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JAN 18 2019

REJECTED

JUN - 7 2019

January 18, 2019

PUBLIC UTILITIES COMMISSION
WATER DIVISION

ADVICE LETTER NO. 1221

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS

California-American Water Company (California American Water) (U210W) hereby submits for review this advice letter, including the following tariff sheets applicable to all service areas' Low Income Special Condition which are attached hereto:

C.P.U.C. Sheet No.	Title of Sheet	Canceling Sheet No.
XXXX-W	Schedule No. CA-LIRA (Continued) California American Water Low Income Ratepayer Assistance Program	New
XXXX-W	TABLE OF CONTENTS (Continued) (Page 2)	XXXX-W
XXXX-W	TABLE OF CONTENTS (Continued) (Page 1)	XXXX-W

Purpose:

This advice letter filing is to request review and approval of an additional Special Condition to California American Water's Low Income Ratepayer Assistance Program (LIRA) Tariff.

Background:

California is experiencing an extreme housing shortage with 2.2 million extremely low income and very low income renter households competing for only 664,000 affordable rental homes. California is also home to 21 of the 30 most expensive rental housing markets in the country and requires the third highest wage in the country to afford housing.¹ Historically, low income tenants of master metered housing units would not qualify for a utility's low income discount due to the tenant not being the utility account holder. This advice letter seeks approval to apply the low income discount for certain certified low income housing facilities to help with water affordability in such facilities.

¹ From SB-879 Affordable Housing Bond Act of 2018, Section 1

Request:

California American Water requests review and approval of a necessary addition proposed to its Low Income Ratepayer Assistance Program tariff. The additional tariff language would extend eligibility of the LIRA discount to Affordable Housing Facilities that are master metered with an entirety of tenants who each individually meet applicable low income qualification.

As proposed in our request, the discount necessarily would need to be provided to the facility's master account holder and would be equal to the applicable low income monthly discount in the service area with the exception of the discount being applicable to all rate tiers of either the residential or multi residential tariff. Additionally, this tariff would only need to be in place in service areas where there is a tier differential for the highest tier rate that is equal to or greater than four times the first tier rate. Extending eligibility of the LIRA discount to Affordable Housing Facilities provides water rate relief to providers/owners of such facilities assuring their viability particularly in cases where lease payments, including utilities, are set by government regulation and a potential increase in water rates cannot be passed on to tenants. The tenants would in turn receive the low income benefits through the lease rate negotiated through the government regulation of the facility. It is in the tenants' interest that the Commission assures the viability of such facilities by approving the application of the LIRA surcredit and thus lowering the water cost to the provider.

In most cases, conventional residential or multi residential conservation rate designs that are employed within California American Water do not provide adequate water allotments per tier for the typical higher than average Affordable Housing Facilities' occupation rates. This is especially true in the case of certain service areas where water is allocated based on assuring the lower tiers are meant to support the basic needs of the customers in that service area. In these water restricted areas, the intent is to ensure the best and wisest use of water at each premise. In the case of larger Affordable Housing Facilities, however, because of higher occupancy rates per living unit, the facility is pushed into higher rates due solely to individual occupancy and not unwise water use. Extending LIRA discount rate relief provides a solution to help with water affordability in such households.

To be eligible for the proposed surcredit and ensure the overall impact of this LIRA program addition is applicable to provide relief only for water efficient facilities, eligibility requirements include proof of California Tax Credit Allocation Committee ("TCAC") compliance and the retrofitting of high efficiency water fixtures indoor and outdoor to the Affordable Housing Facility's units and grounds.

Tier Designation:

This advice letter is submitted pursuant to General Order No 96-B and this advice letter is designated as a Tier 3 filing.

Effective Date:

California American Water requests an effective date of February 18, 2019.

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;
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:

ca.rates@amwater.com

Mailing Address:

4701 Beloit Drive
Sacramento, CA 95838

¹ G.O. 96-B, General Rule 7.4.1

² G.O. 96-B, General Rule 7.4.2

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San Francisco, CA 94111

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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.

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) 568-4232.

CALIFORNIA-AMERICAN WATER COMPANY

/s/ Kamilah Jones

Kamilah Jones
Financial Analyst - Rates & Regulatory

³ G.O. 96-B, General Rule 7.4.3

Schedule No. CA-LIRA
California American Water
LOW INCOME RATEPAYER ASSISTANCE PROGRAM

Sheet 11
REJECTED
JUN - 7 2019
PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS

SPECIAL CONDITIONS APPLICABLE TO LOW INCOME (Continued):

General Items:

4. **Low-Income Ratepayer Assistance Program (LIRA) for Affordable Housing Facilities**
Facilities providing low income housing exclusively for low income qualified tenants may be eligible for the low-income discount. Qualifying facilities can be Nonprofit and/or For-profit operated master metered housing units wherein the entirety of the tenants are low income qualified. Qualifying facilities receive a surcredit equal to the applicable Low Income monthly discount in the service area, except the surcredit is applied to usage in all rate tiers. Qualification criteria are outlined below.

- a. **LIRA for Affordable Housing Facilities:** Affordable Housing Facilities applying for acceptance into the program must meet the requirements listed below:
1. All tenants and residents occupying individual units within the Affordable Housing Facility must individually meet applicable current low income qualification requirements upon move-in.
 2. The Affordable Housing Facility must be located in a service area where billing for such facility is under a residential or multi-residential tariff (not a commercial or other tariff), and the tariff tier rates must be designed to have the highest tier rate equal to or greater than four times the lowest tier rate.
 3. Affordable Housing Facilities applying for this LIRA discount are required to have all living units upgraded to high efficiency water use appliances, shower heads and faucet aerators to maximize conservation and water efficiency.
 4. Affordable Housing Facilities must show proof of California Tax Credit Allocation Committee ("TCAC") compliance and are required to provide a copy of their TCAC Property Status Report (PSR) every two years to the utility.
- b. **Additional requirements:**
1. **Affordable Housing Facilities** must provide proof of having high efficient indoor water fixtures installed in all units including high efficient toilets (1.28gpf or less), showerheads (2gpm or less) and faucet aerators. Irrigation of outdoor landscape area must be through drip emitters or, if overhead spray, through high efficiency rotary nozzles and might be subject to inspection prior to approval.

(N)

(N)

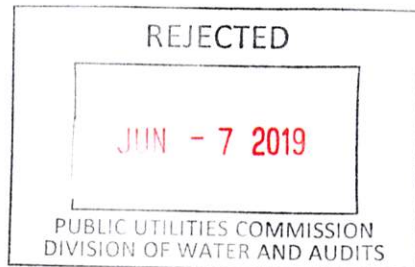
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(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
Advice	12XX-3	J. T. LINAM	Date Filed	_____
Decision		DIRECTOR - Rates & Regulatory	Effective	_____
			Resolution	_____

TABLE OF CONTENTS
 (Page 1)

Sheet 1

<u>SUBJECT MATTER OF SHEET</u>	<u>C.P.U.C. SHEET NO.</u>
TITLE PAGE	8662-W
TABLE OF CONTENT	XXXX-W, 8874-W, 8873-W, 8850-W, (C) 8870-W, 8770-W, 8869-W, 8868-W, 8593-W, 8071-W
PRELIMINARY STATEMENTS	7828-W, 8517-W, 8755-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, 7832-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, 7839-W, 7796-W, 7797-W, 7798-W, 7799-W, 7800-W, 7801-W, 7802-W, 7803-W, 7804-W, 8510-W, 8081-W, 8082-W, 8178-W, 8302-W, 8459-W, 8460-W, 8516-W, 8756-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

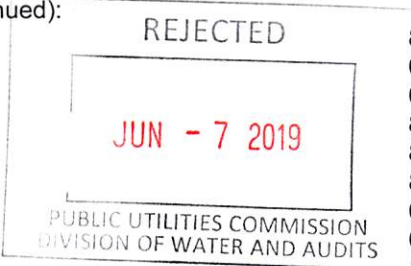


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(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
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			Resolution	_____

TABLE OF CONTENTS
 (Page 1)

Sheet 2

<u>SUBJECT MATTER OF SHEET</u>		<u>C.P.U.C. SHEET NO.</u>	
<u>SERVICE AREA MAP (Continued):</u>			
Sacramento		8511-W, 6592-W, 6593-W, 8664-W, 6595-W, 8872-W, 7500-W, 8794-W, 6599-W, 6600-W 8163-W 8321-W 8512-W 6601-W, 6602-W 6603-W, 6604-W	
Sacramento- Dunnigan			
Sacramento- Geyserville			
Sacramento - Meadowbrook			
San Diego County			
Ventura County			
<u>RATE SCHEDULES:</u>			
All Districts -- Low Income Ratepayer Assistance Program			
CA-LIRA		California American Water Low Income Ratepayer Assistance Program	XXXX-W, 8745-W, 8746-W, 8747-W, (C) 8748-W, 8749-W, 8750-W, 8762-W, 7724-W, 7725-W, 7726-W
CA-4		California American Water Private Fire Protection Service	8473-W, 8744-W, 7739-W, 7740-W, 7741-W, 8001-W, 8020-W, 8021-W, 7628-W, 7625-W, 7636-W, 7640-W, 7643-W, 7632-W, 7634-W, 8197-W, 8206-W
CA-4H	Private Fire Hydrant Service	8742-W, 7743-W, 7744-W, 8186-W, 8002-W, 8022-W, 7626-W, 7641-W	
Larkfield District			
LK-1	General Metered Service	8720-W, 8797-W, 8791-W, 8845-W, 8018-W, 7633-W	
LK-F	Facilities Fees	7651-W	
Los Angeles County District			
LA-1	General Metered Service	8722-W, 8723-W, 8798-W, 8784-W, 8785-W, 8852-W, 8016-W, 7630-W	
LA-3M	Measured Irrigation Service	8725-W, 7712, 8547-W, 8853-W, 8017- W, 7631-W	
Monterey County District (Monterey Main, Hidden Hills, Ryan Ranch, & Bishop Service Areas)			
MO-1-SF	General Metered Service Single Family Residential Customers	8811-W, 8813-W, 8814-W, 8815-W, 8839-W, 8399-W, 8817-W, 8023-W, 8812-W	
MO-1-MF	General Metered Service Multi-Residential Customers	8818-W, 8820-W, 8821-W, 8822-W, 8840-W, 8824-W, 8819-W	
MO-1C	General Metered Service Non-Residential Customers	8825-W, 7673-W, 7674-W, 7675-W, 8826-W, 8454-W, 8827-W, 8841-W, 8227-W, 8829-W,	
MO-1O	General Metered Service Other Customers	8830-W, 8831-W, 8832-W, 8833-W, 8834-W, 8842-W, 8836-W,	

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<u>(TO BE INSERTED BY UTILITY)</u>		<u>ISSUED BY</u>	<u>(TO BE INSERTED BY C.P.U.C.)</u>	
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