

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



November 27, 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. 1215, filed on October 25, 2018, regarding the 2018 Ventura purchased water surcharge increase applicable to the Ventura County District.

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

P.U.C. Sheet

<u>No.</u>	<u>Title of Sheet</u>
8848-W	Schedule No. VN-1 Ventura County District Tariff Area GENERAL METERED SERVICE
8849-W	Schedule No. VN-9MC (Continued) Ventura County District Tariff Area METERED CONSTRUCTION SERVICE
8850-W	TABLE OF CONTENTS (Continued) (Page 3)
8851-W	TABLE OF CONTENTS (Continued) (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



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

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

October 25, 2018

ADVICE LETTER NO. 1215

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California-American Water Company (U210W) hereby submits for filing the following tariff sheets applicable to its 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>
8848-W	Schedule No. VN-1 Ventura County District Tariff Area GENERAL METERED SERVICE	8772-W
8849-W	Schedule No. VN-9MC (Continued) Ventura County District Tariff Area METERED CONSTRUCTION SERVICE	8549-W
8850-W	TABLE OF CONTENTS (Continued) (Page 3)	8809-W
8851-W	TABLE OF CONTENTS (Continued) (Page 1)	8847-W

Request:

California American Water requests authority under Section 7.3.1 of the Water Industry Rules. 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, 2018. 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 21,150 customers in Newbury Park, portions of Thousand Oaks, and area adjacent to Camarillo and Ventura County.

California American Water is requesting an offset due to the Calleguas Municipal Water District increasing water rates from \$1,300 to \$1,375 for Tier -1 rates and \$1,394 to \$1,461 for Tier -2 Rates in 2018. Additionally, the "Capacity Reservation Charge" increased while the "Readiness-to-Serve" charge decreased in 2018. This water rate increase resulted in an annual increase in purchased water expense to California American Water of \$1,300,562 plus a corresponding increase of \$7,767 for uncollectibles for a total expense increase of \$1,308,420. This increase is directly related to water consumption and thus should be applied to the quantity

rate. The resulting purchased water surcharge is an increase of \$0.1862, from \$0.4087 per hundred cubic feet (Ccf) to \$0.5949, or \$0.0795 per 100 gallons.

The offset requested represents an increase of \$1,308,420 or 3.20% over the latest revenue requirement. In accordance with 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 percent, 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 October 25, 2018.

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
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.**

¹ G.O. 96-B, General Rule 7.4.1

² G.O. 96-B, General Rule 7.4.2

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
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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: lakhjit.thind@amwater.com	Mailing Address: 4701 Beloit Drive Sacramento, CA 95838
sarah.leeper@amwater.com	555 Montgomery Street, Ste. 916 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.

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.

CALIFORNIA-AMERICAN WATER COMPANY

/s/ Lakhjit Thind

Lakhjit Thind
Financial Analyst

³ G.O. 96-B, General Rule 7.4.3

Schedule No. VN-1 (Continued)
Ventura 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 Sprinkler System (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:

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. Per Advice Letter 1072-B, a surcharge of \$0.0062 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.
4. Per Advice Letter 1139-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.
5. Per Advice Letter 1154, the under- collected balance in the Ventura County District Consolidated Expense Balancing Account (CEBA) will be recovered through a quantity based surcharge of \$0.0051 per 100 gallons over 12 months effective June 16, 2017. The total amount will be recovered from all classes of customers.
6. Per Advice Letter 1215, a surcharge is applied to each bill to offset the increase in purchased water cost imposed by the Calleguas Municipal Water District. This increase results in a needed revenue increase of \$1,300,652 or 3.20%. The surcharge of \$0.0795 per 100 gallons is added to the quantity rate effective October 25, 2018. (C)
(I)
(C)
7. Water Revenue Adjustment Mechanism (WRAM) and Modified Cost Balancing Account (MCBA) Surcharge.
 - a. A surcharge is included in each bill to recover the net under-collection in the Water Revenue Adjustment Mechanism (WRAM) and Modified Cost Balancing Account (MCBA). For the period ending December 31, 2017, the net under-collection totals \$9,134,703 including interest. The surcharge is \$0.0709 per 100 gallons and will remain effective for 29 months beginning March 31, 2018.

(Continued)

(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
Advice	1215	J. T. LINAM	Date Filed	<u>10/25/2018</u>
Decision		DIRECTOR - Rates & Regulatory	Effective	<u>10/25/2018</u>
			Resolution	_____

Schedule No. VN-9MC (Continued)
Ventura County District Tariff Area
METERED CONSTRUCTION SERVICE

Sheet 5

SPECIAL CONDITIONS:

General Items:

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 affect 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 chargers as provided in Rule 13, Temporary Service.

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 2.0% based on gross revenues before taxes and PUC fees for the County of Ventura and the City of Thousand Oaks.

5. Per Advice Letter 1072-B, a surcharge of \$0.0062 per hundred 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 1139-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 the Ventura County District Consolidated Expense Balancing Account (CEBA) will be recovered through a quantity based Surcharge of \$0.0051 per hundred gallons over 12 months effective June 16, 2017. The total amount will be recovered from all classes of customers.

8. Per Advice Letter 1215, a surcharge is applied to each bill to offset the increase in purchased water cost imposed by the Calleguas Municipal Water District. This increase results in a needed revenue increase of \$1,300,652 or 3.20%. The surcharge of \$0.0795 per 100 gallons is added to the quantity rate effective October 25, 2018. (C)
(I)
(C)

(TO BE INSERTED BY UTILITY) Advice 1215 Decision	ISSUED BY J. T. LINAM DIRECTOR - Rates & Regulatory	(TO BE INSERTED BY C.P.U.C.) Date Filed <u>10/25/2018</u> Effective <u>10/25/2018</u> Resolution _____
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(Toro)

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(Garrapata)

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(TO BE INSERTED BY UTILITY)
 Advice 1215
 Decision

ISSUED BY
 J. T. LINAM
 DIRECTOR - Rates & Regulatory

(TO BE INSERTED BY C.P.U.C.)
 Date Filed 10/25/2018
 Effective 10/25/2018
 Resolution

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(Continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 1215

J. T. LINAM

Date Filed 10/25/2018

Decision

DIRECTOR - Rates & Regulatory

Effective 10/25/2018

Resolution _____