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December 07, 2015

ADVICE LETTER NO. 1102

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, attached hereto, which are applicable to all of its districts:

<u>C.P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Sheet No.</u>
XXXX-W	<u>Schedule No. SC-1 (continued)</u> <u>Sacramento District Tariff Area General</u> <u>GENERAL METERED SERVICE</u>	7656-W
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**Purpose:**

This advice letter filing seeks review and approval for recovery of lost revenue in the Sacramento District due to the implementation of the voluntary conservation or mandatory rationing measures approved by the California Public Utilities Commission (Commission) in AL 1038-A. The adjustment in quantity revenue and production costs has been tracked in the Sacramento Voluntary Conservation or Mandatory Rationing Revenue Adjustment Mechanism Memorandum Account (VCMRRAMA), referenced on California American Water’s preliminary statements as AZ.

**Background:**

California American Water filed and the Commission later approved Advice Letter 1038-A on March 26, 2014. The advice letter established, among other things, a Sacramento District Voluntary Conservation or Mandatory Rationing Revenue Adjustment Mechanism Memorandum Account. The creation of the memorandum account allowed the Company to track any losses in revenue due to voluntary conservation or mandatory rationing in the Sacramento District.

Per Attachment A of Resolution W-4976:

*“ . . .Lost revenues associated with reduced sales as a result of activation of either Tariff Rule 14.1 or Schedule 14.1 for a utility without a full revenue decoupling Water Revenue*

*Adjustment Mechanism (WRAM) should be tracked in a separate memorandum account for disposition as directed or authorized from time to time by the Commission.”*

**Request:**

California American Water requests that the \$3.3 million and accumulated interest, be transferred to the consolidated expense balancing account (CEBA) for recovery. The revised surcharge also reflects ongoing surcharge collections in the CEBA through September 30, 2015.

The total requested recovery to be transferred to the CEBA, including interest, is approximately (\$3,279,219). Once transferred, the CEBA balance will be (\$2,447,670) or 4.64% of 2015 authorized revenue. Pursuant to SP U-27-W<sup>1</sup>, memorandum account amortization surcharges are usually spread over three years for under-collections over 10% of gross revenues. Since the percentage is less than 5% the spread will be over 12 months.

The surcharge would be levied on all customers in the Sacramento District only.

The actions requested in this advice letter are not now the subject of any formal filings with the 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.

**Tier Designation:**

This advice letter is submitted with a Tier 3 designation.

**Effective Date:**

California American Water requests an effective date of January 6, 2015.

**Service List:**

In accordance with Section 4.3 of General Order 96-B, a copy of this advice letter has been served upon all interested and affected parties as shown in Exhibit A.

**RESPONSE OR PROTEST<sup>2</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>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;

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<sup>1</sup> SP U-27-W, p. 16.

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

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

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.
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](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 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:**

[todd.pray@amwater.com](mailto:todd.pray@amwater.com)

**Mailing Address:**

4701 Beloit Drive  
Sacramento, CA 95838

[sarah.leeper@amwater.com](mailto:sarah.leeper@amwater.com)

333 Hayes Street, Ste. 202  
San Francisco, CA 94102

[zhaoyi.chen@amwater.com](mailto:zhaoyi.chen@amwater.com)

4701 Beloit Drive  
Sacramento, CA 95838

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.

**REPLIES**<sup>4</sup>

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<sup>4</sup> G.O. 96-B, General Rule 7.4.3

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/ Todd Pray*

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Todd Pray  
Senior Manager - Rates & Regulatory

Schedule No. SC-1 (Continued)  
Sacramento District Tariff Area  
GENERAL METERED SERVICE

SPECIAL CONDITIONS:

General Items:

1. Qualifying low-income customers can receive a discount on their bill. Customers must apply with the Company for acceptance into the low-income program. For additional details, please see Tariff Schedule CA-LIRA.
2. Any customer paying for service at a premise where a Residential Fire Sprinkler System (RFSS) is required/requested to be installed by local fire and building codes shall be allowed to have their monthly service charge modified in accordance with the monthly costs for RFSS service charges. Provided, however, that the RFSS rate has been requested by the customer and verified by the Company that the smaller size of meter would be large enough to provide adequate service for the property in absence of the additional demand necessary to supply water to the sprinkler system. The RFSS will not be considered a fire service by the Company, but as an oversized general metered service. As such the rules and conditions of service for general metered service shall apply.

Fees and Surcharges:

1. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
2. Per Advice Letter 1072-B, a surcharge of \$0.0052 per hundred gallons will be applied to each bill to fund conservation efforts. The surcharge will remain in effect until otherwise directed by the Commission.
3. Per Advice Letter 1096, a surcharge of \$1.86 for the Low-Income Ratepayer Assistance Program ("LIRAP") Balancing Account will be collected from all non-low income water and wastewater customers.
4. Per Advice Letter 1102, the balance in the Sacramento County District Consolidated Expense Balancing Account will be recovered through a quantity based surcharge of \$0.0234 per hundred gallons over 12 months. The effective date for the surcharge is January 06, 2016 and will be recoverable from all customer classes in all service areas. (C)  
|  
(C)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 1102

ISSUED BY  
D. P. STEPHENSON  
NAME

(TO BE INSERTED BY C.P.U.C.)  
DATE FILED \_\_\_\_\_

DECISION NO. \_\_\_\_\_

DIRECTOR – Rates & Regulatory  
TITLE

EFFECTIVE \_\_\_\_\_  
RESOLUTION \_\_\_\_\_

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<u>SUBJECT MATTER OF SHEET</u>	<u>C.P.U.C. SHEET NO.</u>
<u>RATE SCHEDULES (Continued):</u>	
Monterey County District (Continued)	
<i>(Monterey Main, Hidden Hills, Ryan Ranch, &amp; Bishop Service Areas) (Continued)</i>	
MO-1 MU      General Metered Service	7988-W, 7728-W, 7729-W, 7730-W
Residential/Non-Residential Mixed Use	7731-W, 7732-W, 7733-W, 7734-W
	7735-W, 7736-W, 8026-W
<i>(Ambler Park, Ralph Lane &amp; Chualar Service Areas)</i>	
MO-ARC-1      General Metered Service	7989-W, 7698-W, 7699-W, 7700-W,
	8027-W
<i>(Toro)</i>	
MO-TO-1      General Metered Service	7695-W, 7696-W, 8019-W
<i>(Garrapata)</i>	
MO-GA-2      General Flat Rate Service	7693-W, 7694-W
Sacramento District	
SC-1      General Metered Service	<b>XXXX-W, XXXX-W, XXXX-W,</b>
	8028-W
San Diego County District	
SD-1      General Metered Service	<b>XXXX-W, XXXX-W, XXXX-W,</b>
	8013-W
Ventura County District	
VN-1      General Metered Service	<b>XXXX-W, XXXX-W, XXXX-W,</b>
	8014-W, 8033-W
VN-9MC      Metered Construction Water	<b>XXXX-W, XXXX-W,</b> 8015-W

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. <u>1102</u>	ISSUED BY <u>D. P. STEPHENSON</u> <small>NAME</small>	(TO BE INSERTED BY C.P.U.C.) DATE FILED _____ EFFECTIVE _____ RESOLUTION _____
DECISION NO. _____	_____ DIRECTOR – Rates & Regulatory <small>TITLE</small>	

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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:

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TITLE PAGE	7052-W
TABLE OF CONTENTS	XXXX-W, XXXX-W, XXXX-W, 7966-W, 8034-W, 6540-W, 7248-W, 7249-W (C)
PRELIMINARY STATEMENTS	7828-W, XXXX-W, 8003-W, 7748-W, 7749-W, 7750-W, 7751-W, 7752-W, 7753-W, 7754-W, 7755-W, 7756-W, 7757-W, XXXX-W, 7759-W, 7830-W, 7831-W, 7831-W, 7833-W, 7834-W, 7835-W, 7836-W, 7837-W, 7838-W, 7769-W, 7770-W, 7771-W, 7772-W, 7773-W, 7774-W, 7775-W, 7776-W, 7777-W, 7778-W, 7779-W, 7780-W, 7781-W, 7782-W, 7783-W, 7784-W, 7785-W, 7786-W, 7787-W, 7788-W, 7789-W, 7790-W, 7791-W, 7792-W, 7793-W, 7794-W, 7795-W, 7796-W, 7797-W, 7798-W, 7799-W, 7800-W, 7801-W, 7802-W, 7803-W, 7804-W, 7806-W, XXXX-W, XXXX-W, XXXX-W
<b><u>SERVICE AREA MAP:</u></b> California-American Water Company	5470-W
Larkfield	6569-W
Los Angeles County	6570-W
Baldwin Hills	6571-W, 6572-W,
Duarte	6578-W
San Marino	6573-W, 6574-W, 6575-W, 6576-W, 6577-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

(TO BE INSERTED BY UTILITY)  
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D. P. STEPHENSON  
NAME

(TO BE INSERTED BY C.P.U.C.)  
DATE FILED \_\_\_\_\_

DECISION NO. \_\_\_\_\_

DIRECTOR – Rates & Regulatory  
TITLE

EFFECTIVE \_\_\_\_\_  
RESOLUTION \_\_\_\_\_



**SACRAMENTO DISTRICT SERVICE LIST**  
**CALIFORNIA-AMERICAN WATER COMPANY**  
**ADVICE LETTER 1102**

**BY MAIL:**

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Downtown Office  
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Sacramento, CA 95814

California Dept of Health Services  
Division of Drinking Water &  
Environmental Management  
PO Box 997416  
Sacramento, CA 95899-7413

**BY E-MAIL:**

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**ADVICE LETTER 1102**

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fcwd@sbcglobal.net

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avan@citrusheights.net

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