

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



July 29, 2020

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. 1281, filed on February 17, 2020, regarding San Diego District Purchased Water Offset.

Enclosed are copies of the following revised tariff sheets, effective February 21, 2020, for the utility's files:

<b>P.U.C. Sheet No.</b>	<b>Title of Sheet</b>
9507-W	Schedule No. SD-1 Continued San Diego County District Tariff Area General Metered Service
9508-W	TABLE OF CONTENTS (Page 3)
9509-W	TABLE OF CONTENTS (Page 1)

Please contact Bradley Leong at [BL4@cpuc.ca.gov](mailto:BL4@cpuc.ca.gov) or 415-703-2307, if you have any questions.

Thank you,

/s/ROBIN BRYANT

Robin Bryant  
Water Division

Enclosures





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

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

February 17, 2020

ADVICE LETTER NO. 1281

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 its San Diego County District which are attached hereto:

<u>C.P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Sheet No.</u>
9507-W	Schedule No. SD-1 Continued San Diego County District Tariff Area <u>General Metered Service</u>	9327-W
9508-W	TABLE OF CONTENTS (Page 3)	9504-W
9509-W	TABLE OF CONTENTS (Page 1)	9506-W

**Purpose:**

California American Water requests authority pursuant to General Order (GO) 96-B, Water Industry Rules, Section 7.3.1, and Section 454 of the Public Utilities Code to offset purchased water expenses it incurs from the City of San Diego, the water supplier for its San Diego County District. The City of San Diego increased its wholesale rates to California American Water effective September 1, 2019. California American Water requests that the full increase be offset to account for the annual change in purchased water costs.

**Background:**

California American Water serves approximately 21,374 customers in its San Diego County District. Areas served include Coronado, Imperial Beach, portions of the City of San Diego, and vicinity San Diego County.

The offset increase is necessitated by the City of San Diego's increase of its wholesale water rates from \$4.49 per hundred cubic feet (ccf) to \$4.54 per ccf. This water rate increase results in a \$275,549 annual increase in purchased water expenses to California American Water, plus a corresponding \$1,416 increase in uncollectibles, for a total expense increase of \$276,965. This increase is directly related to water consumption and thus should be applied to the quantity rate.

The resulting surcharge will increase by \$0.0610 from \$0.1780 to \$0.2390 per ccf, or \$0.0320 per 100 gallons (cgl).

The offset requested represents an annual increase of \$276,965 or 0.84% over the latest revenue requirement provided to the Commission in the 2020 Ventura Step Rate filing. 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 \$0.2390 per ccf or \$0.0320 per cgl.

**Tier Designation:**

This advice letter is submitted with a Tier 1 designation.

**Effective Date:**

California American requests an effective date of February 21, 2020.

**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 relitigating 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:

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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

**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:**

[lakhjit.thind@amwater.com](mailto:lakhjit.thind@amwater.com)

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

[Jonathan.Morse@amwater.com](mailto:Jonathan.Morse@amwater.com)

**Mailing Address:**

4701 Beloit Drive  
Sacramento, CA 95838

555 Montgomery Street, Suite 816  
San Francisco, CA 94111

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.

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.

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

If you have not received a reply to your protest within 10 business days, please contact Lakhjit Thind at (916) 568-4233.

CALIFORNIA-AMERICAN WATER COMPANY

*/s/ Lakhjit Thind*

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Lakhjit Thind  
Financial Analyst

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

Schedule No. SD-1 Continued  
San Diego County District Tariff Area  
General Metered Service

Sheet 3

**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 Protection Service (R.F.P.S.) 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 R.F.P.S. service charges. Provided, however, that the R.F.P.S. 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 R.F.P.S. 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. A surcharge is included on each bill to collect franchise taxes and/or business license fees paid to various municipalities. The amount collected is based on a percentage of gross revenues of each bill. The percentage is 2% to City of San Diego and City of Imperial Beach.
3. Per Advice Letter 1230-B, a surcharge of \$1.81 for the Low-Income Ratepayer Assistance Program ("LIRAP") Balancing Account will be collected from all non-low income water and wastewater customers.
4. D.18-12-021 authorized a three-year conservation budget of \$448,388 for 2018-2020 for San Diego County. Per AL 1230-B, a surcharge of \$0.0135 per hundred gallons will be applied to each bill to fund California American Water conservation efforts.
5. Per Advice Letter 1230-B, the under-collected balance in San Diego County District Consolidated Expense Balancing Account (CEBA) will be recovered through a quantity based surcharge of \$0.0180 per 100 gallons over 12 months effective May 1, 2019. The total amount will be recovered from all classes of customers.
6. Per Advice Letter 1281, a surcharge is applied to each bill to offset increases in purchased water costs imposed by the City of San Diego. This offset results in a needed revenue increase of \$276,965 or 0.84%. The surcharge of \$0.0320 per 100 gallons is added to the quantity rate effective February 21, 2020. (C)  
(I)(C)  
(C)
7. 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). For the period ending December 31, 2018, the net under-collection totals \$4,023,204 including interest. The surcharge of \$0.1192 per 100 gallons is set to recover the under-collection at a rate equal to 15% of the authorized revenue requirement as approved by D.18-12-021.

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(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
Advice	1281	J. T. LINAM	Date Filed	<u>02/17/2020</u>
Decision		DIRECTOR - Rates & Regulatory	Effective	<u>02/21/2020</u>
			Resolution	_____

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**SUBJECT MATTER OF SHEET**

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

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San Diego County District			
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Ventura County District			
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(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 1281

J. T. LINAM

Date Filed 02/17/2020

Decision

DIRECTOR - Rates & Regulatory

Effective 02/21/2020

Resolution \_\_\_\_\_

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Advice      1281	J. T. LINAM	Date Filed <u>02/17/2020</u>
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		Resolution



**SAN DIEGO COUNTY DISTRICT SERVICE LIST**  
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**ADVICE LETTER 1281**

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**ADVICE LETTER 1281**

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