

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 9, 2024

Jonathan Morse
Sr. Manager Rates & Regulatory
California-American Water Company
520 Capitol Mall Ste. 630
Sacramento, CA 95814

Dear Mr. Morse,

The Water Division of the California Public Utilities Commission has approved California-American Water Company's Advice Letter No. 1438, filed on March 15, 2024, regarding Emergency Protections - March Floods - Central Division – 12 month update.

Enclosed is a copy of the advice letter with an effective date of March 8, 2024 for the utility's files.

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

Thank you.

Enclosures

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

Advice Letter Cover Sheet

Utility Name: California American Water	Date Mailed to Service List: March 15, 2024
District: Central Division	
CPUC Utility #: U210W	Protest Deadline (20th Day): April 4, 2024
Advice Letter #: 1438	Review Deadline (30th Day): April 14, 2024
Tier <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> Compliance	Requested Effective Date: March 8, 2024
Authorization Decision 19-07-015	
Description: Emergency Protections - March Floods - Central Division – 12 month 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.

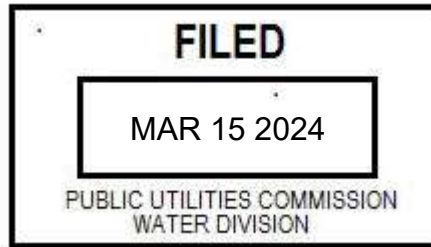
Utility Contact: Chase Grady	Utility Contact: Jonathan Morse
Phone: 916-568-4241	Phone: 916-568-4237
Email: Chase.Grady@amwater.com	Email: Jonathan.Morse@amwater.com
DWA Contact: Tariff Unit	
Phone: (415) 703-1133	
Email: Water.Division@cpuc.ca.gov	

DWA USE ONLY

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

<input type="checkbox"/> APPROVED	<input type="checkbox"/> WITHDRAWN	<input type="checkbox"/> REJECTED
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Signature: _____	Comments: _____
Date: _____	_____



March 15, 2024

ADVICE LETTER NO. 1438

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.

**Subject: 12 Month Update of Emergency Disaster Relief Program for March 2023
Floods for Residential Customer and Non-Residential Customer Protections
Pursuant to Decision (D.) 19-07-015 and Correction to AL 1436**

Purpose:

California American Water submits this Tier 1 Advice Letter in compliance with Decision (D.) 19-07-015 issued by the California Public Utilities Commission (Commission) on July 19, 2019.

Additionally, through this filing California American Water submits one correction to Advice Letter 1436 which was the 12-month update to the Emergency Protections associated with January 2023 floods in the Central Division related to CEMA costs associated with that event.

Ordering Paragraph 11 of D.19-07-015 provides:

All Class-A Water utilities (California Water Service Company, California American Water Company, Golden State Water Company, Great Oaks Water Company, Liberty Utilities Apple Valley Ranchos Water, and Park Water), San Jose Water Company, San Gabriel Valley Water Company, and Suburban Water Systems as well as all Class-B utilities (Fruitridge Vista Water Company, Bakman Water Company, Del Oro Water Company, East Pasadena Water Company, Santa Catalina Island Water (a division of Southern California Edison Company), and Alco Water Service.), shall file a Tier 1 Advice Letter at the default, 12-month conclusion of customer protection period (running from the date that customer protections related to the specific disaster became effective), or as reasonably determined by the Governor's Office of Emergency Services, detailing the mandated protections offered to the customer affected by the disaster, the start and end periods customers received the emergency customer protections, the outreach efforts conducted, the customer impacts, and the associated cost.

Ordering Paragraph 12 of D.19-07-015 provides:

All Class-A Water utilities (California Water Service Company, California American Water Company, Golden State Water Company, California American Water Company, Liberty Utilities (Apple Valley Ranchos Water, and Park Water), San Jose Water Company, San Gabriel Valley Water Company, and Suburban Water Systems as well as all Class-B Water utilities (Fruitridge Vista Water Company, Bakman Water Company, Del Oro Water Company, East Pasadena Water Company, Santa Catalina Island Water (a division of Southern California Edison Company), and Alco Water Service.) shall file a Tier 1 Advice Letter twelve months from a qualifying event, documenting the collaborative engagement they had with the Governor's Office of Emergency Services and the California Department of Forestry and Fire Protection demonstrating information sharing that aided these entities in carrying out their mission.

Background:

On March 8, 2023, Governor Newsom issued a Proclamation of a State of Emergency due to severe winter storms that were forecasted to continue through Mid-March.¹ On March 10, 2023, the County of Monterey began issuing evacuation orders for portions of Monterey County serviced by California American Water.² The same day, on March 10, 2023, President Biden declared that an emergency exists in over 30 California counties, including Monterey County.³ The evacuation orders for portions of Monterey County serviced by California American Water were lifted on March 17, 2023, but another major wind storm impacted Monterey County on March 21, 2023.

Discussion:

Following issuance of the Governor's emergency proclamation and the announcement of evacuation notices, and in accordance with D.19-07-015, California American Water activated its Catastrophic Event Memorandum Account (CEMA) effective to March 8, 2023, the time of the evacuation order.

California American Water filed Advice Letter 1405 on March 23, 2023 in compliance with D.19-07-015 and extended customer protections in Monterey County service areas impacted by the mandatory evacuations.

As stated in AL 1405, California American Water extended customers in its Monterey County services areas impacted by the mandatory evacuations the following customer protections:

- Dunning locks through June 8, 2023
- Cease late payment fees through June 8, 2023

¹ See <https://www.gov.ca.gov/wp-content/uploads/2023/03/3.8.23-SOE-Storms-Additional-Counties.pdf?emrc=ddf421>.

² See <https://www.co.monterey.ca.us/government/departments-a-h/administrative-office/office-of-emergency-services/incidents/2023-pineapple-express>.

³ See <https://news.caloes.ca.gov/president-biden-approves-california-emergency-declaration/>.

- Offered customer payment options for up to one year
- Worked with customers to adjust extraordinary water use due to the storms

If customer homes were damaged as a result of the winter storms it also:

- waived reconnection or facilities fees for affected customers
- suspended deposits for affected customers who must reconnect to the system,
- waived bills for victims who lost their homes or if their homes are rendered uninhabitable, and
- authorized a pro rata waiver of any fixed element of a water bill for the time that the home is uninhabitable, even if the reason for it being uninhabitable is not loss of water service.

California American Water communicated these protections through letter in January, bill text messages in February and March, press release, social media and our website in English and Spanish, the languages commonly spoken in our service areas. We also provided abbreviated information to customers in other languages commonly spoken in California.

California American Water recorded approximately \$80,000 of costs associated with this event in the CEMA. As stated above, the costs recorded began March 8, 2023, the date of the Governor's proclamation. California American Water will seek recovery of these costs in a General Rate Case or other appropriate ratemaking proceeding. When California American files for recovery of costs related to the CEMA or others costs that will be recovered separately, California American Water will allocate those costs across all customer classes and all Districts in California.

California American Water files this advice letter in compliance with Ordering Paragraphs 11 and 12 of D.19-07-015.

Finally, in Advice Letter 1436, which was the 12-month update to the Emergency Protections associated with January 2023 floods in the Central Division, California American Water stated that it recorded "approximately \$80,000 of costs associated with this event in the CEMA." In actuality, the CEMA costs of \$80,000 were associated with the Central Division March Storms as described above and the January 2023 floods CEMA costs are approximately \$136,000. Each of these balances are separately tracked in the CEMA account and California American Water inadvertently included in the March 2023 storm balances in Advice Letter 1436. Through this filing, California American Water submits this correction to Advice Letter 1436.

Effective Date:

California American Water requests an effective date of March 8, 2024.

Tier Designation:

California American Water is also requesting an expedited advice letter treatment pursuant to the Commissions GO 96-B, requesting a waiver or a shortened protest and reply period of five days. This advice letter is submitted with a Tier 1 designation pursuant to General Order No. 96-B and D.19-07-015.

Notice:

This is a Tier 1 advice letter that does not require customer notification, as provided in Water Industry Rule 7.3.1 of General Order 96-B. In accordance with General Order 96-B, General Rule 4.3 and 7.2 and Water Industry Rule 4.1, a copy of this advice letter will be transmitted electronically to interested parties having requested such notification. ***Please note that this advice letter will only be distributed electronically.***

RESPONSE OR PROTEST⁴

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 grounds⁵ 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.

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 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:

Mailing Address:

⁴ G.O. 96-B, General Rule 7.4.1

⁵ G.O. 96-B, General Rule 7.4.2

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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.

REPLIES⁶

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 Chase Grady at (916) 568-4241.

CALIFORNIA-AMERICAN WATER COMPANY

/s/ Chase Grady

Chase Grady
Associate Rates & Regulatory Analyst

⁶ G.O. 96-B, General Rule 7.4.3

CENTRAL DIVISION SERVICE LIST
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Salinas, CA 93901

Karen Crouch
City Clerk,
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Carmel-by-the-Sea, CA 93921

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California Public Utilities Commission
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Monterey Regional Water Pollution
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City of Pacific Grove
c/o Community Development Department
Attention: Sarah Hardgrave
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Attn: City Clerk

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Clerk of the Board
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