

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
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October 10, 2019

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. 1251, filed on August 23, 2019, regarding the request recovery of the 2016 GRC Interim Rate Memorandum Account for the Los Angeles District in connection with Cal-Am's 2016 General Rate Case ("GRC") in A.16-07-002.

Enclosed are copies of the following revised tariff sheets for the utility's files:

P.U.C.	
Sheet No.	Title of Sheet
9206-W	Schedule No. LA-1 (continued)
9207-W	TABLE OF CONTENTS (Page 2)
9208-W	TABLE OF CONTENTS (Page 1)

Please contact Jim Boothe at 415-703-1748, if you have any questions.

Thank you,

/s/Levi Goldman

Levi Goldman
Water & Sewer Advisory Branch
Water Division

Enclosures



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www.amwater.com

P (916)-568-4251
F (916) 568-4260

August 23, 2019

ADVICE LETTER NO. 1251

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California-American Water Company (Cal-Am) (U210W) hereby submits for review this advice letter including the following tariff sheets applicable to its Los Angeles County District which are attached hereto:

<u>C.P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Sheet No.</u>
9206-W	Schedule No. LA-1 (continued) Los Angeles County Tariff Area GENERAL METERED SERVICE	9130-W
9207-W	TABLE OF CONTENTS (Page 2)	9204-W
9208-W	TABLE OF CONTENTS (Page 1)	9205-W

PURPOSE

The purpose of this advice letter filing is to request recovery of the 2016 GRC Interim Rate Memorandum Account for the Los Angeles District in connection with Cal-Am's 2016 General Rate Case ("GRC") in A.16-07-002. This request is in compliance with authorizations of the California Public Utilities Commission as detailed in the Rate Case Plan in D. 07-05-062 ("RCP") and ALJ Ruling issued on September 8, 2017 in A.16-07-002.

BACKGROUND

The Commission granted Cal-Am memorandum accounts to track the difference between interim rates and final rates through Advice Letter 1184, approved on January 22, 2018 with an effective date of January 1, 2018.

Cal-Am hereby submits this filing to recover the balances in the memorandum accounts for the Los Angeles County district.

Submission of these tariffs is made in compliance with Ordering Paragraph 4 of D.18-12-021, which states:

44. The surcharge to true-up the interim rate must comply with Standard Practice U27-W. The tariff implementing the surcharge

shall be filed by Tier 2 advice letter after California-American Water Company calculates the revenue difference between the interim rates and the authorized rates but within 45 days after 2019 rates have been implemented. The surcharge shall include differences between interim rates and adopted rates through the 2019 escalation year up to effective date of the 2019 escalation year rates.

On January 2, 2019, California American Water requested, and on January 28, 2019 was granted, an extension of time from 45 days to 90 days to calculate and file its interim rates true-up surcharge.

On August 2, 2019, California American Water requested, and on August 8, 2019 was granted, an additional extension of two weeks to file for Interim Rates true-up filing. California American Water also requested, and the Commission granted, that the 2018 WRAM/MCBA filings be filed thirty days after the interim rate true-up filing.

REQUEST

Cal-Am requests the interim rate true-up surcharge totals be rolled into the Consolidated Expense Balancing Account (“CEBA”) as a quantity based surcharge and interim rate true-up surcredit totals rolled into meter credits effective September 22, 2019. The proposed meter credits will be implemented and sent to customers within two months of execution.

The interim rate true-up included in the Los Angeles Consolidated Expense Balancing Account (“CEBA”) for the period January 1, 2018 through May 10, 2019, including interest, is (\$775,730).

SERVICE LIST

Pursuant to Section 4.3 of General Order No. 96-B, a copy of this advice letter is being sent to those entities listed in the attached service list. Copies of the detailed workpapers and the documents supporting this Advice Letter have also been furnished to the Commission Staff.

EFFECTIVE DATE

Cal-Am submits this as a Tier 2 advice letter per D.18-12-021 and requests an effective date of September 22, 2019.

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 G.O. 96-B, General Rule 7.4.1

² G.O. 96-B, General Rule 7.4.2

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.

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.

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

On 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:

Recipients:

Kamilah Jones
Financial Analyst IIB

E-Mail:

Kamilah.Jones@amwater.com.....

Mailing Address:

4701 Beloit Drive
Sacramento, CA 95838
Fax: (916) 568-4232

Sarah E. Leeper.....
*Vice President – Legal,
Regulatory*

sarah.leeper@amwater.com

555 Montgomery Street,
Ste. 816
San Francisco, CA 94111
Fax: (415) 863-0615

ca.rates.....

ca.rates@amwater.com

4701 Beloit Drive
Sacramento, CA 95838
Fax: (916) 568-4260

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, 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.

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.

If you have not received a reply to your protest within 10 business days, contact this person at (916) 568-4209.

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

CALIFORNIA-AMERICAN WATER COMPANY

/s/ Kamilah Jones

Kamilah Jones
Financial Analyst IIB

³ G.O. 96-B, General Rule 7.4.3

Schedule No. LA-1
Los Angeles County District Tariff Area
GENERAL METERED SERVICE

SPECIAL CONDITIONS

Fees and Surcharges (Continued):

1. Per Advice Letter 1251, the under-collected balance in the Los Angeles County District Consolidated Expense Balancing Account (CEBA) will be recovered through a quantity based surcharge, as shown in the below table effective October 1, 2019. The total amount will be recovered from all classes of customers.

Service Area	Consolidated Expense Balance Account Surcharge Per 100 gallon	Number of Months Applicable From Effective Date
Baldwin Hills	\$0.0244	36
Duarte	\$0.0152	24
San Marino	\$0.0202	12

2. Water Revenue Adjustment Mechanism (WRAM) and Modified Cost Balancing Account (MCBA) Surcharges. D.18-12-021 raises the cap on WRAM/MCBA surcharges to 15% of the authorized revenue requirement.
 - a. For the **Baldwin Hills** service area, a surcharge is included on each bill to recover the net under-collection in the WRAM and MCBA of \$1,223,741, including interest, as of December 31, 2017. The surcharge is \$0.0621 per 100 gallons and will remain effective for 23 months beginning March 31, 2018.
 - b. For the **Duarte** service area, a surcharge is included on each bill to recover the net under-collection in the WRAM and MCBA of \$1,967,409, including interest, as of December 31, 2017. The surcharge is \$0.0474 per 100 gallons and will remain effective for 30 months beginning March 31, 2018.
 - c. For the **San Marino** service area, a surcharge is included on each bill to recover the net under-collection in the WRAM and MCBA of \$2,053,964, including interest, as of December 31, 2017. The surcharge is \$0.0513 per 100 gallons and will remain effective for 14 months beginning March 31, 2018.
3. A surcharge is applied to each bill to offset increases in purchase water costs for the Los Angeles County District.

Service Area	Purchased Water Surcharge Per 100 Gallon	Effective Date	Advice Letter
Baldwin Hills	\$0.0269	May 11, 2019	1243
Duarte	\$0.0928	May 11, 2019	1243
San Marino	\$0.0292	May 11, 2019	1243

(Continued)

(TO BE INSERTED BY UTILITY)	ISSUED BY	(TO BE INSERTED BY C.P.U.C.)
Advice 1251	J. T. LINAM	Date Filed <u>08/23/2019</u>
Decision	DIRECTOR - Rates & Regulatory	Effective <u>09/22/2019</u>
		Resolution _____

(C)

(C)

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Sacramento- Dunnigan	8163-W
Sacramento- Geyserville	8321-W
Sacramento - Meadowbrook	8512-W
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Ventura County	6603-W, 6604-W
<u>RATE SCHEDULES:</u>	
All Districts -- Low Income Ratepayer Assistance Program	
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CA-4	California American Water Private Fire Protection Service
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Larkfield District	
LK-F	Facilities Fees
	7651-W
Los Angeles County District	
LA-1	General Metered Service
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MO-1O	General Metered Service Other Customers
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(C)

(Continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 1251

J. T. LINAM

Date Filed 08/23/2019

Decision

DIRECTOR - Rates & Regulatory

Effective 09/22/2019

Resolution _____

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<u>(TO BE INSERTED BY UTILITY)</u>	<u>ISSUED BY</u>	<u>(TO BE INSERTED BY C.P.U.C.)</u>
Advice 1251	J. T. LINAM	Date Filed 08/23/2019
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ADVICE LETTER 1251

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LOS ANGELES COUNTY DISTRICT SERVICE LIST
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ADVICE LETTER 1251

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