

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 28, 2023

Jonathan Morse
Sr. Manager Rates & Regulatory
California-American Water Company
520 Capitol Mall Ste. 630
Sacramento, CA 95814

Dear Mr. Morse,

The Water Division of the California Public Utilities Commission has approved California-American Water Company's Advice Letter No. 1419, filed on July 28, 2023, regarding 2023 Southern Division Production Expense Offset.

Enclosed are copies of the following revised tariff sheets, effective August 27, 2023, for the utility's files:

P.U.C.	
Sheet No.	Title of Sheet
10869-W	Schedule No. SOU-1, Southern Division Tariff Area General Metered Services, Sheet 6
10870-W	Table Of Contents, Sheet 3
10871-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

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS**

Advice Letter Cover Sheet

Utility Name: California American Water	Date Mailed to Service List: July 28, 2023
District: Southern Division	
CPUC Utility #: U210W	Protest Deadline (20th Day): August 17, 2023
Advice Letter #: 1419	Review Deadline (30th Day): August 27, 2023
Tier <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> Compliance	Requested Effective Date: August 27, 2023
Authorization	
Description: 2023 Southern Division Production Expense Offset	Rate Impact: \$See AL See AL%

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: Chase Grady

Utility Contact: Jonathan Morse

Phone: (916) 568-4241

Phone: 916-568-4237

Email: Chase.Grady@amwater.com

Email: Jonathan.Morse@amwater.com

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

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

APPROVED

WITHDRAWN

REJECTED

Signature: _____

Comments: _____

Date: _____



520 Capitol Mall, Suite 630
Sacramento, CA 95814
www.amwater.com

P (916) 568-4241

July 28, 2023

ADVICE LETTER NO. 1419

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Pursuant to General Order 96-B and Decision (“D.”) 22-12-001, California-American Water Company (“California American Water”) (U210W) submits for filing and review this advice letter including the tariff sheets applicable to its Southern Division which are attached hereto.

Purpose:

The purpose of this advice letter is to request Commission approval of an increase in rates of \$3,028,021 or 2.28% to offset increased purchased power and water costs in California American Water’s Southern Division.

Background:

California American Water requests authority pursuant to General Order (GO) 96-B, Water Industry Rules, Section 7.3.1, and Section 454 of the Public Utilities Code to offset purchased water and power expenses in its Southern Division.

Purchased Water

California American Water incurs its purchased power expenses from various purveyors that supply water to California American Water’s Baldwin Hills and Ventura Service Areas. California American Water incurs its purchased water expenses for these Southern Division Services Areas from the Calleguas Municipal Water District, West Basin Municipal Water District, and Water Replenishment District of Southern California. These various wholesalers have increased rates to California American Water. California American Water requests that the full increase be offset as a quantity surcharge to account for the annual change in purchased water costs.

California American Water seeks to offset increased wholesale costs from water providers in the Ventura and Baldwin Hills Service Areas of California American Water’s Southern Division. For Ventura the per AF rate increases from \$1,541 to \$1,632 for Tier-1 rates, \$1,591 to \$1,841 for Tier-2 rates, \$84,460 to \$103,441 for the Readiness to Serve Charge, and \$109,946 to \$92,541 for the Capacity Reservation Charge to match the invoice California American Water received from Calleguas Municipal Water District. For Baldwin Hills the AF rate increase from \$1,510 to \$1,605 for the West Basin

Municipal Water District cost per AF, \$1,838 to \$3,806 for Capacity/Reservation Charge, \$548 to \$6,433 for the Monthly Water Service Charge, and \$387 to \$423 for the Water Replenishment District cost per AF to match the notice received from West Basin Municipal Water District and Water Resplishment District.

The increase to water rates results in a \$1,624,366 annual increase to purchased water expense to California American Water, plus a corresponding increase of \$8,311 in uncollectible for a total increase of \$1,632,678. The increase is directly related to water consumption and thus should be applied to the quantity rate. The resulting final purchased water surcharge by service area is as follows. Per Decision 21-11-018 California American Water is authorized to partially consolidate purchased water costs in its Southern Division, as agreed to in Section 4.3 of Settlement approved by D.21-11-018. Pursuant to the approved Settlement, 70% of purchased water expenses for Baldwin Hills and Ventura would be consolidated into the Southern Division and 30% would remain within the applicable District.

Service Area	Surcharge per CGL
Baldwin Hills	\$0.0187
Duarte	\$0.0093
San Marino	\$0.0093
San Diego	\$0.0093
Ventura	\$0.0198
Bellflower	\$0.0093

Purchased Power

The composite purchased power cost factors of \$0.1733 per kilowatt-hour (kwh) and \$0.131 per kwh were established for the Ventura and Los Angeles Districts of the Southern Division in D.21-11-018. Actual composite costs per kwh for the 12-month period ending June 30, 2023 were \$0.3165 per kwh and \$0.2092 per kwh for the Ventura and Los Angeles Districts respectively. The increase to power rates results in a \$1,388,465 annual increase to purchased water expense to California American Water, plus a corresponding increase of \$7,104 in uncollectible for a total increase of \$1,395,569 for the consolidated Southern Division. The increase is directly related to water consumption and thus should be applied to the quantity rate. The resulting final purchased power surcharge by service area is as follows.

Service Area	Surcharge per CGL
Baldwin Hills	\$0.0114
Duarte	\$0.0114
San Marino	\$0.0114
San Diego	\$0.0114
Ventura	\$0.0114
Bellflower	\$0.0114

Request:

California American Water requests authorization to implement (1) a purchased water surcharge totaling \$0.0696 per ccf (\$0.0093 per 100 gallons) for Duarte, San Marino, San Diego, and Bellflower Service Area customers, (2) a surcharge totaling \$0.1402 per ccf (\$0.0187 per 100 gallons) for Baldwin Hills Service Area customers, and (3) a surcharge totaling \$0.1482 per ccf (\$0.0198 per cgl) for Ventura Service Area customers. California American Water requests authorization to implement a purchased power surcharge totaling \$0.0850 per ccf (\$0.0114 per 100 gallons) for the Southern Division.

Tier Designation:

This advice letter is submitted with a Tier 1 designation.

Effective Date:

California American Water requests an effective date of August 27, 2023.

Notice & Service List:

This is a Tier 1 advice letter that does not require customer notification, as provided in Water Industry Rule 7.3.1 of General Order 96-B. California American Water will notify its customers of this production expense by placing a message on the customer's water bills that are generated after the increase goes into effect. 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 competing and adjacent utilities and other utilities or interested parties having requested such notification. ***Please note that this advice letter will only be distributed electronically.***

Protests and Responses:

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 grounds¹ 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;

¹ G.O. 96-B, General Rule 7.4.2

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:

Mailing Address:

Chase.Grady@amwater.com

520 Capital Mall, Suite 630
Sacramento, CA 95814

sarah.leeper@amwater.com

555 Montgomery Street, Suite 816
San Francisco, CA 94111

ca.rates@amwater.com

520 Capital Mall, Suite 630
Sacramento, CA 95814

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.
10869-W	Schedule No. SOU-1 Southern Division Tariff Area GENERAL METERED SERVICES Sheet 6	10802-W
10870-W	TABLE OF CONTENTS Sheet 3	10867-W
10871-W	TABLE OF CONTENTS Sheet 1	10868-W

Schedule No. SOU-1
Southern Division Tariff Area
GENERAL METERED SERVICES

Sheet 6

SOUTHERN DIVISION TARIFF AREA (Continued)

SPECIAL CONDITIONS (Continued):

Fees and Surcharges (Continued):

5. Per Advice Letter 1380 and D.21-11-018 a surcharge of \$0.0999 per cgl will be collected from customers, Bellflower customers excluded, for the 2019 General Rate Case interim rate true-up. The surcharge will be collected until December 31, 2023.
6. Per Advice Letter 1409 and D.21-11-018 a surcharge/surcredit is included to recover the net under/over-collection in the WRAM and MCBA of \$2,800,803 including interest, as of December 31, 2022. The surcharge of \$0.0210 per 100 gallons is set to recover the undercollection at a rate equal to 15% of the authorized revenue requirement as approved by D.21-11-018. Bellflower customers are excluded from this surcharge.
7. A surcharge is applied to each bill to offset increases in purchase water costs for Southern Division.

Service Area	Purchase Water Surcharge Per 100 Gallon	Effective Date	Advice Letter
Baldwin Hills	\$0.0187	August 27, 2023	1419
Duarte	\$0.0093	August 27, 2023	1419
San Marino	\$0.0093	August 27, 2023	1419
San Diego	\$0.0093	August 27, 2023	1419
Ventura	\$0.0198	August 27, 2023	1419
Bellflower	\$0.0093	August 27, 2023	1419

8. A surcharge is applied to each bill to offset increases in purchase power costs for Southern Division.

Service Area	Purchase Power Surcharge Per 100 Gallon	Effective Date	Advice Letter
Baldwin Hills	\$0.0114	August 27, 2023	1419
Duarte	\$0.0114	August 27, 2023	1419
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Ventura	\$0.0114	August 27, 2023	1419
San Diego	\$0.0114	August 27, 2023	1419
Bellflower	\$0.0114	August 27, 2023	1419

(N)

(N)

(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 1419

S. W. OWENS

Date Filed 07/28/2023

Decision

SR. DIRECTOR - Rates & Regulatory

Effective 08/27/2023

Resolution _____

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<u>SERVICE AREA MAP:</u>		
California-American Water Company	5470-W	
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East Pasadena Service Area	10102-W	
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(Continued)

(TO BE INSERTED BY UTILITY)	ISSUED BY	(TO BE INSERTED BY C.P.U.C.)
Advice 1419	S. W. OWENS	Date Filed <u>07/28/2023</u>
Decision	SR. DIRECTOR - Rates & Regulatory	Effective <u>08/27/2023</u>
		Resolution _____

SOUTHERN DIVISION SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY

BY MAIL:

	City of Camarillo 601 Carmen Drive Camarillo, CA 93010	James R. Lough, City Attorney City of Imperial Beach 825 Imperial Beach Blvd. Imperial Beach, CA 91932
Los Angeles Docket Office California Public Utilities Commission 320 West 4 th Street, Suite 500 Los Angeles, CA 90013	Sunnyslope Water Company 1040 El Campo Drive Pasadena, CA 91109	San Gabriel County Water District P.O. Box 2227 San Gabriel, CA 91776
Hatties Stewart 4725 S. Victoria Avenue Los Angeles, CA 90043	City of Monrovia City Clerk 415 South Ivy Ave Monrovia, CA 91016	City of San Gabriel City Clerk 425 S. Mission Drive San Gabriel, CA 91776
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Barbara Delory 4030 Bartlett Avenue Rosemead, CA 91770-1332	Wallin, Kress, Reisman & Krantiz, LLP 11355 West Olympic Blvd., Suite 300 Los Angeles, CA 90064	Andrew Jackson Golden State Water Company 630 E. Foothill Blvd. San Dimas, CA 91773 afjackson@gswater.com
Bernardo R. Garcia P.O. Box 37 San Clemente, CA 92674-0037	Mary Martin 4611 Brynhurst Ave. Los Angeles, CA 90043	City of Rosemead City Clerk 8838 E. Valley Blvd Rosemead, CA 91770
James L. Markman Richards, Watson & Gershon 355 South Grand Avenue, 40 th Floor Los Angeles, CA 90071-3101	City of Los Angeles Department of Water and Power 111 North Hope Street Los Angeles, CA 90012 Attn: City Attorney Louis A. Atwell Director of Public Works City of Inglewood One W. Manchester Blvd. Inglewood, CA 90301	Veronica Ruiz, City Clerk City of San Marino 2200 Huntington Dr, 2 nd Floor San Marino, CA 91108 vrui@cityofsanmarino.org Rex Ball SR/WA, Senior Real Property MGMT County of Los Angeles 222 South Hill Street, 3rd Floor Los Angeles, CA 90012
Marcus Nixon Asst. Public Advisor 320 W. 4 th Street, Suite 500 Los Angeles, CA 90013	Ventura County Waterworks District 7150 Walnut Canyon Road P.O. Box 250 Moorpark, CA 93020	City of Thousand Oaks Water Dept. 2100 E. Thousand Oaks Blvd. Thousand Oaks, CA 91362
California Water Service P.O. Box 49062 San Jose, CA 95161-9062		

SOUTHERN DIVISION SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY

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County of San Diego
County Administration Center
1600 Pacific Highway, Room 260
San Diego, CA 92101

Henry Nanjo
Department of General Services
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PO Box 989052
West Sacramento, CA 95798-9052

BY E-MAIL:

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cityclerk@elmonteca.gov

California Public Utilities Commission
PublicAdvocatesWater@cpuc.ca.gov

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