

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 12, 2022

Preet Nagra
Operations Specialist - Rates & Regulatory
California-American Water Company
520 Capitol Mall Ste. 630
Sacramento, CA 95814

Dear Ms. Nagra,

The Water Division of the California Public Utilities Commission has approved California-American Water Company's Advice Letter No. 1368, filed on May 9, 2022, regarding Placer County Water Agency Unit Cost Update for the Northern Division Service Area.

Enclosed are copies of the following revised tariff sheets, effective January 1, 2022, for the utility's files:

P.U.C.	
Sheet No.	Title of Sheet
10459-W	Preliminary Statement, Summary Table, Sheet 2
10460-W	Preliminary Statement (Continued) AK. Special Facilities Fee Memorandum Account, Sheet 1
10461-W	Preliminary Statement (Continued) AK. Special Facility Fee Memorandum Account (Continued) Sheet 2
10462-W	Schedule No. 15 - West Placer, Special Facilities Fee, Sheet 1
10463-W	Schedule No. 15 - West Placer, Special Facilities Fee, Sheet 2
10464-W	Table Of Contents, Sheet 5
10465-W	Table Of Contents, Sheet 1

Please contact Bradley Leong at BL4@cpuc.ca.gov or 415-703-2307, if you have any questions.

Thank you.

Enclosures



4701 Beloit Drive
Sacramento, CA 95838
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May 09, 2022

ADVICE LETTER NO. 1368

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California-American Water Company (U210W) (California American Water) submits this advice letter applicable to its Northern Division water customers.

Purpose:

The purpose of this advice letter is to update the unit costs for the West Placer Special Facilities Fee and applicable preliminary statement to reflect water connection charges effective 1/1/2022.

Background:

California American Water filed Advice Letter (“AL”) 1124 on April 15, 2016 seeking to establish a Special Facilities Fee and an associated memorandum account to pass through the cost of new service connections per agreement with the Placer County Water Agency for water supply. Resolution W-5111 ordered as follows:

- 1. California-American Water Company’s Advice Letter 1124 requesting Commission authorization to establish the Special Facilities Fee Memorandum Account for its Sacramento service area is approved as set forth in this Resolution. The Preliminary Statement for the new memorandum account is attached to this Resolution as Appendix A.*
- 2. California-American Water Company’s Advice Letter 1124 requesting Commission authorization to establish the Special Facilities Fee Schedule for its Sacramento service area is approved as set forth in this Resolution. The Special Facilities Fee Schedule is attached to this Resolution as Appendix B.*
- 3. The Special Facilities Fee Memorandum Account and Special Facilities Fee Schedule attached in Appendices A and B, respectively, are adopted. The effective date of the Memorandum Account and Special Facilities Fee Schedule is the effective date of this Resolution.*

California American Water filed Advice Letter 1124-A on October 28, 2016 to implement the tariffs approved in Resolution W-5111.

In February 2022, California American Water received an updated Water Connection Charge schedule from Placer County Water Agency with unit capacity costs effective January 1, 2022.

Request:

Update unit capacity costs for applicable tariffs based on the water connection charges effective January 1, 2022.

Tier Designation:

This advice letter is submitted pursuant to General Order No. 96-B and is designated as a Tier 1 filing.

Effective Date:

California American Water requests an effective date of January 1, 2022.

Service List:

Service Lists – In accordance with General Rules 4.3 and 7.2, and Water Industry Rule 4.1, of General Order (GO) 96-B, Cal-Am served copies of AL 1368 to adjacent utilities and other parties requesting such notification, on April 18, 2022. Please note that, consistent with the Commission's guidelines for service during the COVID-19 pandemic, this advice letter is only being distributed electronically.

RESPONSE OR PROTEST¹

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 grounds² 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:

¹ G.O. 96-B, General Rule 7.4.1

² G.O. 96-B, General Rule 7.4.2

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:
preet.nagra@amwater.com

Mailing Address:
4701 Beloit Drive
Sacramento, CA 95838

sarah.leeper@amwater.com

555 Montgomery Street, Suite 816
San Francisco, CA 94111

jonathan.morse@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.

REPLIES³

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 Preet Nagra at (916) 568-4255.

CALIFORNIA-AMERICAN WATER COMPANY

/s/ Preet Nagra

Preet Nagra
Operations Specialist

³ G.O. 96-B, General Rule 7.4.3

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
10459-W	PRELIMINARY STATEMENT Summary Table Sheet 2	10168-W
10460-W	PRELIMINARY STATEMENT (Continued) Sheet 1	10204-W
10461-W	PRELIMINARY STATEMENT (Continued) Sheet 2	10205-W
10462-W	Schedule No. 15 - West Placer SPECIAL FACILITIES FEE Sheet 1	8300-W
10463-W	Schedule No. 15 - West Placer SPECIAL FACILITIES FEE Sheet 2	8301-W
10464-W	TABLE OF CONTENTS Sheet 5	10447-W
10465-W	TABLE OF CONTENTS Sheet 1	10458-W

PRELIMINARY STATEMENT
Summary Table

Sheet 2

Reference	Account	Tariff
AK	Special Facilities Fee Memorandum Account	10460-W, 10461-W
AL	Monterey Service Area Pre-2015 Residential Water Revenue Adjustment Mechanism/Modified Cost Balancing Account ("WRAM/MCBA") Under-collection/recovery Balancing Account	10206-W
AM	Monterey Service Area Pre-2015 Non-Residential Water Revenue Adjustment Mechanism/Modified Cost Balancing Account ("WRAM/MCBA") Under-collection/recovery Balancing Account	10207-W
AN	Public Safety Power Shut-Off Memorandum Account (PSPSMA)	10208-W, 10209-W
AO	2019 General Rate Case Interim Rate True-up Memorandum Account	10210-W
AR	Sustainable Groundwater Management Act Memorandum Account (SGMA)	10211-W
AS	Group Insurance Balancing Account (GIBA)	10212-W
AT	Rio Plaza Groundwater Management Memorandum Account	10213-W
AU	Rio Plaza Transaction Memorandum Account	10214-W
AV	MPSWP Phase 1 Project Cost Memorandum Account (PCMA)	10215-W
AW	MPSWP Operations and Maintenance Memorandum Account (MOMMA)	10216-W
AX	Meadowbrook CIAC Regulatory Asset	10217-W
AZ	Monterey Wastewater Purchased Power Balancing Account	10218-W
BC	Fruitridge Vista Meter Installation Memorandum Account (FVMIMA)	10219-W
BD	Fruitridge Vista Transaction Memorandum Account (FVTMA)	10220-W
BE	Sacramento Service Area Voluntary Conservation or Mandatory Rationing Memorandum Account (VCMRMA)	10221-W
BF	Hillview Service Area Memorandum & Balancing Accounts	10222-W
BG	Hillview Memorandum Account for Deferred Income Taxes (HMADIT)	10223-W
BH	Central Basin Contamination Memorandum Account	10224-W
BI	Drought Memorandum Account (DRMA)	10225-W
BJ	Fruitridge Vista Multifamily Meter Retrofit Memorandum Account (MFMRMA)	10226-W
BK	East Pasadena Transaction Memorandum Account (EPTMA)	10227-W
BL	East Pasadena Purchased Power Balancing Account (EPPPBA)	10228-W
BM	East Pasadena Purchased Water Balancing Account (EPPWBA)	10229-W
BN	East Pasadena Pumping Assessment Cost Balancing Account (EPPACBA)	10230-W
BO	Drinking Water Fees Memorandum Account	10231-W
BP	TCP Litigation Proceeds Memorandum Account	10232-W
BQ	Central Satellite Service Area - Cost Allocation Tariff	10233-W, 10234-W
BR	Central Division – Chualar System – Tariff Rate Design	10235-W
BS	Larkfield Consolidation Tariff	10236-W, 10237-W
BT	Annual Consumption Adjustment Mechanism	10238-W

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(TO BE INSERTED BY UTILITY)	ISSUED BY	(TO BE INSERTED BY C.P.U.C.)
Advice 1368	J. T. LINAM	Date Filed <u>05/09/2022</u>
Decision	DIRECTOR - Rates & Regulatory	Effective <u>01/01/2022</u>
		Resolution _____

**PRELIMINARY STATEMENT
(Continued)**

Sheet 1

AK. Special Facilities Fee Memorandum Account

1. PURPOSE:

The Memorandum Account will be used to record all of the costs associated with purchasing additional capacity from Placer County Water Agency (PCWA). These costs will be offset by the total amount of the contributions made to the company by customers. If California American Water customer in the service area's potable surface water demand reaches the Maximum Delivery Rate of 80 percent or Maximum Day Demand, Cal-Am can purchase additional capacity to accommodate the increased volume and flows. In addition, it will include all earnings from the allowance for funds used during construction (AFUDC).

2. APPLICABILITY:

This schedule is applicable to the West Placer Service Area designated in the 2015 water purchase agreement with Placer County Water Agency in Cal-Am's Sacramento District and supplemented by the amended unit costs effective 1/1/2022. (N)
(N)

3. RATES:

a. The cost of a Unit of Capacity from PCWA is as follows:

Component:	Amount
Treatment	\$9,259
Storage	\$0
Transmission	\$6,861
Planning	\$83
CAW Surcharge	\$1,220
Total	\$17,423

(D,T)

(D,T)

b. The water connection charges for residential and non-residential customers is given in Special Facilities Fee Schedule, West Placer Service Area Unit of Capacity Charge.

4. ACCOUNTING PROCEDURE:

a. The following entries shall be recorded to the memorandum account:

1. A credit entry equal to the Facilities Fees received for each new service connection in the West Placer County Service Area.
2. A debit entry equal to the costs incurred for purchasing additional water capacity from PCWA.

(Continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 1368

J. T. LINAM

Date Filed 05/09/2022

Decision

DIRECTOR - Rates & Regulatory

Effective 01/01/2022

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PRELIMINARY STATEMENT
(Continued)

Sheet 2

AK. Special Facility Fee Memorandum Account (Continued)

4. ACCOUNTING PROCEDURE: (Continued)

- 3. A debit or credit entry equal to the interest on the balance in the account at the beginning of the month and half the balance after the above entries, at a rate equal to one-twelfth of the rate on 90-day Commercial paper, as reported in the Federal Reserve Statistical Release, H. 15 or its successor.
- 4. A credit entry will be made to transfer the balances to the appropriate account for the applicable district.

5. RATEMAKING PROCEDURE:

The PCWA's assumed meter size and capacity require for a typical Zone 1 dwelling units is 5/8 inch with a maximum day demand of 1,150 gallons (Unit of Capacity). The Maximum Day Demand shall be increased by 1,150 gallons per day, and the Maximum Delivery Rate shall be increased by 0.80 gallons per minute, for each unit of additional capacity purchased by Cal-Am.

(L)

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(Continued)

<small>(TO BE INSERTED BY UTILITY)</small>	<small>ISSUED BY</small>	<small>(TO BE INSERTED BY C.P.U.C.)</small>
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Decision	DIRECTOR - Rates & Regulatory	Effective <u>01/01/2022</u>
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Schedule No. 15 - West Placer
SPECIAL FACILITIES FEE

Sheet 1

APPLICABILITY

This schedule applies to all requests by individuals, groups, companies, and other parties requesting a new service connection in the West Placer service area designated by the 2015 water purchase agreement with Placer County Water Agency (PCWA) in California American Water's Sacramento District.

TERRITORY

This schedule is applicable to the West Placer service area in California American Water's Sacramento District.

RATES:

A unit of capacity charge will be required for all new service connections in the West Placer service area to ensure that water availability is secured from PCWA. The fee will be set forth using the following conditions.

1. The fee will be based on PCWA's charge to Cal-Am for each Unit of Capacity.
2. Per the 2015 Water Purchase Agreement between PCWA and Cal-Am, the charge may change up to one time per year based on PCWA's calculated cost of each additional Unit of Capacity
3. The definition of a Unit of Capacity is the use of 1,150 gallons of water per day and is subject to change based on PCWA's Rules, Regulations, and Charges.
4. The current charge applicable to each additional Unit of Capacity to Cal-Am is:
 - a. \$17,423 per Unit of Capacity (I)
5. The determination of an applicable fee to charge each new residential water service connection in the West Placer service area will be based on the following criteria:

Square Footage of Residential Lot	Percent of Unit of Capacity Cost to be Paid
0-5,000 ft ²	40%
5,001 – 8,000 ft ²	60%
8,001 – 12,000 ft ²	80%
>12,000 ft ²	To be assessed on a case by case basis

Variances as to the above will be based on the following considerations:

- a) Use of reclaimed water on the property
- b) Allowed irrigated space
- c) Use of water savings or conservation efforts beyond those considered industry standards
- d) Other water savings reductions that may be applicable

All variances must be executed by written agreement between Cal-Am and the individual developer. All similarly situated customers shall pay similar facilities fees.

(Continued)

(TO BE INSERTED BY UTILITY) Advice 1368 Decision	ISSUED BY J. T. LINAM DIRECTOR - Rates & Regulatory	(TO BE INSERTED BY C.P.U.C.) Date Filed <u>05/09/2022</u> Effective <u>01/01/2022</u> Resolution
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Schedule No. 15 - West Placer
SPECIAL FACILITIES FEE

Sheet 2

RATES: (Continued)

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- 6. The determination of an applicable fee to charge each new non-residential water service connection in the West Placer service area will be based on the following criteria:
 - a. The projected annual daily average water use for each non-residential connection will be individually determined through an agreement between Cal-Am and the individual developer.
 - b. Each new non-residential connection will assess the water use needs on the property much the same as with residential connections and will consider the following:
 - i. Use of reclaimed water on the property
 - ii. Allowed irrigated space
 - iii. Use of water savings or conservation efforts beyond those considered industry standards
 - iv. Other water savings reductions that may be applicable
 - v. Indoor water needs

SPECIAL CONDITIONS:

- 1. Facilities fees are applicable to metered rate service for the size meter shown.
- 2. Facilities fees are payable in addition to and do not limit any charges for extensions of mains that maybe applicable under Rule 15, Main Extensions.
- 3. Payments made under this schedule are not subject to the reimbursement fee set forth in Schedule No. UF.
- 4. All variances must be executed by written agreement between Cal-Am and the individual developer.
- 5. All similarly situated customers shall pay similar facilities fees.

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(TO BE INSERTED BY UTILITY)	ISSUED BY	(TO BE INSERTED BY C.P.U.C.)
Advice 1368	J. T. LINAM	Date Filed <u>05/09/2022</u>
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(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 1368

J. T. LINAM

Date Filed 05/09/2022

Decision

DIRECTOR - Rates & Regulatory

Effective 01/01/2022

Resolution _____

SACRAMENTO DISTRICT SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1368

BY MAIL:

Carol Smith 6241 Cavan Drive, 3 Citrus Heights, CA 95621	Walt Shannon 8356 Auberry Drive Sacramento, CA 95828	Robert A. Ryan, Jr. County of Sacramento Downtown Office 700 H Street, Suite 2650 Sacramento, CA 95814 Mark Norris County Clerk-Recorder County of Sacramento 600 8th Street Sacramento, CA 95814
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