

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 12, 2022

Preet Nagra
Operations Specialist - Rates & Regulatory
California-American Water Company
520 Capitol Mall Ste. 630
Sacramento, CA 95814

Dear Ms. Nagra,

The Water Division of the California Public Utilities Commission has approved California-American Water Company's Advice Letter No. 1373, filed on May 18, 2022, regarding Meadowbrook CIAC Surcharge Update.

Enclosed are copies of the following revised tariff sheets, effective June 17, 2022, for the utility's files:

P.U.C.	
Sheet No.	Title of Sheet
10478-W	Schedule No. ND-1, Northern Division Tariff Area General Metered Services, Sheet 7
10479-W	Table Of Contents, Sheet 3
10480-W	Table Of Contents, Sheet 1

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

Thank you.

Enclosures



4701 Beloit Drive
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May 18, 2022

ADVICE LETTER NO. 1373

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 tariff sheets applicable to Sacramento and Meadowbrook service areas.

Purpose:

The purpose this Advice Letter is to request authorization to collect through a surcharge the remaining balance of the \$575,000 in Contributions in Aid of Construction (CIAC) associated with the acquisition of the Meadowbrook service area as authorized in Decision (“D.”) 16-12-014. California American Water collected this surcharge for approximately 20 months rather than the authorized 36 months.

Background

Ordering Paragraph 9 of D.16-12-014 stated:

California-American Water Company (Cal-Am) shall update its current general rate case application, Application (A.) 16-07-002, to recognize the \$3,425,000 portion of the purchase price in ratebase for its Sacramento District and the \$575,000 portion of the purchase price as a Contribution in Aid of Construction to be recovered as surcharge on all customers of the Cal-Am Sacramento District through a 36-month amortization following issuance of a final Commission decision in A.16-07-002.

Findings of Fact Paragraph 15 stated:

The \$575,000 portion of the purchase price will be included as CIAC which Cal-Am will be allowed to recover as an expense, but on which it will not earn a rate of return. This \$575,000 will be recovered over 36 months as a surcharge on bills of the customers in the Sacramento District into which Meadowbrook will be consolidated once a final decision is issued in A.16-07-002.

The final decision in A.16-07-002, D.18-12-021, was issued on December 20, 2018, nearly a year after the date test year rates were scheduled to go into effect. California American Water implemented the CIAC surcharge through Advice Letter 1230-B, which was approved June 12, 2019, with an effective date of May 11, 2019. The approved tariff language stated the surcharge would be collected over 36 months beginning on January 1, 2018 from Sacramento and Meadowbrook customers and the surcharge was set to expire at the end of the 36-month

GRC cycle on December 31, 2020. Because D.18-12-021 was issued nearly a full year into the 2018 test year, California American Water did not actually began collecting the surcharge until May 11, 2019, and stopped collecting the surcharge on December 31, 2020, a period of only 20 months. Over those nearly 20 months, California American Water collected \$315,522.46 of the \$575,000 balance. Therefore, there is a remaining balance of \$259,477.54 which California American Water has not collected.

Request:

Through this advice letter filing California American Water requests authorization to collect the remaining balance of \$259,477.54 related to CIAC associated with the Meadowbrook acquisition over 16 months which is the remaining amortization period authorized in D.16-12-014. The surcharge is \$0.26 per customer per bill for Sacramento and Meadowbrook customers.

Tier Designation:

California American Water is submitting this as a Tier 2 advice letter pursuant to General Order 96-B and Water Industry Rule 7.3.2(5) (New Memorandum Account request).

Effective Date:

California American requests an effective date of June 17, 2022.

Service List:

Service Lists – In accordance with General Rules 4.3 and 7.2, and Water Industry Rule 4.1, of General Order (GO) 96-B, Cal-Am served copies of AL 1373 to adjacent utilities and other parties requesting such notification, on April 18, 2022. Please note that, consistent with the Commission's guidelines for service during the COVID-19 pandemic, this advice letter is only being distributed electronically.

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. 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.

¹ G.O. 96-B, General Rule 7.4.1

² G.O. 96-B, General Rule 7.4.2

7. 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:

ca.rates@amwater.com

Mailing Address:

4701 Beloit Drive
Sacramento, CA 95838

preet.nagra@amwater.com

4701 Beloit Drive
Sacramento, CA 95838

sarah.leeper@amwater.com

555 Montgomery Street, Ste. 916
San Francisco, CA 94111

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.

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/ Preet Nagra

Preet Nagra
Operations Specialist

³ G.O. 96-B, General Rule 7.4.3

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
10478-W	Schedule No. ND-1 Northern Division Tariff Area GENERAL METERED SERVICES Sheet 7	10303-W
10479-W	TABLE OF CONTENTS Sheet 3	10457-W
10480-W	TABLE OF CONTENTS Sheet 1	10477-W

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

Sheet 7

NORTHERN DIVISION TARIFF AREA (Continued)

SPECIAL CONDITIONS (Continued)
Fees and Surcharges

Sacramento and Meadowbrook Service Areas

1. Per D.18-12-021 a meter- based bill credit for the 2020 Excess Plant Related Accumulated Deferred Income Tax will be refunded to customer over 12-months beginning November 1, 2021, as shown in the table below.

Meter Size	Refunds by Meter Equivalents
5/8 x 3/4	\$0.20
3/4	\$0.30
1	\$0.51
1 1/2	\$1.01
2	\$1.62
3	\$3.04
4	\$5.06
6	\$10.13
8	\$16.21
10	\$23.30
12	\$33.43

2. Per Advice Letter 1373 and D.16-12-014, a surcharge of \$0.26 per customer per month to recover the remaining balance associated with the Meadowbrook acquisition Contribution in Aid of Construction (CIAC) will be collected over 16 months beginning upon approval of Advice Letter 1373.

(D)
(L)

(L)

(N)

(N)

(Continued)

(TO BE INSERTED BY UTILITY)	ISSUED BY	(TO BE INSERTED BY C.P.U.C.)
Advice 1373	J. T. LINAM	Date Filed <u>05/18/2022</u>
Decision	DIRECTOR - Rates & Regulatory	Effective <u>06/17/2022</u>
		Resolution _____

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Sheet 3

SUBJECT MATTER OF SHEET

C.P.U.C. SHEET NO.

RATE SCHEDULES (Continued):

Monterey County District

(Monterey Main, Hidden Hills, Ryan Ranch, & Bishop Service Areas)

MO-1-SF	General Metered Service	10396-W, 10265-W, 10266-W, 10267-W, 10354-W,
	Single Family Residential	10269-W
	Customers	
MO-1-MF	General Metered Service	10397-W, 10271-W, 10272-W, 10273-W, 10356-W,
	Multi-Residential Customers	10275-W
MO-1C	General Metered Service	10398-W, 10277-W, 10278-W, 10279-W, 10280-W,
	Non-Residential Customers	10281-W, 10453-W, 10454-W
MO-1O	General Metered Service	10359-W, 10360-W, 10287-W, 10288-W, 10455-W,
	Other Customers	10456-W
Schedule No. CA-	Multi-Use Residential	10440-W
Multi-Use	Customers	

Central Division

CEN-1	General Metered Service	10399-W, 10363-W, 10364-W, 10295-W, 10296-W
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Northern Division

(Fruitridge Vista, Hillview, Larkfield, Meadowbrook, & Sacramento Service Areas)

ND-1	General Metered Service	10388-W, 10389-W, 10390-W, 10339-W, 10340-W,
		10341-W, 10478-W, 10304-W, 10305-W, 10441-W,
		10442-W
ND-HV-9M	Measured Services For	10342-W
	Trucks	
Schedule No. CA-	Multi-Use Residential	10343-W
Multi-Use	Customers	

(C)

Southern Division

(Los Angeles Service Areas- DU, SM, RP & BH, San Diego, Ventura Service Areas)

SOU-1	General Metered Service	10404-W, 10405-W, 10375-W, 10376-W, 10311-W,
		10312-W, 10313-W, 10314-W
Schedule No. CA-	Multi-Use Residential	10377-W
Multi-Use	Customers	

(Continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

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

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Sheet 1

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<u>SERVICE AREA MAP:</u>		
California-American Water Company	5470-W	
East Pasadena Service Area	10102-W	
Fruitridge Vista	9487-W	
Hillview Service Area	9557-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,	

(Continued)

<u>(TO BE INSERTED BY UTILITY)</u>	<u>ISSUED BY</u>	<u>(TO BE INSERTED BY C.P.U.C.)</u>
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		Resolution _____

SACRAMENTO DISTRICT SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1373

BY MAIL:

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Steven J. Thompson 5224 Altana Way Sacramento, CA 95841	Sacramento County WMD 827 7th Street, Room 301 Sacramento, CA 95814	Robert C. Baptiste 9397 Tucumcari Way Sacramento, CA 95827-1045
Anthony La Bouff, County Counsel Placer County 175 Fulweiler Avenue Auburn, CA 95603	Fruitridge Vista Water Company P.O. Box 959 Sacramento, CA 95812	
	Rio Linda Water District 730 L Street Rio Linda, CA 95673	
	Richard Rauschmeier California Public Utilities Commission DRA - Water Branch, Rm 4209 505 Van Ness Ave San Francisco, CA 94102 rra@cpuc.ca.gov	Heather Hernandez Sacramento Suburban Water District 3701 Marconi Avenue, Suite 100 Sacramento, CA 95821-5303 HHernandez@sswd.org
<u>BY E-MAIL:</u>		
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Florin County Water District P.O. Box 292055 Sacramento, CA 95829 fcwd@sbcglobal.net	Linda Garcia, City Clerk City of Isleton P.O. Box 716 Isleton, CA 95641 lgarcia@cityofisleton.com	Placer County Water Agency Customer Service Department customerservices@pcwa.net