



August 23, 2024

ADVICE LETTER NO. 1450

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California-American Water Company ("California American Water") (U210W) submits this advice letter for review. The advice letter includes the attached tariff sheets, which apply to California American Water's acquisition of the Bass Lake Water Company ("Bass Lake").

**Purpose:**

This advice letter requests Commission approval to create the Bass Lake Transaction Memorandum Account ("BLTMA").

**Background:**

California American Water filed Application ("A.") 22-03-002 requesting approval of the sale of Bass Lake's assets to California American Water on March 1, 2022. On April 6, 2023, the Commission approved the asset sale in Decision ("D.") 23-04-007.

The requests contained in this advice letter relate to Ordering Paragraph ("OP") 7 of D. 23-04-007, which states:

*7. California-American Water Company is authorized to file a Tier 1 Advice Letter to establish a Bass Lake Transaction Memorandum Account consistent with this decision.*

The decision also states, "Cal-Am is authorized to establish the Bass Lake Transaction Cost Memorandum Account (BLTCMA) with an effective date of March 1, 2022, which is the date the joint Application was filed."<sup>1</sup> Based on the foregoing OP and language from the decision, California American Water submits the following requests to create the BLTMA.

**Request:**

In accordance with OP 7 of D. 23-04-007, California American Water requests authorization to establish the BLTMA.

**Tier Designation:**

This advice letter is submitted pursuant to General Order No. 96-B and is designated as a Tier 1 filing.

**Effective Date:**

California American Water requests an effective date of March 1, 2022.

**Notice and Service List:**

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

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<sup>1</sup> D. 23-04-007 at p. 2.

requested such notification. ***Please note that this advice letter will only be distributed electronically.***

### **Response or Protest**<sup>2</sup>

Anyone may respond to or protest 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 advice letter. A **protest** objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds<sup>3</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 shall provide citations or proofs where available to allow staff to properly consider the protest.

A response must be made in writing or by electronic mail and must be received by the Water Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3<sup>rd</sup> floor  
California Public Utilities Commission,  
505 Van Ness Avenue, San Francisco, CA 94102  
[water\\_division@cpuc.ca.gov](mailto:water_division@cpuc.ca.gov)

In 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>2</sup> G.O. 96-B, General Rule 7.4.1

<sup>3</sup> G.O. 96-B, General Rule 7.4.2

**Email Address:**

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cathy.hongola-  
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**Mailing Address:**

520 Capital Mall, Suite 630  
Sacramento, CA 95814

555 Montgomery Street, Suite 816  
San Francisco, CA 94111

520 Capital Mall, Suite 630  
Sacramento, CA 95814

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.

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*

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Chase Grady  
Rates & Regulatory Analyst

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
XXXXX-W	PRELIMINARY STATEMENT Summary Table Sheet 2	10932-W
XXXXX-W	PRELIMINARY STATEMENT Sheet 1	

PRELIMINARY STATEMENT  
Summary Table

Sheet 2

Reference	Account	Tariff
AK	Special Facilities Fee Memorandum Account	10204-W, 10205-W
AN	Public Safety Power Shut-Off Memorandum Account (PSPSMA)	10208-W, 10209-W
AO	2019 General Rate Case Interim Rate True-up Memorandum Account	10210-W
AQ	Two-Way Tax Memorandum Account	10556-W
AR	Sustainable Groundwater Management Act Memorandum Account (SGMA)	10211-W
AS	Group Insurance Balancing Account (GIBA)	10212-W
AT	Rio Plaza Groundwater Management Memorandum Account	10213-W
AU	Rio Plaza Transaction Memorandum Account	10214-W
AV	MPSWP Phase 1 Project Cost Memorandum Account (PCMA)	10734-W
AW	MPSWP Operations and Maintenance Memorandum Account (MOMMA)	10216-W
AX	Meadowbrook CIAC Regulatory Asset	10217-W
AZ	Monterey Wastewater Purchased Power Balancing Account	10218-W
BD	Fruitridge Vista Transaction Memorandum Account (FVTMA)	10220-W
BF	Hillview Service Area Memorandum & Balancing Accounts	10222-W
BG	Hillview Memorandum Account for Deferred Income Taxes (HMADIT)	10223-W
BH	Central Basin Contamination Memorandum Account	10224-W
BI	Drought Memorandum Account (DRMA)	10225-W
BK	East Pasadena Transaction Memorandum Account (EPTMA)	10227-W
BL	East Pasadena Purchased Power Balancing Account (EPPPBA)	10228-W
BM	East Pasadena Purchased Water Balancing Account (EPPWBA)	10229-W
BN	East Pasadena Pumping Assessment Cost Balancing Account (EPPACBA)	10230-W
BO	Drinking Water Fees Balancing Account (DWFBA)	10933-W
BP	TCP Litigation Proceeds Memorandum Account	10232-W
BQ	Central Satellite Service Area - Cost Allocation Tariff	10233-W, 10234-W
BR	Central Division – Chualar System – Tariff Rate Design	10235-W
BS	Larkfield Consolidation Tariff	10236-W, 10237-W
BT	Annual Consumption Adjustment Mechanism	10737-W
BU	Warring Transaction Memorandum Account (WTMA)	10593-W
BV	Fruitridge Vista State Revolving Fund (FVSRF) Balancing Account	10876-W
BW	Hillview State Revolving Fund (HSRF) Balancing Account	10877-W
BX	Bass Lake Transaction Memorandum Account (BLTMA)	XXXXXX-W

(N)

(Continued)

(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
Advice	1450	S. W. OWENS	Date Filed	August 23, 2024
Decision		SR. DIRECTOR - Rates & Regulatory	Effective	
			Resolution	

PRELIMINARY STATEMENT

Sheet 1

**BX. Bass Lake Transaction Memorandum Account (BLTMA)**

(N)

**1. PURPOSE:**

The purpose of the BLTMA is to record and track transactional costs associated with the purchase of Bass Lake 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 23-04-007 granted California American Water authority to establish the BLTMA.

**2. APPLICABILITY:**

California American Water's Bass Lake Service Area in Madera County.

**3. ACCOUNTING PROCEDURE:**

California-American Water shall maintain the BLTMA 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 Bass Lake 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 BLTMA 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)

(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 1450

S. W. OWENS

Date Filed August 23, 2024

Decision

SR. DIRECTOR - Rates & Regulatory

Effective \_\_\_\_\_

Resolution \_\_\_\_\_

**NORTHERN DIVISION AND BASS LAKE SERVICE LIST**  
**CALIFORNIA-AMERICAN WATER COMPANY**

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