

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



January 31, 2018

Jeffrey T. Linam  
Director – Rates & Regulation  
California-American Water Company  
4701 Beloit Dr.  
Sacramento, CA 95838-2434

Dear Mr. Linam,

The Commission has approved California-American Water Company's Advice Letter No. 1187, filed on December 22, 2017, regarding requesting purchased water offset for Sacramento District from City of Sacramento Department of Utilities.

Enclosed are copies of the following revised tariff sheets for the utility's files:

<u>P.U.C. Sheet No.</u>	<u>Title of Sheet</u>
8714-W	Schedule No. SC-1 (Continued) Sacramento District Tariff Area GENERAL METERED SERVICE
8715-W	TABLE OF CONTENTS (Continued) (Page 3)
8716-W	TABLE OF CONTENTS (Continued) (Page 1)

Please contact Pui-Wa Li at 415-703-5327, if you have any questions.

Thank you,

/s/ROBIN BRYANT

Robin Bryant  
Water & Sewer Advisory Branch  
Division of Water and Audits

Enclosures





4701 Beloit Drive  
Sacramento, CA 95838  
[www.amwater.com](http://www.amwater.com)

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

December 22, 2017

ADVICE LETTER NO. 1187

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California-American Water Company (U210W) hereby submits for filing the following tariff sheets applicable to its Sacramento County District which are attached hereto:

<b><u>C.P.U.C. Sheet No.</u></b>	<b><u>Title of Sheet</u></b>	<b><u>Canceling Sheet No.</u></b>
8714-W	Schedule No. SC-1 (Continued) Sacramento District Tariff Area GENERAL METERED SERVICE	7107-W
8715-W	TABLE OF CONTENTS (Continued) (Page 3)	8712-W
8716-W	TABLE OF CONTENTS (Continued) (Page 1)	8713-W

**Request:**

California American Water requests authority under Section 7.3.1 of the Water Industry Rules under General Order (GO) 96-B and Section 454 of the Public Utilities Code to offset purchased water expenses it incurs from the City of Sacramento. The City of Sacramento increased its rates to California American Water Sacramento District effective September 1, 2017. California American Water requests that the full increase be offset to account for the annual change in purchased water costs.

In accordance with Section 4.3 of General Order No. 96-B, a copy of this advice letter is being sent to those entities listed in Exhibit A.

**Background:**

The offset increase is necessitated by the City of Sacramento's increase of its wholesale water rates from a Commission authorized amount of \$1.26 per hundred cubic feet (ccf) to \$1.3918 per ccf, effective September 1, 2017. This water rate increase results in a \$293,491 annual increase in purchased water expenses to California American Water Sacramento District, plus a corresponding \$1,752 increase in uncollectibles, for a total expense increase of \$295,243. This increase is directly related to water consumption and thus should be applied to the quantity rate.

The resulting increase is a surcharge of \$0.0216 per 100 gallons.

The offset requested represents an annual increase of \$295,243 or 0.52% over the latest revenue requirement provided to the Commission in General Rate Case 2013 Proposed Decision. In accordance with Rule 4.2 of GO 96-B and Section 3.2 of the Water Industry Rules in GO 96-B for processing expense offset rate increases, California American Water shall include a bill text message providing the amount of the increase, expressed in dollars and percentages, in the first bill that includes the increased surcharge.

**Request:**

California American Water Company requests authorization to implement a purchased water surcharge totaling \$0.0216 per ccf (\$0.0029 per 100 gallons).

Copies of the detailed workpapers and the documents supporting this Advice Letter have been furnished to the Commission Staff.

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 1 designation.

**Effective Date:**

California American Water requests an effective date of December 22, 2017.

**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.

---

<sup>1</sup> G.O. 96-B, General Rule 7.4.1

<sup>2</sup> 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](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:**

[melody.singh@amwater.com](mailto:melody.singh@amwater.com)

**Mailing Address:**

4701 Beloit Drive  
Sacramento, CA 95838

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

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

[lakhjit.singh@amwater.com](mailto:lakhjit.singh@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>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.

CALIFORNIA-AMERICAN WATER COMPANY

*/s/ Jeffrey T. Linam*

\_\_\_\_\_  
Jeffrey T. Linam  
Vice President of Rates & Regulatory

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

**CALIFORNIA-AMERICAN WATER COMPANY**  
655 W. Broadway, Suite 1410  
San Diego, CA 92101

Revised  
Cancelling Revised

Cal. P.U.C. Sheet No. 8714-W  
Cal. P.U.C. Sheet No. 7107-W

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

Sheet 4

SPECIAL CONDITIONS:

8. Per Advice Letter 1187, a surcharge is applied to each bill to offset increases in purchased water costs imposed by the City of Sacramento. This offset results in a needed revenue increase of \$295,243 or 0.52%. The surcharge of \$0.0029 per 100 gallons is added to the quantity rate effective December 22, 2017.

(D)(N)  
|  
(N)

(Continued)

(TO BE INSERTED BY UTILITY)

Advice 1187  
Decision

ISSUED BY

J. T. LINAM

DIRECTOR - Rates & Regulatory

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

Date Filed December 22, 2017  
Effective 12/22/2017  
Resolution \_\_\_\_\_

TABLE OF CONTENTS

Sheet 3

**SUBJECT MATTER OF SHEET**  
RATE SCHEDULES (Continued):

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

*(Ambler Park, Ralph Lane & Chualar Service Areas)*

MO-ARC-1 General Metered Service 8578-W, 8426-W, 8693-W, 8519-W, 8027-W, 7642-W, 8672-W

*(Toro)*

MO-TO-1 General Metered Service 8465-W, 8692-W, 8019-W, 7644-W

*(Garrapata)*

MO-GA-2 General Flat Rate Service 7693-W, 8170-W

Sacramento District

SC-1 General Metered Service 8663-W, 8686-W, 8687-W, 8028-W, 7635-W, 8714-W (C)

SC-DU-1 General Metered Service 8160-W

SC-DU-1F Flat Rate Service 8161-W

SC-GY-1 General Metered Service 8316-W

SC-GY-1F Flat Rate Service 8317-W

SC-MB-1 General Metered Service 8508-W, 8522-W

San Diego County District

SD-1 General Metered Service 8367-W, 8688-W, 8699-W, 8531-W, 8013-W, 7624-W

Ventura County District

VN-1 General Metered Service 8335-W, 8690-W, 8691-W, 8014-W, 7627-W

VN-9MC

Metered Construction 8711-W, 8549-W, 8015-W, 7629-W  
 Water

(Continued)

(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
Advice	1187	J. T. LINAM	Date Filed	December 22, 2017
Decision		DIRECTOR - Rates & Regulatory	Effective	12/22/2017
			Resolution	

TABLE OF CONTENTS

Sheet 1

<u>SUBJECT MATTER OF SHEET</u>	<u>C.P.U.C. SHEET NO.</u>
TITLE PAGE	8662-W
TABLE OF CONTENTS	8716-W, 8706-W, 8715-W, 8709-W, 8660-W, 8068-W, 8069-W, 8593-W, 8071-W (C)
PRELIMINARY STATEMENTS	7828-W, 8517-W, 7748-W, 7749-W, 7750-W, 7751-W, 7752-W, 7753-W, 7754-W, 7755-W, 7756-W, 7757-W, 8079-W, 7759-W, 7830-W, 7831-W, 7832-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, 7839-W, 7796-W, 7797-W, 7798-W, 7799-W, 7800-W, 7801-W, 7802-W, 7803-W, 7804-W, 8510-W, 8081-W, 8082-W, 8178-W, 8302-W, 8459-W, 8460-W, 8516-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, 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

(Continued)

(TO BE INSERTED BY UTILITY)  
 Advice 1187  
 Decision

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

(TO BE INSERTED BY C.P.U.C.)  
 Date Filed December 22, 2017  
 Effective 12/22/2017  
 Resolution