

**CALIFORNIA PUBLIC UTILITIES
COMMISSION
DIVISION OF WATER AND
AUDITS
Advice Letter Cover Sheet**

(Date Filed / Received Stamp by CPUC)

| | | | | |
|-----------------------|--|--|--|-------------|
| AL # 928 | Date Mailed to Service List: December 23, 2011 | Requested Effective Date: January 1, 2012 | Requested Tier: <input checked="" type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input type="checkbox"/> Tier 3 | |
| Replacing AL#: | Authorized by: | Compliance Filing? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Rate \$ | \$1,585,053 |
| | | | Impact % | 5.73% |

The public has 20 days from Date Mailed (above) to protest this advice letter. If you chose to protest or respond to the advice letter, send Protest and/or Correspondence within 20 days to:

Director
Division of Water and Audits
505 Van Ness Ave.
San Francisco, CA 94102

and if you have email capability, also email to:

water_division@cpuc.ca.gov

Your protest also must be served on the Utility

(see attached advice letter for more information and grounds for protest)

Company Name: CALIFORNIA AMERICAN WATER COMPANY

CPUC Utility Number:

Address: 1033 B. AVENUE, SUITE 200

WTA: U-210W

WTB _____

WTC _____

City, State, Zip: CORONADO, CA 92118

WTD _____

SWR _____

| | Contact Name: | Phone No. | Fax No. | Email Address: |
|-----------|----------------------|------------------|----------------|-------------------------------|
| Filer | David Sousa | 619-435-7430 | 619-435-7434 | david.sousa@amwater.com |
| Alternate | Suzette Halterman | 916-568-4255 | 916-568-4260 | suzette.halterman@amwater.com |

Description:

In this space or on the back of this form:

1. Explain justification for requested Tier – Offset for Purchased Water Increase in the Village District
2. Describe service affected and how it is affected – Village District, surcharge to all customers for Purchased Water
3. Describe differences from related Advice Letters (Similar service, replacement filing)

(FOR CPUC USE ONLY)

| | |
|--|--|
| WTS Budget/Activity/Type _____/_____/_____ | Process as: <input type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input type="checkbox"/> Tier 3 |
| Project Manager: _____ | 20th Day _____ 30th Day _____ |
| Analyst: _____ | Suspended on: _____ |
| Due Date: _____ | Extended on: _____ |
| Completion Date: _____ | Resolution No.: _____ |
| | AL/Tariff Effective Date: _____ |



4701 Beloit Drive
Sacramento, CA 95838
www.amwater.com

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

December 23, 2011

ADVICE LETTER NO. 928

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

| <u>C.P.U.C. Sheet No.</u> | <u>Title of Sheet</u> | <u>Canceling Sheet No.</u> |
|-------------------------------|---|--------------------------------|
| 6389-W | Schedule No. V-1 (continued) Village District Tariff Area GENERAL METERED SERVICE | 6087-W |
| 6390-W | Schedule No. V-1-LIRA (continued) Village District Tariff Area LOW-INCOME RATEPAYER ASSISTANCE PROGRAM | 6088-W |
| 6391-W | Schedule No. V-4 (continued) Village District Tariff Area PRIVATE FIRE PROTECTION SERVICE | 6297-W |
| 6392-W | Schedule No. V-9MC (Continued) Village District Tariff Area METERED CONSTRUCTION SERVICE | 6298-W |
| 6393-W | TABLE OF CONTENTS (Continued) | 6384-W |
| 6394-W | TABLE OF CONTENTS | 6388-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 Calleguas Municipal Water District. The Calleguas Municipal Water District increased its rates to California American Water effective January 1, 2012.

California American Water has no other source of water and therefore requests that the full increase be offset in base rates to account for the annual change in purchased water costs.

Background:

California American Water serves approximately 20,500 customers in Newbury Park, portions of Thousand Oaks, and area adjacent to Camarillo and Ventura County. The current purchased water surcharge was authorized in Advice Letter 874 and became effective January 1, 2011.

The offset increase is due to the Calleguas Municipal Water District increasing water rates from \$981 per acre-foot to \$1,056 for Tier -1 rates in 2012. This water rate increase resulted in a \$1,580,973 annual increase in purchased water expense to California American Water, plus a corresponding increase of \$4,080 for uncollectibles for a total expense increase of \$1,585,053. This increase is directly related to water consumption and thus should be applied to the quantity rate. The resulting incremental increase is \$0.1899 per hundred cubic feet (Ccf) for a total surcharge of \$1.1708.¹

The offset requested represents an increase of \$1,585,053 or 5.73% over the latest revenue requirement provided to the Commission in Advice Letter 874. In accordance with Rule 4.2 of GO 96-B and Section 3.2 of 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 percents, in the first bill that includes the increased surcharge.

Tier Designation:

This advice letter is submitted with a Tier 1 designation.

Effective Date:

California American Water requests an effective date of January 1, 2012.

Protest and Responses:

Anyone may respond to or protest this advice letter. 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 are:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter 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 advice letter contain material errors or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding; or

¹ AL 874 had a quantity surcharge of \$0.9809. This AL requests an additional quantity surcharge of \$0.1899 ($\$0.1899 + \$0.9809 = \1.1708).

(5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or

(6) The relief requested in the advice letter 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.)

A protest shall provide citations or proofs where available to allow staff to properly consider the protest.

A response or protest 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:

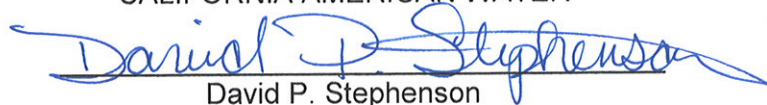
Tariff Unit, Water Division, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
water_division@cpuc.ca.gov

On 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:

| Recipients: | E-Mail: | Mailing Address: |
|--|------------------------------|---|
| David P. Stephenson..... <i>Director – Rates & Regulation</i> | dstephen@amwater.com..... | 4701 Beloit Drive Sacramento, CA 95838 Fax: (916) 568-4260 |
| Olivia Para..... <i>Corporate Counsel</i> | olivia.para@amwater.com..... | 333 Hayes Street San Francisco, CA 94102 Fax: (415) 863-0615 |
| David Sousa..... <i>Financial Analyst II.</i> | david.sousa@amwater.com..... | 1033 B Avenue, Suite 200 Coronado, CA 92118 Fax: (619) 409-7434 |

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, contact this person at (916) 568-4222.

CALIFORNIA AMERICAN WATER

David P. Stephenson
Director - Rates & Regulation

By SA

Schedule No. V-1 (continued)
 Village District Tariff Area
GENERAL METERED SERVICE

SPECIAL CONDITIONS

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 2.0% based on gross revenues before taxes and PUC fees for the County of Ventura and the City of Thousand Oaks.
3. 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 V-1-LIRA.
4. Per the final decision of A. 07-01-039, a surcharge of \$0.0231 per ccf will be applied to each bill to fund conservation efforts. The surcharge will be applied beginning the effective date of the final decision and will remain in effect until otherwise directed by the Commission. The amount collected will be tracked in a one-way balancing account and be subject to refund.
5. Per Advice Letter No. 928, a surcharge is applied to each bill to offset the increase in purchased water cost imposed by Calleguas Municipal Water District effective January 1, 2012. This increase results in a needed revenue increase of \$1,585,053 or 5.73%. The surcharge of \$1.1708 per hundred cubic feet (Ccf) is added to the quantity rate for general metered customers effective January 1, 2012. (C)
6. Per Advice Letter No. 889, a surcharge is included on each bill to recover the net under-collection in the Water Revenue Adjustment Mechanism (WRAM) and Incremental Cost Balancing Account (ICBA) of \$718,723 as of December 31, 2010. The surcharges are shown in the table below and will remain effective for 12 months beginning April 14, 2011. (C)

| | Surcharge per ccf |
|------------------------------|-------------------|
| <u>Residential</u> | |
| Tier 1: 0-15 ccf | \$0.0945 |
| Tier 2: 15-26 ccf | \$0.1086 |
| Tier 3: >26 ccf | \$0.1181 |
| Commercial per 100 ccf | \$0.0917 |
| Public Authority per 100 ccf | \$0.0917 |
| Industrial per 1000 gallons | \$0.0917 |

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 928

ISSUED BY
 D. P. STEPHENSON

 NAME

(TO BE INSERTED BY C.P.U.C.)
 DATE FILED _____
 EFFECTIVE _____

DECISION NO. _____

DIRECTOR -- RATES & REGULATION

 TITLE

RESOLUTION NO. _____

Schedule No. V-1-LIRA (continued)
 Village District Tariff Area
LOW-INCOME RATEPAYER ASSISTANCE PROGRAM (continued)

SPECIAL CONDITIONS APPLICABLE TO ALL CUSTOMERS: These conditions are applicable to all

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 2.0% based on gross revenues before taxes and PUC fees for the County of Ventura and the City of Thousand Oaks.
3. 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 V-1-LIRA.
4. Per the final decision of A. 07-01-039, a surcharge of \$0.0231 per ccf will be applied to each bill to fund conservation efforts. The surcharge will be applied beginning the effective date of the final decision and will remain in effect until otherwise directed by the Commission. The amount collected will be tracked in a one-way balancing account and be subject to refund.
5. Per Advice Letter No. 928, a surcharge is applied to each bill to offset the increase in purchased water cost imposed by Calleguas Municipal Water District effective January 1, 2012. This increase results in a needed revenue increase of \$1,585,053 or 5.73%. The surcharge of \$1.1708 per hundred cubic feet (Ccf) is added to the quantity rate for customers effective January 1, 2012. (C)
6. Per Advice Letter No. 889, a surcharge is included on each bill to recover the net under-collection in the Water Revenue Adjustment Mechanism (WRAM) and Incremental Cost Balancing Account (ICBA) of \$718,723 as of December 31, 2010. The surcharges are shown in the table below and will remain effective for 12 months beginning April 14, 2011. (C)

| | Surcharge per ccf |
|------------------------------|-------------------|
| <u>Residential</u> | |
| Tier 1: 0-15 ccf | \$0.0945 |
| Tier 2: 15-26 ccf | \$0.1086 |
| Tier 3: >26 ccf | \$0.1181 |
| Commercial per 100 ccf | \$0.0917 |
| Public Authority per 100 ccf | \$0.0917 |
| Industrial per 1000 gallons | \$0.0917 |

Schedule No. V-4 (continued)
Village District Tariff Area
PRIVATE FIRE PROTECTION SERVICE

SPECIAL CONDITIONS (continued):

- 12. Per Advice Letter No. 928, a surcharge is applied to each bill to offset the increase in purchased water cost imposed by Calleguas Municipal Water District effective January 1, 2012. This increase results in a needed revenue increase of \$1,585,053 or 5.73%. The surcharge of \$1.1708 per hundred cubic feet (Ccf) is added to the quantity rate for customers effective January 1, 2012. (C)
13. Per Advice Letter 924, General Office Audit Costs and intervenor compensation paid to Consumer Federation of California and TURN will be recovered through a meter surcharge for one billing cycle effective January 6, 2012. The total amount of \$233,072.12 will be recovered from all classes of customers. (C)

Table with 2 columns: Meter Size, Meter Surcharge. Rows include: < or equal to 4", \$0.04; 6, \$0.06; 8, \$0.09; 10, \$0.11

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 928

ISSUED BY
D. P. STEPHENSON
NAME

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

DECISION NO.

DIRECTOR - Rates & Regulation
TITLE

EFFECTIVE
RESOLUTION

Schedule No. V-9MC (Continued)
 Village District Tariff Area
METERED CONSTRUCTION SERVICE

SPECIAL CONDITIONS

1. Construction water service under this schedule will be furnished only when surplus water is available over the requirements for domestic service and under conditions which will not adversely effect domestic service. The utility will be the sole judge as to the availability of such surplus water.
2. Applicants for metered construction service will be required to apply for the service at least 48 hours in advance of the time delivery of water is requested and to pay the costs and charges as provided in Rule 13, Temporary Service.
3. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
4. A surcharge is included on each bill to collect franchise taxes and/or business license fees paid to various municipalities. The amount collected is 2.0% based on gross revenues before taxes and PUC fees for the County of Ventura and the City of Thousand Oaks.
5. Per the final decision of A. 07-01-039, a surcharge of \$0.0231 per ccf will be applied to each bill to fund conservation efforts. The surcharge will be applied beginning the effective date of the final decision and will remain in effect until otherwise directed by the Commission. The amount collected will be tracked in a one-way balancing account and be subject to refund.
6. Per Advice Letter No. 928, a surcharge is applied to each bill to offset the increase in purchased water cost imposed by Calleguas Municipal Water District effective January 1, 2012. This increase results in a needed revenue increase of \$1,585,053 or 5.73%. The surcharge of \$1.1708 per hundred cubic feet (Ccf) is added to the quantity rate for customers effective January 1, 2012.
7. Per Advice Letter 924, General Office Audit Costs and intervenor compensation paid to Consumer Federation of California and TURN will be recovered through a meter surcharge for one billing cycle effective January 6, 2012. The total amount of \$233,072.12 will be recovered from all classes of customers.

(C)
 |
 (C)

| | |
|---------------|-----------------|
| Meter Size | Meter Surcharge |
| Meter per day | \$0.04 |

TABLE OF CONTENTS (Continued)
(Page 3)

SUBJECT MATTER OF SHEET

C.P.U.C. SHEET NO.

RATE SCHEDULES (Continued):

Monterey District Tariff Area

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

| | | |
|-----------|--|---|
| MO-1-LIRA | Low Income Ratepayer Assistance Program | 6368-W, 6369-W, 6172-W, 5637-W, 5638-W, 5639-W, 5640-W, 5986-W, 6270-W, 6064-W, 6065-W, 6184-W, 6185-W, 6186-W, 6312-W |
| MO-4 | Private Fire Protection Service | 6370-W, 4852-W, 5643-W, 6264-W, 6313-W, 5615-W |
| MO-4B | Private Fire Protection Service Bishop Service Area | 6371-W, 6254-W, 6314-W |
| MO-4H | Private Fire Hydrant Service | 6372-W, 4970-W, 6265-W, 6272-W, 6315-W |

Monterey District Tariff Area (Continued)

(Ambler Park Service Area)

| | | |
|------------|---|--------------------------------|
| MO-1A | General Metered Service | 6373-W, 6316-W |
| MO-1A-LIRA | Low Income Ratepayer Assistance Program | 6374-W, 6173-W, 6190-W, 6317-W |
| MO-4A | Private Fire Protection Service | 6375-W, 6376-W, 6377-W |

(Ralph Lane & Chualar Service Areas)

| | | |
|-------------|---|--------------------------------|
| MO-CO-1 | General Metered Service | 6378-W, 5676-W |
| MO CO1-LIRA | Low-Income Ratepayer Assistance Program | 6379-W, 6174-W, 5268-W, 5678-W |

(Toro)

| | | |
|----------|---------------------------|----------------|
| MO-TO-1 | General Metered Service | 6380-W, 5680-W |
| MO-TO-4H | Toro Private Fire Hydrant | 6381-W |

Sacramento District Tariff Area

| | | |
|-------------|---|---|
| SAC-1 | General Metered Service | 6341 -W, 6342-W, 6306-W |
| SAC-1-LIRA | Low Income Ratepayer Assistance Program | 6343-W, 6344-W, 6175-W, 4899-W, 4900-W, 4901-W, 4902-W, 6307-W |
| SAC-2R | Residential Flat Rate Service | 6345 -W, 6308-W |
| SAC-2R-LIRA | Low Income Ratepayer Assistance Program | 6346-W, 6176-W, 4687-W, 4905-W, 4906-W, 4907-W, 6309-W |
| SAC-4 | Private Fire Protection Service | 6347-W, 6310-W |

Village District Tariff Area

| | | | |
|----------|---|--|-----|
| V-1 | General Metered Service | 6348-W, 6349-W, 6389-W, 6295-W | (C) |
| V-1-LIRA | Low-Income Ratepayer Assistance Program | 6350-W, 6351-W, 6177-W, 4772-W, 4909-W, 4910-W, 4911-W, 6390-W, 6296-W | (C) |
| V-4 | Private Fire Protection Service | 6352-W, 4299-W, 6391-W | (C) |
| V-9MC | Metered Construction Water | 6353-W, 6392-W | (C) |

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 928

ISSUED BY

D. P. STEPHENSON

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

DATE FILED _____

NAME

EFFECTIVE _____

DECISION NO. _____

DIRECTOR – Rates & Regulation

RESOLUTION NO. _____

TITLE

TABLE OF CONTENTS
(Page 1)

The following listed tariff sheets contain all effective rates and rules affecting the charges and services of the Utility, together with other pertinent information:

| <u>SUBJECT MATTER OF SHEET</u> | <u>C.P.U.C. SHEET NO.</u> |
|-----------------------------------|---|
| TITLE PAGE | 5469-W |
| TABLE OF CONTENTS | 6394-W, 6387-W, 6393-W, 6359-W, (C) 6360-W, 6361-W, 6362-W, 6363-W |
| PRELIMINARY STATEMENTS | 4957-W, 4144-W, 5617-W, 5295-W, 5996-W, 6266-W, 4962-W, 5291-W, 6356-W, 5377-W, 4965-W, 5595-W, 5275-W, 6239-W, 5379-W, 5287-W, 5288-W, 5289-W, 5402-W, 5882-W, 6355-W, 5871-W, 5656-W, 5657-W, 5658-W, 5708-W, 5869-W, 5880-W, 5881-W, 6282-W, 6214-W, 6215-W, 6216-W, 6217-W, 6218-W, 6019-W, 6223-W, 6225-W, 6354-W, 6382-W |
| <u>SERVICE AREA MAP:</u> | |
| California-American Water Company | 5470-W |
| Coronado | 2235-W |
| Larkfield | 4313-W |
| Los Angeles | |
| Baldwin Hills | 995 -W, 996-W |
| Duarte | 1633-W, 941-W, 942-W |
| San Marino | 935 -W, 936-W, 937-W, 513-W, 1986-W |
| Monterey Peninsula | 5040-W, 2740-W, 2741-W, 2742-W, 2744-W, 2745-W, 4315-W, 4293-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, 4042-W, 4043-W |

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 928

ISSUED BY
D. P. STEPHENSON
NAME

(TO BE INSERTED BY C.P.U.C.)
DATE FILED _____
EFFECTIVE _____

DECISION NO. _____

DIRECTOR – Rates & Regulation
TITLE

RESOLUTION NO. _____

EXHIBIT A
CALIFORNIA-AMERICAN WATER COMPANY
VILLAGE (VENTURA COUNTY) DISTRICT
ADVICE LETTER 928

BY MAIL:

Maxine Harrison
California Public Utilities Commission
Executive Division
320 West 4th Street Suite 500
Los Angeles, CA 90013

Danilo Sanchez
California Public Utilities Commission
DRA
505 Van Ness Avenue
San Francisco, CA 94102

Jose Cabrera
California Public Utilities Commission
Water Branch, Area 3-B
505 Van Ness Avenue
San Francisco, CA 94102

Ventura County Waterworks District
7150 Walnut Canyon Road
P.O. Box 250
Moorpark, CA 93020

Rami Kahlon
California Public Utilities Commission, Water
Division
505 Van Ness Avenue
San Francisco, CA 94102

Marcus Nixon
Asst. Public Advisor
320 W. 4th Street, Suite 500
Los Angeles, CA 90013

City of Thousand Oaks Water Dept.
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Los Angeles Docket Office
California Public Utilities Commission
320 West 4th Street, Suite 500
Los Angeles, CA 90013

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

California Water Service
P.O. Box 49062
San Jose, CA 95161-9062

County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

City of Camarillo
601 Carmen Drive
Camarillo, CA 93010

Lenard G. Weiss
Manatt
One Embarcadero Center, 30th Floor
San Francisco, CA 94111-3719

Sarah E. Leeper
California American Water
333 Hayes Street, Suite 202
San Francisco, CA 94102

Ms. Lisa Bilir
California Public Utilities Commission
Division of Ratepayer Advocates
505 Van Ness Avenue
San Francisco, CA 94102

BY E-MAIL:

Ms. Lisa Bilir
California Public Utilities Commission
Division of Ratepayer Advocates
505 Van Ness Avenue
San Francisco, CA 94102
lwa@cpuc.ca.gov

Diana Brooks
California Public Utilities Commission
Room 4102
505 Van Ness Avenue
San Francisco, CA 94102-3214
dsb@cpuc.ca.gov

Lori Anne Dolqueist
Manatt
One Embarcadero Center, 30th Floor
San Francisco, CA 94111-3719
ldolqueist@manatt.com

Jay T. Spurgin, PE
City Engineer
City of Thousand Oaks
2100 Thousand Oaks Blvd
Thousand Oaks, CA 91363
jspurgin@toaks.org

Division of Ratepayer Advocates
California Public Utilities Commission
dra_water_al@cpuc.ca.gov

Richard Rauschmeier
California Public Utilities Commission
DRA - Water Branch, Rm 4209
505 Van Ness Ave
San Francisco, CA 94102
*****include workpapers too*****