

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



November 29, 2017

Jeffrey T. Linam
Director – Rates & Regulation
California-American Water Company
4701 Beloit Dr.
Sacramento, CA 95838-2434

Dear Mr. Linam,

The Commission has approved California American Water Company's Advice Letter No. 1176-A, (Supplement to Advice Letter No. 1176), filed on October 26, 2017, regarding the Monterey Peninsula Water Management Conservation District Balancing Account to its Consolidated Expense Balancing Account located in the Monterey County District and submitted in accordance with D. 17-01-013.

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

<u>P.U.C. Sheet No.</u>	<u>Title of Sheet</u>
8676-W	Schedule No. MO-1-SF, General Metered Service, Single Family Residential Customers, Continued
8677-W	Schedule No. MO-1-MF, General Metered Service, Multi-Family Residential Customers, Continued
8678-W	Schedule No. MO-1C, General Metered Service, Non-Residential Customers, Continued
8679-W	Schedule No. Mo-1O, General Metered Service, Other Customers, Continued
8680-W	Table of Contents, Page 2, Continued
8681-W	Table of Contents, Page 1, Continued

Please contact Pui-Wa Li at 415-703-5327 if you have any questions.

Thank you,

/s/JENNIFER PEREZ

Jennifer Perez
Water & Sewer Advisory Branch
Division of Water and Audits
Enclosures



4701 Beloit Drive
Sacramento, CA 95838
www.amwater.com

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

October 26, 2017

ADVICE LETTER NO. 1176-A

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, including the following attached tariff sheets applicable to its Monterey County District:

<u>C.P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Sheet No.</u>
8676-W	Schedule No. MO-1-SF (Continued) Monterey County District Tariff Area GENERAL METERED SERVICE SINGLE FAMILY RESIDENTIAL CUSTOMERS	8668-W
8677-W	Schedule No. MO-1-MF (Continued) Monterey County District Tariff Area GENERAL METERED SERVICE MULTI- FAMILY RESIDENTIAL CUSTOMERS	8669-W
8678-W	Schedule No. MO-1C (Continued) Monterey County District Tariff Area GENERAL METERED SERVICE NON- RESIDENTIAL CUSTOMERS	8670-W
8679-W	Schedule No. MO-1O (Continued) Monterey County District Tariff Area GENERAL METERED SERVICE OTHER CUSTOMERS	8671-W
8680-W	TABLE OF CONTENTS (Page 2)	8674-W
8681-W	TABLE OF CONTENTS (Page 1)	8675-W

Purpose:

This supplemental is being filed due to the MPWMD Conservation Account Balance being transferred to Monterey Main, Bishop, Hidden Hills, and Ryan Ranch customers. Ralph Lane is excluded from the transfer since they MPWMD Conservation Balancing Account was not applicable to them. However, due to amortization of the Consolidated Expense Balancing Account (CEBA), all service areas in the Monterey County District may see a change to their CEBA surcharge excluding Chualar.

This advice letter filing is being made to transfer dollars from California American Water's Monterey Peninsula Water Management Conservation District Balancing Account to its Consolidated Expense Balancing Account ("CEBA") for Monterey District and to recover the balances through a quantity based surcharge.

Background:

In Decision ("D.") 17-01-013, the Commission authorized California American Water "to resume collecting the Monterey Peninsula Water Management District (District) User Fee, equal to 8.325 percent of the water charges billed by Cal-Am, on behalf of the District and remitting the proceeds to the District." The Monterey Peninsula Water Management District imposed a User Fee on water users in the District to fund various District activities over a period of several years. D.17-01-013 also approved a wind down of the Monterey Peninsula Water Management Conservation District Balancing Account. Specifically, with respect to the Monterey Peninsula Water Management Conservation District Balancing Account, D.17-01-013 orders:

4. Within 30 days of the last day of California-American Water Company's first billing cycle that reflects resumed collection of the 8.325 percent Monterey Peninsula Water Management District (District) User Fee, the District will submit any remaining invoices against the Carmel River Mitigation Program Balancing Account and the District Conservation Balancing Account.

5. Upon receipt of the invoices referenced in Ordering Paragraph (OP) [4] of this decision, California-American Water Company (Cal-Am) shall timely remit payment of the invoices. Cal-Am shall file Tier 1 information-only advice letters to close the balancing accounts referenced in OP [4] of this decision and provide information on the final balances associated with these accounts.

* * *

7. The final balances of the Carmel River Mitigation Program Balancing Account and Monterey Peninsula Water Management District Consecration Balancing Account shall be transferred to the Monterey Consolidated Expense Balancing Account so that they can be addressed in the California –American Water Company General Rate Case (Application 16-07-002), which is scheduled to establish rates and surcharges beginning 2018.

Request:

California American Water requests authorization to transfer the Monterey Peninsula Water Management District Conservation Balancing Account to the Monterey District's CEBA for recovery through a quantity based surcharge/Surcredit.

The proposed Combined CEBA and Monterey Peninsula Water Management District Conservation Account reset the CEBA surcharge currently in effect for each service area as indicated in the below table, including the proposed amortization periods.

The proposed amortization period for each service area is as follows and is consistent with Standard Practice U-27-W:

Service Area	Number of Months Applicable from Effective Date	Quantity (Surcharge)/Surcredit Per 100 gallons (CGL)
Monterey Main	36 Months	\$ 0.0682
Bishop	36 Months	\$ 0.0754
Hidden Hills	36 Months	\$ 0.0754
Ryan Ranch	36 Months	\$ 0.0674

Tier Designation:

This advice letter is submitted with a Tier 2 designation.

Effective Date:

California American requests an effective date of September 30, 2017.

Service List:

In accordance with Section 4.3 of General Order 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 been furnished to the Commission Staff.

RESPONSE OR PROTEST¹

Anyone may submit a response or protest for 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 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; 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;
2. The analysis, calculations, or data in the AL contain material error or omissions;
3. The relief requested in the AL is pending before the Commission in a formal proceeding; or
4. The relief requested in the AL requires consideration in a formal hearing, or is otherwise inappropriate for the AL process; or
5. 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.
6. 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
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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:

Recipients:	E-Mail:	Mailing Address:
Kamilah Jones..... <i>Financial Analyst IIB, Rates</i>	Kamilah.Jones@amwater.com	4701 Beloit Drive Sacramento, CA 95838 Fax: (916) 568-4260
Sarah E. Leeper <i>Vice President – Legal, Regulatory</i>	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 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.

The action 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.

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

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/ Kamilah Jones

Kamilah Jones
Financial Analyst IIB, Rates

³ G.O. 96-B, General Rule 7.4.3

Schedule No. MO-1-SF (Continued)
Monterey County District Tariff Area
GENERAL METERED SERVICE
SINGLE FAMILY RESIDENTIAL CUSTOMERS

SPECIAL CONDITIONS (continued)

Fees & Surcharges:

10. Per Advice Letter 1176-A, the balance in the Monterey County District Consolidated Expenses Balancing Account will be recovered through a quantity based surcharge, as shown in the below table. The effective date for the surcharge is September 30, 2017 (for Monterey Main only) and will be recovered from all customer classes excluding Chualar service area. Similarly, the effective date for Bishop, Hidden Hills, Ryan Ranch, and Ralph Lane's surcharges is September 30, 2017 and will be recovered from all customer classes. (C)

Service Area	Consolidated Expense Balance Account Surcharge per 100 gallon	Number of Months Applicable From Effective Date
Monterey Main	\$0.0682	36
Bishop	\$0.0754	36
Hidden Hills	\$0.0754	36
Ryan Ranch	\$0.0674	36

(R)
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(R)

11. Per Decision 12-06-040, all authorized incurred costs included in the San Clemente Dam memorandum account shall be transferred to the San Clemente Dam balancing account. California American Water will recover the regulatory asset / San Clemente Dam balancing account over a 20-year period. Recovery will be designed to collect \$7,631,185.80 per annum which is an estimate to recover project costs and will be implemented through a volumetric surcharge on customers in the Monterey Main, Ryan Ranch, and Bishop services areas of the Monterey County District from July 1, 2012 until the first day of the first test year when the revenue requirement moves into base rates. Rates reflected on first tariff sheet of Schedule No. MO-1-SF.
12. Per Advice Letter 1011-A, a surcharge is to be included as a part of the cost of water authorized by D.13-04-015 for each new service connection in Sand City authorized by D.11-03-048 to reflect the additional incremental cost of the Sand City Desalination Plant over the current average cost of production. The surcharge will be \$0.4434 per hundred gallons and will be effective July 11, 2013, and will terminate in accordance with lifting of the Moratorium authorized by D.11-03-048.
13. Per Advice Letter 1072-B, a surcharge is included on the 4th and 5th tiers for each bill in the Monterey Main system to recover the forecasted costs of the Sand City Desalination Plant. For additional information, please refer to the preliminary statement. Rates reflected on first tariff sheet of Schedule No. MO-1-SF.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 1176-A

ISSUED BY

J.T. LINAM

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

DATE FILED 10-26-2017

DECISION NO. D.17-01-013

NAME

DIRECTOR - Rates & Regulatory

EFFECTIVE 9-30-2017

RESOLUTION

TITLE

Schedule No. MO-1-MF (Continued)
 Monterey County District Tariff Area
GENERAL METERED SERVICE
MULTI-FAMILY RESIDENTIAL CUSTOMERS

SPECIAL CONDITIONS (continued)

Fees & Surcharges:

10. Per Advice Letter 1176-A, the balance in the Monterey County District Consolidated Expenses Balancing Account will be recovered through a quantity based surcharge, as shown in the below table. The effective date for the surcharge is September 30, 2017 (for Monterey Main only) and will be recovered from all customer classes excluding Chualar service area. Similarly, the effective date for Bishop, Hidden Hills, Ryan Ranch, and Ralph Lane's surcharges is September 30, 2017 and will be recovered from all customer classes. (C)

Service Area	Consolidated Expense Balance Account Surcharge per 100 gallon	Number of Months Applicable From Effective Date
Monterey Main	\$0.0682	36
Bishop	\$0.0754	36
Hidden Hills	\$0.0754	36
Ryan Ranch	\$0.0674	36

(R)
(R)
(R)
(R)

11. Per Decision 12-06-040, all authorized incurred costs included in the San Clemente Dam memorandum account shall be transferred to the San Clemente Dam balancing account. California American Water will recover the regulatory asset / San Clemente Dam balancing account over a 20-year period. Recovery will be designed to collect \$7,631,185.80 per annum which is an estimate to recover project costs and will be implemented through a volumetric surcharge on customers in the Monterey Main, Ryan Ranch, and Bishop services areas of the Monterey County District from July 1, 2012 until the first day of the first test year when the revenue requirement moves into base rates. Rates reflected on first tariff sheet of Schedule No. MO-1-MF.

12. Per Advice Letter 1011-A, a surcharge is to be included as a part of the cost of water authorized by D.13-04-015 for each new service connection in Sand City authorized by D.11-03-048 to reflect the additional incremental cost of the Sand City Desalination Plant over the current average cost of production. The surcharge will be \$0.4434 per hundred gallons and will be effective July 11, 2013, and will terminate in accordance with lifting of the Moratorium authorized by D.11-03-048.

13. Per Advice Letter 1072-B, a surcharge is included on the 4th and 5th tiers for each bill in the Monterey Main system to recover the forecasted costs of the Sand City Desalination Plant. For additional information, please refer to the preliminary statement. Rates reflected on first tariff sheet of Schedule No. MO-1-MF.

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(TO BE INSERTED BY UTILITY)

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DECISION NO. D.17-01-013

DIRECTOR - Rates & Regulatory

RESOLUTION

TITLE

Schedule No. MO-1C (Continued)
 Monterey County District Tariff Area
GENERAL METERED SERVICE
NON-RESIDENTIAL CUSTOMERS

SPECIAL CONDITIONS (Continued):

Fees and Surcharges: (continued):

10. Per Advice Letter 1176-A, the balance in the Monterey County District Consolidated Expenses Balancing Account will be recovered through a quantity based surcharge, as shown in the below table. The effective date for the surcharge is September 30, 2017 (for Monterey Main only) and will be recovered from all customer classes excluding Chualar service area. Similarly, the effective date for Bishop, Hidden Hills, Ryan Ranch, and Ralph Lane's surcharges is September 30, 2017 and will be recovered from all customer classes. (C)

Service Area	Consolidated Expense Balance Account Surcharge per 100	Number of Months Applicable From Effective Date
Monterey Main	\$0.0682	36
Bishop	\$0.0754	36
Hidden Hills	\$0.0754	36
Ryan Ranch	\$0.0674	36

(R)
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(R)

11. Per Decision 12-06-040, all authorized incurred costs included in the San Clemente Dam memorandum account shall be transferred to the San Clemente Dam balancing account. California American Water will recover the regulatory asset / San Clemente Dam balancing account over a 20-year period. Recovery will be designed to collect \$7,631,185.80 per annum which is an estimate to recover project costs and will be implemented through a volumetric surcharge on customers in the Monterey Main, Ryan Ranch, and Bishop services areas of the Monterey County District from July 1, 2012 until the first day of the first test year when the revenue requirement moves into base rates

<u>Monterey Main, Ryan Ranch, Bishop</u>	
	<u>Surcharge Per 100 gal</u>
Division 1	\$0.2298
Division 2	\$0.2586
Division 3	\$0.2872
Division 4	\$0.5745

(Continued)

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TITLE

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

DATE FILED 10-26-2017

EFFECTIVE 9-30-2017

RESOLUTION _____

DECISION NO. D.17-01-013

Schedule No. MO-10 (Continued)
 Monterey County District Tariff Area
GENERAL METERED SERVICE
OTHER CUSTOMERS

SPECIAL CONDITIONS (continued)

Fees & Surcharges

10. Per Advice Letter 1176-A, the under-collected balance in the Monterey County District Consolidated Expense Balancing Account will be recovered through a quantity based surcharge, as shown in the below table, over 36 months. The effective date for the surcharge is September 30, 2017 and will be recovered from all customer classes in all service areas excluding Chualar service area. (C)

Service Area	Consolidated Expense Balance Account Surcharge	Number of Months Applicable From
Monterey Main	\$0.0682	36
Bishop	\$0.0754	36
Hidden Hills	\$0.0754	36
Ryan Ranch	\$0.0674	36

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DIRECTOR - Rates & Regulatory

RESOLUTION _____

TITLE

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Sacramento- Dunnigan	8163-W
Sacramento- Geyserville	8321-W
Sacramento - Meadowbrook	8512-W
San Diego County	6601-W, 6602-W
Ventura County	6603-W, 6604-W
<u>RATE SCHEDULES:</u>	
All Districts -- Low Income Ratepayer Assistance Program	
CA-LIRA California American Water	8363-W, 8579-W, 8580-W, 8467-W,
Low Income Ratepayer Assistance Program	8350-W, 8370-W, 8541-W, 7724-W, 7725-W, 7726-W
CA-4 California American Water	8328-W, 8509-W, 7739-W, 7740-W,
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Larkfield District	
LK-1 General Metered Service	8360-W, 8361-W, 8544-W, 7995-W, 8018-W, 7633-W
LK-F Facilities Fees	7651-W
Los Angeles County District	
LA-1 General Metered Service	8344-W, 8345-W, 8346-W, 8566-W, 8567-W, 8250-W, 8016-W, 7630-W
LA-3M Measured Irrigation Service	8570-W, 7712, 8547-W, 8251-W, 8017-W, 7631-W
Monterey County District	
<i>(Monterey Main, Hidden Hills, Ryan Ranch, & Bishop Service Areas)</i>	
MO-1-SF General Metered Service	8573-W, 8440-W, 8441-W, 8471-W,
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(Continued)

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The following listed tariff sheets contain all effective rates and rules affecting the charges and services of the Utility, together with other pertinent information:

<u>SUBJECT MATTER OF SHEET</u>	<u>C.P.U.C. SHEET NO.</u>
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