

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 3, 2016

Jeffrey T. Linam
Director – Rates & Regulation
California-American Water Company
4701 Beloit Dr.
Sacramento, CA 95838-2434

Dear Mr. Linam,

The Commission has approved California American Water Company's Advice Letter No. 1102-B, (Supplement to Advice Letter No. 1102-A and Advice Letter 1102), filed on July 12, 2016, regarding the recovery of balances in the Voluntary Conservation or Mandatory Rationing Revenue Adjustment Mechanism Memorandum Account located in the Sacramento District, which was submitted in accordance with Res. W-4976 and Res. W-5099.

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

<u>P.U.C. Sheet No.</u>	<u>Title of Sheet</u>
8247-W	Schedule No. SC-1, Sacramento District Tariff Area, General Metered Service, Continued
8248-W	Table of Contents, Page 3
8249-W	Table of Contents, Page 1

Please contact Jocelyn Wong at (415) 703-2144 if you have any questions.

Thank you,

/s/JENNIFER PEREZ

Jennifer Perez
Water & Sewer Advisory Branch
Division of Water and Audits

Enclosures

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS**

Advice Letter Cover Sheet

Utility Name: California American Water

Date Mailed to Service List: July 12, 2016

District: Sacramento District

CPUC Utility #: U210W

Protest Deadline (20th Day): August 1, 2016

Advice Letter #: 1102-B

SUPPLEMENT

Review Deadline (30th Day): August 12, 2016

Tier 1 2 3 Compliance

Requested Effective Date: June 28, 2016

Authorization Res. W-5099

Rate Impact: \$See AL
See AL%

Description: To update and implement the tariff sheets in accordance with the ordering paragraphs of the resolution.

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

Utility Contact: Todd Pray

Utility Contact: Kamilah Jones

Phone: 916-568-4232

Phone: 916-568-4256

Email: todd.pray@amwater.com

Email: Kamilah.Jones@amwater.com

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

<u>DATE</u>	<u>STAFF</u>	<u>COMMENTS</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

APPROVED

WITHDRAWN

REJECTED

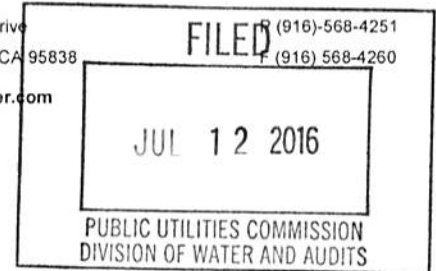
Signature: _____

Comments: _____

Date: _____



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



July 12, 2016

ADVICE LETTER NO. 1102-B

SUPPLEMENT

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, attached hereto, which are applicable to the Sacramento district:

<u>C.P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Sheet No.</u>
8247-W	<u>Schedule No. SC-1 (continued)</u> <u>Sacramento District Tariff Area</u> <u>GENERAL METERED SERVICE</u>	8196-W
8248-W	<u>TABLE OF CONTENTS</u> <u>(Page 3)</u>	8245-W
8249-W	<u>TABLE OF CONTENTS</u> <u>(Page 1)</u>	8246-W

Purpose:

This supplemental Advice Letter is made pursuant to Resolution W-5099 approved by the Commission on June 23, 2016 which addressed recovery of California-American Water Company (Cal-Am) Sacramento District's Voluntary Conservation or Mandatory Rationing Revenue Adjustment Mechanism Memorandum Account (VCMRRAMA).

Background:

California American Water filed and the Commission later approved Advice Letter 1038-A on March 26, 2014. The advice letter established, among other things, a Sacramento District VCMRRAMA. The creation of the memorandum account allowed the Company to track any losses in revenue due to voluntary conservation or mandatory rationing in the Sacramento District.

Per Attachment A of Resolution W-4976:

" . . .Lost revenues associated with reduced sales as a result of activation of either Tariff Rule 14.1 or Schedule 14.1 for a utility without a full revenue decoupling Water Revenue Adjustment Mechanism (WRAM) should be tracked in a separate memorandum account for disposition as directed or authorized from time to time by the Commission."

On December 7, 2015, California American Water filed Advice Letter 1102 to recover the balances in its memorandum account. The Company filed a supplement, 1102-A, on April 12, 2016 to address issues raised by DWA regarding the number of days in the prorated period of March 2014. It also included an adjustment to commercial paper rates between November 2012 to February 2013 and April 2013 to July 2013.

On June 23, 2016 the Commission approved Resolution W-5099 which authorized recovery of the VCMRRAMA. Per the ordering paragraphs:

1. *California-American Water Company is authorized to transfer \$4,097,614 from its Voluntary Conservation or Mandatory Rationing Revenue Adjustment Memorandum Account to its Consolidated Expense Balancing Account for recovery, for a total under-collection of \$2,524,003. California-American Water Company is authorized earn interest on the balance in this balancing account at the 90-day commercial paper rate.*
2. *Authority is granted under Public Utilities Code Section 454 to California-American Water Company to file a supplemental advice letter with the revised schedules attached to this Resolution as Appendix A and concurrently cancel its presently effective rate Schedule No. SC-1, General Metered Service.*
3. *The schedules attached to this Resolution as Appendix A allow California-American Water Company to implement a surcharge of \$0.0244 per 100 gallons added to the quantity rates over 12 months to recover in rates \$2,524,003 in lost revenues. The surcharge is effective five days from the date of the Resolution.*
4. *The revised rate schedule in Appendix A is adopted. The effective date of the revised schedules shall be five days from the date of the Resolution.*

Request:

California American Water requests authorization to update its tariff sheets in accordance with the above ordering paragraphs. The surcharge would be levied on all general metered customers in the Sacramento District.

Tier Designation:

This advice letter is submitted with a Tier 1 designation.

Effective Date:

California American Water requests an effective date of June 28, 2016.

Service List:

Pursuant to Section 4.3 of General Order No. 96-B, a copy of this advice letter is being sent to those entities listed in the attached service list. Documents supporting this Advice Letter have also been furnished to the Commission Staff.

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.**

¹ G.O. 96-B, General Rule 7.4.1

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 relitigating 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:

Email Address:

ca.rates@amwater.com

Mailing Address:

4701 Beloit Drive
Sacramento, CA 95838

Sarah.Leeper@amwater.com

555 Montgomery Street, Suite
816 San Francisco, CA 94111

Kamilah.Jones@amwater.com

4701 Beloit Drive
Sacramento, CA 95838

² G.O. 96-B, General Rule 7.4.2

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.

If you have not received a reply to your protest within 10 business days, contact this person at (916) 568-4256.

This filing will not cause the withdrawal of service, nor conflict with other schedules or rules.

CALIFORNIA-AMERICAN WATER COMPANY

/s/ Kamilah Jones

Kamilah Jones
Senior Finance Analyst - Rates & Regulatory

³ G.O. 96-B, General Rule 7.4.3

SACRAMENTO DISTRICT SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1102 - B

BY MAIL:

Robert C. Baptiste
9397 Tucumcari Way
Sacramento, CA 95827-1045

Placer County Water Agency
P.O. Box 6570
Auburn, CA 95804

Carol Smith
6241 Cavan Drive, 3
Citrus Heights, CA 95621

Robert A. Ryan, Jr.
County of Sacramento
Downtown Office
700 H Street, Suite 2650
Sacramento, CA 95814

California Dept of Health Services
Division of Drinking Water &
Environmental Management
PO Box 997416
Sacramento, CA 95899-7413

BY E-MAIL:

Division of Ratepayer Advocates
California Public Utilities Commission
dra_water_al@cpuc.ca.gov

Rami Kahlon
California Public Utilities Commission
Water Advisory Branch, Room 3106
505 Van Ness Avenue
San Francisco, CA 94102-3214

Steven J. Thompson
5224 Altana Way
Sacramento, CA 95841

Anthony La Bouff, County Counsel
Placer County
175 Fulweiler Avenue
Auburn, CA 95603

Walt Shannon
8356 Auberry Drive
Sacramento, CA 95828

Rio Linda Water District
730 L Street
Rio Linda, CA 95673

Ms. Lisa Bilir
California Public Utilities Commission
Division of Ratepayer Advocates
505 Van Ness Avenue
San Francisco, CA 94102
lwa@cpuc.ca.gov

City of Sacramento, Water Division
1391 35th Avenue
Sacramento, CA 95822
dsherry@cityofsacramento.com

Danilo Sanchez
California Public Utilities Commission
Division of Ratepayer Advocates
505 Van Ness Avenue, Room 3200
San Francisco, CA 94102

Sacramento County WMD
827 7th Street, Room 301
Sacramento, CA 95814

Fruitridge Vista Water Company
P.O. Box 959
Sacramento, CA 95812

Mark Norris
County Clerk-Recorder
County of Sacramento
600 8th Street
Sacramento, CA 95814

Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821-5303

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

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

SACRAMENTO DISTRICT SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1102 - B

Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, CA 95610
rchurch@chwd.org

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

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
lgarcia@cityofisleton.com

Jim McCauley, Clerk-Recorder
Placer County
2954 Richardson Drive
Auburn, CA 95603
skasza@placer.ca.gov

CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1102-B
SUPPORTING DOCUMENTATION FOR STAFF

SACRAMENTO VCMRRAMA RECOVERY
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**CALIFORNIA AMERICAN WATER COMPANY
ADVICE LETTER 1102-B
SACRAMENTO VCMRRAMA
CEBA SURCHARGE CALCULATION**

		2016 Authorized Revenue	
Total Revenue	AL 1086	53,069,991	
VCMRRAMA (WRAM Corrected Method)	2014	(4,097,614)	
CEBA balance	9/30/2015	628,177	
2015 Interim Rate True Up Recovery - General Metered	AL 1110	945,435	Approved 3/16/16
Net requested surcharge		(2,524,003)	
Net CEBA balance percentage of total authorized revenue		4.76%	
Total 2016 Consumption per month(ccf)	D.15-04-007	1,153,707	
Number of months to collect surcharge		12	
Surcharge/(refund) amount (per ccf)		0.1823	
Surcharge/(refund) amount (per 100 gal)		0.0244	

DATE OF ISSUANCE: 6/24/2016

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**WATER DIVISION****RESOLUTION W-5099****June 23, 2016****RESOLUTION**

(RES. W-5099), CALIFORNIA-AMERICAN WATER COMPANY (Cal-Am). ORDER AUTHORIZING SURCHARGES TO RECOVER \$2,524,003 OR, AN INCREASE OF 4.76% IN GENERAL METERED SERVICE, FOR LOST REVENUES DUE TO MANDATORY CONSERVATION.

By Advice Letter 1102-A, filed April 12, 2016.

SUMMARY

This Resolution grants California-American Water Company's (Cal-Am) recovery in rates of \$2,524,003 by adding a surcharge of \$0.0244 per 100 gallons (CGL) to the Quantity Rates in each customer's bill to be recovered over twelve months. As a result, the bill for the average customer using 14 CCF per month will increase by \$2.55 per month, or approximately 3.28%. The increases requested are to recover the 1) lost revenues tracked in Cal-Am's Sacramento District's Voluntary Conservation or Mandatory Rationing Revenue Adjustment Mechanism Memorandum Account (VCMRRAMA), using Commission approved Water Conservation Memorandum Account (WCMA) methodology, resulting from reduced water consumption by customers during the period of March 17, 2014 through December 31, 2014, and 2) the net under-collection in Cal-Am's Consolidated Expense Balancing Account (CEBA) as authorized in D. 15-04-007.

BACKGROUND

On January 17, 2014, Governor Edmund G. Brown Jr., proclaimed a Drought State of Emergency and directed state officials to take all necessary actions to prepare for these drought conditions. In accordance with the Governor's directives, the Commission issued Resolution W-4976 adopting drought procedures for water conservation, rationing and service connection moratoria ("Drought Procedures") on February 27th, 2014 and required that all Class A and B water utilities that had an existing Tariff Rule 14.1 to activate the Rule within 30 days of the Resolution's effective date. The Drought

Procedures, in addition to providing steps to be taken when a utility suffers from a water shortage, provided that a utility without a full revenue decoupling Water Revenue Adjustment Mechanism (WRAM) may request to add a Water Conservation Memorandum Account (WCMA) to track lost revenue associated with reduced sales as a result of activating Rule 14.1.

By AL 1038-A, effective March 17, 2014, the Commission authorized Cal-Am to establish a Voluntary Conservation or Mandatory Rationing Revenue Adjustment Mechanism Memorandum Account (VCMRRAMA) to track the revenue impact of voluntary conservation or mandatory rationing in the Sacramento District.

By AL 1102-A filed on April 12, 2016, Cal-Am requests Commission authorization to transfer the accumulated balance in the VCMRRAMA from March 17 through December 31, 2014 of \$3,290,832 into the Consolidated Expense Balancing Account (CEBA). This balance is further adjusted by an over-collection from recently approved AL 1110-A, for a total balance of \$1,717,220.¹

NOTICE AND PROTESTS

In accordance with General Rules 4.3 and 7.2, and Water Industry Rule 4.1, of General Order 96-B, Cal-Am served copies of AL 1102 to adjacent utilities and other parties requesting such notification, on December 7, 2015. In accordance with Water Industry Rule 3.3, Cal-Am also posted the advice letter on its website.

No protests were received.

DISCUSSION

Cal-Am seeks to 1) recover the balances in the VCMRRAMA for reduced water consumption by customers that resulted from Cal-Am's implementation of mandatory

¹ AL 1110-A authorized water and fire service surcredits for Cal-Am's Sacramento District, due to over-collections from Sacramento District's 2015 interim rates. Since \$945,435 was authorized for distribution to metered water service customers in AL 1110-A, \$945,435 has been subtracted from the VCMRRAMA and CEBA balance, resulting in a net balance of \$1,717,220.

water measures during the period of March 17, 2014 through December 31, 2014, and 2) recover the under-collection in the CEBA. To determine the surcharge, Cal-Am added the shortfall from the VCMRRAMA to Cal-Am's Sacramento District Consolidated Expense Balancing Account (CEBA), as authorized in D. 15-04-007.² By AL 1102, filed on December 7, 2015, Cal-Am estimated that the accumulated balance in the VCMRRAMA from March 17 through December 31, 2014 which is proposed to be added into the Consolidated Expense Balancing Account (CEBA).

The Water Division reviewed Cal-Am's calculations in AL 1102 and the consolidated surcharge requirements given in D. 15-04-007. The Water Division found several errors in Cal-Am's spreadsheets: (1) the number of prorated days to determine the VCMRRAMA undercollection in March was incorrect, (2) several 90-day commercial paper rates used to calculate interest were incorrect, (3) Cal-Am's Sacramento District's CEBA balance is not up to date and does not reflect the most recent CEBA balance as authorized in AL 1110-A, which became effective February 1, 2016, and (4) the estimated metered usage in Cal-Am's Sacramento District for 2016 was incorrect. The Water Division notified Cal-Am of the above errors on January 6, 2016 and March 21, 2016.

Cal-Am submitted AL 1102-A on April 12, 2016, correcting workpapers as per the Water Division's recommendations, and reduced the balance by the authorized increase in AL 1110-A. By AL 1102-A, Cal-Am estimates that the accumulated balance in the VCMRRAMA from March 17 through December 31, 2014 added into the Consolidated Expense Balancing Account (CEBA), and reduced by revenues authorized in AL 1110-A, results in a total balance of \$1,717,220.

ORA found that Cal-Am's proposed recovery of the VCMRRAMA in AL 1102-A was not in accordance with the methodology adopted by the Commission in D. 90-08-055 and D. 91-10-042, and notified the Water Division.

² Page 155 of Attachment A to D. 15-04-007 states that unless otherwise noted, recovery of memorandum and balancing accounts shall be recovered through the Consolidated Expense Balancing Account (CEBA). If the net CEBA balance after the transfers is under collected, the account will be amortized by applying a uniform volumetric surcharge. If the net CEBA balance after the transfers is over collected, the net over collection shall be amortized and credited to the service charge of all customers, based upon the meter equivalent size of the service connection.

The Commission in D. 90-08-055 and D. 91-10-042 established the methodology for computing revenue losses resulting from mandatory and voluntary conservation programs. D. 90-08-055 states that the difference between actual and normalized consumption is required to assess the change in revenues and variable expenses during the conservation period. Furthermore, Ordering Paragraph 3 of D. 91-10-042 states that memorandum account balances tracking revenue losses from mandatory and voluntary conservation programs must be reduced, pursuant to the risk reduction adjustment set forth in D. 91-10-042. Specifically, the risk reduction adjustment in D. 91-10-042 requires water utilities with approved drought loss memorandum accounts to reduce their memorandum account recovery by an amount equal to a 20 basis point reduction in the utility's last authorized rate of return on equity from the utility's cost of capital proceeding.

In accordance with D. 91-10-042, Cal-Am complied with the risk reduction adjustment ordered in D. 91-10-042, by reducing the requested recovery of the VCMRRAMA by an amount equal to a 20 basis point reduction on the last authorized rate of return on equity. However, Cal-Am did not use the proper methodology for determining lost revenues and saved expenses during the conservation period. In AL 1102-A, Cal-Am used WRAM and Modified Cost Balancing Account (MCBA) mechanisms to determine revenue shortfall, which are not the authorized methods for recovery of the Water Conservation Memorandum Account.

D. 90-08-055 states that a utility's adopted annual water sales are based on the adopted normalized annual water use per connection. The adopted monthly water sales are determined by using historical sales distribution data. The Water Division utilized the method outlined in D. 90-08-055 and revised Cal-Am's adopted monthly water sales accordingly. The Water Division subsequently estimated the revised total sales difference and used this figure to determine the expense reduction due to reduced water sales.

The Water Division's estimated balance of Cal-Am's VCMRRAMA, added into the Sacramento CEBA, and adjusted by the increase authorized in AL 1110-A results in a total balance of \$2,524,003, which yields a surcharge of \$0.0244 per CGL, to be applied over general metered service over a 12 month period.

SAFETY CONSIDERATIONS

The recovery of the balances in Cal-Am's VCMRRAMA will provide the utility with additional financial resources to safely operate and maintain its operations for the benefit of its customers, employees, and members of the general public.

COMMENTS

Although Public Utilities Code 311(g)(2) allows the 30-day period for public review and comment to be waived for uncontested matters, the Water Division has made substantial changes to the methodologies used to determine Cal-Am's VCMRRAMA under-collection. Therefore, the proposed resolution will be served on all parties and be subject to a public review and comment period of 30 days or more, prior to a vote of the Commission on the resolution.

Accordingly, this proposed resolution was mailed to the utility and its service list, and made available for public comment on May 20, 2016.

One comment was received and considered by the Water Division. However, no changes have been made to the resolution

FINDINGS AND CONCLUSIONS

1. On December 7, 2015, California-American Water Company (Cal-Am) filed Advice Letter (AL) 1102 to request amortization of its Voluntary Conservation or Mandatory Rationing Revenue Adjustment Memorandum Account (VCMRRAMA). Cal-Am requested to recover in rates the amount of \$2,447,670, or 4.64% of 2015 authorized revenues by adding a surcharge of \$0.0234 per 100 gallons to the Quantity Rates in each metered customer's bill to be recovered over 12 months.
2. No protests were received for AL 1102.
3. On December 10, 2015, the Water Division suspended AL 1102.
4. Decisions (D.) 90-08-055 and 91-10-042 established the method for computing revenue losses resulting from mandatory and voluntary conservation programs. Cal-Am has used the proper methodology outlined in D. 90-08-055 and

- D. 91-10-042 applying a 20 basis point risk reduction adjustment to the VCMRRAMA balance.
5. In accordance with D. 15-04-007, Cal-Am is authorized to transfer the VCMRRAMA balance into Cal-Am's Consolidated Expense Balancing Account (CEBA).
 6. The Water Division found several errors in AL 1102: (1) the number of prorated days to determine the VCMRRAMA undercollection in March 2014 was incorrect, (2) several 90-day commercial paper rates used to calculate interest were incorrect, (3) Cal-Am's Sacramento District's CEBA balance is not up to date and does not reflect the most recent CEBA balance as authorized in AL 1110-A, which became effective February 1, 2016, and (4) the estimated metered usage in Cal-Am's Sacramento District for 2016 was incorrect.
 7. Cal-Am was notified of the errors present in AL 1102 and submitted AL 1102-A with the necessary corrections on April 12, 2016. In AL 1102-A, Cal-Am requested to recover in rates the amount of \$1,717,200, or 3.24% of 2015 authorized revenues.
 8. ORA found that Cal-Am did not use the proper methodology outlined in D. 90-08-055 and D. 91-10-042 to determine revenues lost in the VCMRRAMA.
 9. The Water Division revised Cal-Am's workpapers using the proper methodology for Water Conservation Memorandum Account recovery. The Water Division estimates that the total under-collection from the VCMRRAMA is \$4,097,614. The incorporation of the VCMRRAMA balance into the CEBA, and a further reduction by the increase authorized in AL 1110-A results in a total under-collection of \$2,524,003. The total under-collection results in a surcharge of \$0.0244 per 100 gallons to be applied over general metered service over a 12 month period.

THEREFORE, IT IS ORDERED THAT:

1. California-American Water Company is authorized to transfer \$4,097,614 from its Voluntary Conservation or Mandatory Rationing Revenue Adjustment Memorandum Account to its Consolidated Expense Balancing Account for recovery, for a total under-collection of \$2,524,003. California-American Water Company is authorized to earn interest on the balance in this balancing account at the 90-day commercial paper rate.
2. Authority is granted under Public Utilities Code Section 454 to California-American Water Company to file a supplemental advice letter with the revised schedules attached to this Resolution as Appendix A and concurrently cancel its presently effective rate Schedule No. SC-1, General Metered Service.
3. The schedules attached to this Resolution as Appendix A allow California-American Water Company to implement a surcharge of \$0.0244 per 100 gallons added to the quantity rates over 12 months to recover in rates \$2,524,003 in lost revenues. The surcharge is effective five days from the date of the Resolution.
4. The revised rate schedule in Appendix A is adopted. The effective date of the revised schedules shall be five days from the date of the Resolution.

Resolution W-5099
Water Division

June 23, 2016

This Resolution is effective today.

I certify that the foregoing Resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on June 23, 2016; the following Commissioners voting favorably thereon:

/s/ TIMOTHY J. SULLIVAN

TIMOTHY J. SULLIVAN

Executive Director

MICHAEL PICKER

President

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

CARLA J. PETERMAN

LIANE M. RANDOLPH

Commissioners

APPENDIX A
Schedule No. SC-1 (Continued)
Sacramento District Tariff Area
GENERAL METERED SERVICE

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 (RFSS) 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 RFSS service charges. Provided, however, that the RFSS 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 RFSS 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. Per Advice Letter 1072-B, a surcharge of \$0.0052 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.

3. Per Advice Letter 1096, a surcharge of \$1.86 for the Low-Income Ratepayer Assistance Program ("LIRAP") Balancing Account will be collected from all non-low income water and wastewater customers.

4. Per Advice Letter 1102-A, the balance in the Sacramento County District Consolidated Expense Balancing Account will be recovered through a quantity based surcharge of \$0.0244 per 100 gallons over 12 months. The effective date for the surcharge is June 28, 2016 and will be recoverable from all customer classes in all service areas.

A
|
D

END OF APPENDIX A

Resolution W-5099
Water Division

June 23, 2016

CALIFORNIA-AMERICAN WATER COMPANY
Advice Letter No. 1102-A
SERVICE LIST

By Mail:

California Dept. of Health Services
Division of Drinking Water &
Environmental Management
P.O. Box 997416
Sacramento, CA 95899-7413

Robert A. Ryan, Jr.
County of Sacramento
Downtown Office
700 H Street, Suite 2650
Sacramento, CA 95812

Mark Norris
County Clerk-Recorder
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Robert C. Baptiste
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Steven J. Thompson
5224 Altana Way
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Sacramento County WMD
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Sacramento, CA 95814

Placer County Water Agency
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Auburn, CA 95804

Anthony La Bouff, County Counsel
Placer County
175 Fulweiler Avenue
Auburn, CA 95603

Fruitridge Vista Water Company
P.O. Box 959
Sacramento, CA 95812

Carol Smith
6241 Cavan Drive, 3
Citrus Heights, CA 95621

Walt Shannon
8356 Auberry Drive
Sacramento, CA 95828

Rio Linda Water District
730 L Street
Rio Linda, CA 95673

Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821-5303

By E-Mail:

Jim McCauley, Clerk-Recorder
Placer County
2954 Richardson Drive
Auburn, CA 95603
skasza@placer.c.a.gov

Ms. Lisa Bilir
California Public Utilities
Commission
Office of Ratepayer Advocates
505 Van Ness Avenue
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California Public Utilities Commission
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505 Van Ness Avenue
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rra@cpuc.ca.gov

Office of Ratepayer Advocates
California Public Utilities Commission
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Danilo Sanchez
Office of Ratepayer Advocates
Danilo.Sanchez@cpuc.ca.gov

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

**Resolution W-5099
Water Division**

June 23, 2016

Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, CA 95610
rchurch@chwd.org

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
lgarcia@cityofisleton.com

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

City of Sacramento, Water Division
1391 35th Avenue
Sacramento, CA 95822
dsherry@cityofsacramento.com

Schedule No. SC-1 (Continued)
Sacramento District Tariff Area
GENERAL METERED SERVICE

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 (RFSS) 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 RFSS service charges. Provided, however, that the RFSS 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 RFSS 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. Per Advice Letter 1072-B, a surcharge of \$0.0052 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.

3. Per Advice Letter 1096, a surcharge of \$1.86 for the Low-Income Ratepayer Assistance Program ("LIRAP") Balancing Account will be collected from all non-low income water and wastewater customers.

4. Per Advice Letter 1110-A, the over-collected balance in the Sacramento District Consolidated Expense Balancing Account (CEBA) will be distributed through a quantity based surcredit of \$0.0152 per 100 gallons over 12 months effective February 1, 2016. The total amount will be distributed to all classes of customers. (C)

TABLE OF CONTENTS

(Page 1)

The following listed tariff sheets contain all effective rates and rules affecting the charges and services of the Utility, together with other pertinent information:

<u>SUBJECT MATTER OF SHEET</u>	<u>C.P.U.C. SHEET NO.</u>
TITLE PAGE	8210-W
TABLE OF CONTENTS	8242-W, 8241-W, 8238-W, 8153-W, 8075-W, 8068-W, 8069-W, 8070-W, 8071-W (C)
PRELIMINARY STATEMENTS	7828-W, 8177-W, 8003-W, 7748-W, 7749-W, 7750-W, 7751-W, 7752-W, 7753-W, 7754-W, 7755-W, 7756-W, 7757-W, 8079-W, 7759-W, 7830-W, 7831-W, 7831-W, 7833-W, 7834-W, 7835-W, 7836-W, 7837-W, 7838-W, 7769-W, 7770-W, 7771-W, 7772-W, 7773-W, 7774-W, 7775-W, 7776-W, 7777-W, 7778-W, 7779-W, 7780-W, 7781-W, 7782-W, 7783-W, 7784-W, 7785-W, 7786-W, 7787-W, 7788-W, 7789-W, 7790-W, 7791-W, 7792-W, 7793-W, 7794-W, 7795-W, 7796-W, 7797-W, 7798-W, 7799-W, 7800-W, 7801-W, 7802-W, 7803-W, 7804-W, 7806-W, 8080-W, 8081-W, 8082-W, 8178-W
<u>SERVICE AREA MAP:</u>	
California-American Water Company	5470-W
Larkfield	6569-W
Los Angeles County	6570-W
Baldwin Hills	6571-W, 6572-W,
Duarte	6578-W
San Marino	6573-W, 6574-W, 6575-W, 6576-W, 8211-W
Monterey County	7053-W, 6580-W, 6581-W, 6582-W, 6583-W, 6584-W, 6585-W, 6586-W, 6587-W, 6588-W, 6589-W, 6590-W, 944 -W, 945 -W, 947 -W, 948 -W, 949 -W, 950 -W, 951 -W, 952 -W, 953 -W, 954 -W, 955 -W, 957 -W, 958 -W, 959 -W, 960 -W, 961 -W, 962-W, 963 -W, 964 -W, 966 -W, 967 -W, 968 -W, 969 -W, 971 -W, 972 -W, 973 -W, 974 -W, 975 -W, 976 -W, 977 -W, 978 -W, 979 -W, 980 -W, 981 -W, 982 -W, 983 -W, 984 -W, 7054-W

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 1125

ISSUED BY
 J. T. LINAM
NAME
 DIRECTOR – Rates & Regulatory
TITLE

(TO BE INSERTED BY C.P.U.C.)
 DATE FILED
 EFFECTIVE
 RESOLUTION

DECISION NO.

TABLE OF CONTENTS (Continued)
 (Page 3)

<u>SUBJECT MATTER OF SHEET</u>	<u>C.P.U.C. SHEET NO.</u>
RATE SCHEDULES (Continued):	
Monterey County District (Continued)	
<i>(Monterey Main, Hidden Hills, Ryan Ranch, & Bishop Service Areas) (Continued)</i>	
MO-1 MU General Metered Service	7988-W, 7728-W, 7729-W, 7730-W
Residential/Non-Residential Mixed Use	7731-W, 8231-W, 8220-W, 8232-W
	7735-W, 7736-W, 8026-W
<i>(Ambler Park, Ralph Lane & Chualar Service Areas)</i>	
MO-ARC-1 General Metered Service	8118-W, 8119-W, 8120-W, 8236-W, (C)
	8027-W, 7642-W, 8237-W (N)
<i>(Toro)</i>	
MO-TO-1 General Metered Service	8128-W, 8201-W, 8019-W, 7644-W
<i>(Garrapata)</i>	
MO-GA-2 General Flat Rate Service	7693-W, 8170-W
Sacramento District	
SC-1 General Metered Service	8103-W, 8104-W, 8196-W, 8028-W,
	7635-W
SC-DU-1 General Metered Service	8160-W
SC-DU-1F Flat Rate Service	8161-W
San Diego County District	
SD-1 General Metered Service	8094-W, 8095-W, 8184-W, 8013-W,
	7624-W
Ventura County District	
VN-1 General Metered Service	8084-W, 8085-W, 8190-W, 8014-W,
	8074-W, 7627-W
VN-9MC Metered Construction Water	8087-W, 8191-W, 8015-W, 7629-W

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. <u>1068-C & 1075-C</u>	ISSUED BY D. P. STEPHENSON <hr/> NAME DIRECTOR – Rates & Regulatory <hr/> TITLE	(TO BE INSERTED BY C.P.U.C.) DATE FILED <hr/> EFFECTIVE RESOLUTION
DECISION NO. _____		_____

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS**

Advice Letter Cover Sheet

Utility Name: California American Water

Date Mailed to Service List: April 12, 2016

District: Sacramento District

CPUC Utility #: U210W

Protest Deadline (20th Day): May 2, 2016

Advice Letter #: 1102-A

Review Deadline (30th Day): May 12, 2016

Tier 1 2 3 Compliance

Requested Effective Date: January 6, 2016

Authorization Res. W-4976

Rate Impact: \$See AL
See AL%

Description: To request recovery of balances in
Sacramento's Voluntary Conservation or
Mandatory Rationing Revenue Adjustment
Mechanism Memorandum Account
(VCMRRAMA)

SUPPLEMENT

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

Utility Contact: Art Aguilar

Utility Contact: Todd Pray

Phone: 916-568-4275

Phone: 916-568-4232

Email: Art.aguilar@amwater.com

Email: Todd.pray@amwater.com

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email:

DWA USE ONLY

<u>DATE</u>	<u>STAFF</u>	<u>COMMENTS</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

APPROVED

WITHDRAWN

REJECTED

Signature: _____

Comments: _____

Date: _____

SUPPLEMENT



4701 Beloit Drive
Sacramento, CA 95838
www.amwater.com
P (916)-568-4251
F (916)-568-4260

SUPPLEMENTED BY
A.L. No. 1102-B
P.U.C. Sheet No.
8247-8249-W

FILED
APR 12 2016
PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS

April 12, 2016

ADVICE LETTER NO. 1102-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, attached hereto, which are applicable to all of its districts:

<u>C.P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Sheet No.</u>
XXXX-W	<u>Schedule No. SC-1 (continued)</u> <u>Sacramento District Tariff Area General</u> <u>GENERAL METERED SERVICE</u>	XXXX-W
XXXX-W	<u>TABLE OF CONTENTS</u> <u>(Page 3)</u>	XXXX-W
XXXX-W	<u>TABLE OF CONTENTS</u> <u>(Page 1)</u>	XXXX-W

Purpose:

This supplemental advice letter addresses issues raised by DWA regarding the number of days in the prorated period of March 2014. It also includes an adjustment to commercial paper rates between November 2012 to February 2013 and April 2013 to July 2013.

This advice letter filing seeks review and approval for recovery of lost revenue in the Sacramento District due to the implementation of the voluntary conservation or mandatory rationing measures approved by the California Public Utilities Commission (Commission) in AL 1038-A. The adjustment in quantity revenue and production costs has been tracked in the Sacramento Voluntary Conservation or Mandatory Rationing Revenue Adjustment Mechanism Memorandum Account (VCMRRAMA), referenced on California American Water's preliminary statements as AZ.

Background:

California American Water filed and the Commission later approved Advice Letter 1038-A on March 26, 2014. The advice letter established, among other things, a Sacramento District Voluntary Conservation or Mandatory Rationing Revenue Adjustment Mechanism Memorandum Account. The creation of the memorandum account allowed the Company to track any losses in revenue due to voluntary conservation or mandatory rationing in the Sacramento District.

Per Attachment A of Resolution W-4976:

“ . . .Lost revenues associated with reduced sales as a result of activation of either Tariff Rule 14.1 or Schedule 14.1 for a utility without a full revenue decoupling Water Revenue Adjustment Mechanism (WRAM) should be tracked in a separate memorandum account for disposition as directed or authorized from time to time by the Commission.”

Request:

California American Water requests that the \$3.3 million and accumulated interest, be transferred to the consolidated expense balancing account (CEBA) for recovery. The revised surcharge also reflects ongoing surcharge collections in the CEBA through September 30, 2015 and adjustments from the recently approved AL 1110.

The total requested recovery to be transferred to the CEBA, including interest, is approximately (\$3,290,832). Once transferred, the CEBA balance will be (\$1,717,220) or 3.24% of 2016 authorized revenue. Pursuant to SP U-27-W¹, memorandum account amortization surcharges have a sliding recovery scale depending on the percentage balance. Since the percentage is less than 5%, the spread will be over 12 months.

The surcharge would be levied on all general metered customers in the Sacramento District.

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 3 designation.

Effective Date:

California American Water requests an effective date of January 6, 2016.

Service List:

In accordance with Section 4.3 of General Order 96-B, a copy of this advice letter has been served upon all interested and affected parties as shown in Exhibit A.

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 SP U-27-W, p. 14.

² G.O. 96-B, General Rule 7.4.1

³ G.O. 96-B, General Rule 7.4.2

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.
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:

Todd.Pray@amwater.com

Mailing Address:

4701 Beloit Drive
Sacramento, CA 95838

Sarah.Leeper@amwater.com

333 Hayes Street, Ste. 202
San Francisco, CA 94102

Art.Aguilar@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.

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/ Art Aguilar

Art Aguilar
Finance Analyst - Rates & Regulatory

⁴ G.O. 96-B, General Rule 7.4.3

**SACRAMENTO DISTRICT SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1102-A**

EMAIL

California Public Utilities
Commission
Division of Ratepayer
Advocates
dra_water_al@cpuc.ca.gov

Citrus Heights Water District
6230 Sylvan Road
Citrus Heights CA 95610
rchurch@chwd.org

City of Sacramento, Water
Division
1391 35th Avenue
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Florin County Water District
P.O. Box 292055
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fcwd@sbcglobal.net

Amy Van
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2954 Richardson Drive
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Linda Garcia
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rra@cpuc.ca.gov

Sarah E. Leeper
VP - Legal, Regulatory
CA American Water Co.
555 Montgomery St.
Suite 816
San Francisco CA 94102
sarah.leeper@amwater.com

MAIL

CA Dept of Health Services
Div of Drinking Water &
Environmental Mgt
P.O. Box 997416
#Sacramento CA 95899-7413

Fruitridge Vista Water Co.
1108 2nd St
Sacramento CA 95814

Placer County Water Agency
P.O. Box 6570
Auburn CA 95804

Rio Linda Water District
730 L Street
Rio Linda CA 95673

Sacramento County WMD
827 7th Street, Room 301
Sacramento CA 95814

Sacramento Suburban Water
District
3701 Marconi Avenue
Suite 100
Sacramento CA 95821-5303


Anthony La Bouff
County Counsel
Placer County
175 Fulweiler Avenue
Auburn CA 95603

Carol Smith
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Citrus Heights CA 95621

Mark Norris
County Clerk-Recorder
County of Sacramento
600 8th Street
Sacramento CA 95814

Robert Baptiste
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Sacramento CA 95827-1045

SACRAMENTO DISTRICT SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1102-A



Robert Ryan, Jr.
County of Sacramento
Downtown Office
700 H Street, Suite 2650
Sacramento CA 95814

Steven Thompson
5224 Altana Way
Sacramento CA 95841

Walt Shannon
8356 Auberry Drive
Sacramento CA 95828

**CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1102-A
SUPPORTING DOCUMENTATION FOR STAFF**

**SACRAMENTO VCMRRAMA RECOVERY
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Calculation of Sacramento VCMRRAMA Surcharge	1-1
Cancelled Tariffs.....	2-1
Excerpts from Standard Practice U-27	3-1

CALIFORNIA AMERICAN WATER									
Schedule of Sacramento VCMRRMA Memorandum Account									
Worksheet 1-1									
(a)	(b)	(c)	(d)	(e)	(f)	(g)			
Month	Revenue Over/(Under)	Prod Costs	VCMRRMA Net	Surcharges Collected	Comm'l Paper	Interest	Balance		
January 2014	-	-	-	-	0.09%	-	-		
February	(173,843)	6,556	(167,287)	(7)	0.10%	(167,294)			
March	(14,356)	19,928	5,572	(14)	0.10%	(161,736)			
April	(213,810)	(44,027)	(257,837)	(24)	0.10%	(419,597)			
May	549,390	(27,301)	522,088	(13)	0.10%	102,478			
June	(1,132,241)	204,728	(927,515)	(30)	0.10%	(825,087)			
July	(936,606)	192,195	(744,410)	(110)	0.11%	(1,569,587)			
August	(979,472)	198,554	(780,918)	(163)	0.10%	(2,350,669)			
September	(294,100)	95,000	(199,100)	(204)	0.10%	(2,549,873)			
October	(198,351)	102,796	(95,555)	(216)	0.10%	(2,645,744)			
November	(689,735)	48,660	(640,875)	(321)	0.13%	(3,288,940)			
December	-	-	-	-	0.13%	(3,288,940)			
2014 Ending Balance	-	-	-	-	-	(3,288,940)			
January 2015	-	-	-	-	0.12%	(3,287,269)			
February	-	-	-	-	0.11%	(3,287,899)			
March	-	-	-	-	0.10%	(3,288,173)			
April	-	-	-	-	0.12%	(3,288,502)			
May	-	-	-	-	0.14%	(3,288,866)			
June	-	-	-	-	0.13%	(3,289,242)			
July	-	-	-	-	0.18%	(3,289,735)			
August	-	-	-	-	0.22%	(3,290,338)			
September	-	-	-	-	0.18%	(3,290,832)			
October	-	-	-	-	0.18%	(3,290,832)			
November	-	-	-	-	0.00%	(3,290,832)			
December	-	-	-	-	0.00%	(3,290,832)			
2015 Ending Balance	-	-	-	-	-	(3,290,832)			

CALIFORNIA AMERICAN WATER COMPANY
ADVICE LETTER 1102-A

Worksheet 1-2

SACRAMENTO VOLUNTARY CONSERVATION or MANDATORY RATIONING REVENUE ADJUSTMENT MECHANISM MEMORANDUM ACCOUNT (VCMRRAMA)

Allocation from 3 yr usage trend 5.32% 5.35% 5.30% 5.68% 6.49% 8.09% 14.30% 13.39% 12.67% 9.15% 7.61% 6.60% 100.00%

2014 Authorized	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Revenues	1,833,102	1,854,450	1,823,183	1,956,365	2,233,180	2,785,808	4,925,000	4,698,957	4,362,054	3,151,807	2,621,671	2,272,441	\$ 34,430,925
Meter revenues													
Quantity revenues	1,833,102	1,854,450	1,823,183	1,956,365	2,233,180	2,785,808	4,925,000	4,698,957	4,362,054	3,151,807	2,621,671	2,272,441	\$ 34,430,925
ROE Reduction	(8,855)	(8,958)	(8,816)	(9,450)	(10,787)	(13,457)	(23,790)	(22,268)	(21,071)	(15,225)	(12,663)	(10,977)	\$ (166,316)
Revised Quantity revenues	1,824,248	1,845,492	1,814,367	1,946,915	2,222,403	2,772,350	4,901,210	4,587,589	4,340,983	3,136,582	2,608,907	2,261,464	\$ 34,264,609
Pro-rated Quantity revenues ⁽¹⁾			878,887										\$ 878,887
Actual													
Billed Water sales (usage, ccf)	590,705	783,459	814,283	1,346,633	1,527,940	1,480,148	1,362,757	977,239	637,179	10,672,685			
Current Rates ⁽²⁾	2,4667	2,4667	2,4667	2,4667	2,4667	2,4667	2,4667	2,4667	2,4667	2,4667	2,4667	2,4667	
Billed Quantity revenues	1,457,091	1,932,559	2,005,592	3,321,739	3,768,869	3,651,083	3,361,512	2,842,452	1,571,729	26,326,313			
Pro-rated Quantity revenues ⁽¹⁾			705,044										\$ 705,044
Over(Under) Differences													
Over(Under) Collection in Quantity revenue	(173,843)	(14,356)	(213,810)	549,390	(1,132,241)	(936,606)	(879,472)	(254,100)	(689,735)	(4,083,124)			

(1) This account was approved in Advice Letter 1038-A, which established the VCMRRAMA, with an effective date of March 17th, 2014

(2) Per Advice Letter 975-A for 2013 step. Advice Letter 1049 was still under Commission review and was not authorized until December 22, 2014. As a result, the 2014 step rate was not implemented in billing until early 2015.

(3) Advice Letter 1049 authorized 2014 step.

Revenue requirement=O&M+Depreciation+Taxes(other and income)+Cost of equity+Cost of debt

CALIFORNIA AMERICAN WATER COMPANY
 ADVISE LETTER 1102-A
 SACRAMENTO VOLUNTARY CONSERVATION or MANDATORY RATIONING REVENUE ADJUSTMENT MECHANISM MEMORANDUM ACCOUNT (VCMRRAMA)

Allocation from summary 5.32% 5.39% 5.30% 5.68% 6.49% 8.09% 14.30% 13.39% 12.67% 9.15% 7.61% 6.60% 100.00%

Rate Case Allowed	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Purchased Water	89,888	91,038	89,600	96,039	109,629	136,757	241,772	226,306	214,137	154,725	128,695	111,556	1,690,240
Purchased Power	113,744	115,069	113,263	121,393	138,669	172,859	305,696	298,048	270,668	195,570	182,869	141,005	2,136,440
Total Variable cost	203,732	206,105	202,852	217,432	248,198	309,617	547,368	512,354	484,802	350,294	291,363	252,561	3,826,680
Pro-rated Variable cost			88,164										88,164
Actual													Total
Purchased Water	70,891	44,397	60,514	48,054	95,231	102,749	106,097	103,287	86,988	81,000	49,890	45,877	894,962
Purchased Power	143,567	125,826	128,750	149,450	196,994	234,169	236,646	216,872	189,262	174,294	136,687	157,823	2,102,260
Total Variable cost	214,458	170,222	189,303	187,504	292,225	336,918	342,843	320,159	266,248	255,294	186,567	203,701	2,997,242
Pro-rated Variable cost			91,598										91,598
Over/(Under) Differences													Total
Over/(Under) Variable cost difference			6,556	19,928	(44,027)	(27,301)	204,726	182,195	188,554	95,000	102,796	48,880	797,287

CALIFORNIA AMERICAN WATER COMPANY
ADVICE LETTER 1102-A
SACRAMENTO VCMRRAMA

Workpaper 1-4

2014 Sacramento Ratebase

158,901,500

Based on 9.99%

8,307,464

cost of equity at full ROE, no reduction

Based on 9.79%

8,141,148

cost of equity at reduced ROE w red

ROE reduction

(166,316)

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Month	New charges/ Reduced Balances Collected (\$)	Surpluses (\$)	Copy Mt A/cn Balancing (\$)	Monthly Activity (\$)	Commercial Paper Interest	This month's Interest Balance	(\$)
12/31/2012	185,646.60	185,646.60	185,646.60	(1,391,897.60)	-	(228.89)	(1,391,431.82)
12/31/2012	74,637.25	74,637.25	74,637.25	-	0.20%	(228.89)	(1,391,431.82)
12/31/2012	62,132.22	62,132.22	(1,507,819.77)	-	0.20%	(118.65)	(1,465,850.18)
11/30/2012	(1,569,752.00)	(1,569,752.00)	-	-	-	-	-
11/30/2012	(118,243.00)	(118,243.00)	-	-	-	-	-
10/31/2012	(165,409.00)	(165,409.00)	-	-	-	-	-
9/30/2012	(556,828.00)	(556,828.00)	-	-	-	-	-
8/31/2012	105,895.00	105,895.00	-	-	-	-	-
7/31/2012	(622,039.00)	(622,039.00)	-	-	-	-	-
6/30/2012	(52,130.00)	(52,130.00)	-	-	-	-	-
5/31/2012	(118,243.00)	(118,243.00)	-	-	-	-	-
4/30/2012	(169,479.35)	(169,479.35)	(2,550,724.05)	108.65	0.10%	(195.29)	(3,199,032.99)
3/31/2012	101,828.57	101,828.57	(816.33)	468,569.66	0.10%	(281.23)	(3,199,715.56)
2/29/2012	62,408.24	62,408.24	(501.34)	101,828.57	0.12%	(111.90)	(1,068,113.65)
1/31/2012	(447.42)	(447.42)	(78.65)	62,408.24	0.15%	(151.37)	(1,169,828.27)
12/31/2011	71,052.18	71,052.18	(447.42)	62,408.24	0.17%	(182.40)	(1,322,052.87)
12/31/2011	68,579.00	68,579.00	-	68,579.00	0.16%	(182.40)	(1,322,052.87)
11/30/2011	185,646.60	185,646.60	-	(1,391,897.60)	-	(228.89)	(1,391,431.82)
12/31/2011	260,025.69	260,025.69	(168.81)	260,025.69	0.09%	(59.39)	(861,930.31)
11/30/2011	343,044.53	343,044.53	-	343,044.53	0.09%	(82.00)	(821,896.81)
10/31/2011	328,855.42	328,855.42	-	328,855.42	0.11%	(131.01)	(1,264,859.14)
9/30/2011	515,303.55	515,303.55	(743.77)	515,303.55	0.08%	(123.41)	(1,593,583.55)
8/31/2011	530,896.80	530,896.80	-	530,896.80	0.09%	(178.06)	(2,108,643.69)
7/31/2011	491,317.49	491,317.49	-	491,317.49	0.11%	(264.46)	(2,639,662.53)
6/30/2011	468,569.66	468,569.66	(816.33)	468,569.66	0.10%	(281.23)	(3,199,715.56)
5/31/2011	169,479.35	169,479.35	(2,550,724.05)	108.65	0.10%	(195.29)	(3,199,032.99)
4/30/2011	101,828.57	101,828.57	-	101,828.57	0.12%	(111.90)	(1,068,113.65)
3/31/2011	62,408.24	62,408.24	(501.34)	62,408.24	0.15%	(151.37)	(1,169,828.27)
2/29/2011	71,052.18	71,052.18	(447.42)	71,052.18	0.17%	(182.40)	(1,322,052.87)
1/31/2011	231,719.93	231,719.93	-	231,719.93	0.09%	(40.86)	(430,251.34)
12/31/2010	3,660,314.68	3,660,314.68	(2,567.02)	(559,635.42)	-	(2,294.89)	(681,930.31)
12/31/2010	7,128,879.71	7,128,879.71	(2,761.77)	3,648,259.54	0.13%	(1,194.77)	(3,647,103.77)
11/30/2010	181,089.80	181,089.80	-	1,010,756.63	0.13%	340.32	3,647,103.77
11/30/2010	277,788.57	277,788.57	-	277,788.57	0.10%	208.08	2,358,008.82
10/31/2010	327,183.08	327,183.08	-	327,183.08	0.10%	182.85	2,358,008.82
9/30/2010	307,207.21	307,207.21	(215.19)	307,207.21	0.10%	153.07	2,030,642.24
8/31/2010	419,775.24	419,775.24	-	419,775.24	0.11%	131.38	1,643,281.96
7/31/2010	434,215.93	434,215.93	-	434,215.93	0.10%	83.85	1,223,375.34
6/30/2010	382,767.21	382,767.21	79.29	382,767.21	0.10%	49.60	789,828.55
5/31/2010	230,879.26	230,879.26	-	230,879.26	0.10%	24.23	408,268.55
4/30/2010	222,701.81	222,701.81	-	222,701.81	0.10%	5.33	175,265.06
3/31/2010	167,613.66	167,613.66	(78.65)	167,613.66	0.10%	(47,442.18)	(47,442.18)
2/29/2010	215,233.33	215,233.33	-	215,233.33	0.10%	(26.89)	(215,044.90)
1/31/2010	231,719.93	231,719.93	-	231,719.93	0.09%	(40.86)	(430,251.34)
12/31/2009	(2,663,082.94)	(2,663,082.94)	-	(559,635.42)	-	(2,294.89)	(681,930.31)
12/31/2009	180,210.28	180,210.28	-	180,210.28	0.12%	373.72	3,627,687.78
11/30/2009	180,155.02	180,155.02	-	180,155.02	0.12%	391.78	4,008,234.56
10/31/2009	(350,371.24)	(350,371.24)	2,000.04	(117,271.30)	0.11%	358.30	3,651,322.50
9/30/2009	(1,952.40)	(1,952.40)	-	(78,440.09)	0.22%	145.06	753,168.64
8/31/2009	(78,269.01)	(78,269.01)	-	(78,269.01)	0.16%	130.27	829,463.87
7/31/2009	(2,585,722.03)	(2,585,722.03)	-	(3,059,144.95)	0.13%	264.00	907,602.61
6/30/2009	(56,972.81)	(56,972.81)	-	(56,972.81)	0.14%	466.03	3,966,483.56
5/31/2009	(38,141.07)	(38,141.07)	-	(38,141.07)	0.12%	404.17	4,022,950.34
4/30/2009	229,075.82	229,075.82	-	229,075.82	0.10%	328.82	4,090,777.24
3/31/2009	(175,179.90)	(175,179.90)	-	(117,271.30)	0.11%	358.30	3,651,322.50
2/29/2009	180,155.02	180,155.02	-	180,155.02	0.12%	391.78	4,008,234.56
1/31/2009	3,627,687.78	3,627,687.78	-	3,627,687.78	0.12%	373.72	3,627,687.78
12/31/2008	3,647,103.77	3,647,103.77	-	3,647,103.77	0.13%	340.32	3,647,103.77
12/31/2008	628,290.42	628,290.42	-	628,290.42	0.00%	1,888.13	628,178.55
11/30/2008	(59,908.49)	(59,908.49)	-	(59,908.49)	0.20%	109.67	628,178.55
10/31/2008	(65,301.59)	(65,301.59)	-	(65,301.59)	0.18%	108.08	627,979.33
9/30/2008	(76,440.09)	(76,440.09)	-	(76,440.09)	0.22%	145.06	753,168.64
8/31/2008	(78,269.01)	(78,269.01)	-	(78,269.01)	0.16%	130.27	829,463.87
7/31/2008	(2,585,722.03)	(2,585,722.03)	-	(3,059,144.95)	0.13%	264.00	907,602.61
6/30/2008	(56,972.81)	(56,972.81)	-	(56,972.81)	0.14%	466.03	3,966,483.56
5/31/2008	(38,141.07)	(38,141.07)	-	(38,141.07)	0.12%	404.17	4,022,950.34
4/30/2008	229,075.82	229,075.82	-	229,075.82	0.10%	328.82	4,090,777.24
3/31/2008	(175,179.90)	(175,179.90)	-	(117,271.30)	0.11%	358.30	3,651,322.50
2/29/2008	180,155.02	180,155.02	-	180,155.02	0.12%	391.78	4,008,234.56
1/31/2008	3,627,687.78	3,627,687.78	-	3,627,687.78	0.12%	373.72	3,627,687.78
12/31/2007	3,647,103.77	3,647,103.77	-	3,647,103.77	0.13%	340.32	3,647,103.77

Series Description 90-Day AA Nonfinancial Commercial Paper Interest Rate
CALIFORNIA AMERICAN WATER
AL 1081
Workpaper 1-6

Unit:	Percent	
Multiplier:		1
Currency:	NA	
Unique Identifier:	H15/H15/RIFSPNAAD90_N.M	
Time Period	RIFSPNAAD90_N.M	
2013-12		0.09
2014-01		0.09
2014-02		0.1
2014-03		0.1
2014-04		0.1
2014-05		0.1
2014-06		0.1
2014-07		0.1
2014-08		0.11
2014-09		0.1
2014-10		0.1
2014-11		0.1
2014-12		0.13
2015-01		0.12
2015-02		0.12
2015-03		0.11
2015-04		0.1
2015-05		0.12
2015-06		0.14
2015-07		0.13
2015-08		0.18
2015-09		0.22
2015-10		0.18

**CALIFORNIA AMERICAN WATER COMPANY
 ADVICE LETTER 1102-A
 SACRAMENTO VCMRRAMA
 CEBA SURCHARGE CALCULATION
 Workpaper 1-7**

		2016 Authorized Revenue
Total Revenue	AL 1086	53,069,991
VCMRRAMA	2014	(3,290,832)
CEBA balance	9/30/2015	828,177
2015 Interim Rate True Up Recovery - General Metered	AL 1110	945,435 Approved 3/16/16
Net requested surcharge		(1,717,220)
Net CEBA balance percentage of total authorized revenue		3.24%
Total 2016 Consumption per month(ccf)	D.15-04-007	1,153,707
Number of months to collect surcharge		12
Surcharge/(refund) amount (per ccf)		0.1240
Surcharge/(refund) amount (per 100 gal)		0.0166

Schedule No. SC-1 (Continued)
 Sacramento District Tariff Area
GENERAL METERED SERVICE

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 (RFSS) 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 RFSS service charges. Provided, however, that the RFSS 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 RFSS 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. Per Advice Letter 1072-B, a surcharge of \$0.0052 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.

5. Per Advice Letter 1096, a surcharge of \$1.86 for the Low-Income Ratepayer Assistance Program ("LIRAP") Balancing Account will be collected from all non-low income water and wastewater customers.

6. Per Advice Letter 1110-A, the over-collected balance in the Sacramento District Consolidated Expense Balancing Account (CEBA) will be distributed through a quantity based surcredit of \$0.0152 per 100 gallons over 12 months effective February 1, 2016. The total amount will be distributed to all classes of customers.

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, 2015, the net under-collection totals \$10,690,012 including interest. The surcharge is \$0.0504 per 100 gallons and will remain effective for 24 months beginning March 31, 2016.

(N)
 |
 (N)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 1118

ISSUED BY
J. LINAM
NAME

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

DECISION NO. D.15-04-007

DIRECTOR – Rates & Regulatory
TITLE

EFFECTIVE
 RESOLUTION

TABLE OF CONTENTS

(Page 1)

The following listed tariff sheets contain all effective rates and rules affecting the charges and services of the Utility, together with other pertinent information:

<u>SUBJECT MATTER OF SHEET</u>	<u>C.P.U.C. SHEET NO.</u>
TITLE PAGE	7052-W
TABLE OF CONTENTS	XXXX-W, XXXX-W, XXXX-W, 8132-W, 7966-W, 8075-W, 8068-W, 8069-W, 8070-W, 8071-W (C)
PRELIMINARY STATEMENTS	XXXX-W7828-W, 8078-W, 8003-W, 7748-W, 7749-W, 7750-W, 7751-W, 7752-W, 7753-W, 7754-W, 7755-W, 7756-W, 7757-W, 8079-W, 7759-W, 7830-W, 7831-W, 7831-W, 7833-W, 7834-W, 7835-W, 7836-W, 7837-W, 7838-W, 7769-W, 7770-W, 7771-W, 7772-W, 7773-W, 7774-W, 7775-W, 7776-W, 7777-W, 7778-W, 7779-W, 7780-W, 7781-W, 7782-W, 7783-W, 7784-W, 7785-W, 7786-W, 7787-W, 7788-W, 7789-W, 7790-W, 7791-W, 7792-W, 7793-W, 7794-W, 7795-W, 7796-W, 7797-W, 7798-W, 7799-W, 7800-W, 7801-W, 7802-W, 7803-W, 7804-W, 7806-W, 8080-W, 8081-W, 8082-W (C)
<u>SERVICE AREA MAP:</u> California-American Water Company	5470-W
Larkfield	6569-W
Los Angeles County	6570-W
Baldwin Hills	6571-W, 6572-W,
Duarte	6578-W
San Marino	6573-W, 6574-W, 6575-W, 6576-W, 6577-W
Monterey County	7053-W, 6580-W, 6581-W, 6582-W, 6583-W, 6584-W, 6585-W, 6586-W, 6587-W, 6588-W, 6589-W, 6590-W, 944 -W, 945 -W, 947 -W, 948 -W, 949 -W, 950 -W, 951 -W, 952 -W, 953 -W, 954 -W, 955 -W, 957 -W, 958 -W, 959 -W, 960 -W, 961 -W, 962-W, 963 -W, 964 -W, 966 -W, 967 -W, 968 -W, 969 -W, 971 -W, 972 -W, 973 -W, 974 -W, 975 -W, 976 -W, 977 -W, 978 -W, 979 -W, 980 -W, 981 -W, 982 -W, 983 -W, 984 -W, 7054-W

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 1118

ISSUED BY
J. LINAM
NAME

(TO BE INSERTED BY C.P.U.C.)
 DATE FILED _____

DECISION NO. _____

DIRECTOR – Rates & Regulatory
TITLE

EFFECTIVE _____
 RESOLUTION _____

TABLE OF CONTENTS (Continued)
 (Page 3)

<u>SUBJECT MATTER OF SHEET</u>	<u>C.P.U.C. SHEET NO.</u>
RATE SCHEDULES (Continued):	
Monterey County District (Continued)	
<i>(Monterey Main, Hidden Hills, Ryan Ranch, & Bishop Service Areas) (Continued)</i>	
MO-1 MU General Metered Service	7988-W, 7728-W, 7729-W, 7730-W
Residential/Non-Residential Mixed Use	7731-W, 7732-W, 7733-W, 7734-W
	7735-W, 7736-W, 8026-W
<i>(Ambler Park, Ralph Lane & Chualar Service Areas)</i>	
MO-ARC-1 General Metered Service	8118-W, 8119-W, 8120-W, 7700-W,
	8027-W, 7642-W
<i>(Toro)</i>	
MO-TO-1 General Metered Service	8128-W, 8201-W, 8019-W, 7644-W
<i>(Garrapata)</i>	
MO-GA-2 General Flat Rate Service	7693-W, 8170-W
Sacramento District	
SC-1 General Metered Service	8103-W, 8104-W, XXXX-W, 8028- (C)
	W, 7635-W
SC-DU-1 General Metered Service	8160-W
SC-DU-1F Flat Rate Service	8161-W
San Diego County District	
SD-1 General Metered Service	8094-W, 8095-W, 8184-W, 8013-W,
	7624-W
Ventura County District	
VN-1 General Metered Service	8084-W, 8085-W, 8190-W, 8014-W,
	8074-W, 7627-W
VN-9MC Metered Construction Water	8087-W, 8191-W, 8015-W, 7629-W

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 1118

ISSUED BY
J. LINAM
NAME
DIRECTOR – Rates & Regulatory
TITLE

(TO BE INSERTED BY C.P.U.C.)
 DATE FILED _____
 EFFECTIVE _____
 RESOLUTION _____

DECISION NO. _____

CALIFORNIA PUBLIC UTILITIES COMMISSION
Division of Water and Audits

STANDARD PRACTICE FOR PROCESSING
RATE OFFSETS AND
ESTABLISHING AND AMORTIZING
MEMORANDUM ACCOUNTS

Standard Practice U-27-W

SAN FRANCISCO, CALIFORNIA
Revised April 16, 2014

- c. The expense is of a substantial nature as to the amount of money involved when any offsetting costs decreases are taken into account; and
- d. The ratepayers will benefit by the memo account treatment.

53. Some memo accounts are established by Commission order or California law, but, if the establishment is discretionary on the utility's part, it requires an advice letter filing to be effective.⁴³ Such filing for a preapproved memorandum account is a Tier 1 filing.

Amortizing a Memorandum Account

54. Recovery of a memo account requires a Tier 3 advice letter with full justification of all expenses and a recorded earnings test for the calendar year period during which the expense was incurred. The average monthly balance in the account accrues interest at the 90-day commercial paper rate.⁴⁴

55. Surcharges or surcredits for recovery of memo accounts should be spread across all utility services that have benefited from the money spent and booked to the memo account. For example, recovery of DHS fee memo accounts (not water quality memo accounts) should be spread across all services including private fire protection service and reclaimed water service because DHS monitors backflow prevention protections for these services. Recovery of water quality memo accounts, however, should come only from customers who use potable water. Recovery of memo accounts requires a Tier 3 advice letter and resolution, which transfers the balance in the memo account to a balancing account and will institute either a surcharge or surcredit.

F – FORM AND CONTENTS OF THE ADVICE LETTER

56. Class D utilities may elect to furnish only the following information for expense offset rate increases:⁴⁵

- a. A written request, including an explanation for the tracked costs;
- b. A tabulation of increases in expenses and revenues;
- c. Copies of paid bills and work papers showing calculations in support of items to be recovered.
- d. For previously established reserve accounts, a summary with supporting work papers showing over or undercollections in the reserve account.

Staff will prepare the necessary paperwork, i.e., the advice letter and Notice to Customers, and provide these documents to the utility. The utility is responsible for the distribution of the notice to its customers.

⁴³ "A small water company, perhaps assisted by the Association or by Branch, would file an advice letter and tariff sheets establishing a memorandum account for unanticipated repair costs." D.92-03-093, March 31, 1992 at 26.

⁴⁴ One-twelfth of the most recent month's interest rate on Commercial Paper (prime, three months), published in the Federal Reserve Statistical Release, G.13, or its successor publication. See <http://www.federalreserve.gov/releases/t115/data/m/cp3m.txt>

⁴⁵ "Hydraulic Branch Procedures for Offset Rate increases" by B. Bennett and W. Franklin, 8/24/84 at 4. See Doc. Mgmt. #267375.

average amount of water receives the same percentage increase as a flat rate customer.

- c. Offsets also apply to Low-Income rate schedules

H – RECOVERY PERIODS

64. Amortization of Undercollection in the Reserve Account (Metered):

- a. Surcredits shall apply to service charge only and be designed to return the money as soon as reasonably possible.
- b. Reserve and memo account amortization surcharges shall be spread over one year for undercollections of less than 5% of gross revenues, over two years for undercollections of 5% to 10% of gross revenues and over three years for undercollections over 10% of gross revenues. Recovery shall be tracked in a balancing account.

I – EARNINGS TESTS

65. Class B, C and D utilities requesting a CPI offset must pass an earnings test. This test involves the following:

- a. If the last General Rate Case authorized a rate of return, create a recorded Summary of Earnings and compare the adopted rate of return to the recorded rate of return. Using the Summary of Earnings, increase the most recent adopted revenues by the CPI percentage and recalculate the rate of return. If the new return exceeds authorized, the utility will only be eligible for part or none of the increase.
- b. If the last General Rate Case authorized a return on margin, calculate the recorded return on margin by taking $1 - \text{Operating Ratio}$, where Operating Ratio is equal to Recorded Operating Expenses (operations and maintenance expenses, annual depreciation on non-contributed facilities, amortization of multiyear expenses and applicable taxes: income taxes, property taxes, taxes other than income, payroll taxes) divided by the most recent adopted Operating Revenues increased by the CPI. Compare this percentage to the authorized return on margin percentage. If the new return exceeds authorized, the utility will only be eligible for part or none of the increase..

66. If the earnings test shows that the utility is over-earning, adjust the requested amount by the over-earning amount.



4701 Beloit Drive P (916) 568-4251
 Sacramento, CA 95838 F (916) 568-4260
 www.amwater.com

SUPPLEMENTED BY
A.L. No. 1102-A
P.U.C. Sheet No.
8247-8249-W

FILED
 DEC - 7 2015
 PUBLIC UTILITIES COMMISSION
 DIVISION OF WATER AND AUDITS

December 07, 2015

ADVICE LETTER NO. 1102

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, attached hereto, which are applicable to all of its districts:

<u>C.P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Sheet No.</u>
XXXX-W	<u>Schedule No. SC-1 (continued)</u> <u>Sacramento District Tariff Area General</u> <u>GENERAL METERED SERVICE</u>	7656-W
XXXX-W	<u>TABLE OF CONTENTS</u> <u>(Page 3)</u>	XXXX-W
XXXX-W	<u>TABLE OF CONTENTS</u> <u>(Page 1)</u>	XXXX-W

Purpose:

This advice letter filing seeks review and approval for recovery of lost revenue in the Sacramento District due to the implementation of the voluntary conservation or mandatory rationing measures approved by the California Public Utilities Commission (Commission) in AL 1038-A. The adjustment in quantity revenue and production costs has been tracked in the Sacramento Voluntary Conservation or Mandatory Rationing Revenue Adjustment Mechanism Memorandum Account (VCMRRAMA), referenced on California American Water's preliminary statements as AZ.

Background:

California American Water filed and the Commission later approved Advice Letter 1038-A on March 26, 2014. The advice letter established, among other things, a Sacramento District Voluntary Conservation or Mandatory Rationing Revenue Adjustment Mechanism Memorandum Account. The creation of the memorandum account allowed the Company to track any losses in revenue due to voluntary conservation or mandatory rationing in the Sacramento District.

Per Attachment A of Resolution W-4976:

" . . .Lost revenues associated with reduced sales as a result of activation of either Tariff Rule 14.1 or Schedule 14.1 for a utility without a full revenue decoupling Water Revenue

Adjustment Mechanism (WRAM) should be tracked in a separate memorandum account for disposition as directed or authorized from time to time by the Commission."

Request:

California American Water requests that the \$3.3 million and accumulated interest, be transferred to the consolidated expense balancing account (CEBA) for recovery. The revised surcharge also reflects ongoing surcharge collections in the CEBA through September 30, 2015.

The total requested recovery to be transferred to the CEBA, including interest, is approximately (\$3,279,219). Once transferred, the CEBA balance will be (\$2,447,670) or 4.64% of 2015 authorized revenue. Pursuant to SP U-27-W¹, memorandum account amortization surcharges are usually spread over three years for under-collections over 10% of gross revenues. Since the percentage is less than 5% the spread will be over 12 months.

The surcharge would be levied on all customers in the Sacramento District only.

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 3 designation.

Effective Date:

California American Water requests an effective date of January 6, 2015.

Service List:

In accordance with Section 4.3 of General Order 96-B, a copy of this advice letter has been served upon all interested and affected parties as shown in Exhibit A.

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;

¹ SP U-27-W, p. 16.

² G.O. 96-B, General Rule 7.4.1

³ G.O. 96-B, General Rule 7.4.2

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.
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: todd.pray@amwater.com	Mailing Address: 4701 Beloit Drive Sacramento, CA 95838
sarah.leeper@amwater.com	333 Hayes Street, Ste. 202 San Francisco, CA 94102
zhaoyi.chen@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.

REPLIES⁴

⁴ G.O. 96-B, General Rule 7.4.3

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/ Todd Pray

Todd Pray
Senior Manager - Rates & Regulatory

SACRAMENTO DISTRICT SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1102

BY MAIL:

Robert C. Baptiste
9397 Tucumcari Way
Sacramento, CA 95827-1045

Placer County Water Agency
P.O. Box 6570
Auburn, CA 95804

Carol Smith
6241 Cavan Drive, 3
Citrus Heights, CA 95621

Robert A. Ryan, Jr.
County of Sacramento
Downtown Office
700 H Street, Suite 2650
Sacramento, CA 95814

California Dept of Health Services
Division of Drinking Water &
Environmental Management
PO Box 997416
Sacramento, CA 95899-7413

BY E-MAIL:

Division of Ratepayer Advocates
California Public Utilities Commission
dra_water_al@cpuc.ca.gov

Rami Kahlon
California Public Utilities Commission
Water Advisory Branch, Room 3106
505 Van Ness Avenue
San Francisco, CA 94102-3214

Steven J. Thompson
5224 Altana Way
Sacramento, CA 95841

Anthony La Bouff, County Counsel
Placer County
175 Fulweiler Avenue
Auburn, CA 95603

Walt Shannon
8356 Auberry Drive
Sacramento, CA 95828

Rio Linda Water District
730 L Street
Rio Linda, CA 95673

Ms. Lisa Bilir
California Public Utilities Commission
Division of Ratepayer Advocates
505 Van Ness Avenue
San Francisco, CA 94102
lwa@cpuc.ca.gov

City of Sacramento, Water Division
1391 35th Avenue
Sacramento, CA 95822
dsherry@cityofsacramento.com

Danilo Sanchez
California Public Utilities Commission
Division of Ratepayer Advocates
505 Van Ness Avenue, Room 3200
San Francisco, CA 94102

Sacramento County WMD
827 7th Street, Room 301
Sacramento, CA 95814

Fruitridge Vista Water Company
P.O. Box 959
Sacramento, CA 95812

Mark Norris
County Clerk-Recorder
County of Sacramento
600 8th Street
Sacramento, CA 95814

Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821-5303

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

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

SACRAMENTO DISTRICT SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1102

Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, CA 95610
rchurch@chwd.org

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

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
lgarcia@cityofisleton.com

Jim McCauley, Clerk-Recorder
Placer County
2954 Richardson Drive
Auburn, CA 95603
skasza@placer.ca.gov

**CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1102
SUPPORTING DOCUMENTATION FOR STAFF**

**SACRAMENTO VCMRRAMA RECOVERY
TABLE OF CONTENTS**

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Calculation of Sacramento VCMRRAMA Surcharge	1-1
Cancelled Tariffs	2-1
Excerpts from Standard Practice U-27	3-1

CALIFORNIA AMERICAN WATER
Schedule of Sacramento VCMRRAMA Memorandum Account
Workpaper 1-1

[a]	[b]	[c]	[d]	[e]	[f]	[g]	
Month	Revenue Over/(Under) (\$)	Prod Costs difference	VCMRRAMA Net (\$)	Surcharges Collected (\$)	Comm'l. Paper Rate	This Month's Interest	Balance (\$)
January 2014	-	-	-		0.09%	-	-
February	-	-	-		0.10%	-	-
March	(162,254)	6,556	(155,698)		0.10%	(6)	(155,704)
April	(14,356)	19,928	5,572		0.10%	(13)	(150,145)
May	(213,810)	(44,027)	(257,837)		0.10%	(23)	(408,005)
June	549,390	(27,301)	522,088		0.10%	(12)	114,071
July	(1,132,241)	204,726	(927,515)		0.10%	(29)	(813,473)
August	(936,606)	192,195	(744,410)		0.11%	(109)	(1,557,993)
September	(979,472)	198,554	(780,918)		0.10%	(162)	(2,339,073)
October	(294,100)	95,000	(199,100)		0.10%	(203)	(2,538,376)
November	(198,351)	102,796	(95,555)		0.10%	(216)	(2,634,146)
December	(689,735)	48,860	(640,875)		0.13%	(320)	(3,275,341)
2014 Ending Balance				-		(1,094)	(3,275,341)
January 2015	-	-	-		0.12%	(328)	(3,275,669)
February	-	-	-		0.12%	(328)	(3,275,996)
March	-	-	-		0.11%	(300)	(3,276,297)
April	-	-	-		0.10%	(273)	(3,276,570)
May	-	-	-		0.12%	(328)	(3,276,897)
June	-	-	-		0.14%	(382)	(3,277,280)
July	-	-	-		0.13%	(355)	(3,277,635)
August	-	-	-		0.18%	(492)	(3,278,126)
September	-	-	-		0.22%	(601)	(3,278,727)
October	-	-	-		0.18%	(492)	(3,279,219)
November	-	-	-		0.00%	-	(3,279,219)
December	-	-	-		0.00%	-	(3,279,219)
2015 Ending Balance				-		(3,878)	(3,279,219)

ADVICE LETTER 1192

SACRAMENTO VOLUNTARY CONSERVATION or MANDATORY RATIONING REVENUE ADJUSTMENT MECHANISM MEMORANDUM ACCOUNT (VCMRRAMA)

2014 Authorized	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Revenues	1,833,102	1,854,450	1,825,183	1,955,355	2,233,190	2,785,808	4,925,000	4,602,957	4,352,054	3,151,007	2,621,571	2,272,441	\$ 34,438,828
Major revenues													\$ -
Quantity revenues	1,833,102	1,854,450	1,825,183	1,955,355	2,233,190	2,785,808	4,925,000	4,602,957	4,352,054	3,151,007	2,621,571	2,272,441	\$ 34,438,828
RCE Reduction	(8,653)	(8,958)	(8,818)	(9,450)	(10,787)	(13,457)	(23,790)	(22,263)	(21,071)	(15,223)	(12,903)	(10,977)	\$ (105,316)
Revised Quantity revenues	1,824,249	1,845,492	1,816,365	1,945,905	2,222,403	2,772,350	4,901,210	4,580,694	4,330,983	3,135,784	2,608,668	2,261,464	\$ 34,264,609
Pro-rated Quantity revenues ⁽¹⁾			870,295										\$ 870,295

Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Billed Water sales (usage, ccts)			590,705	783,459	814,253	1,345,633	1,527,940	1,480,149	1,302,757	1,152,342	977,230	637,179	19,673,644
Current Rates ⁽²⁾			2,4957	2,4957	2,4957	2,4957	2,4957	2,4957	2,4957	2,4957	2,4957	2,4957	\$ 29,335,313
Billed Quantity revenues			1,457,091	1,932,592	2,009,592	3,321,739	3,789,999	3,691,059	3,261,913	2,943,492	2,410,009	1,571,729	\$ 29,335,313
Pro-rated Quantity revenue ⁽¹⁾			658,041										\$ 658,041

Over/(Under) Differences	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Over/(Under) Collection in Quantity revenue			(152,254)	(14,358)	(213,815)	549,390	(1,132,241)	(938,608)	(979,472)	(204,100)	(108,351)	(659,725)	\$ (4,873,634)

(1) This account was approved in Advice Letter 1033-A, which established the VCMRRAMA, with an effective date of March 17th, 2014

(2) Per Advice Letter 975-A for 2013 step Advice Letter 1049 was still under Commission review and was not authorized until December 22, 2014. As a result, the 2014 step rate was not implemented in billing until early 2015

(3) Advice Letter 1049 authorized 2014 step

ADVICE LETTER 1102

SACRAMENTO VOLUNTARY CONSERVATION or MANDATORY RATIONING REVENUE ADJUSTMENT MECHANISM MEMORANDUM ACCOUNT (VCMRRAMA)

Rate Case Allowed	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Purchased Water	89,988	91,036	89,600	96,039	109,029	136,757	241,772	226,306	214,137	154,725	128,695	111,558	1,690,240
Purchased Power	113,744	115,069	113,253	121,393	136,569	172,859	305,596	288,048	270,666	195,570	182,669	141,005	2,138,440
Total Variable cost	203,732	206,105	202,853	217,432	245,598	309,617	547,368	512,354	484,802	350,294	291,363	252,561	3,828,680
Pro-rated Variable cost			98,154										98,154

Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Purchased Water	70,891	44,397	60,514	46,054	95,231	102,749	106,097	103,267	68,988	81,000	49,860	45,877	894,982
Purchased Power	143,587	125,826	128,790	149,450	196,994	234,169	236,546	216,872	199,282	174,294	138,687	157,823	2,102,280
Total Variable cost	214,478	170,223	189,304	195,504	292,225	336,918	342,643	320,139	268,270	255,294	188,547	203,701	2,997,262
Pro-rated Variable cost			91,598										91,598

Over(Under) Differences	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Over(Under) Variable cost difference			6,556	19,928	(44,027)	(27,301)	204,726	192,195	196,554	95,000	102,796	48,860	797,287

CALIFORNIA AMERICAN WATER COMPANY
ADVICE LETTER 1102
SACRAMENTO YUBA/RAMA

Worksheet 1-4

2014 Sacramento Ratebase	154,901,500
Based on 9.90%	8,307,464
Based on 9.75%	<u>8,141,148</u>
RDE reduction	(166,316)

CALIFORNIA AFRICAN WATER
 Schedule of CEBA Authorized Recovery - For Information Only
 Worksheet 1-6

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Month	New Charges/ Reduced Balances	Collected Surcharges	Qty by Auth Balance	Monthly Activity	Commercial Paper Rate	This month's Interest	Balance
1/31/2012	-	-	-	-	0.00%	-	-
3/31/2012	-	-	-	-	0.00%	-	-
4/30/2012	-	-	-	-	0.00%	-	-
5/31/2012	-	-	-	-	0.00%	-	-
6/30/2012	-	-	-	-	0.00%	-	-
7/31/2012	-	-	-	-	0.00%	-	-
8/31/2012	-	-	-	-	0.00%	-	-
9/30/2012	-	-	-	-	0.00%	-	-
10/31/2012	-	-	-	-	0.19%	3.32	41,888.24
11/30/2012	11,568,752.00	115,409.00	82,132.23	(1,507,619.77)	0.21%	(124.59)	(1,465,856.12)
12/31/2012	11,568,752.00	153,130.00	74,637.25	(1,507,619.77)	0.17%	(202.38)	(1,391,421.25)
1/31/2013	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
3/31/2013	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
4/30/2013	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
5/31/2013	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
6/30/2013	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
7/31/2013	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
8/31/2013	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
9/30/2013	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
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12/31/2013	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
1/31/2014	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
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1/31/2015	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
3/31/2015	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
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6/30/2015	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
7/31/2015	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
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10/31/2015	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
11/30/2015	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
12/31/2015	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
1/31/2016	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
3/31/2016	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
4/30/2016	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
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7/31/2016	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
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11/30/2016	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
12/31/2016	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)
1/31/2017	11,568,752.00	156,628.00	188,854.00	(1,391,627.00)	0.19%	(322.65)	(1,391,421.25)

C

C

Series Description 90-Day AA Nonfinancial Commercial Paper Interest Rate
CALIFORNIA AMERICAN WATER
AL 1081
Workpaper 1-6

Unit:	Percent	
Multiplier:		1
Currency:	NA	
Unique Identifier:	H15/H15/RIFSPNAAD90_N.M	
Time Period	RIFSPNAAD90_N.M	
2013-12		0.09
2014-01		0.09
2014-02		0.1
2014-03		0.1
2014-04		0.1
2014-05		0.1
2014-06		0.1
2014-07		0.1
2014-08		0.11
2014-09		0.1
2014-10		0.1
2014-11		0.1
2014-12		0.13
2015-01		0.12
2015-02		0.12
2015-03		0.11
2015-04		0.1
2015-05		0.12
2015-06		0.14
2015-07		0.13
2015-08		0.18
2015-09		0.22
2015-10		0.18

**CALIFORNIA AMERICAN WATER COMPANY
 ADVICE LETTER 1102
 SACRAMENTO VCMRRAMA
 CEBA SURCHARGE CALCULATION
 Workpaper 1-7**

		2015 Authorized Revenue
Total Revenue	D.15-04-007	52,799,113
VCMRRAMA	2014	(3,279,219)
CEBA balance	9/30/2015	831,550
Net requested surcharge		(2,447,669.54)
Net CEBA balance percentage of total authorized revenue		4.64%
Total Consumption per month(ccf)		1,166,819
Number of months to collect surcharge		12
Surcharge/(refund) amount (per ccf)		(0.1748)
Surcharge/(refund) amount (per 100 gal)		(0.0234)

SUPPLEMENT

Schedule No. SC-1 (Continued)
 Sacramento District Tariff Area
GENERAL METERED SERVICE

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. (N)

2. Any customer paying for service at a premise where a Residential Fire Sprinkler System (RFSS) 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 RFSS service charges. Provided, however, that the RFSS 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 RFSS 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. Per Advice Letter 1072-B, a surcharge of \$0.0052 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. (C)(I)

3. Per Advice Letter 1072-B, a surcharge of \$1.54 for the Low-Income Ratepayer Assistance Program ("LIRAP") Balancing Account will be collected from all non-low income water and wastewater customers. (N)
 |
 (N)

4. Per Advice Letter 1072-B, the over-collected balance in the Sacramento District Consolidated Expense Balancing Account (CEBA) will be distributed through a quantity based surcredit of \$0.0092 per 100 gallons over 12 months effective April 9, 2015. The total amount will be distributed to all classes of customers. (C)
 (C)
 (R)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 1072-B
 DECISION NO. D.15-04-007

ISSUED BY
D. P. STEPHENSON
NAME
DIRECTOR - Rates & Regulatory
TITLE

(TO BE INSERTED BY C.P.U.C.)
 DATE FILED JUN 22 2015
 EFFECTIVE 07 30 2015
 RESOLUTION _____

CANCELLED TARIFF

Workpaper 2-1

CALIFORNIA PUBLIC UTILITIES COMMISSION
Division of Water and Audits

STANDARD PRACTICE FOR PROCESSING
RATE OFFSETS AND
ESTABLISHING AND AMORTIZING
MEMORANDUM ACCOUNTS

Standard Practice U-27-W

SAN FRANCISCO, CALIFORNIA
Revised April 16, 2014

- c. The expense is of a substantial nature as to the amount of money involved when any offsetting costs decreases are taken into account; and
- d. The ratepayers will benefit by the memo account treatment.

53. Some memo accounts are established by Commission order or California law, but, if the establishment is discretionary on the utility's part, it requires an advice letter filing to be effective.⁴³ Such filing for a preapproved memorandum account is a Tier 1 filing.

Amortizing a Memorandum Account

54. Recovery of a memo account requires a Tier 3 advice letter with full justification of all expenses and a recorded earnings test for the calendar year period during which the expense was incurred. The average monthly balance in the account accrues interest at the 90-day commercial paper rate.⁴⁴

55. Surcharges or surcredits for recovery of memo accounts should be spread across all utility services that have benefited from the money spent and booked to the memo account. For example, recovery of DHS fee memo accounts (not water quality memo accounts) should be spread across all services including private fire protection service and reclaimed water service because DHS monitors backflow prevention protections for these services. Recovery of water quality memo accounts, however, should come only from customers who use potable water. Recovery of memo accounts requires a Tier 3 advice letter and resolution, which transfers the balance in the memo account to a balancing account and will institute either a surcharge or surcredit.

F – FORM AND CONTENTS OF THE ADVICE LETTER

56. Class D utilities may elect to furnish only the following information for expense offset rate increases:⁴⁵

- a. A written request, including an explanation for the tracked costs;
- b. A tabulation of increases in expenses and revenues;
- c. Copies of paid bills and work papers showing calculations in support of items to be recovered.
- d. For previously established reserve accounts, a summary with supporting work papers showing over or undercollections in the reserve account.

Staff will prepare the necessary paperwork, i.e., the advice letter and Notice to Customers, and provide these documents to the utility. The utility is responsible for the distribution of the notice to its customers.

⁴³ "A small water company, perhaps assisted by the Association or by Branch, would file an advice letter and tariff sheets establishing a memorandum account for unanticipated repair costs." D.92-03-093, March 31, 1992 at 26.

⁴⁴ One-twelfth of the most recent month's interest rate on Commercial Paper (prime, three months), published in the Federal Reserve Statistical Release, G.13, or its successor publication. See <http://www.federalreserve.gov/releases/H15/data/m/cp3m.txt>

⁴⁵ "Hydraulic Branch Procedures for Offset Rate increases" by B. Bennett and W. Franklin, 8/24/84 at 4. See Doc. Mgmt. #267375.

average amount of water receives the same percentage increase as a flat rate customer.

- c. Offsets also apply to Low-Income rate schedules

H – RECOVERY PERIODS

64. Amortization of Undercollection in the Reserve Account (Metered):

- a. Surcredits shall apply to service charge only and be designed to return the money as soon as reasonably possible.
- b. Reserve and memo account amortization surcharges shall be spread over one year for undercollections of less than 5% of gross revenues, over two years for undercollections of 5% to 10% of gross revenues and over three years for undercollections over 10% of gross revenues. Recovery shall be tracked in a balancing account.

I – EARNINGS TESTS

65. Class B, C and D utilities requesting a CPI offset must pass an earnings test. This test involves the following:

- a. If the last General Rate Case authorized a rate of return, create a recorded Summary of Earnings and compare the adopted rate of return to the recorded rate of return. Using the Summary of Earnings, increase the most recent adopted revenues by the CPI percentage and recalculate the rate of return. If the new return exceeds authorized, the utility will only be eligible for part or none of the increase.
- b. If the last General Rate Case authorized a return on margin, calculate the recorded return on margin by taking $1 - \text{Operating Ratio}$, where Operating Ratio is equal to Recorded Operating Expenses (operations and maintenance expenses, annual depreciation on non-contributed facilities, amortization of multiyear expenses and applicable taxes: income taxes, property taxes, taxes other than income, payroll taxes) divided by the most recent adopted Operating Revenues increased by the CPI. Compare this percentage to the authorized return on margin percentage. If the new return exceeds authorized, the utility will only be eligible for part or none of the increase..

66. If the earnings test shows that the utility is over-earning, adjust the requested amount by the over-earning amount.

SUPPLEMENT

Schedule No. SC-1 (Continued)
Sacramento District Tariff Area
GENERAL METERED SERVICE

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 (RFSS) 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 RFSS service charges. Provided, however, that the RFSS 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 RFSS 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. Per Advice Letter 1072-B, a surcharge of \$0.0052 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.
3. Per Advice Letter 1096, a surcharge of \$1.86 for the Low-Income Ratepayer Assistance Program ("LIRAP") Balancing Account will be collected from all non-low income water and wastewater customers.
4. Per Advice Letter 1102-B, the balance in the Sacramento County District Consolidated Expense Balancing Account (CEBA) will be recovered through a quantity based surcharge of \$0.0244 Per 100 gallons over 12 months. The effective date for surcharges is June 28, 2016 and will be recovered from all customer classes in all service areas. (C)
|
|
(C)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 1102-B

ISSUED BY
J. LINAM
NAME

(TO BE INSERTED BY C.P.U.C.)
DATE FILED 7-12-2016
EFFECTIVE 6-28-2016

DECISION NO. Res.W-5099

DIRECTOR - Rates & Regulatory
TITLE

RESOLUTION _____

SUPPLEMENT

TABLE OF CONTENTS (Continued)
(Page 3)

<u>SUBJECT MATTER OF SHEET</u>	<u>C.P.U.C. SHEET NO.</u>
RATE SCHEDULES (Continued):	
<i>Monterey County District (Continued)</i>	
<i>(Monterey Main, Hidden Hills, Ryan Ranch, & Bishop Service Areas) (Continued)</i>	
MO-1 MU General Metered Service Residential/Non-Residential Mixed Use	7988-W, 7728-W, 7729-W, 7730-W 7731-W, 8231-W, 8220-W, 8232-W 7735-W, 7736-W, 8026-W
<i>(Ambler Park, Ralph Lane & Chualar Service Areas)</i>	
MO-ARC-1 General Metered Service	8118-W, 8119-W, 8120-W, 8236-W, 8027-W, 7642-W, 8237-W
<i>(Toro)</i>	
MO-TO-1 General Metered Service	8128-W, 8201-W, 8019-W, 7644-W
<i>(Garrapata)</i>	
MO-GA-2 General Flat Rate Service	7693-W, 8170-W
Sacramento District	
SC-1 General Metered Service	8103-W, 8104-W, 8247-W, 8028-W, (C) 7635-W
SC-DU-1 General Metered Service	8160-W
SC-DU-1F Flat Rate Service	8161-W
San Diego County District	
SD-1 General Metered Service	8094-W, 8095-W, 8184-W, 8013-W, 7624-W
Ventura County District	
VN-1 General Metered Service	8084-W, 8085-W, 8190-W, 8014-W, 7627-W
VN-9MC Metered Construction Water	8087-W, 8191-W, 8015-W, 7629-W

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 1102-B

ISSUED BY
J. T. LINAM
NAME
DIRECTOR – Rates & Regulatory
TITLE

(TO BE INSERTED BY C.P.U.C.)
DATE FILED 7-12-2016
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SUPPLEMENT

TABLE OF CONTENTS

(Page 1)

The following listed tariff sheets contain all effective rates and rules affecting the charges and services of the Utility, together with other pertinent information:

<u>SUBJECT MATTER OF SHEET</u>	<u>C.P.U.C. SHEET NO.</u>
TITLE PAGE	8210-W
TABLE OF CONTENTS	8249-W, 8241-W, 8248-W, 8153-W, (C) 8244-W, 8068-W, 8069-W, 8070-W, 8071-W
PRELIMINARY STATEMENTS	7828-W, 8177-W, 8003-W, 7748-W, 7749-W, 7750-W, 7751-W, 7752-W, 7753-W, 7754-W, 7755-W, 7756-W, 7757-W, 8079-W, 7759-W, 7830-W, 7831-W, 7831-W, 7833-W, 7834-W, 7835-W, 7836-W, 7837-W, 7838-W, 7769-W, 7770-W, 7771-W, 7772-W, 7773-W, 7774-W, 7775-W, 7776-W, 7777-W, 7778-W, 7779-W, 7780-W, 7781-W, 7782-W, 7783-W, 7784-W, 7785-W, 7786-W, 7787-W, 7788-W, 7789-W, 7790-W, 7791-W, 7792-W, 7793-W, 7794-W, 7795-W, 7796-W, 7797-W, 7798-W, 7799-W, 7800-W, 7801-W, 7802-W, 7803-W, 7804-W, 7806-W, 8080-W, 8081-W, 8082-W, 8178-W
<u>SERVICE AREA MAP:</u> California-American Water Company	5470-W
Larkfield	6569-W
Los Angeles County	6570-W
Baldwin Hills	6571-W, 6572-W,
Duarte	6578-W
San Marino	6573-W, 6574-W, 6575-W, 6576-W, 8211-W
Monterey County	7053-W, 6580-W, 6581-W, 6582-W, 6583-W, 6584-W, 6585-W, 6586-W, 6587-W, 6588-W, 6589-W, 6590-W, 944 -W, 945 -W, 947 -W, 948 -W, 949 -W, 950 -W, 951 -W, 952 -W, 953 -W, 954 -W, 955 -W, 957 -W, 958 -W, 959 -W, 960 -W, 961 -W, 962-W, 963 -W, 964 -W, 966 -W, 967 -W, 968 -W, 969 -W, 971 -W, 972 -W, 973 -W, 974 -W, 975 -W, 976 -W, 977 -W, 978 -W, 979 -W, 980 -W, 981 -W, 982 -W, 983 -W, 984 -W, 7054-W

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 1102-B

ISSUED BY
 J. T. LINAM
NAME

(TO BE INSERTED BY C.P.U.C.)
 DATE FILED 7-12-2016
 EFFECTIVE 6-28-2016

DECISION NO. _____

DIRECTOR - Rates & Regulatory
TITLE

RESOLUTION _____