

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

**Advice Letter Cover Sheet**

<b>Utility Name:</b> California American Water	<b>Date Mailed to Service List:</b> July 1, 2020
<b>District:</b> Los Angeles	
<b>CPUC Utility #:</b> U210W	<b>Protest Deadline (20<sup>th</sup> Day):</b> July 21, 2020
<b>Advice Letter #:</b> 1301	<b>Review Deadline (30<sup>th</sup> Day):</b> July 31, 2020
<b>Tier</b> <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> Compliance	<b>Requested Effective Date:</b> July 1, 2020
<b>Authorization</b> General Order 96-B	
<b>Description:</b> 2020 Los Angeles Purchased Water Offset	<b>Rate Impact:</b> \$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:** Lakhjit Thind  
**Phone:** 916-568-4233  
**Email:** Lakhjit.Thind@amwater.com

**Utility Contact:** Jonathan Morse  
**Phone:** 916-568-4246  
**Email:** Jonathan.Morse@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WITHDRAWN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:** \_\_\_\_\_

\_\_\_\_\_



4701 Beloit Drive  
Sacramento, CA 95838  
[www.amwater.com](http://www.amwater.com)

P (916)-568-4251  
F (916) 568-4260

July 1, 2020

ADVICE LETTER NO. 1301

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California American Water Company (U210W) hereby submits for filing the following tariff sheets applicable to its Los Angeles District which are attached hereto:

<u>C.P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Sheet No.</u>
XXXX-W	Schedule No. LA-1 Los Angeles County District Tariff Area GENERAL METERED SERVICE	9330-W
XXXX-W	Schedule No. LA-3M (continued) Los Angeles District Tariff Area MEASURED IRRIGATION SERVICE	9441-W
XXXX-W	TABLE OF CONTENTS (Continued) (Page 2)	XXXX-W
XXXX-W	TABLE OF CONTENTS (Page 1)	XXXX-W

**PURPOSE:**

In accordance with Section 7.3.1 of the Water Industry Rules under General Order (GO) 96-B and section 454 of the Public Utilities Code, California American Water is seeking authority to offset Purchased Water Expenses it incurs from the various water wholesalers that supply water to its Los Angeles District Service Areas. These various water wholesalers recently increased rates to California American Water. California American Water requests that the full increase be offset in base rates to account for annual change in purchased water cost.

**BACKGROUND:**

California American Water serves approximately 27,600 customers in the Los Angeles Area, which includes Baldwin Hills, Duarte, and San Marino.

The increase in water rates resulted in a \$2,251,397 annual increase in purchased water expense to California American Water, plus a corresponding increase of \$11,574 in

uncollectible for a total increase of \$2,262,971. This 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:

<b>Service Area</b>	<b>Surcharge Per CGL</b>
Baldwin Hills	\$0.0451
Duarte	\$0.0990
San Marino	\$0.0909

### **REQUEST:**

California American Water is requesting authorization to increase the quantity rates on its Baldwin Hills Service Area Customer by \$0.0182 for a new total of \$0.0451, on its Duarte Service Area Customers by \$0.0062 for a new total of \$0.0990, and on its San Marino Service Area by \$0.0617 for a new total of \$.0909 in order to properly recover the increased purchased water expense it incurs from all of the various water wholesalers that supply water to California American Water's Los Angeles Districts Service Areas.

The offset requested represents an increase of \$2,262,971 or 5.78% over the latest revenue requirement provided and approved by the Commission in D. 15-04-007.

### **SERVICE LIST:**

Pursuant with Section 4.3 of the General Order 96-B, a copy of this advice letter is being sent to those entities listed in the attached service list. Copies of the detailed workpapers and the documents supporting this advice letter have been furnished to the Commission Staff, as well.

### **EFFECTIVE DATE:**

California American Water submits this as a Tier 1 advice letter and requests an effective date of July 1, 2020.

### **Notice:**

Notice is not required prior to the effective date per General Order 96B, Water Industry Rule 7.3.1(7). California American Water will provide notice of the increase with implementation of the surcharge through bill message.

### **RESPONSE OR PROTEST<sup>1</sup>**

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.**

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<sup>1</sup> G.O. 96-B, General Rule 7.4.1

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 grounds<sup>2</sup> 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](mailto: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:**

**Mailing Address:**

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<sup>2</sup> G.O. 96-B, General Rule 7.4.2

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[Jonathan.Morse@amwater.com](mailto: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.

### **REPLIES**<sup>3</sup>

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 Lakhjit Thind at (916) 568-4233.

CALIFORNIA-AMERICAN WATER COMPANY

*/s/ Lakhjit Thind*

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Lakhjit Thind  
Financial Analyst – Rates and Regulations

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<sup>3</sup> G.O. 96-B, General Rule 7.4.3

Schedule No. LA-1  
Los Angeles County District Tariff Area  
GENERAL METERED SERVICE

Sheet 5

**SPECIAL CONDITIONS**

**Fees and Surcharges (Continued):**

1. Per Advice Letter 1251, the under-collected balance in the Los Angeles County District Consolidated Expense Balancing Account (CEBA) will be recovered through a quantity based surcharge, as shown in the below table effective October 1, 2019. The total amount will be recovered from all classes of customers.

Service Area	Consolidated Expense Balance Account Surcharge Per 100 gallon	Number of Months Applicable From Effective Date
Baldwin Hills	\$0.0244	36
Duarte	\$0.0152	24
San Marino	\$0.0202	12

2. Water Revenue Adjustment Mechanism (WRAM) and Modified Cost Balancing Account (MCBA) Surcharges.
  - a. For the **Baldwin Hills** service area, a surcharge is included on each bill to recover the net under-collection in the WRAM and MCBA of \$6,875,810, including interest, as of December 31, 2018. The surcharge of \$0.1694 per 100 gallons is set to recover the under-collection at a rate equal to 15% of the authorized revenue requirement as approved by D.18-12-021.
  - b. For the **Duarte** service area, a surcharge is included on each bill to recover the net under-collection in the WRAM and MCBA of \$9,179,656, including interest, as of December 31, 2018. The surcharge of \$0.0833 per 100 gallons is set to recover the under-collection at a rate equal to 15% of the authorized revenue requirement as approved by D.18-12-021.
  - a. For the **San Marino** service area, a surcharge is included on each bill to recover the net under-collection in the WRAM and MCBA of \$18,0285,324, including interest, as of December 31, 2018. The surcharge of \$0.0333 per 100 gallons is set to recover the under-collection at a rate equal to 15% of the authorized revenue requirement as approved by D.18-12-021.
3. A surcharge is applied to each bill to offset increases in purchase water costs for the Los Angeles County District.

Service Area	Purchased Water Surcharge Per 100 Gallon	Effective Date	Advice Letter
Baldwin Hills	\$0.0451	July 1, 2020	1301
Duarte	\$0.0990	July 1, 2020	1301
San Marino	\$0.0909	July 1, 2020	1301

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(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 1301

J. T. LINAM

Date Filed \_\_\_\_\_

Decision

DIRECTOR - Rates & Regulatory

Effective \_\_\_\_\_

Resolution \_\_\_\_\_

Schedule No. LA-3M  
Los Angeles County District Tariff Area  
MEASURED IRRIGATION SERVICE

**SPECIAL CONDITIONS**

**Fees and Surcharges (Continued):**

5. A surcharge is applied to each bill to offset increases in purchase water costs for the Los Angeles County District.

Service Area	Purchased Water Surcharge Per 100 Gallon	Effective Date	Advice Letter
Baldwin Hills	\$0.0451	July 1, 2020	1301
Duarte	\$0.0990	July 1, 2020	1301
San Marino	\$0.0909	July 1, 2020	1301

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6. Per D.18-12-021 a meter-based bill credit for the Excess Non-Plant Accumulated Deferred Income Tax will be refunded to customers over 24-months beginning October 17, 2019.

Meter Size	Refunds by Meter Equivalent
5/8 x 3/4	\$1.15
3/4	\$1.72
1	\$2.87
1 1/2	\$5.73
2	\$9.17
3	\$17.19
4	\$28.66
6	\$57.32
8	\$91.71
10	\$131.83

7. Per D.18-12-021 a meter-based bill credit for the Excess Plant Related Accumulated Deferred Income Tax will be refunded to customers over 12-months beginning January 21, 2020.

Meter Size	Refunds by Meter Equivalent
5/8 x 3/4	\$0.22
3/4	\$0.32
1	\$0.54
1 1/2	\$1.08
2	\$1.72
3	\$3.23
4	\$5.38
6	\$10.76
8	\$17.21
10	\$24.74

(Continued)

**LOS ANGELES COUNTY DISTRICT SERVICE LIST**  
**CALIFORNIA-AMERICAN WATER COMPANY**  
**ADVICE LETTER 1301**

**BY MAIL:**

	Louis A. Atwell Director of Public Works City of Inglewood One W. Manchester Blvd. Inglewood, CA 90301	Rex Ball SR/WA, Senior Real Property MGMT County of Los Angeles 222 South Hill Street, 3rd Floor Los Angeles, CA 90012
Los Angeles Docket Office California Public Utilities Commission 320 West 4th 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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James L. Markman Richards, Watson & Gershon 355 South Grand Avenue, 40th 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	Veronica Ruiz, City Clerk City of San Marino 2200 Huntington Dr, 2 <sup>nd</sup> Floor San Marino, CA 91108 vrui@cityofsanmarino.org
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**LOS ANGELES COUNTY DISTRICT SERVICE LIST**  
**CALIFORNIA-AMERICAN WATER COMPANY**  
**ADVICE LETTER 1301**

**BY E-MAIL:**

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