

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



October 11, 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. 1252, filed on August 23, 2019, regarding request recovery of the 2016 GRC Interim Rate Memorandum Account for the Northern Division 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:

<b>P.U.C.</b>	
<b>Sheet No.</b>	<b>Title of Sheet</b>
9209-W	Schedule No. ND-1 (continued)
9210-W	Schedule No. ND-1 (continued)
9211-W	Schedule No. ND-1 (continued)
9212-W	TABLE OF CONTENTS Page 3
9213-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

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

**Advice Letter Cover Sheet**

**Utility Name:** California American Water

**Date Mailed to Service List:** August 23, 2019

**District:** Northern Division District

**CPUC Utility #:** U210W

**Protest Deadline (20<sup>th</sup> Day):** September 13, 2019

**Advice Letter #:** 1252

**Review Deadline (30<sup>th</sup> Day):** September 22, 2019

**Tier**     1     2     3     Compliance

**Requested Effective Date:** September 22, 2019

**Authorization** D.18-12-021

**Rate Impact:** \$See AL  
See AL%

**Description:** Northern Division District 2018 Interim Rate  
True Up

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:** Kamilah Jones

**Utility Contact:** Jonathan Morse

**Phone:** 916-568-4232

**Phone:** 916-568-4237

**Email:** Kamilah.jones@amwater.com

**Email:** Jonathan.Morse@amwater.com

**DWA Contact:** Tariff Unit

**Phone:** (415) 703-1133

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

**DWA USE ONLY**

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

[ ] APPROVED

[ ] WITHDRAWN

[ ] REJECTED

**Signature:** \_\_\_\_\_

**Comments:** \_\_\_\_\_

**Date:** \_\_\_\_\_

\_\_\_\_\_



4701 Beloit Drive  
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[www.amwater.com](http://www.amwater.com)

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

August 23, 2019

ADVICE LETTER NO. 1252

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 Northern Division District which are attached hereto:

<u>C.P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Sheet No.</u>
9209-W	Schedule No. ND-1 (continued) Northern Division Tariff Area GENERAL METERED SERVICE	9165-W
9210-W	Schedule No. ND-1 (continued) Northern Division Tariff Area GENERAL METERED SERVICE	9166-W
9211-W	Schedule No. ND-1 (continued) Northern Division Tariff Area GENERAL METERED SERVICE	NEW
9212-W	TABLE OF CONTENTS Page 3	9192-W
9213-W	TABLE OF CONTENTS Page 1	9208-W

### **PURPOSE**

The purpose of this advice letter filing is to request recovery of the 2016 GRC Interim Rate Memorandum Account for the Northern Division 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 Northern Division 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 Sacramento Consolidated Expense Balancing Account ("CEBA") for the period January 1, 2018 through May 10, 2019, including interest, is (\$2,505,027).

The interim rate true-up included in the Larkfield Consolidated Expense Balancing Account ("CEBA") for the period January 1, 2018 through May 10, 2019, including interest, is (\$351,967).

#### **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 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 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](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 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:

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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

<b>Recipients:</b>	<b>E-Mail:</b>	<b>Mailing Address:</b>
Kamilah Jones ..... <i>Financial Analyst IIB</i>	Kamilah.Jones@amwater.com.....	4701 Beloit Drive Sacramento, CA 95838 Fax: (916) 568-4232
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 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.

**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.

If you have not received a reply to your protest within 10 business days, contact this person at (916) 568-4232.

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

CALIFORNIA-AMERICAN WATER COMPANY

*/s/ KAMILAH JONES*

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Kamilah Jones  
Financial Analyst IIB

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

Schedule No. ND-1 (Continued)  
Northern Division Tariff Area  
GENERAL METERED SERVICES

Sheet 6

**SPECIAL CONDITIONS (Continued):**

**Fees and Surcharges**

**SACRAMENTO AND MEADOWBROOK TARIFF AREAS**

- 3. Per Advice Letter 1252, the under-collected balance in the Sacramento County District Consolidated Expense Balancing Account (CEBA) will be recovered through a quantity based surcharge of \$0.0252 per 100 gallons over 12 months effective, September 22, 2019. The total amount will be recovered from all classes of customers. (C)
- 4. Per D.18-12-021 a meter based bill credit for the Excess Non-Plant Accumulated Deferred Income Tax will be refunded to customers over the 24-month period beginning August 1, 2019. (C)

Meter Size	Refunds by Meter Equivalents
5/8 x 3/4	\$0.99
3/4	\$1.48
1	\$2.46
1 1/2	\$4.93
2	\$7.88
3	\$14.78
4	\$24.63
6	\$49.26
8	\$78.82
10	\$113.30

**SACRAMENTO TARIFF AREA**

- 1. A surcharge is included in each bill to recover the net under-collection in the Water Revenue Adjustment Mechanism (WRAM) and Modified Cost Balancing Account (MCBA). Per D.18-12-021, the cap on WRAM/MCBA surcharges was raised to 15% of the authorized revenue requirement. For the period ending December 31, 2017, the net under-collection totals \$18,955,673 including interest. The surcharge is \$0.0617 per 100 gallons and will remain effective for 36 months beginning March 31, 2018.

(Continued)

(TO BE INSERTED BY UTILITY)

Advice 1252  
Decision

ISSUED BY

J. T. LINAM  
DIRECTOR - Rates & Regulatory

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

Date Filed 08/23/2019  
Effective 09/22/2019  
Resolution \_\_\_\_\_

Schedule No. ND-1 (Continued)  
Northern Division Tariff Area  
GENERAL METERED SERVICES

Sheet 7

**Fees and Surcharges**

**LARKFIELD TARIFF AREA**

(L)

1. D.18-12-021 authorized a three-year conservation budget of \$45,700 for 2018-2020 for the Larkfield District. Per AL 1230-B, a surcharge of \$0.0190 per hundred gallons will be applied to each bill to fund California American Water conservation efforts.
1. Per Advice Letter 1252, the under-collected balance in the Larkfield District Consolidated Expense Balancing Account (CEBA) will be recovered through a quantity based surcharge of \$0.0617 per 100 gallons over 36 months effective September 22, 2019. The total amount will be recovered from all classes of customers. (C)
2. A surcharge is included in each bill to recover the net under-collection in the Water Revenue Adjustment Mechanism (WRAM) and Modified Cost Balancing Account (MCBA). Per D.18-12-021, the cap on WRAM/MCBA surcharges was raised to 15% of the authorized revenue requirement. For the period ending December 31, 2016, the net under- collection totals \$1,224,021, including interest. The surcharge is \$0.1433 per 100 gallons and will remain effective for 36 months beginning March 31, 2018. (C)
3. Per Advice Letter 1243, a surcharge is applied to each bill to offset increases in purchased water costs imposed by the Sonoma County Water Agency. This offset results in a needed increase of \$40,026 or 1.26%. The surcharge of \$0.0162 per cgl is added to the quantity rate beginning May 11, 2019.
4. Per D.18-12-021 a meter based bill credit for the Excess Unprotected Accumulated Deferred Income Tax will be refunded to customers over the 24-month period beginning August 1, 2019.

Meter Size	Refunds by Meter Equivalents
5/8 x 3/4	\$ 0.93
3/4	\$ 1.40
1	\$ 2.34
1 1/2	\$ 4.67
2	\$ 7.48
3	\$ 14.02
4	\$ 23.37
6	\$ 46.73
8	\$ 74.77
10	\$ 107.48

(Continued)

(TO BE INSERTED BY UTILITY)  
Advice 1252  
Decision

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

(TO BE INSERTED BY C.P.U.C.)  
Date Filed 08/23/2019  
Effective 09/22/2019  
Resolution \_\_\_\_\_



Schedule No. ND-1 (Continued)  
 Northern Division Tariff Area  
GENERAL METERED SERVICES

Sheet 9

**Fees and Surcharges (Continued)**

**GEYSERVILLE TARIFF AREA**

1. Per D.18-12-021 a meter based bill credit for the 2016 GRC Interim Rate True-up will be refunded to Geyserville customers over a two month period. (N)

Meter Size	Refunds by Meter Equivalents
5/8-inch meter	\$54.46
3/4-inch meter	\$81.69
1-inch meter	\$136.15
1-1/2-inch meter	\$272.31
2-inch meter	\$435.69
3-inch meter	\$816.92
4-inch meter	\$1,361.54
6-inch meter	\$2,723.08
8-inch meter	\$4,356.92
10-inch meter	\$6,263.08

(N)

(Continued)

(TO BE INSERTED BY UTILITY)  
 Advice 1252  
 Decision

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

(TO BE INSERTED BY C.P.U.C.)  
 Date Filed 08/23/2019  
 Effective 09/22/2019  
 Resolution \_\_\_\_\_

TABLE OF CONTENTS

Sheet 3

**SUBJECT MATTER OF SHEET**

**C.P.U.C. SHEET NO.**

RATE SCHEDULES (Continued):

Central Satellite			
CEN-1	General Metered Service	9110-W, 9111-W, 8974-W, 9191-W, 9173-W	
Northern District			
ND-1	General Metered Service	9086-W, 9087-W, 9088-W, 9089-W, 9164-W, 9209-W, 8941-W, 9210-W, 9167-W, 9211-W	(C) (C,N)
San Diego County District			
SD-1	General Metered Service	8904-W, 8992-W, 9133-W, 9183-W	
Ventura County District			
VN-1	General Metered Service	8896-W, 8897-W, 9134-W, 9179-W	
VN-9MC	Metered Construction Service	9180-W, 9181-W, 9182-W	
<b>Schedule No. CA-Fees</b>	Schedule No. CA-Fees	9003-W	

(Continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 1252

J. T. LINAM

Date Filed 08/23/2019

Decision

DIRECTOR - Rates & Regulatory

Effective 09/22/2019

Resolution \_\_\_\_\_

TABLE OF CONTENTS

Sheet 1

<u>SUBJECT MATTER OF SHEET</u>	<u>C.P.U.C. SHEET NO.</u>
TITLE PAGE	9149-W
TABLE OF CONTENT	9213-W, 9207-W, 9212-W, 8876-W, 9082-W, 8869-W, 8868-W, 8593-W, 8071-W (C)
PRELIMINARY STATEMENTS	9004-W, 9161-W, 9006-W, 9007-W, 9008-W, 9009-W, 9010-W, 9011-W, 9012-W, 9013-W, 9014-W, 9015-W, 9016-W, 9017-W, 9018-W, 9019-W, 9020-W, 9021-W, 9022-W, 9023-W, 9024-W, 9025-W, 9026-W, 9027-W, 9028-W, 9029-W, 9030-W, 9031-W, 9032-W, 9033-W, 9034-W, 9035-W, 9036-W, 9037-W, 9038-W, 9039-W, 9040-W, 9041-W, 9042-W, 9043-W, 9044-W, 9045-W, 9046-W, 9047-W, 9048-W, 9049-W, 9154-W, 9051-W, 9052-W, 9053-W, 9054-W, 9055-W, 9056-W, 9057-W, 9058-W, 9059-W, 9060-W, 9125-W, 8884-W, 8886-W, 9155-W, 9162-W
<b><u>SERVICE AREA MAP:</u></b> California-American Water Company	5470-W
Larkfield	6569-W
Los Angeles County	9157-W, 9158-W
Baldwin Hills	6571-W, 6572-W,
Duarte	6578-W
San Marino	6573-W, 6574-W, 6575-W, 6576-W, 8211-W
Monterey County	7053-W, 6580-W, 6581-W, 6582-W, 6583-W, 6584-W, 6585-W, 6586-W, 6587-W, 6588-W, 6589-W, 6590-W, 944-W, 945-W, 947-W, 948-W, 949-W, 950-W, 951-W, 952-W, 953-W, 954-W, 955-W, 957-W, 958-W, 959-W, 960-W, 961-W, 962-W, 963-W, 964-W, 966-W, 967-W, 968-W, 969-W, 971-W, 972-W, 973-W, 974-W, 975-W, 976-W, 977-W, 978-W, 979-W, 980-W, 981-W, 982-W, 983-W, 984-W, 7054-W

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(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 1252

J. T. LINAM

Date Filed 08/23/2019

Decision

DIRECTOR - Rates & Regulatory

Effective 09/22/2019

Resolution \_\_\_\_\_

**SACRAMENTO DISTRICT SERVICE LIST**  
**CALIFORNIA-AMERICAN WATER COMPANY**  
**ADVICE LETTER 1252**

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**LARKFIELD DISTRICT SERVICE LIST**  
**CALIFORNIA-AMERICAN WATER COMPANY**  
**ADVICE LETTER 1252**

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Penngrove/Kenwood Water Co  
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