

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



January 17, 2018

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. 1181-W, filed on November 22, 2017, regarding compliance with the requirements of Resolution M-4833 to implement the Emergency Residential Customer Protections for October Wildfire Victims adopted in the resolution and to support the victims of the October 2017 California wildfires.

The Advice Letter will have an effective date of October 8, 2017 for the utility's files.

Please contact Pui-Wa Li at (415) 703-5327 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:** November 22, 2017

**District:** Larkfield District

**CPUC Utility #:** U210W

**Protest Deadline (20<sup>th</sup> Day):** December 2, 2017

**Advice Letter #:** 1181

**Review Deadline (30<sup>th</sup> Day):** December 12, 2017

**Tier**     1     2     3     Compliance

**Requested Effective Date:** October 8, 2017

**Authorization** R. M-4833

**Rate Impact:** \$See AL  
See AL%

**Description:** The purpose of this advice letter is to comply with the requirements of Resolution M-4833 to implement the *Emergency Residential Customer Protections for October Wildfire Victims* adopted in the resolution and to support the victims of the October 2017 California wildfires.

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:** Kamilah Jones

**Utility Contact:** Melody Singh

**Phone:** 916-568-4232

**Phone:** 916-568-4262

**Email:** Kamilah.jones@amwater.com

**Email:** Melody.Singh@amwater.com

**DWA Contact:** Tariff Unit

**Phone:** (415) 703-1133

**Email:** [Water.Division@cpuc.ca.gov](mailto:Water.Division@cpuc.ca.gov)

**DWA USE ONLY**

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

APPROVED

WITHDRAWN

REJECTED

**Signature:** \_\_\_\_\_

**Comments:** \_\_\_\_\_

**Date:** \_\_\_\_\_

\_\_\_\_\_



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P (916)-568-4251  
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November 22, 2017

ADVICE LETTER NO. 1181

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California-American Water Company (Cal-Am) (U210W) hereby submits for review this advice letter.

**Purpose:**

The purpose of this advice letter is to comply with the requirements of Resolution M-4833 to implement the *Emergency Residential Customer Protections for October Wildfire Victims* adopted in the resolution, and to support the victims of the October 2017 California wildfires.

Cal-Am is requesting authority to activate and track expenses due to the October 2017 California wildfires in a Catastrophic Event Memorandum Account (“CEMA”) for our Larkfield District in reference to Resolution M-4833 approved November 9, 2017 and issued on November 13, 2017.

**Background:**

On October 8, 2017, Sonoma County experienced the devastating Atlas and Tubbs wildfires which burned over 36,000 acres and destroyed 7,500 structures. On October 9, Governor Jerry Brown officially issued an Executive Order declaring a State of Emergency<sup>1</sup> due to the October wildfires.

Cal-Am’s Larkfield District has about 2,400 customers in Sonoma County, these wildfires destroyed hundreds for homes and many businesses in this district, many of Cal-Am’s customers have homes that are now inhabitable and may face years of displacement.

Cal-Am’s operations and facilities were also significantly impacted. Cal-Am lost its’ Upper Wikiup Tank, pump station and backup power. Further, Cal-Am lost many other above ground and in-ground plant such as mains, services, hydrants, and possibly other necessary water service plant. Cal-Am issued a boil water notice on Monday, October 9, 2017, which it began lifting in most of the service area on Monday, October 16, 2017.

Cal-Am communicated extensively with its customers during and after the fires. The company used media, social media and emergency reverse 911 phone messages, texts and emails to provide customers with critical water quality information during the event. In addition, our representatives attended and spoke at multiple community meetings hosted by the State of California, Sonoma County, Mark West Union School District and the City of Santa Rosa. In the wake of the disaster, the company has issued letters to customers who lost their property about the final billing process and provided information to local websites and social media accounts to help get the message out.

1. The affected California counties include: Butte, Lake, Mendocino, Napa, Nevada, Orange, Solano, Sonoma, and Yuba.

As a result of severe damage in the area and both the clean-up and rebuilding timeframe, Cal-Am will require significant time to repair its systems and operations before services are fully operational and reach a new normal level of service.

The damage, some of which will only be apparent, as the utilities return to normal operation, has resulted in unforeseeable costs. The cost impact of fire damage is yet to be quantified.

**Discussion:**

On November 9, 2017, the Commission approved Resolution M-4833 in response to the state of emergency by Governor Brown. Resolution M-4833 authorizes Cal-Am to activate its CEMA and requires water utilities that serve affected areas to take certain actions and file an advice letter demonstrating compliance. Resolution M-4833 further provides:

Residential Customers in the wildfire affected counties may fall behind on utility payments, not of their own volition, but as they bear costs of rebuilding their homes or transitioning to permanent or long-term substitute housing. Thus, the Commission grants wildfire victims with protection from service discontinuation for nonpayment, and associated fees, through November 9, 2018.

Below, Cal-Am describes its compliance with the relevant Ordering Paragraphs of Resolution M-4833.

*Ordering Paragraph 12: Cal-American Water Company (Cal-Am), Golden State Water Company (Golden State), Kenwood Village water Company (Kenwood) and Mayacama Fold Course Sewer Utility (Mayacama) must Activate their CEMA. Cal-Am Compliance: Cal-Am activated its CEMA in a letter to the Commission's Executive Director, Timothy Sullivan on October 20, 2017.*

*Ordering Paragraph 13: Cal-Am, Golden State, and Kenwood must make insurance claims in all cost and expenses incurred as a result of the fires and credit insurance payments to their CEMA.*

*Cal-Am Compliance: Cal-Am filed a claim with American Home Assurance Company, policy # 015909393 and Claim # 6722978904US*

*Ordering Paragraph 15: Cal-Am, Golden State, Kenwood and Mayacama must work cooperatively with affected customers to resolve unpaid bills and minimize disconnections for non-payment.*

*Cal-Am Compliance: For purposes of complying with Resolution M-4833, Cal-Am defines "affected customers" as all customers in the Larkfield District. Even customers who did not lose property were evacuated for a week or more. Schools were closed for three weeks and business was disrupted. Thus, Cal-Am defines its affected customers as both (1) those whose property was destroyed*

or damaged, and (2) those whose property was not destroyed or damaged, but were still impacted by fires.

Cal-Am placed dunning locks on all accounts during the disaster. The dunning lock will remain in place for all Larkfield customers until January 2<sup>nd</sup>, 2018. Some customers turned on outdoor irrigation systems as they evacuated in an attempt to save their structures and Cal-Am is adjusting and crediting bills for customers whose structures survived whose October water use was twice or more than average. Cal-Am also instructed its customer service representatives to offer any payment option of the customer's choosing for up to two years.

Ordering Paragraph: *Cal-Am, Golden State, Kenwood and Mayacama must waive reconnection or facilities fees for affected customers and suspend deposit for affected customers who must reconnect to the system.*

Cal-Am Compliance: Cal-Am will not charge any special facilities fees to customers whose structure was damaged or destroyed during the fire. It is not our practice to require deposits.

Ordering Paragraph 17: *Cal-Am, Golden State, Kenwood and Mayacama must provide reasonable payment options to affected customers.*

Cal-Am Compliance: Cal-Am instructed its customer service representatives to offer any payment option of the customer's choosing for up to two years for all Larkfield customers.

Ordering Paragraph 18: *Cal-Am, Golden State, Kenwood and Mayacama must waive bills for October for those customers who lost their homes in the fire.*

Cal-Am Compliance: Cal-Am waived bills for all customers whose property was destroyed or severely damaged as of October 2, 2017.

Ordering Paragraph 19: *Cal-Am, Golden State, Kenwood and Mayacama must request an exemption from the Executive Director if they believe they need an exemption from any of the directives stated in this Resolution.*

Cal-Am Compliance: Cal-Am requests an exemption, or modification, of the requirement to waive all bills after October 1, 2017. Once a month, Cal-Am reads all meters in Larkfield in a single day and then sends billing statements to all customers. On October 2, 2017 all water meters in Larkfield were read and all bills went out by October 5<sup>th</sup>. On November 6, 2017, prior to the draft Resolution M-4388 being released, Cal-Am issued final bills to all customers whose structures were destroyed or severely damaged. All amounts for service due after the October 2<sup>nd</sup> billing date were waived. Cal-Am believes that this action is within in the spirit and intent of the Commission directive and was done in good faith. Reversing the final bill and rebilling these customers would result in a trivial three percent adjustment (moving the billing date from October 2<sup>nd</sup> to October 1<sup>st</sup>

and pro-rating the bill), but would require significant Company resources to cancel, rebill and produce additional communications. More significantly, it would inconvenience and cause confusion for the impacted customers. Those who have paid the final bill would need to re-establish an account in order to receive a trivial sum as a refund and those who have not would need to receive additional billing and communications.

**Tier Designation:**

Cal-Am is also requesting an expedited advice letter treatment pursuant to the Commissions GO 96-B, requesting a waiver or a shortened protest and reply period of five days. This advice letter is submitted with a Tier 2 designation pursuant to General Order No. 96-B.

**Effective Date:**

California American requests an effective date of October 8, 2017.

**Protests and Responses:**

Anyone may respond to or protest this advice letter. 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 grounds are:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter 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 advice letter contain material errors or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding; or
- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process;  
or
- (6) The relief requested in the advice letter 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 or protest 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, 3<sup>rd</sup> 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:

Recipients:	E-Mail:	Mailing Address:
Kamilah U Jones <i>Financial Analyst – Rates &amp; Regulatory</i>	Kamilah.Jones@amwater.com	4701 Beloit Drive Sacramento, CA 95838 Fax: (916) 568-4260
Sarah E. Leeper <i>Vice President – Legal, Regulatory</i>	sarah.leeper@amwater.com	555 Montgomery Street, Suite 816 San Francisco, CA 94111 Fax: (415) 863-0615
CA Rates	Ca.Rates@amwater.com	4701 Beloit Drive Sacramento, CA 95838 Fax: (916) 568-4260

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, contact this person at (916) 568-4222.

CALIFORNIA-AMERICAN WATER COMPANY

*/s/ Kamilah Jones*

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Kamilah Jones  
Financial Analyst - Rates & Regulatory

**LARKFIELD DISTRICT SERVICE LIST  
CALIFORNIA-AMERICAN WATER COMPANY  
ADVICE LETTER 1181**

**EMAIL**

California Public Utilities  
Commission  
Division of Ratepayer  
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Susan Sommers  
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California Water Service Co.  
Redwood Valley District  
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Guerneville, CA 95446



**SACRAMENTO DISTRICT SERVICE LIST  
CALIFORNIA-AMERICAN WATER COMPANY  
ADVICE LETTER 1181**

<b>EMAIL</b>		
<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><b>MAIL</b></p> <p>Fruitridge Vista Water Co. 1108 2nd St Sacramento CA 95814</p> <p>Placer County Water Agency P.O. Box 6570 Auburn CA 95604</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 1181**

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