

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 29, 2019

Jeffrey T. Linam
Vice President of Rates & Regulatory
California-American Water Company
4701 Beloit Drive
Sacramento, CA 95838-2434

Dear Mr. Linam,

The Commission has approved California-American Water Company's Sewer Advice Letter No. 56-S, filed on July 2, 2019, regarding the Excess Unprotected (Non Plant) ADIT Refund.

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

P.U.C. Sheet No.	Title of Sheet
240-W	Schedule WW-DU-1, Dunnigan District Sewer Tariff Area, General Flat Rate Service
241-W	Schedule SA, Monterey Waste Water District Tariff Area, Active Sewer Service
242-W	Schedule SA, Monterey Waste Water District Tariff Area, Active Sewer Service
243-W	Schedule SP, Monterey Waste Water District Tariff Area, Passive Sewer Service
244-W	Schedule SP, Monterey Waste Water District Tariff Area, Passive Sewer Service
245-W	Table of Contents (Page 1)

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

Thank you,

/s/ROBIN BRYANT

Robin Bryant
Water & Sewer Advisory Branch
Water Division

Enclosures



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

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

July 2, 2019

ADVICE LETTER NO. 56-S

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Pursuant to General Order 96-B, California-American Water Company ("California American Water") (U210W) hereby submits for review this advice letter, including the following tariff sheets, which are attached hereto:

<u>C.P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Sheet No.</u>
240-S	Schedule WW-DU-1 Dunnigan District Sewer Tariff Area <u>GENERAL FLAT RATE SERVICE</u>	234-S
241-S	Schedule SA Monterey Waste Water District Tariff Area <u>PASSIVE SEWER SERVICE</u>	NEW
242-S	Schedule SA Monterey Waste Water District Tariff Area <u>PASSIVE SEWER SERVICE</u>	237-S
243-S	Schedule SP Monterey Waste Water District Tariff Area <u>PASSIVE SEWER SERVICE</u>	238-S
244-S	Schedule SP Monterey Waste Water District Tariff Area <u>PASSIVE SEWER SERVICE</u>	NEW
245-S	Table of Contents (Page 1)	239-S

PURPOSE

The purpose of this advice letter is to comply with Ordering Paragraph 20 of Decision D.18-12-021, which states that California American Water shall refund customers the excess unprotected (non-plant) Accumulated Deferred Income Tax (ADIT) of \$7.1 million, grossed up to \$9.9 million, as a bill credit, based on the size of a customer's meter.

BACKGROUND

In D.18-12-021 Ordering Paragraph 20, the Commission states that California American Water must return the original estimated non-plant excess of \$7.1 million by filing a tier 2 advice letter on June 30, 2019. Specifically, Ordering Paragraph 20, D.18-12-021, p.325, states:

20. By June 30, 2019, California American Water Company (Cal-Am) shall file a Tier 2 advice letter with Water Division to refund the \$7.1 million of Excess Unprotected Accumulated Deferred Income Tax as a bill credit, based on the size of the customer's meter. Cal-Am shall amortize the refund equally over the 24-month period from 2019 to 2020.

California American Water grossed up the \$7.1 million amount to \$9.9 million.¹ Ordering paragraph 20 states that California American Water return the balance over 24 months. For this Tier 2 advice letter, California American Water assumes rates become effective August 1, 2019.

REQUEST

This advice letter requests, authorization to refund customers the excess non-plant ADIT, grossed up to \$9.9 million, as a bill credit, based on the size of a customer's meter. California American Water requests to amortize the refund over a 24-month period beginning August 1, 2019.

Tier Designation:

This advice letter is submitted pursuant to General Order No. 96-B and D.18-12-021 and is designated as a Tier 2 filing.

EFFECTIVE DATE

Cal-Am requests an effective date of August 1, 2019.

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. Copies of the detailed work papers and the documents supporting this Advice Letter have also been furnished to the Commission Staff.

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 \$7,105,278 / 72.0164% = \$9,866,194.

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.

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 Cal-Am at:

Email Address:

jonathan.morse@amwater.com

Mailing Address:

4701 Beloit Drive
Sacramento, CA 95838

sarah.leeper@amwater.com

555 Montgomery Street, Suite 816
San Francisco, CA 94111

preet.nagra@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.

⁴ G.O. 96-B, General Rule 7.4.3

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.

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

If you have not received a reply to your protest within 10 business days, please contact me at (916) 568-4255.

CALIFORNIA-AMERICAN WATER COMPANY

/s/ Jeffrey T. Linam

Jeffrey T. Linam
Vice President of Rates & Regulatory

Schedule WW-DU-1
Dunnigan District Sewer Tariff Area
GENERAL FLAT RATE SERVICE

Sheet 1

APPLICABILITY

Applicable to all sewer service.

TERRITORY

Dunnigan, along both sides of Interstate 5, between County Roads 2 on the north and County Road 9 on the south, Yolo County.

RATES

	Per Service Connection <u>Per Month</u>
For each Mobile Home residential unit	\$34.06
For each Recreational Vehicle unit	\$34.06
For Commercial Business Unit	\$34.06

SPECIAL CONDITIONS

General Items

1. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
2. A late charge will be imposed per Schedule CA-FEES.
3. Bills will be rendered in advance of the period for which service will be provided.
4. In accordance with Section 2714 of the Public Utilities Code and Commission Resolution No. 3976, if a tenant in a rental unit leaves owing the utility, service to subsequent tenants in that unit will, at the Utility's option, be furnished on the account of the landlord or property owner.
5. Per D.18-12-021 a meter based bill credit for the Excess Unprotected Accumulated Deferred Income Tax a credit of \$.99 per month will be refunded to customers over the 24-month period beginning August 1, 2019

(N)
|
(N)

(Continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 56-S

J. T. LINAM

Date Filed 07/02/2019

Decision

DIRECTOR - Rates & Regulatory

Effective 08/01/2019

Resolution

655 W. Broadway, Suite 1410

San Diego, CA 92101

Schedule SA
 Monterey Waste Water District Tariff Area
ACTIVE SEWER SERVICE

Sheet 2

SPECIAL CONDITIONS

(N)

FEES & SURCHARGES

4. Per D.18-12-021 a Sewer Tariff Rate based bill credit for the Excess Non Plant Accumulated Deferred Income Tax will be refunded to customers over the 24-month period beginning August 1, 2019.

Sewer Tariff Area	Refunds by Rate Equivalents
Oak Hills, Spreckels, Village Greens, White Oaks - Passive (Residential)	\$0.60
Spreckels - Public Authority	\$0.90
Spreckels - Commercial	\$1.50
Carmel Valley Ranch, Indian Springs, Las Palmas, Pasadera - Active (Residential) Pasadera - Commercial	\$3.00
Spreckels - Industrial	\$4.79
Pasadera - Golf	\$8.99
Las Palmas - Public Authority	\$14.98
Las Palmas - Commercial	\$29.97
SPCA - Contracted Property	\$47.95
Carmel Valley Ranch - Hotel	\$68.93

(N)

(Continued)

(TO BE INSERTED BY UTILITY)
 Advice 56-S
 Decision

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

(TO BE INSERTED BY C.P.U.C.)
 Date Filed 07/02/2019
 Effective 08/01/2019
 Resolution _____

Schedule SA
Monterey Waste Water District Tariff Area
ACTIVE SEWER SERVICE

APPLICABILITY

Applicable to the Society for the Prevention of Cruelty to Animals for Monterey County, Inc. ("SPCA") Sewer Service in the Pasadera area.

(L)

TERRITORY

The point of service connection between California American Water and SPCA in the Pasadera area.

RATES

<u>Contracted Property:</u>	<u>Service Charge per Month</u>
SPCA (25 EDUs)	\$3,064.05

SPECIAL CONDITIONS

- All bills are subject to the Public Utilities Commission Reimbursement Fee set forth on Schedule No. UF.
- Per Advice Letter 55-S, the over-collected balance in the Monterey Waste Water Consolidated Expense Balancing Account will be recovered through a monthly connection surcredit of \$1.82 over 12 months effective May 20, 2019.
- Per Advice Letter 53-S, a surcharge of \$1.81 for the Low-Income Ratepayer Assistance Program ("LIRAP") Balancing Account will be collected from all non-low income water and wastewater customers.
- Per D.18-12-021 a Sewer Tariff Rate based bill credit for the Excess Non Plant Accumulated Deferred Income Tax will be refunded to customers over the 24-month period beginning August 1, 2019.

(L)

(N)

Sewer Tariff Area	Refunds by Rate Equivalents
Oak Hills, Spreckels, Village Greens, White Oaks - Passive (Residential)	\$0.60
Spreckels - Public Authority	\$0.90
Spreckels - Commercial	\$1.50
Carmel Valley Ranch, Indian Springs, Las Palmas, Pasadera - Active (Residential)	\$3.00
Pasadera - Commercial	
Spreckels - Industrial	\$4.79
Pasadera - Golf	\$8.99
Las Palmas - Public Authority	\$14.98
Las Palmas - Commercial	\$29.97
SPCA - Contracted Property	\$47.95
Carmel Valley Ranch - Hotel	\$68.93

(N)

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(TO BE INSERTED BY UTILITY)
Advice 56-S
Decision

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

(TO BE INSERTED BY C.P.U.C.)
Date Filed 07/02/2019
Effective 08/01/2019
Resolution

Schedule SP
Monterey Waste Water District Tariff Area
PASSIVE SEWER SERVICE

Sheet 4

APPLICABILITY

Applicable to all Passive Sewer Services.

TERRITORY

The systems at White Oaks, Spreckels, Village Green and Oak Hills

RATES

Oak Hills: Per Service Per Month
Service Charge for Residential and Small Commercial..... \$53.84

Spreckels:
Service Charge for Residential and Small Commercial..... \$53.84
Service Charge for School \$80.74
Service Charge for Large Commercial (4 or more Employees)..... \$107.67
Service Charge for Industrial \$323.01

White Oaks: Per Service Per Month
Service Charge for Residential \$53.84

Village Green:
Service Charge for Residential \$53.84

SPECIAL CONDITIONS

FEES & SURCHARGES

- 1. All bills are subject to the Public Utilities Commission Reimbursement Fee set forth on Schedule No. UF.
2. Per Advice Letter 55-S, the over-collected balance in the Monterey Waste Water Consolidated Expense Balancing Account will be recovered through a monthly connection surcredit of 1.82 over 12 months effective May 20, 2019.
3. Per Advice Letter 47-S-A, a surcharge of \$1.81 for the Low-Income Ratepayer Assistance Program ("LIRAP") Balancing Account will be collected from all non-low income water and wastewater customers.

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(TO BE INSERTED BY UTILITY)
Advice 56-S
Decision

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

(TO BE INSERTED BY C.P.U.C.)
Date Filed 07/02/2019
Effective 08/01/2019
Resolution

655 W. Broadway, Suite 1410

San Diego, CA 92101

Schedule SP
 Monterey Waste Water District Tariff Area
PASSIVE SEWER SERVICE

Sheet 5

SPECIAL CONDITIONS

(N)

FEES & SURCHARGES

4. Per D.18-12-021 a Sewer Tariff Rate based bill credit for the Excess Non Plant Accumulated Deferred Income Tax will be refunded to customers over the 24-month period beginning August 1, 2019.

Sewer Tariff Area	Refunds by Rate Equivalentents
Oak Hills, Spreckels, Village Greens, White Oaks - Passive (Residential)	\$0.60
Spreckels - Public Authority	\$0.90
Spreckels - Commercial	\$1.50
Carmel Valley Ranch, Indian Springs, Las Palmas, Pasadera - Active (Residential) Pasadera - Commercial	\$3.00
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Pasadera - Golf	\$8.99
Las Palmas - Public Authority	\$14.98
Las Palmas - Commercial	\$29.97
SPCA - Contracted Property	\$47.95
Carmel Valley Ranch - Hotel	\$68.93

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(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 56-S

J. T. LINAM

Date Filed 07/02/2019

Decision

DIRECTOR - Rates & Regulatory

Effective 08/01/2019

Resolution _____

TABLE OF CONTENTS

Sheet 1

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

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<u>Rate Schedules:</u>		
Schedule No. SP – Passive Sewer Service	243-S, 244-S	(C,N)
Schedule No. SA – Active Sewer Service	236-S, 241-S, 242-S,	(N,C)
Schedule No. UF	212-S	
Schedule No. WW-LIRA	232-S, 210-S, 171-S, 172-S, 199-S	
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<u>FEES, CONTRACTS & DEVIATIONS</u>		
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No. 3 Application for Service	14-S	
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<u>Sample Forms:</u>		
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No. 3 Bill for Service	51-S, 52-S	
No. 4 Main Extension Contract	53-S, 54-S	
No. 5 Main Extension Contract (Individuals)	55-S	

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(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 56-S

J. T. LINAM

Date Filed 07/02/2019

Decision

DIRECTOR - Rates & Regulatory

Effective 08/01/2019

Resolution

MONTEREY WASTEWATER COUNTY DISTRICT SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 56-S

BY MAIL:

Alco Water Service 249 Williams Road Salinas, CA 93901	Los Angeles Docket Office California Public Utilities Commission 320 West 4th Street, Suite 500 Los Angeles, CA 90013	California Dept of Health Services Division of Drinking Water & Environmental Management PO Box 997416 Sacramento, CA 95899-7413
Yazdan Emrani, P.E. Deputy Pub Works Director – Operations Monterey County DPW 168 W. Alisal Street, 2nd floor Salinas, CA 93901-2680	Monterey Regional Water Pollution Control Agency (MRWPCA) 5 Harris Court Road. Bldg D. Monterey, CA 93940	Monterey Peninsula Water Mgmt Dist. Chief Financial Officer P.O. Box 85 Monterey, CA 93942
Ann Camel City Clerk City of Salinas 200 Lincoln Avenue Salinas, CA 93901	City of Pacific Grove c/o Community Development Department Attention: Sarah Hardgrave 300 Forest Ave., 2nd floor	City of Pacific Grove City Attorney/City Hall 300 Forest Ave 2nd floor Pacific Grove, CA 93950
Karen Crouch City Clerk, Carmel-By-The-Sea PO Box CC Carmel-by-the-Sea, CA 93921	City of Sand City City Hall California & Sylvan Avenues Sand City, CA 93955 Attn: City Clerk	Deborah Mall, City Attorney City of Monterey 512 Pierce Street Monterey, CA 93940
Don Freeman City of Seaside City Attorney 440 Harcourt Avenue Seaside, CA 93955	Donald G. Freeman City Attorney City of Carmel-By-The-Sea PO Box 805 Carmel-by-the-Sea, CA 93921	Irvin L. Grant Deputy County Counsel County of Monterey 168 W. Alisal Street, 3rd floor Salinas, CA 93901-2680
Sarah E. Leeper California American Water 555 Montgomery St, Suite 816 San Francisco, CA 94111	Edward W. O'Neill Davis Wright Tremaine LLP 505 Montgomery Street San Francisco, CA 94111-6533	Darryl D. Kenyon Monterey Commercial Property Owners Association P.O. Box 1953 Monterey, CA 93942
	Marc J. Del Piero 4062 El Bosque Drive Pebble Beach, CA 93953-3011	

MONTEREY WASTEWATER COUNTY DISTRICT SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 56-S

BY E-MAIL:

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rra@cpuc.ca.gov

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Del Rey Oaks, CA 93940
Attn: City Clerk
citymanager@delreyoaks.org
kminami@delreyoaks.org

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MONTEREY WASTEWATER COUNTY DISTRICT SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 56-S

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suresh@mpwmd.net