CALIFORNIA PUBLIC UTILITIES COMMISSION DIVISION OF WATER AND AUDITS

Advice Letter Cover Sheet

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please

Date Mailed to Service List: December 24, 2019

Protest Deadline (20th Day): December 1, 2019

Review Deadline (30th Day): December 11, 2019

Rate Impact: \$See AL

See AL%

Requested Effective Date: January 1, 2020

Utility Name: California American Water

Tier ⊠1 □2

CPUC Utility #: U210W

Advice Letter #: 1270-A

District: Northern Division District

Authorization D.18-12-021 and Res W-5212

□3

Description: Supplemental 2020 Step Rate Filing –

Northern Division

☐ Compliance

section in the advice letter for more inform	ation.	
Kamilah Jones	Utility Contact:	Jonathan Morse
916-568-4232	Phone:	916-568-4237
Kamilah.Jones@amwater.com	Email:	Jonathan.Morse@amwater.com
Tariff Unit		
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<u>STAFF</u>	<u>CO</u>	<u>MMENTS</u>
[]WITHD	RAWN	[] REJECTED
Comm	nents:	
	Kamilah Jones 916-568-4232 Kamilah.Jones@amwater.com Tariff Unit (415) 703-1133 Water.Division@cpuc.ca.gov DWA USE O	916-568-4232 Phone: Kamilah.Jones@amwater.com Email: Tariff Unit (415) 703-1133 Water.Division@cpuc.ca.gov DWA USE ONLY STAFF CO



December 24, 2019

ADVICE LETTER NO. 1270-A

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 Northern Division which are attached hereto:

C.P.U.C. Sheet No.	<u>Title of Sheet</u> Schedule No. ND-1	Canceling Sheet No.
XXXX-W	Sacramento District Tariff Area GENERAL METERED SERVICE	XXXX-W
XXXX-W	Schedule No. ND-1 Sacramento District Tariff Area GENERAL METERED SERVICE	XXXX-W
XXXX-W	Schedule No. ND-1 Sacramento District Tariff Area GENERAL METERED SERVICE	9088-W
XXXX-W	Schedule No. ND-1 Sacramento District Tariff Area GENERAL METERED SERVICE	XXXX-W
XXXX-W	Schedule No. CA-LIRA California American Water LOW INCOME RATEPAYER ASSISTANCE PROGRAM	XXXX-W
XXXX-W	Schedule No. CA-LIRA California American Water LOW INCOME RATEPAYER ASSISTANCE PROGRAM	XXXX-W
XXXX-W	TABLE OF CONTENTS (Continued) (Page 3)	XXXX-W
XXXX-W	TABLE OF CONTENTS (Continued) (Page 2)	XXXX-W

C.P.U.C. Canceling
Sheet No. Title of Sheet Sheet No.

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XXXX-W

Canceling
Sheet No.
XXXX-W

Purpose:

The purpose of this supplemental filing is to update Advice Letter 1270 to comply with Resolution W-5212 to which approved California American Water's requests in Advice Letter 1214, as supplemented, to add its capital expenditures (less accumulated depreciation) of \$10,029,761 to its rate base and recover the associated revenue requirement of \$1,355,287, which includes the associated annual incremental operating expenses of \$8,880 for the Chromium 6 treatment projects in the Northern Division.

California American Water filed AL 1270 to request approval of the 2020 step rates for Northern Division in accordance with Decision (D.) 18-12-021. Advice letter 1270 requests implemented rates for escalation year 2020 be made effective and implemented in accordance with Decision (D.) 18-12-021.

Background:

Submission of these tariffs is made in compliance with Ordering Paragraphs 42 and 43 of D.18-12-021 dated December 13, 2018 which states:

- 42. California-American Water Company (Cal-Am) is directed to file escalation filings for attrition years 2019 and 2020 through appropriate Tier 1 advice letter filings in conformance with General Order 96-B and the advice letter procedures found in Section VII of Appendix A attached to Decision (D.) 07-05-062 for every district where there is a projected decrease in rates. Cal-Am may also file escalation filings for 2019 and 2020 pursuant to these procedures for every district where there is a projected increase in rates. D.07-05-062 requires escalation filings to be filed no later than 45 days prior to the start of the escalation year. In light of the effective date of this decision, any escalation filing for attrition year 2019 shall instead be filed within 90 days from the effective date of this decision and shall be effective 45 days from the date of filing.
- 43. California-American Water Company is authorized to revise tariff schedules, and to concurrently cancel its present schedules for such service upon the effective date of its 2019 escalation filing. The revision of tariff schedules for authorized rates in 2018 shall be included and subsumed in California-American Water Company's escalation filing for attrition year 2019. The advice letter shall include all calculations and documentation necessary to support the requested rate changes for both authorized 2018 rates and their escalation for 2019.

Resolution W-5212, issued December 19, 2019, additionally approved California American Water's requests in Advice Letter 1214 to:

(1) add its capital expenditures (less accumulated depreciation) of \$10,029,761 to its rate base and recover associated revenue requirement of \$1,355,287 which includes the

associated annual incremental operating expenses of \$8,880 for the Chromium 6 treatment projects in the Northern Division;

On December 23, 2019, California American Water filed advice letter 1277, amending advice letter 1214 requesting authority to implement tariff schedules approved in Resolution W-5212.

Request:

This advice letter filing is to request implementation of the Northern Division - Sacramento and Larkfield's 2020 step increase. By this supplemental filing, California American Water requests authority to implement the tariff schedules attached to this advice letter, which add the additional revenue requirement from advice letter 1277 and Resolution W-5212.

As shown the earnings test and workpapers for the twelve months ended September 30, 2019, the Larkfield district earned a rate of return of 7.88% on a recorded basis and 5.57% on a "pro forma" basis. The most recent authorized rate of return per D.18-03-035 was 7.61% adjusted to 7.63% to match the designated pro forma period.

As shown the earnings test and workpapers for the twelve months ended September 30, 2019, the Sacramento district earned a rate of return of 5.50% on a recorded basis and 6.23% on a "pro forma" basis. The most recent authorized rate of return per D.18-03-035 was 7.61% adjusted to 7.65% to match the designated pro forma period.

In compliance with Decision D.18-12-021 California American Water requests, approval of all submitted tariff revisions.

Tier Designation:

This advice letter is submitted pursuant to General Order No. 96-B, D.18-12-021, Resolution W-5212, and is designated as a Tier 1 filing.

Effective Date:

California American requests an effective date of January 1, 2020.

RESPONSE OR PROTEST¹

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 grounds² 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

¹ G.O. 96-B. General Rule 7.4.1

² G.O. 96-B, General Rule 7.4.2

- (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 (<u>or</u> postal mail) within 20 days of the date the AL is filed. When submitting a response or protest, <u>please include the utility name and</u> advice letter number in the subject line.

The addresses for submitting a response or protest are:

Email Address: Mailing Address:

Water.Division@cpuc.ca.gov 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 Cal-Am at:

Email Address: Mailing Address:

Kamilah.Jones@amwater.com 4701 Beloit Drive

Sacramento, CA 95838

legalteamca@amwater.com 555 Montgomery Street, Suite 816

San Francisco, CA 94111

Jonathan.Morse@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.

REPLIES³

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.

³ G.O. 96-B, General Rule 7.4.3

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 Kamilah Jones at (916) 568-4232.

CALIFORNIA-AMERICAN WATER COMPANY

/s/ Jeffrey T. Linam

Jeffrey T. Linam
Vice President of Rates & Regulatory

655 W. Broadway, Suite 1410

San Diego, CA 92101

Revised Revised

Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No.

XXXX-W XXXX-W

(I)

Schedule No. ND-1 Northern Division Tariff Area GENERAL METERED SERVICES

Sheet 1

APPLICABILITY

Applicable to all metered water service.

SACRAMENTO TARIFF AREA

TERRITORY

The unincorporated communities, subdivisions, and adjacent areas generally known as Cordova, Rosemont, Parkway Estates, Lindale, Foothill Farms, Arlington Heights, Linwood, Loretto Heights, Arden Highlands, Arden Estates and Sunrise Security Park, and Ox-Bow. A part of the City of Citrus Heights and the communities of Antelope and Sabre City in Sacramento and Placer counties. The city of Isleton and vicinity and the unincorporated community of Walnut Grove in Sacramento County. The lower southwestern portion of Placer County, including the areas Known as Morgan Creek, Doyle Ranch, Sun Valley Oaks, and Riolo Greens. Dunnigan, along both sides of Interstate 5, between County Roads 2 on the north and County Road 9 on the south, Yolo County. Geyserville and vicinity, Sonoma County.

RATES

Quantity Rates:

Residential Customers:

For the first 74.8 CGL

For next 74.8 CGL	\$0.5250	
For all water delivered over 149.6 CGL	\$0.8217	
All Other Customers: For all water delivered, per CGL	\$0.4565	(I)
Service Charge: General Metered		
	Per Meter	
	Per Month	
For 5/8 x 3/4-inch meter	\$14.75	(I)
For 3/4-inch meter	\$22.13	
For 1-inch meter	\$36.88	
For 1-1/2-inch meter	\$73.75	
For 2-inch meter	\$118.00	
For 3-inch meter	\$221.25	
For 4-inch meter	\$368.75	
For 6-inch meter	\$737.50	
For 8-inch meter	\$1,180.00	
For 10-inch meter	\$1,696.25	
For 12-inch meter	\$3,171.25	
		(I)

Base Rate

\$0.3916

Per 100 gal (CGL)

The Service Charge is a readiness-to-serve charge applicable to all general metered services. It is added to the charge for water furnished, which is based on Quantity Rates.

(TO BE II	SERTED BY UTILITY)	ISSUED BY	(TO BE IN	SERTED BY C.P.U.C.)
Advice	1270-A	J. T. LINAM	Date Filed	November 11, 2019
Decision		DIRECTOR - Rates & Regulatory	Effective	
			Resolution	

CALIFORNIA-AMERICAN WATER COMPANY

655 W. Broadway, Suite 1410 San Diego, CA 92101

Revised Cancelling Revised Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No. XXXX-W XXXX-W

Schedule No. ND-1 Northern Division Tariff Area **GENERAL METERED SERVICES**

Sheet 2

SACRAMENTO TARIFF AREA RATES (Continued):

Service Charge: Residential Fire Protection Service (R.F.P.S.)

	Per Meter	
	Per Month	(I)
For 5/8 x 3/4-inch residential to 1-inch residential metered fire sprinkler	\$21.80	
For 5/8 x 3/4-inch residential to 1 1/2-inch residential metered fire sprinkler	\$25.48	
For 5/8 x 3/4-inch residential to 2-inch residential metered fire sprinkler	\$26.73	
For 3/4-inch residential to 1-inch residential metered fire sprinkler	\$31.76	
For 3/4-inch residential to 1 1/2-inch residential metered fire sprinkler	\$35.44	
For 3/4-inch residential to 2-inch residential metered fire sprinkler	\$36.67	
For 1-inch residential to 1 1/2-inch residential metered fire sprinkler	\$54.98	
For 1-inch residential to 2-inch residential metered fire sprinkler	\$56.01	
For 1 1/2-inch residential to 2-inch residential metered fire sprinkler	\$104.82	71)
		(1)

The Service Charge is a readiness-to-serve charge applicable to all Residential Fire Protection Service metered services only. It is added the charge for water furnished which is computed at Quantity Rates. The service charge for Residential Fire Protection Service (RFPS) is based on the meter size a customer would require without RFPS and the upsized meter that customer then requires because of the addition of the fire sprinkler system.

LARKFIELD TARIFF AREA RATES

TERRITORY

The unincorporated areas known as the Larkfield and Wikiup subdivisions and the community of Fulton, three miles north of Santa Rosa, Sonoma County.

RATES

Quantity Rates:

Residential Customers:IFor the first 52.4 CGL5For the next 52.4 CGL5For the next 194.5 CGL5For all water delivered over 299.3 CGL5	\$0.8899 \$0.9621 \$1.3685	I)
All Other Customers: For all water delivered, per CGL	\$0.9621	

(TO BE I	NSERTED BY UTILITY)	ISSUED BY	(TO BE IN	SERTED BY C.P.U.C.)
Advice	1270-A	J. T. LINAM	Date Filed	November 11, 2019
Decision		DIRECTOR - Rates & Regulatory	Effective	
			Resolution	

655 W. Broadway, Suite 1410

San Diego, CA 92101

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Revised Revised Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No.

XXXX-W 9088-W

Schedule No. ND-1 Northern Division Tariff Area GENERAL METERED SERVICES

Sheet 3

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LARKFIELD TARIFF AREA RATES (Continued)

Service Charge: General Metered

	<u>Per Meter</u>	
	Per Month	
For 5/8 x 3/4-inch meter	\$17.66	(Ŗ)
For 3/4-inch meter	\$26.49	
For 1-inch meter	\$44.15	
For 1-1/2-inch meter	\$88.30	
For 2-inch meter	\$141.28	
For 3-inch meter	\$264.90	
For 4-inch meter	\$441.50	
For 6-inch meter	\$883.00	
For 8-inch meter	\$1,412.80	 (R)

The Service Charge is a readiness-to-serve charge applicable to all general metered services. It is added to the charge for water furnished, which is based on the Quantity Rates.

Service Charge: Residential Fire Protection Service (R.F.P.S.)

	<u>rei ivietei</u>	
	Per Month (I)	
For 5/8 x 3/4-inch residential to 1-inch residential metered fire sprinkler		
For 5/8 x 3/4-inch residential to 1 1/2-inch residential metered fire sprinkler	·	
For 5/8 x 3/4-inch residential to 2-inch residential metered fire sprinkler	\$27.77	
For 3/4-inch residential to 1-inch residential metered fire sprinkler	\$33.77	
For 3/4-inch residential to 1 1/2-inch residential metered fire sprinkler	\$37.72	
For 3/4-inch residential to 2-inch residential metered fire sprinkler	\$38.71	
For 1-inch residential to 1 1/2-inch residential metered fire sprinkler		
For 1-inch residential to 2-inch residential metered fire sprinkler	\$59.60	
For 1 1/2-inch residential to 2-inch residential metered fire sprinkler	\$110.44	
	(1)	

The Service Charge is a readiness-to-serve charge applicable to all Residential Fire Protection Service metered services only. It is added the charge for water furnished which is computed at Quantity Rates. The service charge for Residential Fire Protection Service (RFPS) is based on the meter size a customer would require without RFPS and the upsized meter that customer then requires because of the addition of the fire sprinkler system.

(TO BE II	NSERTED BY UTILITY)	ISSUED BY	(TO BE IN	SERTED BY C.P.U.C.)
Advice	1270-A	J. T. LINAM	Date Filed	November 11, 2019
Decision		DIRECTOR - Rates & Regulatory	Effective	
			Resolution	

CALIFORNIA-AMERICAN WATER COMPANY

655 W. Broadway, Suite 1410

San Diego, CA 92101

Cancelling Revised

Revised Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No. XXXX-W XXXX-W

Schedule No. ND-1 Northern Division Tariff Area **GENERAL METERED SERVICES**

Sheet 4

MEADOWBROOK TARIFF AREA

TERRITORY

The unincorporated area known as Meadowbrook Tract, including Nos. 1 and 2, located approximately 1-1/2 miles northwest of the city of Merced, Merced County.

RATES

Quantity Rates:

All Customers: For the first 112 CGL For all water delivered over 112 CGL	•	(I)
Service Charge: General Metered		(I)
	Per Meter	

	Per Meter	
	Per Month (I)	
For 5/8 x 3/4-inch meter	\$22.32	
For 3/4-inch meter	\$22.32	
For 1-inch meter	\$55.81	
For 1-1/2-inch meter	\$111.61	
For 2-inch meter	\$178.58	
For 3-inch meter	\$334.84	
For 4-inch meter	\$558.07	
For 6-inch meter	\$1,116.15	
	(1)	

The Service Charge is a readiness-to-serve charge, which is applicable to all general metered services and to which is added the charge for water used computed at the Quantity Rates.

(Continued)

(TO BE INSERTED BY UTILITY) ISSUED BY (TO BE INSERTED BY C.P.U.C.) Advice 1270-A J. T. LINAM Date Filed November 11, 2019 Decision **DIRECTOR** - Rates & Regulatory Effective Resolution

San Diego, CA 92101

655 W. Broadway, Suite 1410

Cancelling

Revised Revised

Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No.

Sheet 1

XXXX-W XXXX-W

Schedule No. CA-LIRA California American Water LOW INCOME RATEPAYER ASSISTANCE PROGRAM

APPLICABILITY

Applicable to all water furnished on a metered basis.

TERRITORY

All territories served by California American Water Company

RATES:

Northern Division: Sacramento District

RATES

Quantity Rates:

	Base Rate	
Residential Customers:	Per 100 gal (CGL)	(I)
For the first 74.8 CGL	\$0.3133	Ì
For next 74.8 CGL	\$0.4200	
For all water delivered over 149.6 CGL	\$0.8217	(I)

Service Charge: General Metered

	Per Meter	
	Per Month	
For 5/8 x 3/4-inch meter	\$11.80	(I)
For 3/4-inch meter	\$17.70	1
For 1-inch meter	\$29.50	
For 1-1/2-inch meter	\$59.00	
For 2-inch meter	\$94.40	
For 3-inch meter	\$177.00	
For 4-inch meter	\$295.00	
For 6-inch meter	\$590.00	
For 8-inch meter	\$944.00	
For 10-inch meter	\$1,357.00	ı
For 12-inch meter	\$2,537.00	(I)

Larkfield District

Quantity Rates:	Base Rate	
	Per 100 gal (CGL)	
For the first 52.4 CGL	\$0.7119	(I)
For the next 52.4 CGL	\$0.7696	
For the next 139.4 CGL	\$1.3685	ı
For all water delivered over 243.9 CGL	\$1,7798	(I)

(TO BE INSERTED BY UTILITY)		ISSUED BY (TO BE INSERTED		SERTED BY C.P.U.C.)
Advice	1270-A	J. T. LINAM	Date Filed	November 11, 2019
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			Resolution	

LARKFIELD DISTRICT SERVICE LIST CALIFORNIA-AMERICAN WATER COMPANY ADVICE LETTER 1270A

BY MAIL:

Mario Gonzalez

111 Marwest Commons circle

Santa Rosa, CA 95403

California Water Service Co Redwood Valley District 14034 Armstrong Woods Rd

Guerneville 95446

Maria D. Duddy 2184 Teakwood Ct. Hollister, CA 95023 Penngrove/Kenwood Water Co 4984 Sonoma Hwy

Santa Rosa 95409

BY E-MAIL:

Richard Rauschmeier California Public Utilities Commission DRA - Water Branch, Rm 4209 505 Van Ness Ave San Francisco, CA 94102 rra@cpuc.ca.gov

Dana McRae County Councel County of Santa Cruz 701 Ocean Street, Room 505 Santa Cruz, CA 95060 dana.mcrae@co.santa-cruz.ca.us Division of Ratepayer Advocates California Public Utilities Commission dra_water_al@cpuc.ca.gov

Tim & Sue Madura 411 Firelight Drive Santa Rosa, CA 95403 suemadura@sbcglobal.net Susan Sommers
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P.O. Box 61
Petaluma, Calif. 94953

suesimmons@ci.petaluma.ca.us

SACRAMENTO DISTRICT SERVICE LIST CALIFORNIA-AMERICAN WATER COMPANY ADVICE LETTER 1270A

BY MAIL:

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Sacramento County WMD

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Sacramento, CA 95814

700 H Street, Suite 2650 Sacramento, CA 95814

County of Sacramento

Robert A. Ryan, Jr.

Downtown Office

Mark Norris

County Clerk-Recorder County of Sacramento

600 8th Street

Sacramento, CA 95814

6241 Cavan Drive, 3 Citrus Heights, CA 95621

Steven J. Thompson

Sacramento, CA 95841

5224 Altana Way

Fruitridge Vista Water Company

P.O. Box 959

Sacramento, CA 95812

Robert C. Baptiste 9397 Tucumcari Way

Sacramento, CA 95827-1045

Anthony La Bouff, County Counsel

Placer County

175 Fulweiler Avenue Auburn, CA 95603 Rio Linda Water District

730 L Street

Rio Linda, CA 95673

BY E-MAIL:

Division of Ratepayer Advocates California Public Utilities Commission dra water al@cpuc.ca.gov

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Florin County Water District P.O. Box 292055 Sacramento, CA 95829 fcwd@sbcglobal.net Richard Rauschmeier

California Public Utilities Commission

DRA - Water Branch, Rm 4209

505 Van Ness Ave San Francisco, CA 94102

rra@cpuc.ca.gov

City of Sacramento, Water Division

1391 35th Avenue Sacramento, CA 95822

dsherry@cityofsacramento.com

Amy Van, City Clerk City of Citrus Heights

6237 Fountain Square Drive Citrus Heights, CA 95621 avan@citrusheights.net

Linda Garcia, City Clerk

City of Isleton P.O. Box 716 Isleton, CA 95641

Igarcia@cityofisleton.com

Heather Hernandez

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Marvin Philo 3021 Nikol Street Sacramento, CA 95826 mhphilo@aol.com

Jim McCauley, Clerk-Recorder

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2954 Richardson Drive Auburn, CA 95603 skasza@placer.ca.gov

Placer County Water Agency Customer Service Department customerservices@pcwa.net