vice President of Rates & Regulatory
California-American Water Company
4701 Beloit Drive
Sacramento, CA 95838-2434

Dear Mr. Linam,

The Commission has approved California-American Water Company's Advice Letter No. 1283, filed on February 17, 2020, regarding Sacramento and Larkfield Purchased Water Offset for the Northern Division.

Enclosed are copies of the following revised tariff sheets, effective February 21, 2020, for the utility's files:

P.U.C.	Sheet No.	Title of Sheet
	9514-W	Schedule No. ND-1 (Continued) Northern Division Tariff Area GENERAL METERED SERVICE
	9515-W	TABLE OF CONTENTS (Continued) (Page 3)
	9516-W	TABLE OF CONTENTS (Continued) (Page 1)

Please contact Bradley Leong at BL4@cpuc.ca.gov or 415-703-2307, if you have any questions.

Thank you,

/s/ROBIN BRYANT

Robin Bryant
Water Division

Enclosures

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS**

Advice Letter Cover Sheet

Utility Name: California American Water	Date Mailed to Service List: February 17, 2020
District: Northern Division	
CPUC Utility #: U210W	Protest Deadline (20th Day): March 8, 2020
Advice Letter #: 1283	Review Deadline (30th Day): March 18, 2020
Tier <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> Compliance	Requested Effective Date: February 21, 2020
Authorization D.18-12-021	
Description: Sacramento and Larkfield Purchased Water Offset (Post 100-Day Update)	Rate Impact: \$See AL See AL%

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

Utility Contact: Lakhjit Thind
Phone: 916-568-4233
Email: Lakhjit.Thind@amwater.com

Utility Contact: Jonathan Morse
Phone: 916-568-4237
Email: Jonathan.Morse@amwater.com

DWA Contact: Tariff Unit
Phone: (415) 703-1133
Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

<u>DATE</u>	<u>STAFF</u>	<u>COMMENTS</u>
_____	_____	_____
_____	_____	_____

APPROVED

WITHDRAWN

REJECTED

Signature: _____

Comments: _____

Date: _____



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www.amwater.com

P (916) 568-4251
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February 17, 2020

ADVICE LETTER NO. 1283

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California-American Water Company ("California American Water") (U210W) hereby submits for filing the following tariff sheets applicable to its Northern Division which are attached hereto:

<u>C.P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Sheet No.</u>
9514-W	Schedule No. ND-1 (Continued) Northern Division Tariff Area GENERAL METERED SERVICE	9443-W
9515-W	TABLE OF CONTENTS (Continued) (Page 3)	9512-W
9516-W	TABLE OF CONTENTS (Continued) (Page 1)	9513-W

Purpose:

California American Water requests authority pursuant to General Order (GO) 96-B, Water Industry Rules, Section 7.3.1, and Section 454 of the Public Utilities Code to offset purchased water expenses it incurs from the City of Sacramento, Placer County, Sacramento County Water Agency, Sac Suburban, and Sonoma County Water Agency.

Background:

Sacramento Service Area

Rates to California American Water's Sacramento Service Area were increased as follows.

- The City of Sacramento decreased its rates to California American Water's Sacramento Service Area effective January 1, 2020. An increase in the fixed rate from \$1,815 to \$2,620, a decrease in quantity rate from \$606 per AF to \$600 per AF, and removed the "Capital Cost Repayment Charge."

- Sacramento County Water Agency increased its rates to California American Water's Sacramento Service Area effective July 1, 2019. An increase in the quantity rate from \$500 per AF to 525 per AF.
- Placer County Water Agency increased its rates to California American Water's Sacramento Service Area effective March 1, 2019. Increased fixed meter fee from \$4,583 to \$26,129, decreased their quantity rate from \$535 per AF to \$174 per AF, and a new fixed "Renewal/Replacement" charge of \$21,078.
- Sacramento Suburban increased its rates to California American Water's Sacramento Service Area effective March 1, 2019. Decreased their capacity charge from \$166 per AF to \$115 per AF and added a new water delivery charge of \$256 per AF.

California American Water requests that the full amount of each increase be offset to account for the annual change in purchased water costs.

Increases in rates charged by City of Sacramento, Placer County Water Agency, Sacramento County Water Agency, and Sacramento Suburban, results in a \$391,998 annual increase in purchased water expenses to California American Water's Sacramento Service Area, plus a corresponding \$2,015 increase in uncollectibles, for a total expense increase of \$394,014. This increase is directly related to water consumption and thus should be applied to the quantity rate.

The resulting increase is a surcharge of \$0.0325 per hundred cubic feet (ccf) or \$0.0043 per hundred gallons (cgl).

The offset requested represents an annual increase of \$394,014 or 0.67% over the latest revenue requirement provided to the Commission in the 2020 Northern Division Step Rate Filing.

Larkfield Service Area

Sonoma County Water Agency increased its rates from \$1,133.47 to \$1,258.55 per acre-foot to California American Water's Larkfield Service Area effective July 1, 2019. California American Water Company requests that the full increase be offset through a surcharge to account for the annual change in purchased water costs.

The rate increase results in a \$38,876 annual increase in purchased water expense to California American Water, plus a corresponding increase of \$200 in uncollectibles, for a total expense increase of \$39,076. This increase is directly related to water consumption and thus should be applied to the quantity rate as a volumetric based surcharge. The resulting incremental increase is \$0.1865.

The resulting surcharge will increase by \$0.1186 from \$0.1215 to \$0.2401 per ccf, or \$0.0321 per cgl.

The offset requested represents an increase of \$39,076 or 1.2% over the last authorized revenue requirement.

In accordance with Rule 4.2 of GO 96-B and Section 3.2 of the Water Industry Rules in GO 96-B for processing expense offset rate increases, California American Water shall include a bill

text message providing the amount of the increases, expressed in dollars and percentages, in the first bill that includes the increased surcharge.

Request:

California American Water Company requests authorization to implement a purchased water surcharge totaling \$0.0325 per ccf (\$0.0043 per 100 gallons) for Sacramento Service Area customers and \$0.2401 per ccf (\$0.0321 per 100 gallons) for Larkfield Service Area customers.

Copies of the detailed workpapers and the documents supporting this Advice Letter have been furnished to the Commission Staff.

Tier Designation:

This advice letter is submitted with a Tier 1 designation.

Effective Date:

California American Water requests an effective date of February 21, 2020.

RESPONSE OR PROTEST¹

Anyone may submit a response or protest for this AL. 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 AL. A **protest** objects to the AL in whole or in part and must set forth the specific grounds on which it is based. These grounds² are:

1. The utility did not properly serve or give notice of the AL;
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 re-litigating a prior order of the Commission.
7. A protest may not rely on policy objections to an AL where the relief requested in the AL follows rules or directions established by statute or Commission order applicable to the utility. A protest shall provide citations or proofs where available to allow staff to properly consider the protest.

¹ G.O. 96-B, General Rule 7.4.1

² G.O. 96-B, General Rule 7.4.2

DWA must receive a response or protest via email (**or** postal mail) within 20 days of the date the AL is filed. When submitting a response or protest, **please include the utility name and advice letter number in the subject line.**

The addresses for submitting a response or protest are:

Email Address: Water.Division@cpuc.ca.gov	Mailing Address: CA Public Utilities Commission Division of Water and Audits 505 Van Ness Avenue San Francisco, CA 94102
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On the same day the response or protest is submitted to DWA, the respondent or protestant shall send a copy of the protest to California American Water at:

Email Address: jonathan.morse@amwater.com	Mailing Address: 4701 Beloit Drive Sacramento, CA 95838
sarah.leeper@amwater.com	555 Montgomery Street, Ste. 916 San Francisco, CA 94111
lakhjit.singh@amwater.com	4701 Beloit Drive Sacramento, CA 95838

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform DWA, within the 20 day protest period, so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

REPLIES³

The utility shall reply to each protest and may reply to any response. Any reply must be received by DWA within five business days after the end of the protest period, and shall be served on the same day on each person who filed the protest or response to the AL.

CALIFORNIA-AMERICAN WATER COMPANY

/s/ Lakhjit Thind

Lakhjit Thind
Financial Analyst

³ G.O. 96-B, General Rule 7.4.3

Schedule No. ND-1 (Continued)
Northern Division Tariff Area
GENERAL METERED SERVICES

Sheet 7

SPECIAL CONDITIONS (Continued):
Fees and Surcharges

SACRAMENTO TARIFF AREA

1. A surcharge is included in each bill to recover the net under-collection in the Water Revenue Adjustment Mechanism (WRAM) and Modified Cost Balancing Account (MCBA). For the period ending December 31, 2018, the net under-collection totals \$12,925,149 including interest. The surcharge of \$0.0890 per 100 gallons is set to recover the under-collection at a rate equal to 15% of the authorized revenue requirement as approved by D.18-12-021.

2. Per Advice Letter 1283, a surcharge is applied to each bill to offset increases in purchased water costs imposed by Sacramento water suppliers. This offset results in a needed increase of \$394,013.57 or 0.67%. The surcharge of \$0.0043 per cgl is added to the quantity rate beginning February 21, 2020.

(N)
|
(N)

LARKFIELD TARIFF AREA

1. D.18-12-021 authorized a three-year conservation budget of \$45,700 for 2018-2020 for the Larkfield District. Per AL 1230-B, a surcharge of \$0.0190 per hundred gallons will be applied to each bill to fund California American Water conservation efforts.

2. Per Advice Letter 1252, the under-collected balance in the Larkfield District Consolidated Expense Balancing Account (CEBA) will be recovered through a quantity based surcharge of \$0.0617 per 100 gallons over 36 months effective September 22, 2019. The total amount will be recovered from all classes of customers.

3. A surcharge is included in each bill to recover the net under-collection in the Water Revenue Adjustment Mechanism (WRAM) and Modified Cost Balancing Account (MCBA). For the period ending December 31, 2018, the net under-collection totals \$1,071,446 including interest. The surcharge of \$0.1882 per 100 gallons is set to recover the under-collection at a rate equal to 15% of the authorized revenue requirement as approved by D.18-12-021.

4. Per Advice Letter 1283, a surcharge is applied to each bill to offset increases in purchased water costs imposed by the Sonoma County Water Agency. This offset results in a needed increase of \$39,076 or 1.2%. The surcharge of \$0.0321 per cgl is added to the quantity rate beginning February 21, 2020.

(C)
(I)
(C)

(Continued)

(TO BE INSERTED BY UTILITY)	ISSUED BY	(TO BE INSERTED BY C.P.U.C.)
Advice 1283	J. T. LINAM	Date Filed <u>02/17/2020</u>
Decision	DIRECTOR - Rates & Regulatory	Effective <u>02/21/2020</u>
		Resolution _____

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San Diego County District SD-1	General Metered Service	9385-W, 9386-W, 9507-W, 9246-W, 9455-W	
Ventura County District VN-1	General Metered Service	9377-W, 9378-W, 9510-W, 9247-W, 9456-W	
VN-9MC	Metered Construction Service	9379-W, 9457-W, 9511-W, 9459-W, 9460-W	

(Continued)

(TO BE INSERTED BY UTILITY)

Advice 1283
Decision

ISSUED BY

J. T. LINAM
DIRECTOR - Rates & Regulatory

(TO BE INSERTED BY C.P.U.C.)

Date Filed 02/17/2020
Effective 02/21/2020
Resolution _____

TABLE OF CONTENTS

Sheet 1

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<u>SERVICE AREA MAP:</u>	
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(Continued)

<p>(TO BE INSERTED BY UTILITY)</p> <p>Advice 1283</p> <p>Decision</p>	<p>ISSUED BY</p> <p>J. T. LINAM</p> <p>DIRECTOR - Rates & Regulatory</p>	<p>(TO BE INSERTED BY C.P.U.C.)</p> <p>Date Filed <u>02/17/2020</u></p> <p>Effective <u>02/21/2020</u></p> <p>Resolution</p>
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SACRAMENTO DISTRICT SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1283

BY MAIL:

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Citrus Heights, CA 95621

Walt Shannon
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Sacramento, CA 95828

Sacramento County WMD
827 7th Street, Room 301
Sacramento, CA 95814

Steven J. Thompson
5224 Altana Way
Sacramento, CA 95841

Fruitridge Vista Water Company
P.O. Box 959
Sacramento, CA 95812

Anthony La Bouff, County Counsel
Placer County
175 Fulweiler Avenue
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Rio Linda Water District
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Rio Linda, CA 95673

BY E-MAIL:

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dra_water_al@cpuc.ca.gov

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Placer County Water Agency
Customer Service Department
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LARKFIELD DISTRICT SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1283

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Maria D. Duddy
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Penngrove/Kenwood Water Co
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