

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

Advice Letter Cover Sheet

Utility Name: CA Utilities (SWR)	Date Mailed to Service List: 01/24/2020
District: n/a	
CPUC Utility #: SWR 418	Protest Deadline (20th Day): 02/13/2020
Advice Letter #: 75	Review Deadline (30th Day): 02/24/2020
Tier <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> Compliance	Requested Effective Date: 02/01/2020
Authorization PU Code 792.5 & GO96-B	
Description: Purchased Power Offset expense of \$30,030 due to increases in PG&E rates charges to CUS.	Rate Impact: \$30,030 1.82%

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: Thomas R. Adcock

Phone: (831) 424-0441

Email: tom@alcowater.com

Utility Contact 2: Marino Rodriguez

Phone 2: (831) 424-0441

Email 2: marino@alcowater.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WITHDRAWN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: _____

CALIFORNIA UTILITIES SERVICE, INC.

A California Corporation

Thomas R. Adcock
President
(831) 424 - 0442 Phone

P.O. Box 5100
Salinas, CA 93915
(831) 424 - 0611 Fax

January 24, 2020

ADVICE LETTER NO. 75

CALIFORNIA UTILITIES SERVICE, INC (U 418-S)

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California Utilities Service, Inc. (CUS) hereby transmits for filing four copies each of the following tariff schedules, which are attached hereto:

<u>CPUC SHEET NO.</u>	<u>TITLE OF SHEET</u>	<u>CANCELING CPUC SHEET NO.</u>
364-SS	Schedule No. 1, General Flat Rate Service	355-SS
365-SS	Table of Contents	363-SS

The present rates of California Utilities Service, Inc. (CUS) became effective on April 25, 2019, pursuant to Advice Letter No. 70, which adopted a CPI offset of \$33,562 or 1.9% annually, due to the 2018 CPI-U of 1.9%. The last general rate increase became effective on August 18, 2010 pursuant to Resolution No.W-4837, which authorized a general rate increase of \$723,777 or 88.4%, and a return based on a rate of margin of 21.7%.

Background and Summary

Through CUS's Advice Letter No. 71 ("AL 71"), authorized by the Commission with an effective date of April 25, 2019, Also began collecting a Purchased Power Expense Offset ("PPEO") quantity rate surcharge of \$2.07 per EDU per month to prospectively collect sufficient revenues to pay the incremental increases in its power bills due to increases in PG&E's power rates.

Through the current Tier 1 Advice Letter, Advice Letter No. 75 ("AL 75"), CUS seeks Commission authorization to supersede the current PPEO surcharge of \$2.07 per EDU per month currently in effect with a new PPEO quantity rate surcharge of \$2.42 per EDU per month, in order to collect additional incremental increases in PG&E's power rates as described below.

With AL 75, CUS respectfully requests Commission authorization for a PPEO increase, as authorized by Section 792.5 of the Public Utilities Code (PU Code) and General Order (GO) 96-B, Water Industry Rule 7.3.1(7) and 8.4, to prospectively collect sufficient revenues to pay the incremental increases in its power bills due to increases in PG&E's power rates. This requested PPEO is in the form of a flat rate surcharge of \$2.42 per EDU per month which will result in an annual increase of \$33,030 or 1.82% to prospectively offset power costs currently

billed by PG&E. Again, as explained in the previous paragraph, this surcharge will replace the surcharge of \$2.07 per EDU per month which was authorized by the Commission through CUS's AL 71, which became effective on April 25, 2019. This requested increase is calculated in accordance with CPUC Division of Water and Audits Standard Practice U-27-W. The revised Purchased Power Composite rate is \$0.2552/ kWh.

As required by Section 792.5 of the PU Code, Alco maintains a Purchased Power Balancing Account ("PPBA") to track the associated revenue increases and related costs.

This filing is made under the provisions of PU Code Section 792.5 and General Order No. 96-B.

This filing will not cause withdrawal of service nor conflict with any other schedule or rule.

Requested Effective Date

This filing is a Tier 1 advice letter per General Order 96-B, Water Industry Rule 7.3.1.(7). CUS respectfully requests an effective date of February 1, 2020 for Advice Letter No. 75.

Notice

In compliance with Section 4.3 of General Order No. 96-B, a copy of this advice letter has been mailed to all parties listed on the enclosed service list. In conformance with Resolution W-4664, Ordering Paragraph 3, CUS will provide notice to its customers of the increase in dollar and percentage terms with the first bill that includes the increase.

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 error 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, 3rd floor
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
water_division@cpuc.ca.gov

On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy of the protest by mail or e-mail to us, addressed to:

California Utilities Service, Inc.
249 Williams Road
Salinas, CA 93905
Fax: (831) 424-0611

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.

Replies: The utility shall reply to each protest and may reply to any response. Each reply must be received by the Division of Water and Audits within five business days after the end of the protest period, and shall be served on the same day to the person who filed the protest or response.

California Utilities Service, Inc.

By: /s/ Thomas R. Adcock
Thomas R. Adcock
President

Attachments

Schedule No. 1
(continued)
GENERAL FLAT RATE SERVICE

SPECIAL CONDITIONS (continued):

- 6. A customer claiming vacancy of their residence for a period of time will be allowed 90 days from the last billing date following the period of claimed vacancy to notify the utility. The period of vacancy must include the entire period(s) covered by the sewer bills for which the customer desires to not be charged.
- 7. The customer will have 15 additional days, from the date of notification, to provide CUS with a copy of water bill(s) that show zero water usage during the vacancy period. The water bill(s) provided must include the entire period(s) covered by the sewer bill(s) for which the customer desires to not be charged.
- 8. If zero water usage is demonstrated for the entire period(s) covered by the sewer bill(s) for which the customer desires not to be charged then a vacant residential rate will apply. The vacant residential rate is equivalent to 50% of the utility's current tariff, in effect at the time for the period(s) covered by the sewer bill(s) during the vacancy. Any surcharges or surcredits in effect during the vacant rate billing period will not be discounted or prorated.
- 9. If there is any water usage during the period(s) covered by the sewer bill(s), the customer is responsible for the full amount of the monthly sewer bill, even if such water usage is claimed to be used for purposes other than residential.
- 10. If the customer does not have water bills to show zero water usage for the entire period(s) covered by the sewer bill(s) because the customer is not individually meter for water usage, the customer is responsible for the full amount of the sewer bill(s).
- 11. If CUS is unable to confirm that there was zero water usage during the entire sewer billing period(s) covered by the customer's request, the reversal of sewer charges or the request not be charged for sewer charges due to claimed vacancy request will be denied.
- 12. The vacant residential rate will be allowed for a maximum of six months per calendar year.
- 13. The above considerations are for residential customers only and do not apply to other customer category.
- 14. As authorized by the Commission, pursuant to PU Code Section 792.5 and GO 96-B Water Industry Rules 7.3.1(7) and 8.4, beginning February 1, 2020 there will be a Purchased Power Expense Offset (PPEO) surcharge in the amount of \$2.42 per EDU per month, except the Toro Park School's surcharge will be \$34.56 per month and the Corral de Tierra Country Club's surcharge will be \$23.47per month. The purpose of this PPEO surcharge is to offset increased purchased power costs of \$0.0943/kWh, relative to the purchased power costs adopted by Res. W-4837. The increased power cost will increase CUS's adopted purchased power composite rate to \$0.2552/kWh. As required by Section 792.5 of the PU Code, the associated revenue increases are being tracked in CUS's Purchased Power Balancing Account.

(D)
(N)
|
(N)

(To be inserted by Utility)
Advice Letter No. 75

Issued by
Thomas R. Adcock
NAME
President
TITLE

(To be inserted by Cal. P.U.C.)
Date Filed _____

Decision No. _____

Effective _____

Resolution No. _____

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(continued)

(To be inserted by Utility)
Advice Letter No. 75

Issued by
Thomas R. Adcock
 NAME
President
 TITLE

(To be inserted by Cal. P.U.C.)
Date Filed _____

Decision No. _____

Effective _____

Resolution No. _____

CALIFORNIA UTILITIES SERVICE, INC.
ADVICE LETTER NO. 75
SERVICE LIST
(AS PER SECTION 7.2 OF GENERAL ORDER NO. 96-B)LIST

Via First Class United States Mail and Via
E-mail:

Bruce DeBerry
Water Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
water_division@cpuc.ca.gov

Via United States Mail, w/out attachments:

California-American Water Company
4701 Beloit Drive
Sacramento, CA 95838-2434

County Clerk
County Administrative Office
168 West Alisal Street, 1st Floor
Salinas, CA 93901

California Utilities Service, Inc.
 Advice Letter No. 75
 Purchased Power Expense Offset

Purchased Power Offset:	Adopted Quantities Res. W-4837	Current Power Cost Year 2019	Difference
Purchased Power kWh	\$ 55,196 <u>343,157</u>	\$ 71,236 <u>279,166</u>	
Composite Rate (\$/kWh)	\$ 0.1608	\$ 0.2552	\$ 0.0943
Adopted kWh (Res. W-4837)			343,157
Composite Rate Difference			<u>\$ 0.0943</u>
Expense off-set Amount (one year)			\$ 32,369
County Franchise Fee (2.00% of revenue gross up)			<u>\$ 660</u>
Annual Revenue Requirement			<u><u>\$ 33,030</u></u>
Surcharge Calculation Per Equivalent Dwelling Unit (EDU):			
Annual Amount to be recovered			\$ 33,030
Number of EDUs (1,115 + 14.28 + 9.70)*			1,138.98
Annual Surcharge per EDU			\$ 29.00
Months per year			<u>12</u>
Surcharge per EDU per month			<u><u>\$ 2.42</u></u>
Percent Calculation:			
2018 Sewer Revenue			\$ 1,811,896
Surcharge Amount			<u>\$ 33,030</u>
Percentage			<u><u>1.82%</u></u>

*One EDU is equivalent to the use of a single family dwelling; Toro Park School and Corral De Tierra County Club have the equivalent of 14.28 EDUs and 9.70 EDUs, respectively. Therefore, to calculate the total surcharge amount per month for the latter two, their respective EDUs are multiplied by the per EDU surcharge amount of \$2.42, as follows:

	EDU	Surcharge Per EDU/ Mo	Total Surcharge Amount/ Mo.
Toro Park School	14.28	\$ 2.42	\$ 34.56
Corral De Tierra Country Club	9.70	\$ 2.42	\$ 23.47
One EDU	1	\$ 2.42	\$ 2.42