#### PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



September 13, 2018

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. 1212, filed on August 1, 2018, regarding authorization to offset purchased water expenses from the City of San Diego, the water supplier for San Diego County District.

Enclosed are copies of the following revised tariff sheets for the utility's files:

P.U.C. Sheet No.	<u>Title of Sheet</u>		
	Schedule No. SD-1 (Continued)		
8808	San Diego County District Tariff Area		
	General Metered Service		
8809	Table of Contents (Continued)		
	(Page 3)		
8810	Table of Contents		
	(Page 1)		

Please contact Bradley Leong at 415-703-2307, if you have any questions.

Thank you,

## /s/ROBIN BRYANT

Robin Bryant Water & Sewer Advisory Branch Water Division

**Enclosures** 

# 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: August 1, 2018

Protest Deadline (20th Day): August 21, 2018

Review Deadline (30<sup>th</sup> Day): August 31, 2018

Requested Effective Date: August 1, 2018

Rate Impact: \$See AL

See AL%

**Utility Name:** California American Water

□3

**Description:** To request purchased water offset for San

see the "Response or Protest" section in the advice letter for more information.

Diego District from City of San Diego

 $\square$  Compliance

**District:** San Diego District

Tier ⊠1 □2

CPUC Utility #: U210W

Authorization GO 96-B

Advice Letter #: 1212

<b>Utility Contact</b>	:: Preet Na	agra	<b>Utility Contact:</b>	Melody Singh
Phone	: 916-568	-4255	Phone:	916-568-4246
Emai	l: Preet.na	gra@amwater.com	Email:	Melody.Singh@amwater.com
DWA Contact	: Tariff Un	it		
Phone	: (415) 70	3-1133		
Email	: <u>Water.D</u>	ivision@cpuc.ca.gov		
		DWA USE	ONLY	
<u>DATE</u>	<u>STAFF</u>		CON	<u>/IMENTS</u>
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		-		
[ ] APPROVED		[ ]WITH	IDRAWN	[ ] REJECTED
Signature:		Con	nments:	
Date:				



4701 Beloit Drive Sacramento, CA 95838

www.amwater.com

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

August 1, 2018

ADVICE LETTER NO. 1212

#### 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:

C.P.U.C. Sheet No.	<u>Title of Sheet</u>	Canceling Sheet No.
8808-W	Schedule No. SD-1 (Continued) San Diego County District Tariff Area GENERAL METERED SERVICE	8699-W
8809-W	TABLE OF CONTENTS (Continued) (Page 3)	8802-W
8810-W	TABLE OF CONTENTS (Page 1)	8807-W

#### Purpose:

In accordance with Section 7.3.1 of the Water Industry Rules under General Order (GO) 96-B and Section 454 of the Public Utilities Code, California American Water is seeking authority 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 August 1, 2018. California American Water requests that the full increase be offset to account for the annual change in purchased water costs.

In accordance with Section 4.3 of General Order No. 96-B, a copy of this advice letter is being sent to those entities listed in Exhibit A.

#### Background:

California American Water serves approximately 21,100 customers in its San Diego County District. Areas served include Coronado, Imperial Beach, portions of the City of San Diego, and certain areas in San Diego County.

The offset increase is necessitated by the City of San Diego's increase of its wholesale water rates from \$4.32 per hundred cubic feet (ccf) to \$4.49 per ccf. This water rate increase results in a \$807,663 annual increase in purchased water expenses to California American Water, plus a corresponding \$4,823 increase in uncollectibles, for a total expense increase of \$812,486. This increase is directly related to water consumption and thus should be applied to the quantity rate.

The resulting surcharge will increase by \$0.1773 from \$0.9503 to \$1.1276 per ccf, or \$0.1507 per 100 gallons.

The offset requested represents an annual increase of \$812,486 or 2.54% over the latest revenue requirement provided to the Commission in General Rate Case 2015 Decision. 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 \$1.1276 per ccf.

The actions requested in this advice letter are not now the subject of any formal filings with the 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.

## **Tier Designation:**

This advice letter is submitted with a Tier 1 designation.

### **Effective Date:**

California American requests an effective date of August 1, 2018.

### 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; 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;
- 2. The analysis, calculations, or data in the AL contain material error or omissions;
- The relief requested in the AL is pending before the Commission in a formal proceeding; or
- 4. The relief requested in the AL requires consideration in a formal hearing, or is otherwise inappropriate for the AL process; or
- 5. 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.

<sup>&</sup>lt;sup>1</sup> G.O. 96-B, General Rule 7.4.1

<sup>&</sup>lt;sup>2</sup> G.O. 96-B. General Rule 7.4.2

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 advice letter number in the subject line.</u>

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 California American Water at:

Email Address: Mailing Address:

Preet.nagra@amwater.com 4701 Beloit Drive

Sacramento, CA 95838

sarah.leeper@amwater.com 555 Montgomery Street, Ste. 816

San Francisco, CA 94111

ca.rates@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.

### **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.

CALIFORNIA-AMERICAN WATER COMPANY

/s/ Preet Nagra
Preet Nagra
Operations Specialist

<sup>&</sup>lt;sup>3</sup> G.O. 96-B. General Rule 7.4.3

**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. 8808-W 8699-W

(C)

**(I)** 

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 (RFPS) 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 RFPS service charges. Provided, however, that the RFPS 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 RFPS 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:

- 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 based on a percentage of gross revenues of each bill. The percentage is 2% to City of San Diego and City of Imperial Beach.
- 5. Per Advice Letter 1072-A, a surcharge of \$0.0054 per 100 gallons will be applied to each bill to fund conservation efforts. The surcharge will remain in effect until otherwise directed by the Commission.
- 6. Per Advice Letter 1138-A, a surcharge of \$1.21 for the Low-Income Ratepayer Assistance Program ("LIRAP") Balancing Account will be collected from all non-low income water and wastewater customers.
- 7. Per Advice Letter 1154, the under-collected balance in San Diego County District Consolidated Expense Balancing Account (CEBA) will be recovered through a quantity based surcharge of \$0.0056 per 100 gallons over 12 months effective June 16, 2017. The total amount will be recovered from all classes of customers.
- 8. Per Advice Letter 1212, 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 \$812,486 or 2.54%. The surcharge of \$0.1507 per 100 gallons is added to the quantity rate effective August 1, 2018.

(Continued)

(TO BE INSERTED BY U	TILITY) ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
Advice 1212	J. T. LINAM	Date Filed08/01/2018	
Decision	DIRECTOR - Rates & Regulat	atory Effective 08/01/2018	
		Resolution	

655 W. Broadway, Suite 1410

San Diego, CA 92101

Revised Revised

C.P.U.C. SHEET NO.

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

8809-W 8802-W

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8788-W

(Toro)

MO-TO-1 General Metered Service 8740-W, 8775-W, 8019-W, 7644-W

(Garrapata)

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Sacramento District

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Ventura County District

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Service

(Continued)

(TO BE INSERTED BY UTILITY)

Advice 1212

J. T. LINAM

Date Filed 08/01/2018

Decision

DIRECTOR - Rates & Regulatory

Resolution

Y Cancelling

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

8810-W 8807-W

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

Decision

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(TO BE INSERTED BY UTILITY)  Advice 1212	ISSUED BY J. T. LINAM DIRECTOR Pates & Regulatory	(TO BE INSERTED BY C.P.U.C.)  Date Filed 08/01/2018  Effective 09/01/2019

DIRECTOR - Rates & Regulatory

Effective

Resolution

08/01/2018