

655 W. Broadway, Suite 1410  
 San Diego, CA 92101

PRELIMINARY STATEMENT  
 (Continued)

Sheet 1

**BS. Larkfield Consolidation Tariff**

(N)

**1. OVERVIEW:**

Pursuant to D. 18-12-021, the revenue requirement for Larkfield customers within California American Water's Northern Division will remain constant at the level in effect at the time of consolidation (Test Year 2018) with any additional awarded revenue requirements to be collected in rates from the fully consolidated Northern Division. Future Larkfield tariff rates could differ due to changes to the projected average consumption per customer and other rate design modifications.

**2. EFFECTIVE DATE/DURATION:**

The Larkfield Consolidation Tariff was established effective January 1, 2018 by the Commission shall be effective until modified by further Commission action.

**3. PURPOSE:**

The purpose of this mechanism is to support rate stabilization for the Larkfield District. The combined revenue requirement, over time, will better allocate the cost of service over a broader customer base, thus reducing the impact of operation, maintenance, and administrative costs in small single Districts. Over time the proposal is to have a single rate tariff for all service areas in the Northern Division, including the Larkfield service area.

**4. APPLICABILITY:**

Applicable to California American Water's Larkfield customers as well those of the fully consolidation Northern Division.

**5. ACCOUNTING PROCEDURE:**

Revenues generated from this tariff consolidation will be accounted for exactly as any other revenues with only the revenues generated by the Larkfield Service Area tariff being credited to the Larkfield service area, with all revenue generated by the allocated portion of the of the stand-alone revenue requirement being accounted for in the consolidated Northern Division.

**6. RATEMAKING PROCEDURE:**

Based on the Larkfield Consolidation Tariff, the Commission approves a continual, set revenue requirement for the Larkfield District of \$3,116,375, as set in Advice Letter 1234-A.

(N)

(Continued)

(TO BE INSERTED BY UTILITY)  
 Advice 1353  
 Decision

ISSUED BY  
 J. T. LINAM  
 DIRECTOR - Rates & Regulatory

(TO BE INSERTED BY C.P.U.C.)  
 Date Filed 12/23/2021  
 Effective 03/04/2022  
 Resolution \_\_\_\_\_

PRELIMINARY STATEMENT  
(Continued)

Sheet 2

**BS. Larkfield Consolidation Tariff (Continued)**

(N)

**6. RATEMAKING PROCEDURE (Continued):**

This \$3.1 million revenue requirement will not increase for the Larkfield service area, until such time as the Commission approved full consolidation into the Northern Division. This full consolidation should be requested by California American Water as such time when the current rates in the Northern Division approach those in the Larkfield service area.

Until full consolidation into the Northern Division is approved, a cost of service and summary of earnings for the Larkfield service area will need to be performed in each GRC. Additionally, annual step rate filings will determine the revenue requirement necessary for the Larkfield service area based on the difference between the true stand-alone revenue requirement and the approved \$3.1 million revenue requirement. All amounts that exceed the actual Larkfield service area revenue requirement will be transferred to the revenue requirement of the Northern Division for collection in the Northern Division consolidated rates.

The rates in Larkfield service area will be set annually based on the set revenue requirement of \$3.1 million and the Commission determined annual consumption and number of customers. Rates can and will changes annually to recover the \$3.1 million revenue requirements as determined by the changed in authorized consumption and average customers.

(N)

(Continued)

| (TO BE INSERTED BY UTILITY) | ISSUED BY                     | (TO BE INSERTED BY C.P.U.C.) |
|-----------------------------|-------------------------------|------------------------------|
| Advice 1353                 | J. T. LINAM                   | Date Filed <u>12/23/2021</u> |
| Decision                    | DIRECTOR - Rates & Regulatory | Effective <u>03/04/2022</u>  |
|                             |                               | Resolution _____             |