

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



September 17, 2021

Vera Kostikova  
Financial Analyst - Rates & Regulatory  
California-American Water Company  
4701 Beloit Drive  
Sacramento, CA 95838-2434

Dear Ms. Kostikova,

The Commission has approved California-American Water Company's Advice Letter No. 1344, filed on August 13, 2021, regarding East Pasadena Memorandum Account - Tariff Integration Post-Acquisition for the East Pasadena Service Area.

Enclosed are copies of the following revised tariff sheets, effective August 13, 2021, for the utility's files:

<b>P.U.C. Sheet</b>	
<b>No.</b>	<b>Title of Sheet</b>
10090-W	Preliminary Statement, Summary Table, Sheet 2
10091-W	Preliminary Statement AH, (Continued), Sheet 1
10092-W	Preliminary Statement BK, (Continued), Sheet 1
10093-W	Table Of Contents, Sheet 1

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,

/s/ROBIN BRYANT

Robin Bryant  
Water Division

Enclosures





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August 13, 2021

ADVICE LETTER NO. 1344

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Pursuant to General Order 96-B, California-American Water Company (U210W) hereby submits for review this advice letter, including tariff sheets applicable to California American Water's East Pasadena Service Area.

**Background:**

On April 6, 2020, California American Water filed Application ("A.") 20-04-003 requesting the approval of the sale of East Pasadena Water Company's ("East Pasadena") assets to California American Water. On August 6, 2021, the Commission approved the asset sale in Decision ("D.") 21-08-002.

**Discussion:**

The requests contained in this advice letter relate to Ordering Paragraphs ("OP") 7 & 10 of D. 21-08-002, which state:

7. *California American Water Company shall file within 10 days of this decision a Tier 1 Advice Letter to establish an East Pasadena Transaction Cost Memorandum Account and to include East Pasadena in its existing Memorandum Account for Environmental Improvement and Compliance Issues for Acquisitions.*
10. *California American Water Company's request for authorization to establish an East Pasadena Transaction Memorandum Account to record all of its future transaction costs consistent with this Decision is granted.*

Based on the foregoing OPs, California American Water submits the following requests to establish these two memorandum accounts for East Pasadena and incorporate them into California American Water's tariffs.

**Request:**

In accordance with OP 7 of D.21-08-002, California American Water requests authorization to establish the East Pasadena Transaction Memorandum Account (EPTMA) and to expand California American Water's existing Memorandum Account for Environmental Improvement and Compliance Issues with Acquisitions to include East Pasadena.

**Effective Date:**

California American Water submits this as a Tier 1 advice letter and requests an effective date of August 13, 2021.

**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. Hardcopy advice letters will be mailed as soon as administrative staff are able to return to California American Water offices.

### **RESPONSE OR PROTEST**<sup>1</sup>

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 grounds<sup>2</sup> 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 relitigating a prior order of the Commission.

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.

Water Division 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](mailto:Water.Division@cpuc.ca.gov)

**Mailing Address:**

CA Public Utilities Commission  
Division of Water and Audits  
505 Van Ness Avenue  
San Francisco, CA 94102

On the same day the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy of the protest to Cal-Am at:

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<sup>1</sup> G.O. 96-B, General Rule 7.4.1

<sup>2</sup> G.O. 96-B, General Rule 7.4.2

**Email Address:**

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555 Montgomery Street, Suite 816  
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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.

**REPLIES**<sup>3</sup>

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.

The actions requested in this advice letter are not now the subject of any formal filings with the California Public Utilities Commission, including a formal complaint, nor action in any court of law.

This filing will not cause the withdrawal of service, nor conflict with other schedules or rules.

If you have not received a reply to your protest within 10 business days, please contact me at (916) 568-4246.

CALIFORNIA-AMERICAN WATER COMPANY

*/s/ Vera Kostikova*

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Vera Kostikova  
Financial Analyst - Rates & Regulatory

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<sup>3</sup> G.O. 96-B, General Rule 7.4.3

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
10090-W	PRELIMINARY STATEMENT Summary Table Sheet 2	10046-W
10091-W	PRELIMINARY STATEMENT (Continued) Sheet 1	9668-W
10092-W	PRELIMINARY STATEMENT (Continued) Sheet 1	
10093-W	TABLE OF CONTENTS Sheet 1	10089-W

PRELIMINARY STATEMENT  
Summary Table

Sheet 2

Reference	Account	Tariff	
AG	School Lead Testing Memorandum Account (SLTMA)	9667-W	
AH	The Memorandum Account for Environmental Improvement and Compliance Issues for Acquisitions	10091-W	(C)
AI	Dunnigan Consulting Memorandum Account	9669-W	
AJ	Water-Energy Nexus Program Memorandum Account (WENMA)	9670-W	
AK	Special Facilities Fee Memorandum Account	9671-W	
AL	Monterey Service Area Pre-2015 Residential Water Revenue Adjustment Mechanism/Modified Cost Balancing Account ("WRAM/MCBA") Under-collection/recovery Balancing Account	9673-W	
AM	Monterey Service Area Pre-2015 Non-Residential Water Revenue Adjustment Mechanism/Modified Cost Balancing Account ("WRAM/MCBA") Under-collection/recovery Balancing Account	9674-W	
AN	Public Safety Power Shut-Off Memorandum Account (PSPSMA)	9675-W, 9676-W	
AO	General Rate Case Interim Rate True-up Memorandum Account	9677-W	
AP	Central Division Leak Adjustment Balancing Account	9678-W	
AQ	Two-Way Tax Accounting Memorandum Account (TMA)	9679-W	
AR	Sustainable Groundwater Management Act Memorandum Account (SGMA)	9680-W	
AS	Group Insurance Balancing Account (GIBA)	9681-W	
AT	Rio Plaza Groundwater Management Memorandum Account	9682-W	
AU	Rio Plaza Transaction Memorandum Account	9683-W	
AV	MPSWP Phase 1 Project Cost Memorandum Account (PCMA)	9684-W	
AW	MPSWP Operations and Maintenance Memorandum Account (MOMMA)	9685-W	
AX	Meadowbrook CIAC Regulatory Asset	9686-W	
AY	All District Conservation Rationing Memorandum Account	9687-W	
AZ	Monterey Wastewater Purchased Power Balancing Account	9688-W	
BA	Sand City Desalination Plant Purchased Water Balancing Account (SCDPPWBA)	9689-W	
BB	Chromium-6 Balancing Account	9690-W	
BC	Fruitridge Vista Meter Installation Memorandum Account (FVMIMA)	9691-W	
BD	Fruitridge Vista Transaction Memorandum Account (FVTMA)	9692-W	
BE	Sacramento Service Area Voluntary Conservation or Mandatory Rationing Memorandum Account (VCMRMA)	9693-W	
BF	Hillview Service Area Memorandum & Balancing Accounts	9758-W	
BG	Hillview Memorandum Account for Deferred Income Taxes (HMADIT)	9759-W	
BH	Central Basin Contamination Memorandum Account	10047-W	
BI	Drought Memorandum Account (DRMA)	XXXX-W	(P)
BJ	Fruitridge Vista Multifamily Meter Retrofit Memorandum Account (MFMRMA)	XXXX-W	(P)
BK	East Pasadena Transaction Memorandum Account (EPTMA)	10092-W	(N)

(Continued)

(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
Advice	1344	J. T. LINAM	Date Filed	<u>08/13/2021</u>
Decision	21-08-002	DIRECTOR - Rates & Regulatory	Effective	<u>08/13/2021</u>
			Resolution	_____

PRELIMINARY STATEMENT  
(Continued)

Sheet 1

**AH. The Memorandum Account for Environmental Improvements and Compliance Issues for Acquisitions.**

**1. PURPOSE:**

The purpose of the account is to track costs associated with required improvements related to environmental and compliance issues in the Dunnigan, Geyserville, Meadowbrook, Rio Plaza, Fruitridge Vista, Hillview, and East Pasadena service territories. Example of such costs include, but are not limited to, nitrate mitigation, installation of geosynthetic liners, repair of a cracked surface seal on the main well, construction of a back-up well and back-up electrical power source to maintain minimum pressure in the event of failure in grid power. This account excluded costs related to hexavalent chromium mitigation since there is a separate memorandum account for those costs.

(C)

**2. APPLICABILITY:**

California American Water’s East Pasadena Service Areas; Hillview Service Areas; Fruitridge Vista Service Areas; Sacramento Service Area – Dunnigan, Geyserville, and Meadowbrook Service Areas; Los Angeles County District – Rio Plaza, in the City of Oxnard, Ventura County

(C)

**3. ACCOUNTING PROCEDURE:**

- a. A debit entry will be created to capture costs associated with the account.
- b. A debit or credit entry equal to interest on the balance in the account at the beginning of the month and half the balance after the above entries, at a rate equal to one-twelfth of the rate on 90-day non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, H.15 or its successor.
- c. A credit entry will be made to transfer the balances to the appropriate district Consolidated Expense Balancing Account’s (“CEBA”) upon Commission approval.

**4. RATEMAKING PROCEDURE:**

There is currently no ratemaking component to the memorandum account. Requests for recovery of any balance are to be processed according to General Order 96-B and Standard Practices or otherwise determined in a Commission decision. Upon Commission review and approval, balances shall be transferred to the appropriate District CEBA’s for recovery/fund.

(Continued)

<p>(TO BE INSERTED BY UTILITY)</p> <p>Advice      1344</p> <p>Decision    21-08-002</p>	<p>ISSUED BY</p> <p>J. T. LINAM</p> <p>DIRECTOR - Rates &amp; Regulatory</p>	<p>(TO BE INSERTED BY C.P.U.C.)</p> <p>Date Filed    <u>08/13/2021</u></p> <p>Effective      <u>08/13/2021</u></p> <p>Resolution    _____</p>
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**PRELIMINARY STATEMENT  
(Continued)**

Sheet 1

**BK. East Pasadena Transaction Memorandum Account (EPTMA)**

(N)

**1. PURPOSE:**

The purpose of the EPTMA is to record and track transactional costs associated with the purchase of East Pasadena Water Company. Examples of such costs include but are not limited to expenses for: outside legal services, engineering, surveying, the appraisal, customer noticing, and other professional activities necessary to complete the transaction. Decision 21-08-002 granted California American Water authority to establish the EPTMA.

**2. APPLICABILITY:**

California American Water’s East Pasadena Service Area.

**3. ACCOUNTING PROCEDURE:**

California-American Water shall maintain the EPTMA by making entries at the end of each month as follows:

- a. A debit entry will be created to capture transaction costs associated with the acquisition of East Pasadena Water Company.
- b. A debit or credit entry equal to interest on the balance in the account at the beginning of the month and half the balance after the above entries, at a rate equal to one-twelfth of the rate on 90 day non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, H. 15 or its successor.
- c. A credit entry will be made to transfer the balances to the appropriate district Consolidated Expense Balancing Account’s (CEBA) upon Commission approval.

**4. RATEMAKING PROCEDURE:**

The memorandum account currently has no rate component.

**5. DISPOSITION:**

Disposition of amounts recorded in the EPTMA shall be determined through a Tier 3 advice letter filing or in California American Water’s next General Rate Case application or as otherwise determined by the Commission. Upon Commission review and approval, balances shall be transferred to the appropriate district’s CEBA for recovery/refund.

(N)

(Continued)

(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
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			Resolution	<u>                    </u>

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Fruitridge Vista	9487-W
Hillview Service Area	9557-W
Larkfield	6569-W
Los Angeles County	9157-W, 9158-W
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(Continued)

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			Resolution	<u>                    </u>

**LOS ANGELES COUNTY DISTRICT SERVICE LIST**  
**CALIFORNIA-AMERICAN WATER COMPANY**  
**ADVICE LETTER 1344**

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**ADVICE LETTER 1344**

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