

April 10, 2024

ADVICE LETTER NO. 1443

Purpose:

This advice letter is to comply with the following statement on Schedule No. CA-OUT, California American Water's Residential Metered Service Opt-Out Tariff:

CAW will perform a review of the costs associated with offering this Schedule within two years of the effective date to determine if the fee amounts or any other provisions need to be modified.

Background:

Decision (D.) 21-11-018 adopted three settlement agreements resolving disputed issues in California American Water's general rate case Application 19-07-004. In Partial Settlement 1, as it is called in D.21-11-018, the parties reached an agreement on California American Water's proposal to implement an opt-out tariff regarding Advanced Metering Infrastructure ("AMI")/Automated Meter Reading ("AMR") meters. Specifically, it was agreed that California American Water will:

- a. Offer customers the option to opt-out of the AMI before any new AMI meters are installed. Customers that opt-out will be charged a \$13.00 monthly charge once AMI billing is fully implemented but will not face the \$70.00 initial fee that is provided on Schedule CA
- b. File a Tier 1 Advice Letter to make Schedule CA-OUT effective no more than 90 days prior to the start of billing utilizing AMI meters.
- c. Treat revenues generated through the monthly charges provided in Schedule CA-OUT as Other Revenue. However, because revenues received through the opt-out tariff will be minimal in this GRC cycle, they cannot be accurately forecasted for inclusion in the authorized revenue requirement.

D.21-11-018 adopted the Partial Settlement and further provided with respect to California American Water's proposed AMI opt-out tariff:

Cal-Am shall file a Tier 1 Advice Letter making Schedule CA-OUT effective for customers seeking to opt-out of AMR/AMI 90 prior to the date it anticipates using AMI meters for Billing, so that customers that choose not to enroll in AMI can begin paying the \$13.00 monthly fee to cover meter-reader related labor costs.¹

California American Water filed Advice Letter 1367 on April 11, 2022, requesting Schedule CA-OUT become effective. Advice Letter 1367 was approved on May 12, 2022. As noted above, Schedule CA-OUT directs California American Water to perform a review of the costs associated with the AMI opt-out program within two years of the effective date to

¹ D.21-11-018, p.163.

determine if the fee amounts or any other provisions need to be modified. This advice letter is timely filed.

Request:

California American Water held several meetings with its operators to discuss the costs associated with offering Schedule CA-OUT. It was determined that no changes to the charges included in Schedule CA-OUT were necessary. California American Water did determine that it was not necessary to maintain the billing special condition requiring payment of the initial fee within 90 days.

California American Water does, however, request modifications to other provisions in the AMI Opt-Out tariff. Specifically, California American Water requests modifying terminology to clarify when a customer opt-out may be revoked. In certain instances where a customer has opted-out of AMI, California American Water operators are unable to gain access to non-AMI/AMR meters which is required to obtain a manual read and perform necessary maintenance on meters and associated assets. Inability to access, read, and perform maintenance on non-AMI/AMR meters results in customer billing inaccuracies, and additional costs for repeated meter access attempts. The tariff language modifications contained herein will require customers that have opted out of AMI/AMR to allow access to meters for reading, maintenance, and operation per Rule 16. If the customer does not provide the required meter access for two months in a row, an automated meter will be installed.

Tier Designation:

This advice letter is submitted pursuant to General Order No. 96-B and D.21-11-018 and is designated as a Tier 2 filing.

Effective Date:

California American Water requests an effective date of May 10, 2024.

Notice and Service List:

In accordance with General Order 96-B, General Rule 4.3 and 7.2 and Water Industry Rule 4.1, a copy of this advice letter will be transmitted electronically to interested parties having requested such notification. ***Please note that this advice letter will only be distributed electronically.***

Response or Protest²

Anyone may respond to or protest this advice letter. 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 advice letter. A **protest** objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds³ are:

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.)

A protest shall provide citations or proofs where available to allow staff to properly consider the protest.

A response must be made in writing or by electronic mail and must be received by the Water Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
water_division@cpuc.ca.gov

In the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy by mail (or e-mail) to us, addressed to:

Email Address:

chase.grady@amwater.com

sarah.leeper@amwater.com

ca.rates@amwater.com

Mailing Address:

520 Capital Mall, Suite 630
Sacramento, CA 95814

555 Montgomery Street, Suite 816
San Francisco, CA 94111

520 Capital Mall, Suite 630
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Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division, 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.

If you have not received a reply to your protest within 10 business days, please contact Chase Grady at (916) 568-4241.

CALIFORNIA-AMERICAN WATER COMPANY

/s/ Chase Grady

Chase Grady
Associate Rates & Regulatory Analyst

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

Title of Sheet

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

XXXXX-W

Schedule No. CA-OUT
California American Water
RESIDENTIAL METERED SERVICE - CAW OPT-OUT TARIFF
Sheet 1

10449-W

Schedule No. CA-OUT
California American Water
RESIDENTIAL METERED SERVICE - CAW OPT-OUT TARIFF

Sheet 1

APPLICABILITY

Applicable, in conjunction with any other applicable schedule, to all residential customers who do not wish to have a wireless, communicating meter (hereafter, "automated meter") installed at their premises. Under this program, customers may choose to receive service using a meter without the ability to transmit data wirelessly (hereafter, "opt-out customers"). This schedule is applicable to customers who receive water service from California American Water. (C)
(C)

TERRITORY

This Schedule is applicable to the entire service territory served by the Utility.

RATES

All charges and provisions of the customer's standard tariff shall apply. Opt-out customers who elect this option will also be charged as follows:

Initial Fee: \$70.00
Monthly Charge: \$13.00/month

Charges will apply following the metering equipment change from an automated meter to a non-transmitting meter. If an equipment change is not required, charges will apply following affirmative election of the opt-out option by the customer.

The initial fee is only applicable if automated metering equipment is required to be removed from the customer premises.

The initial fee and monthly charge shall be applied on a per-location, not per-meter basis.

CAW will perform a review of the costs associated with offering this Schedule within two years of the effective date to determine if the fee amounts or any other provisions need to be modified.

SPECIAL CONDITIONS

1. Metering Equipment: A water meter without the ability to transmit data wirelessly will be used as the opt-out meter for customers who elect this Schedule. Customers must allow access to CAW's meter(s) for maintenance and operation, including meter reading, per CAW Operating Rule 16, Item B.4. CAW may modify a customer's Opt-Out status and install an automated meter in the event the customer account has two or more consecutive billing estimates as a result of CAW's inability to access the existing meter or obtain a read. (N)
|
(N)
(D)
(D)
2. Ineligibility for Certain Services: Opt-out customers will not be eligible for certain services that are only provided using automated metering technology, such as leak detection alerts, intra-bill cycle budget alerts, and the ability to view interval water consumption data via a web portal. (L)
|
(L)

(Continued)

(TO BE INSERTED BY UTILITY)	ISSUED BY	(TO BE INSERTED BY C.P.U.C.)
Advice 1443	S. W. OWENS	Date Filed _____
Decision	SR. DIRECTOR - Rates & Regulatory	Effective _____
		Resolution _____

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