

**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)

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WITHDRAWN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: _____



4701 Beloit Drive
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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

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 under-collected balance in the Sacramento District Consolidated Expense Balancing Account (CEBA) will be distributed through a quantity based surcharge of \$0.0166 per 100 gallons over 12 months effective from the date of approval of the advice letter. The total amount will be distributed to all classes of customers.
5. 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.

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

ISSUED BY
J. LINAM
NAME

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

DECISION NO. W-4976

DIRECTOR - Rates & Regulatory
TITLE

EFFECTIVE
RESOLUTION

TABLE OF CONTENTS

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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, 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
<u>SERVICE AREA MAP:</u> California-American Water Company	5470-W
Larkfield	6569-W
Los Angeles County Baldwin Hills Duarte San Marino	6570-W 6571-W, 6572-W, 6578-W 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. 1102-A

ISSUED BY
J. LINAM

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

DECISION NO. W-4976

DIRECTOR – Rates & Regulatory
TITLE

EFFECTIVE _____
RESOLUTION _____

TABLE OF CONTENTS (Continued)

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<u>SUBJECT MATTER OF SHEET</u>	<u>C.P.U.C. SHEET NO.</u>
<u>RATE SCHEDULES (Continued):</u>	
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, XXXX- (C)
	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)

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

EMAIL		
<p>California Public Utilities Commission Division of Ratepayer Advocates dra_water_al@cpuc.ca.gov</p> <p>Citrus Heights Water District 6230 Sylvan Road Citrus Heights CA 95610 rchurch@chwd.org</p> <p>City of Sacramento, Water Division 1391 35th Avenue Sacramento CA 95822 dsherry@cityofsacramento.com</p> <p>Florin County Water District P.O. Box 292055 Sacramento CA 95829 fcwd@sbcglobal.net</p> <p>Amy Van City Clerk City of Citrus Heights 6237 Fountain Square Drive Citrus Heights CA 95621 avan@citrusheights.net</p> <p>Jim McCauley Clerk-Recorder Placer County 2954 Richardson Drive Auburn CA 95603 skasza@placer.ca.gov</p> <p>Linda Garcia City Clerk City of Isleton P.O. Box 716 Isleton CA 95641 lgarcia@cityofisleton.com</p>	<p>Lisa Blair California Public Utilities Commission Office of Ratepayer Advocates 505 Van Ness Avenue Room 3200 San Francisco CA 94102 lwa@cpuc.ca.gov</p> <p>Marvin Philo 3021 Nikol Street Sacramento CA 95826 mhphilo@aol.com</p> <p>Richard Rauschmeier California Public Utilities Commission ORA - Water Branch 505 Van Ness Avenue Room 4209 San Francisco CA 94102-3214 rra@cpuc.ca.gov</p> <p>Sarah E. Leeper VP - Legal, Regulatory CA American Water Co. 555 Montgomery St. Suite 816 San Francisco CA 94102 sarah.leeper@amwater.com</p> <p><u>MAIL</u></p> <p>CA Dept of Health Services Div of Drinking Water & Environmental Mgt P.O. Box 997416 #Sacramento CA 95899-7413</p> <p>Fruitridge Vista Water Co. 1108 2nd St Sacramento CA 95814</p>	<p>Placer County Water Agency P.O. Box 6570 Auburn CA 95804</p> <p>Rio Linda Water District 730 L Street Rio Linda CA 95673</p> <p>Sacramento County WMD 827 7th Street, Room 301 Sacramento CA 95814</p> <p>Sacramento Suburban Water District 3701 Marconi Avenue Suite 100 Sacramento CA 95821-5303</p> <p>Anthony La Bouff County Counsel Placer County 175 Fulweiler Avenue Auburn CA 95603</p> <p>Carol Smith 6241 Cavan Drive, 3 Citrus Heights CA 95621</p> <p>Mark Norris County Clerk-Recorder County of Sacramento 600 8th Street Sacramento CA 95814</p> <p>Robert Baptiste 9397 Tucumcari Way Sacramento CA 95827-1045</p>

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



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