

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 30, 2023

Jonathan Morse
Sr. Manager Rates & Regulatory
California-American Water Company
520 Capitol Mall Ste. 630
Sacramento, CA 95814

Dear Mr. Morse,

The Water Division of the California Public Utilities Commission has approved California-American Water Company's Advice Letter No. 1423, filed on September 27, 2023, regarding Fruitridge and Hillview SRF Memo Accounts and Tariff Update.

Enclosed are copies of the following revised tariff sheets, effective October 27, 2023, for the utility's files:

P.U.C.	
Sheet No.	Title of Sheet
10875-W	Preliminary Statement, Summary Table, Sheet 2
10876-W	Preliminary Statement, Sheet 1 BV. Fruitridge Vista State Revolving Fund (FVSRF) Balancing Account
10877-W	Preliminary Statement, Sheet 1 BW. Hillview State Revolving Fund (HSRF) Balancing Account
10878-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

September 27, 2023

ADVICE LETTER NO. 1423

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California-American Water Company (California American Water) (U210W) submits this advice letter, including the following attached tariffs applicable to the Fruitridge Vista and Hillview service areas.

Purpose:

The purpose of this advice letter is to request authorization for the addition of two Preliminary Statements: (1) The Fruitridge Vista State Revolving Fund Balancing Account and (2) The Hillview State Revolving Fund Balancing Account.

Background:

In an effort to maintain accurate tariffs, California American Water continuously reviews its tariffs to identify tariffs that need to be added, deleted, and modified. California American Water Fruitridge and Hillview customers are currently assessed a State Revolving Fund (“SRF”) surcharge on their bills. These surcharges were authorized by the Commission before California American Water acquired these service areas. California American Water requests authority to clean up its preliminary statements to reflect the existence of the balancing accounts that track these previously-approved SRF surcharges. In its pending General Rate Case, California American Water stated it would seek authorization to add these to its preliminary statements and the California Public Advocates stated it did not oppose that request.

California American Water acquired Fruitridge Vista Water Company in February 2020. D.19-12-038 authorized California American Water “to assume all public utility responsibilities for the ownership and operation of the water utility operations of the Fruitridge system” and “to operate the Fruitridge system under Fruitridge’s current rates.” In compliance with D.19-12-038, California American Water filed Advice Letter 1279 and was authorized to integrate Fruitridge Vista’s rates, including Fruitridge Vista’s existing State Revolving Fund surcharge, which was authorized by D.10-05-043.¹ Although California American Water believes Fruitridge Vista was authorized to and was tracking the SRF surcharge in a balancing account, that account was not reflected in Fruitridge Vista’s preliminary statements at the time it was acquired. California American Water therefore seeks authorization to update its preliminary statements to reflect the Fruitridge Vista SRF Balancing Account statement.

California American Water also seeks to add a preliminary statement regarding the SRF surcharge related to its Hillview customers. California American Water acquired Hillview Water Company in June 2020 consistent with the authorization obtained in D.19-11-003. In compliance with D.19-11-003, California American Water filed Advice Letter 1299 and adopted Hillview’s tariffs, including the surcharge authorized by W-4633² and D.02-11-015. Although California American Water believes Hillview was authorized to and was tracking the SRF

surcharge in a balancing account, that account was not reflected in Hillview's preliminary statements at the time it was acquired. California American Water therefore seeks authorization to update its preliminary statements to include a Hillview SRF Balancing Account statement.

The above changes do not impact authorized rates and all customers were billed correctly with respect to the modifications addressed above.

Request:

California American Water requests authorization to add two Preliminary Statements.

Tier Designation:

These tariffs are submitted pursuant to General Order No.96-B and this advice letter is submitted with a Tier 2 designation.

Effective Date:

California American Water requests an effective date of October 27, 2023.

Notice and Service List:

This advice letter requests the establishment of a memorandum account only, there are no rates changes being requested, therefore, a customer notice is not required.

In accordance with General Order 96-B, General Rule 4.3 and 7.2 and Water Industry Rule 4.1, a copy of this advice letter will be transmitted electronically to competing and adjacent utilities and other utilities or interested parties having requested such notification. ***Please note that this advice letter will only be distributed electronically.***

PROTEST OR RESPONSES:

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 grounds¹ 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.

¹ 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:

leana.ramirez@amwater.com

Mailing Address:

520 Capitol Mall, Suite 630
Sacramento, CA 95838

sarah.leeper@amwater.com

555 Montgomery Street, Suite 816
San Francisco, CA 94111

jonathan.morse@amwater.com

520 Capitol Mall, Suite 630
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

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 Leana Ramirez at (916) 568-4279.

CALIFORNIA-AMERICAN WATER COMPANY

/s/ Leana Ramirez

Leana Ramirez
Business Support Specialist

PRELIMINARY STATEMENT
Summary Table

Sheet 2

Reference	Account	Tariff	
AK	Special Facilities Fee Memorandum Account	10204-W, 10205-W	
AN	Public Safety Power Shut-Off Memorandum Account (PSPSMA)	10208-W, 10209-W	
AO	2019 General Rate Case Interim Rate True-up Memorandum Account	10210-W	
AQ	Two-Way Tax Memorandum Account	10556-W	
AR	Sustainable Groundwater Management Act Memorandum Account (SGMA)	10211-W	
AS	Group Insurance Balancing Account (GIBA)	10212-W	
AT	Rio Plaza Groundwater Management Memorandum Account	10213-W	
AU	Rio Plaza Transaction Memorandum Account	10214-W	
AV	MPSWP Phase 1 Project Cost Memorandum Account (PCMA)	10734-W	
AW	MPSWP Operations and Maintenance Memorandum Account (MOMMA)	10216-W	
AX	Meadowbrook CIAC Regulatory Asset	10217-W	
AZ	Monterey Wastewater Purchased Power Balancing Account	10218-W	
BD	Fruitridge Vista Transaction Memorandum Account (FVTMA)	10220-W	
BF	Hillview Service Area Memorandum & Balancing Accounts	10222-W	
BG	Hillview Memorandum Account for Deferred Income Taxes (HMADIT)	10223-W	
BH	Central Basin Contamination Memorandum Account	10224-W	
BI	Drought Memorandum Account (DRMA)	10225-W	
BK	East Pasadena Transaction Memorandum Account (EPTMA)	10227-W	
BL	East Pasadena Purchased Power Balancing Account (EPPPBA)	10228-W	
BM	East Pasadena Purchased Water Balancing Account (EPPWBA)	10229-W	
BN	East Pasadena Pumping Assessment Cost Balancing Account (EPPACBA)	10230-W	
BO	Drinking Water Fees Memorandum Account	10231-W	
BP	TCP Litigation Proceeds Memorandum Account	10232-W	
BQ	Central Satellite Service Area - Cost Allocation Tariff	10233-W, 10234-W	
BR	Central Division – Chualar System – Tariff Rate Design	10235-W	
BS	Larkfield Consolidation Tariff	10236-W, 10237-W	
BT	Annual Consumption Adjustment Mechanism	10737-W	
BU	Warring Transaction Memorandum Account (WTMA)	10593-W	
BV	Fruitridge Vista State Revolving Fund (FVSRF) Balancing Account	10876-W	(N)
BW	Hillview State Revolving Fund (HSRF) Balancing Account	10877-W	(N)

(Continued)

(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
Advice	1423	S. W. OWENS	Date Filed	<u>09/27/2023</u>
Decision		DIRECTOR - Rates & Regulatory	Effective	<u>10/27/2023</u>
			Resolution	<u></u>

PRELIMINARY STATEMENT

Sheet 1

BV. Fruitridge Vista State Revolving Fund (FVSRF) Balancing Account

(N)

1. PURPOSE:

The purpose of the FVSRF Balancing Account is to track recovery of the balance on the FVSRF loan provided under the American Recovery and Reinvestment Act of FVSRF projects authorized by D.10-05-043, dated May 26, 2010.

2. APPLICABILITY:

Applicable to the Fruitridge Vista Service Area within the Northern Division.

3. ACCOUNTING PROCEDURE:

California American Water shall use a balancing account to track revenues collected through the SRF surcharge, and payments, including interest, on the FVSRF loan.

The surcharge rates to repay the loan shall last until the loan is fully paid.

- a. A credit entry will be made to a regulatory liability account for surcharges collected.
- b. A debit entry will be made in the same account for payments on the loan.
- c. A debit or credit entry equal to interest on the balance in the account at the beginning of the month and half the balance after the above entries, at a rate equal to one-twelfth of the rate on 90-day Commercial Paper, as reported in the Federal Reserve Statistical Release, H.15 or its successor.

4. RATEMAKING PROCEDURE:

The cost of the capital improvements financed through the surcharge shall be excluded from rate base of ratemaking purposes. Changes in future surcharge rates, or refunds, shall be accomplished by advice letter subject to review and approval.

(N)

(Continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 1423

S. W. OWENS

Date Filed 09/27/2023

Decision

DIRECTOR - Rates & Regulatory

Effective 10/27/2023

Resolution _____

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<u>SERVICE AREA MAP:</u> California-American Water Company	5470-W	(N)
Bellflower Service Area	10626-W	
East Pasadena Service Area	10102-W	
Fruitridge Vista	9487-W	
Hillview Service Area	10619-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	
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(Continued)

(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
Advice	1423	S. W. OWENS	Date Filed	09/27/2023
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			Resolution	

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CALIFORNIA-AMERICAN WATER COMPANY

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