

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 28, 2022

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. 1369, filed on May 9, 2022, regarding the update and activation of Stage 2 - Schedule 14.1 for the Sacramento Service Area.

Enclosed are copies of the following revised tariff sheets, effective June 30, 2022, for the utility's files:

P.U.C.	
Sheet No.	Title of Sheet
10481-W	Schedule No. 14.1-SAC, Water Shortage Contingency Plan Sacramento District, Sheet 1
10482-W	Schedule No. 14.1-SAC, Water Shortage Contingency Plan Sacramento District, Sheet 2
10483-W	Schedule No. 14.1-SAC, Water Shortage Contingency Plan Sacramento District, Sheet 3
10484-W	Schedule No. 14.1-SAC, Water Shortage Contingency Plan Sacramento District, Sheet 4
10485-W	Schedule No. 14.1-SAC, Water Shortage Contingency Plan Sacramento District, Sheet 5
10486-W	Table Of Contents, Sheet 5
10487-W	Table Of Contents, Sheet 1
Delete	8655-W 8656-W 8657-W 8658-W 8659-W

Please contact Bradley Leong at BL4@cpuc.ca.gov or 415-703-2307, if you have any questions.

Thank you.

Enclosures



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May 9, 2022

ADVICE LETTER NO. 1369

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 the Sacramento and Dunnigan service areas of California American Water's Northern Division.

Purpose:

The purpose this Advice Letter is to activate the Stage 2 water use restrictions as described in the Water Shortage Contingency Plan in Section D of Rule 14.1 and Schedule 14.1.

Request:

This Advice Letter requests the following:

- (1) activation of Stage 2 of the Water Shortage Contingency Plan as authorized per Rule 14.1 and Schedule 14.1 for California American Water's Sacramento and Dunnigan service areas;
- (2) inclusion of the Dunnigan service area in the Sacramento District Schedule 14.1 tariff and deletion of the Dunnigan District Schedule 14.1; and
- (3) modification of the Sacramento District Schedule 14.1 Stage 3 penalty usage thresholds to reflect changes to rate design authorized in D.18-12-021.

Background

Prior Implementation of Rule 14.1 Water Shortage Contingency Plan

California American Water's Rule 14.1 was approved via Advice Letter 831, with an effective date of October 17, 2008. Schedules 14.1 were implemented and approved via Advice Letter 881, effective February 22, 2011. Rule 14.1 has been updated several times since then, including most recently in June 2021 through Advice Letter 1354.

The Dunnigan service area is geographically located in Yolo County but is part of the Sacramento tariff area for ratemaking purposes.

Rule 14.1 provides that California American Water may file a Tier 2 advice letter to designate a particular stage of its Water Shortage Contingency Plan.

Current Water Supply Conditions and the Need to Implementation of Stage 2

On October 19, 2021, Governor Gavin Newsom issued a Proclamation of a State of Emergency due to drought for the entire state and urged Californians to step up their water

conservation efforts as the western U.S. was faced with a third dry year. The Proclamation, which is still in effect, asked local water suppliers to activate water shortage contingency plans at a level appropriate for local supply conditions.

On March 28, 2022, Governor Gavin Newsom issued Executive Order N-7-22, calling on all Californians to limit water use and use water more efficiently, and asking the State Water Resources Control Board to consider adopting emergency regulations that require calling on water providers to activate their customized Water Shortage Contingency Plans and move to "Level 2." The Executive Order comes after the driest first three months of a year in recorded California history and follow drought-related proclaimed states of emergency that continue today in all counties across the state.

Water Shortage Contingency Plans, required by state law, are developed by local water utilities to navigate drought and each plan is customized based on an agency's unique infrastructure and management. Triggering Level 2 of these plans involves implementing water conservation actions, like mandatory watering/irrigation schedules, to prepare for a water shortage level of up to 20 percent. In response to the Executive Order and in anticipation of the State Water Resources Control Board mandating the move to Stage 2,¹ California American Water is requesting authorization to activate Stage 2 of its Water Shortage Contingency plan and is asking customers to avoid prohibited uses of water, fix leaks promptly, and reduce water use outdoors.

Customer Noticing

In terms of customer outreach, the Public Advisor's Office has recently reviewed and approved notices activating Stage 2 for other service areas and California American Water has prepared similar draft customer notices for the Sacramento and Dunnigan service areas. California American Water notices contain appropriate updates and detailed information about Rule and Schedule 14.1, for its Sacramento and Dunnigan service area customers. California American Water anticipates mailing this notice to customers on or around May 17, 2022 and placing newspaper notices on or around June 1, 2022. Virtual public hearings for each service area are set for June 14, 2022, to discuss the filing and get customer input. Information on the virtual public hearing is provided in the customer notice. Additionally, California American Water has been communicating with customers about the drought and the programs we have available through direct mail, bill inserts, earned media and social media.

Tier Designation:

These tariffs are submitted pursuant to General Order No. 96-B and this advice letter is designated as a Tier 2 filing. California American Water is simply requesting an update of its tariffs so that it is in compliance with Executive Order B-40-17.

Effective Date:

California American requests an effective date of June 30, 2022.

¹ The State Water Resources Control Board has indicated that it may require implementation of Stage 2 by June 10, 2022, but that deadline has not yet been finalized.

Service List:

Service Lists – In accordance with General Rules 4.3 and 7.2, and Water Industry Rule 4.1, of General Order (GO) 96-B, Cal-Am served copies of AL 1369 to adjacent utilities and other parties requesting such notification, on April 12, 2022. Please note that, consistent with the Commission's guidelines for service during the COVID-19 pandemic, this advice letter is only being distributed electronically.

RESPONSE OR PROTEST²

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 grounds³ 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.
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:

² G.O. 96-B, General Rule 7.4.1

³ G.O. 96-B, General Rule 7.4.2

Email Address:

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Mailing Address:

4701 Beloit Drive
Sacramento, CA 95838

4701 Beloit Drive
Sacramento, CA 95838

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

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.

REPLIES⁴

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/ Preet Nagra

Preet Nagra
Operations Specialist

⁴ G.O. 96-B, General Rule 7.4.3

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
10481-W	Schedule No. 14.1-SAC WATER SHORTAGE CONTINGENCY PLAN SACRAMENTO DISTRICT Sheet 1	8640-W
10482-W	Schedule No. 14.1-SAC WATER SHORTAGE CONTINGENCY PLAN SACRAMENTO DISTRICT Sheet 2	8641-W
10483-W	Schedule No. 14.1-SAC WATER SHORTAGE CONTINGENCY PLAN SACRAMENTO DISTRICT Sheet 3	8642-W
10484-W	Schedule No. 14.1-SAC WATER SHORTAGE CONTINGENCY PLAN SACRAMENTO DISTRICT Sheet 4	8643-W
10485-W	Schedule No. 14.1-SAC WATER SHORTAGE CONTINGENCY PLAN SACRAMENTO DISTRICT Sheet 5	8644-W
10486-W	TABLE OF CONTENTS Sheet 5	10474-W
10487-W	TABLE OF CONTENTS Sheet 1	10480-W
DELETE	Schedule No. 14.1 - SC DU-1 WATER SHORTAGE CONTINGENCY PLAN DUNNIGAN DISTRICT Sheet 1	8655-W
DELETE	Schedule No. 14.1 - SC DU-1 WATER SHORTAGE CONTINGENCY PLAN DUNNIGAN DISTRICT Sheet 2	8656-W
DELETE	Schedule No. 14.1 - SC DU-1 WATER SHORTAGE CONTINGENCY PLAN DUNNIGAN DISTRICT Sheet 3	8657-W
DELETE	Schedule No. 14.1 - SC DU-1 WATER SHORTAGE CONTINGENCY PLAN DUNNIGAN DISTRICT Sheet 4	8658-W

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

Title of Sheet

**Cancelling
Cal P.U.C.
Sheet No.**

DELETE

Schedule No. 14.1 - SC DU-1
WATER SHORTAGE CONTINGENCY PLAN
DUNNIGAN DISTRICT
Sheet 5

8659-W

Schedule No. 14.1-SAC
WATER SHORTAGE CONTINGENCY PLAN
SACRAMENTO DISTRICT

3. Applies to all Enforcement Stages of Water Shortage Contingency Plan.

	Violation 1	Violation 2 (of the same restriction)	Violation 3 (of the same restriction)	Violation 4 (of the same restriction)	Violation 5/6 ⁽²⁾ (of the same restriction)
Proof of violation	Employee or Customer reports, with no additional verification required	Verification with a written report by employee or contractor of CAW	Verification with a written report by employee or contractor of CAW	Verification with a written report by employee or contractor of CAW	Verification with a written report by employee or contractor of CAW
Letter/fine	Warning letter mailed to premise and billing address	Violation letter posted and mailed with \$100 penalty on next bill	Violation letter posted and mailed with \$250 penalty on next bill	Violation letter posted and mailed with \$500 penalty on next bill	Violation letter posted and mailed, shut off per Rule 11 and \$500 penalty on next bill
Fixing leaks Stage 1 Stage 2 Stage 3 Stage 4	Customer has: 5 days 72 hours 24 hours Immediate	Customer has: 5 days 72 hours 24 hours Immediate	Customer has: 5 days 72 hours 24 hours Immediate	Customer has: 5 days 72 hours 24 hours Immediate	Customer has: 5 days 72 hours 24 hours Immediate
Time to correct violation	5 days	5 days	5 days	5 days	5 days
Time customer has to request variance of the alleged violation	14 days to contact CAW in writing	14 days to contact CAW in writing	10 days to file an appeal with CAW in writing	10 days to file an appeal with CAW in writing	10 days to file an appeal with CAW in writing
If the customer does not agree with CAW's resolution ⁽¹⁾ Reference Section K of Rule 14.1	Further reported violations of the same restricted use will not be counted in the determination of further action until one week after the variance request is resolved	If the customer disagrees with CAW's resolution, they may file a formal complaint with the CPUC	If the customer disagrees with CAW's resolution, they may file a formal complaint with the CPUC	If the customer disagrees with CAW's resolution, they may file a formal complaint with the CPUC	If the customer disagrees with CAW's resolution, they may file a formal complaint with the CPUC

⁽¹⁾ If a customer has appealed the receipt of the penalty, the penalty will continue to be posted on the customer's account, but will not result in further service action, until at least 14 days after the resolution of appeals. Once resolved, if in the customers favor, the penalty will be immediately removed from the account. If not resolved in the customers favor, then the penalty will be due and payable as part of the next billing cycle and subject to all such further actions as with any other billed charge.

⁽²⁾ For violation 6 instead of shut-off per Rule 11 and \$500 penalty, a flow restrictor will be installed for duration of enforcement

(Continued)

(TO BE INSERTED BY UTILITY)	ISSUED BY	(TO BE INSERTED BY C.P.U.C.)
Advice 1369	J. T. LINAM	Date Filed <u>05/09/2022</u>
Decision	DIRECTOR - Rates & Regulatory	Effective <u>06/30/2022</u>
		Resolution _____

Schedule No. 14.1-SAC
WATER SHORTAGE CONTINGENCY PLAN
SACRAMENTO DISTRICT

Sheet 5

G. FLOW RESTRICTOR REMOVAL CHARGE

The charge for removal of a flow-restricting device and/or reconnecting water service shall be:

Connection Size	Removal Charges
5/8" to 1"	\$150.00
1-1/2" to 2"	\$200
3" and larger	Actual Cost

H. SPECIAL CONDITIONS

1. The Tier 2 advice letter requesting activation of any Enforcement Stage of Schedule 14.1 shall include documentation of the overall water shortage justifying activation of that particular stage.
2. This tariff schedule shall remain in effect until the utility files a Tier 1 advice letter to deactivate specific stage of Water Shortage Contingency Plan and such is authorized by the Commission.
3. Water use violation fines must be separately identified on each bill.
4. Water penalty surcharges must be separately identified on each bill.
5. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
6. All monies collected by the utility through drought surcharges or penalties or fees for water use violations shall be booked to the Water Revenue Adjustment Mechanism (WRAM) or a memorandum account to offset recovery of lost revenues. All flow restrictor removal charges collected by the utility and all expenses incurred by the utility to implement Rule 14.1 and Schedule 14.1, and the requirements of the California State Water Board Resources Control Board ("SWRCB"), or other agencies, that have not been considered in a General Rate Case or other proceeding, shall be tracked in a memorandum account for disposition as directed or authorized from time to time by the Commission and shall be recoverable by the utility if determined to be reasonable by the Commission.

(Continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 1369

J. T. LINAM

Date Filed 05/09/2022

Decision

DIRECTOR - Rates & Regulatory

Effective 06/30/2022

Resolution _____

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<u>(TO BE INSERTED BY UTILITY)</u>	<u>ISSUED BY</u>	<u>(TO BE INSERTED BY C.P.U.C.)</u>
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			Resolution	_____

SACRAMENTO SERVICE AREA SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1369

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