

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

Advice Letter Cover Sheet

Utility Name: California American Water	Date Mailed to Service List: March 18, 2022
District: Monterey Service Area	
CPUC Utility #: U210W	Protest Deadline (20th Day): April 7, 2022
Advice Letter #: 1365	Review Deadline (30th Day): April 17, 2022
Tier <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> Compliance	Requested Effective Date: March 18, 2022
Authorization D.21-11-018	
Description: Monterey Non-Residential WRAM Implementation	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: Kamilah Jones
Phone: 916-568-4232
Email: Kamilah.Jones@amwater.com

Utility Contact: Jonathan Morse
Phone: 916-568-4237
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

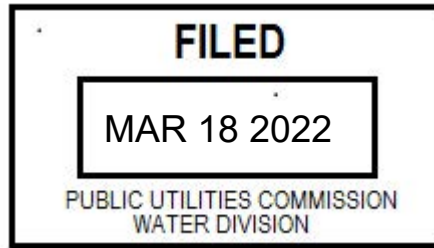
WITHDRAWN

REJECTED

Signature: _____

Comments: _____

Date: _____



4701 Beloit Drive
Sacramento, CA 95838
www.amwater.com

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

March 18, 2022

ADVICE LETTER NO. 1365

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 Monterey Non-Residential water customers.

Purpose:

California American Water requests authorization to establish a new Monterey Non-Residential Water Revenue Adjustment Mechanism (“WRAM”) and Modified Cost Balancing Account (“MCBA) surcharge based on the 15% cap to recover all cumulative under collected balances as authorized in D.21-11-018.

Background:

In D.18-12-021, the Commission authorized an increased cap on total net WRAM/MCBA surcharges to 15% of the last authorized revenue requirement for each of California American Water’s service areas for the 2018-2020 GRC cycle.

In D.21-11-018, which adopted three settlement agreements resolving disputed issues in California American Water’s general rate case Application 19-07-004, the Commission authorized California American Water to maintain the 15% cap through the 2021-2023 GRC cycle.

One of the settlements adopted by D.21-11-018 was the Partial Settlement between California American Water and Monterey Peninsula Water Management District. In the Partial Settlement the parties agreed California American Water is authorized to establish a new non-residential WRAM/MCBA surcharge based on the authorized 15% cap to recover all cumulative under-collected balances following the end of the Pre-2015 WRAM/MCBA meter-based surcharge. The Pre-2015 surcharge ceased at the end of February 2022.

Request:

Pursuant to D.21-11-018, California American Water requests authorization to establish a new Monterey Non-Residential WRAM/MCBA surcharge based on the 15% cap for existing under-collected balances. The remaining authorized unrecovered Non-Residential WRAM/MCBA balances sum to \$6,891,723.

Non-residential customers would be charged over a 24-month period as follows:

Non-Residential - MO-1C		
	Surcharge per 100 gal	Months
Division 1	\$0.3474	24
Division 2	\$0.3908	24
Division 3	\$0.4342	24
Division 4	\$0.8684	24

Non-Residential - MO-10		
OWU-Permanent		
Block 1	\$0.1926	24
Block 2	\$0.3852	24
Block 3	\$1.5409	24
OWU-Temporary	\$0.1926	24

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 March 18, 2022.

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.

¹ G.O. 96-B, General Rule 7.4.1

² G.O. 96-B, General Rule 7.4.2

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

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:

kamilah.jones@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.

³ G.O. 96-B, General Rule 7.4.3

If you have not received a reply to your protest within 10 business days, please contact Kamilah Jones at (916) 568-4232.

CALIFORNIA-AMERICAN WATER COMPANY

/s/ Kamilah Jones

Kamilah Jones
Senior Rates & Regulatory Financial Analyst

Cal P.U.C. Sheet No.	Title of Sheet	
DELETE	Schedule No. MO-1C GENERAL METERED SERVICE in the Monterey Service Area Tariff Area NON-RESIDENTIAL CUSTOMERS Sheet 9	10284-W
DELETE	Schedule No. MO-10 GENERAL METERED SERVICE in the Monterey Service Area Tariff Area OTHER CUSTOMERS Sheet 7	10291-W
XXXXX-W	Schedule No. MO-1C GENERAL METERED SERVICE in the Monterey Service Area Tariff Area NON-RESIDENTIAL CUSTOMERS Sheet 7	10282-W
XXXXX-W	Schedule No. MO-1C GENERAL METERED SERVICE in the Monterey Service Area Tariff Area NON-RESIDENTIAL CUSTOMERS Sheet 8	10358-W
XXXXX-W	Schedule No. MO-10 GENERAL METERED SERVICE in the Monterey Service Area Tariff Area OTHER CUSTOMERS Sheet 5	10289-W
XXXXX-W	Schedule No. MO-10 GENERAL METERED SERVICE in the Monterey Service Area Tariff Area OTHER CUSTOMERS Sheet 6	10361-W

Schedule No. MO-1C
GENERAL METERED SERVICE in the Monterey Service Area Tariff Area
NON-RESIDENTIAL CUSTOMERS

Sheet 9

CENTRAL DIVISION TARIFF AREA (Continued)

(N)

SPECIAL CONDITIONS:

Fees and Surcharges:

Monterey Service Area (Continued)

(N)

11. Per Advice Letter 1336, a surcharge is applied to each bill to offset increases in purchased water costs imposed by Monterey Peninsula Water Management District (MPWMD). The offset results in a needed increase of \$5,644,269 or 7.47%. The surcharge of \$0.4022 per cgl is added to the quantity charge beginning July 1, 2021.

12. Per D.18-12-021 a meter-based bill credit for the 2020 Excess Plant Related Accumulated Deferred Income Tax will be refunded to customers over the 12-months periods beginning November 1, 2021, as shown in the table below.

(T)

Meter Size	Refunds by Meter Equivalents
5/8 x 3/4	\$0.28
3/4	\$0.41
1	\$0.69
1 1/2	\$1.38
2	\$2.21
3	\$4.14
4	\$6.90
6	\$13.79
8	\$22.07
10	\$31.72

(D)

(D)

(Continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 1365

J. T. LINAM

Date Filed _____

Decision

DIRECTOR - Rates & Regulatory

Effective _____

Resolution _____

Schedule No. MO-10 Sheet 7
GENERAL METERED SERVICE in the Monterey Service Area Tariff Area
OTHER CUSTOMERS

CENTRAL DIVISION TARIFF AREA (Continued) (N)

SPECIAL CONDITIONS (Continued)

Fees and Surcharges:

Monterey Service Area (Continued) (N)

- 11. Decision 12-06-040 authorized Carmel River Reroute and San Clemente Dam Removal Project costs to be included in the San Clemente Dam balancing account. Per Decision 18-12-021, California American Water will recover the regulatory asset / San Clemente Dam balancing account in base rates over a 20-year period starting January 1, 2018. Current authorized recovery of \$7,921,004 per annum is included in base rates. (L)
- 12. Per Advice Letter 1336, a surcharge is applied to each bill to offset increases in purchased water costs imposed by Monterey Peninsula Water Management District (MPWMD). The offset results in a needed increase of \$5,644,269 or 7.47%. The surcharge of \$0.4022 per cgl is added to the quantity charge beginning July 1, 2021. (D)
- 13. Per D.18-12-021 a meter-based bill credit for the 2020 Excess Plant Related Accumulated Deferred Income Tax will be refunded to customers over the 12-months periods beginning November 1, 2021, as shown in the table below. (D)

Meter Size	Refunds by Meter Equivalents
5/8 x 3/4	\$0.28
3/4	\$0.41
1	\$0.69
1 1/2	\$1.38
2	\$2.21
3	\$4.14
4	\$6.90
6	\$13.79
8	\$22.07
10	\$31.72

(L)
(L)
(L)
(T)
(L)

(Continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 1365
Decision

J. T. LINAM
DIRECTOR - Rates & Regulatory

Date Filed _____
Effective _____
Resolution _____

Schedule No. MO-1C
GENERAL METERED SERVICE in the Monterey Service Area Tariff Area
NON-RESIDENTIAL CUSTOMERS

CENTRAL DIVISION TARIFF AREA (Continued)

SPECIAL CONDITIONS:

Fees and Surcharges:

Monterey Service Area

1. All bills are subject to the reimbursement fee set forth in Schedule No.UF.
2. A surcharge is included on each bill to collect franchise taxes and/or business license fees paid to various municipalities. The amount collected is based on a percentage of the gross revenues of each bill. The percentages are as follows:
Franchise Fees: Ryan Ranch 1.00%, City of Pacific Grove 2.00%, City of Carmel-by-the-Sea 2.00%, City of Seaside 1.00%, City of Del Rey Oaks Franchise Fee 2.00%, City of Monterey 1.00%, and unincorporated areas of Monterey County 1.00%.
Business Fees: City of Del Rey Oaks 0.11% and City of Sand City 0.12%.
3. A surcharge for the Customer Assistance Program (CAP) is applied to each California American Water customer bill. Please refer to tariff CA-FEES for charges and details.
4. Per Advice Letter 1152, a fee of 8.325%, imposed by the Monterey Peninsula Water Management District (MPWMD), will be assessed against the customer’s monthly base bill to fund MPWMD’s environmental mitigation, water supply, and conservation programs, as well as other activities. The fee will remain in effect until otherwise directed by the Commission. This fee is applicable to customers in the Monterey Main, Bishop, Hidden Hills and Ryan Ranch areas.
5. Per D.21-11-018 and Advice Letter 1365, the remaining Non-Residential WRAM/MCBA balance through 2020 is \$6,891,723 as of March 1, 2022. The surcharge is shown in the table below and will remain effective for 24 months upon approval of Advice Letter 1365.

(C)

Non-Residential		
Monterey Main, Hidden Hills, Ryan Ranch, & Bishop Systems:	Surcharge per 100 gal	Months
Division 1	\$0.3474	24
Division 2	\$0.3908	24
Division 3	\$0.4342	24
Division 4	\$0.8684	24

(C)

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(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
Advice	1365	J. T. LINAM	Date Filed	_____
Decision		DIRECTOR - Rates & Regulatory	Effective	_____
			Resolution	_____

Schedule No. MO-1C

Sheet 8

GENERAL METERED SERVICE in the Monterey Service Area Tariff Area
NON-RESIDENTIAL CUSTOMERS

CENTRAL DIVISION TARIFF AREA (Continued)

SPECIAL CONDITIONS:

Fees and Surcharges:

Monterey Service Area (Continued)

6. Per Advice letter 1357, the under-collected balance in the Monterey Service Area Consolidated Expense Balancing Account will be recovered through a quantity-based surcharge of \$0.1320 per 100 gallons over 36 months, beginning March 4, 2022.
7. Per Advice Letter 1336, a surcharge is applied to each bill to offset increases in purchased water costs imposed by Monterey Peninsula Water Management District (MPWMD). The offset results in a needed increase of \$5,644,269 or 7.47%. The surcharge of \$0.4022 per cgl is added to the quantity charge beginning July 1, 2021.
8. Per D.18-12-021 a meter-based bill credit for the 2020 Excess Plant Related Accumulated Deferred Income Tax will be refunded to customers over the 12-months periods beginning November 1, 2021, as shown in the table below.

Meter Size	Refunds by Meter Equivalents
5/8 x 3/4	\$0.28
3/4	\$0.41
1	\$0.69
1 1/2	\$1.38
2	\$2.21
3	\$4.14
4	\$6.90
6	\$13.79
8	\$22.07
10	\$31.72

(D)
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(D)
(D)
(L)

(L)

(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 1365
 Decision

J. T. LINAM
 DIRECTOR - Rates & Regulatory

Date Filed _____
 Effective _____
 Resolution _____

Schedule No. MO-10 Sheet 5
 GENERAL METERED SERVICE in the Monterey Service Area Tariff Area
OTHER CUSTOMERS

CENTRAL DIVISION TARIFF AREA

SPECIAL CONDITIONS:

Fees and Surcharges:

Monterey Service Area

1. All bills are subject to the reimbursement fee set forth in Schedule No.UF.
2. A surcharge is included on each bill to collect franchise taxes and/or business license fees paid to various municipalities. The amount collected is based on a percentage of the gross revenues of each bill. The percentages are as follows:
Franchise Fees: Ryan Ranch 1.00%, City of Pacific Grove 2.00%, City of Carmel-by-the-Sea 2.00%, City of Seaside 1.00%, City of Del Rey Oaks Franchise Fee 2.00%, City of Monterey 1.00%, and unincorporated areas of Monterey County 1.00%.
Business Fees: City of Del Rey Oaks 0.11% and City of Sand City 0.12%.
3. A surcharge for the Customer Assistance Program (CAP) is applied to each California American Water customer bill. Please refer to tariff CA-FEES for charges and details.
4. Per Advice Letter 1152, a fee of 8.325%, imposed by the Monterey Peninsula Water Management District (MPWMD), will be assessed against the customer's monthly base bill to fund MPWMD's environmental mitigation, water supply, and conservation programs, as well as other activities. The fee will remain in effect until otherwise directed by the Commission. This fee is applicable to customers in the Monterey Main, Bishop, Hidden Hills and Ryan Ranch areas.
5. Per D.21-11-018 and Advice Letter 1365, the remaining Non-Residential WRAM/MCBA balance through 2020 is \$6,891,723 as of March 1, 2022. The surcharge is shown in the table below and will remain effective for 24 months upon approval of Advice Letter 1365.

	Surcharge per 100 gal	Months
OWU-Permanent		
Block 1	\$0.1926	24
Block 2	\$0.3852	24
Block 3	\$1.5409	24
OWU-Temporary	\$0.1926	24

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(TO BE INSERTED BY UTILITY)

Advice 1365
Decision

ISSUED BY

J. T. LINAM
DIRECTOR - Rates & Regulatory

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

Date Filed _____
Effective _____
Resolution _____

Schedule No. MO-10
GENERAL METERED SERVICE in the Monterey Service Area Tariff Area
OTHER CUSTOMERS

CENTRAL DIVISION TARIFF AREA (Continued)

SPECIAL CONDITIONS (Continued):
Fees and Surcharges

Monterey Service Area (Continued)

- 6. Per Advice Letter 1357, the under-collected balance in the Monterey County District Consolidated Expense Balancing Account will be recovered through a quantity-based surcharge of \$0.1320 per 100 gallons over 36 months, beginning March 4, 2022. This total amount will be recovered from all classes of customers.
- 7. Decision 12-06-040 authorized Carmel River Reroute and San Clemente Dam Removal Project costs to be included in the San Clemente Dam balancing account. Per Decision 18-12-021, California American Water will recover the regulatory asset / San Clemente Dam balancing account in base rates over a 20-year period starting January 1, 2018. Current authorized recovery of \$7,921,004 per annum is included in base rates.
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- 9. Per D.18-12-021 a meter-based bill credit for the 2020 Excess Plant Related Accumulated Deferred Income Tax will be refunded to customers over the 12-months periods beginning November 1, 2021, as shown in the table below.

Meter Size	Refunds by Meter Equivalents
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(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
Advice	1365	J. T. LINAM	Date Filed	_____
Decision		DIRECTOR - Rates & Regulatory	Effective	_____
			Resolution	_____

MONTEREY COUNTY DISTRICT SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1365

BY MAIL:

Joe Lucido 25417 Boots Road Monterey, CA 93940	Los Angeles Docket Office California Public Utilities Commission 320 West 4th Street, Suite 500 Los Angeles, CA 90013	
Alco Water Service 249 Williams Road Salinas, CA 93901	Monterey Regional Water Pollution Control Agency (MRWPCA) 5 Harris Court Road. Bldg D. Monterey, CA 93940	Monterey Peninsula Water Mgmt Dist. Chief Financial Officer P.O. Box 85 Monterey, CA 93942
Yazdan Emrani, P.E. Deputy Pub Works Director – Operations Monterey County DPW 168 W. Alisal Street, 2nd floor Salinas, CA 93901-2680	City of Pacific Grove c/o Community Development Department Attention: Sarah Hardgrave 300 Forest Ave., 2nd floor Pacific Grove, CA 93950	City of Pacific Grove City Attorney/City Hall 300 Forest Ave 2nd floor Pacific Grove, CA 93950
Ann Camel City Clerk City of Salinas 200 Lincoln Avenue Salinas, CA 93901	City of Sand City City Hall California & Sylvan Avenues Sand City, CA 93955 Attn: City Clerk	Deborah Mall, City Attorney City of Monterey 512 Pierce Street Monterey, CA 93940
Karen Crouch City Clerk, Carmel-By-The-Sea PO Box CC Carmel-by-the-Sea, CA 93921	Darryl D. Kenyon Monterey Commercial Property Owners Association P.O. Box 1953 Monterey, CA 93942	Irvin L. Grant Deputy County Counsel County of Monterey 168 W. Alisal Street, 3rd floor Salinas, CA 93901-2680
Marc J. Del Piero 4062 El Bosque Drive Pebble Beach, CA 93953-3011	Vibeke Norgaard City Attorney of Sand City P.O. Box 183 Carmel, CA 93921	

MONTEREY COUNTY DISTRICT SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1365

By E-MAIL:

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California Public Utilities Commission
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San Francisco, CA 94102
rra@cpuc.ca.gov

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Del Rey Oaks, CA 93940
Attn: City Clerk
citymanager@delreyoaks.org
kminami@delreyoaks.org

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Attn: City Clerk
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to'halloran@ci.seaside.ca.us

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Brent Reitz
Capital Services
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Monterey Peninsula Water Mgmt Dist.
Chief Financial Officer
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Arlene Tavani
Monterey Peninsula Water Mgmt Dist.
Executive Assistant
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Jim Heisinger
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hbm@carmellaw.com

City of Monterey
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Monterey, CA 93940
Attn: City Clerk
connolly@ci.monterey.ca.us

Gail T. Borkowski, Clerk of the Board
County of Monterey
P.O. Box 1728
Salinas, CA 93902
boydap@co.monterey.ca.us

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Vanessa W. Vallarta – City Attorney
200 Lincoln Avenue
Salinas, CA 93901
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John K. Hawks
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California Water Association
601 Van Ness Avenue, Suite 2047
San Francisco, CA 94102-3200
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Sheri Damon
City of Seaside, City Attorney
440 Harcourt Avenue
Seaside, CA 93955
cityatty@ix.netcom.com

CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1365
SUPPORTING DOCUMENTATION FOR STAFF

**Monterey Service Area – Non-Resident WRAM Implementation
TABLE OF CONTENTS**

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WRAM Schedules and Surcharge Calculations	1-1
Cancelled Tariffs	2-1

California American Water
 Monterey Main WRAM/MCBA Recovery Forecast
 Non-Residential Customers

Workpaper 1-1

	Advice Letter	Under collection	2016	2017	2018	2019	2020	2021	2022 Forecast	Remaining Under collection as of 2/28/2022 Forecast
Meter Based										
<u>Pre2015 Meter Based Surcharge</u>										
									to 2/28/2022	
Surcharge Recovery	1146-A	(3,218,718)		583,072	659,145	678,150	680,299	674,497	112,731	169,176
Usage Based										
<u>2015 WRAM/MCBA Surcharge</u>										
Surcharge Recovery	1121-B	(3,598,034)	877,368	1,171,536	803,841	(170)				(745,458)
<u>2016 WRAM/MCBA Surcharge</u>										
Surcharge Recovery	1163-B	(2,693,393)			503,175	1,282,942	495,390	(4)		(411,891)
<u>2017 WRAM/MCBA Surcharge</u>										
							Starts 6/27/2020			
Surcharge Recovery	1199	(2,762,923)					676,758	1,303,620	144,343	(638,203)
<u>2018 WRAM/MCBA Surcharge</u>										
Surcharge Recovery	1265-A	(106,180)								(106,180)
<u>2019 WRAM/MCBA Surcharge</u>										
Surcharge Recovery	1291-A	(982,007)								(982,007)
<u>2020 WRAM/MCBA Surcharge</u>										
Surcharge Recovery	1329	(4,177,160)								(4,177,160)
Total Usage Based Remaining Undercollection										(6,891,723)

California American Water
 Monterey Main WRAM/MCBA Recovery Forecast
 Non-Residential Customers

Workpaper 1-1

Advice Letter	Under collection	2016	2017	2018	2019	2020	2021	2022 Forecast	Remaining Under collection as of 2/28/2022 Forecast
<u>WRAM/MCBA Remaining Unrecovered Surcharge</u>									
Surcharge Recovery	(6,891,723)								
<u>Remaining Undercollection Calculation</u>									
2022 ACAM Non-Residential Authorized Revenue									23,817,859
Undercollection % of Authorized Revenue									29%
15% of Authorized Revenue									3,572,679
2022 Last Adopted Annual Usage (10cf)									12,483,435
Standard Volumetric Surcharge (\$/10cf)									\$0.2862
Standard Volumetric Surcharge (\$/100 gal)									\$0.3826
Amortization Period (in months)									23.1
<u>Tariff Rates</u>									\$/cgl
Division 1									\$0.3474
Division 2									\$0.3908
Division 3									\$0.4342
Division 4									\$0.8684
OWU/SFR 1									\$0.1926
OWU/SFR 2									\$0.3852
OWU/SFR 3									\$1.5409

Assumptions

Surcharges recorded are based on the rates multiplied by actual usage found on the WRAM reports.

Interest is not included in this analysis

NON-RESIDENTIAL UNDER PREVIOUSLY 2022 STEP RATE CONSUMPTION

Standard Components		Standard Rate Design		Conservation Rate Design			
Meter Size	Avg Number of Meters	50% Meter Rate	Meter Revenues	30% Meter Rate	Meter Revenues		
	Adjusted Consumption (10cfs)	Volume Revenues	Adjusted Standard Base Qty Rate	Volume Revenues	Factor	Adjusted Conservation Qty Rate	Quantity Rate (cgl)
Division 1	8,766,029	\$2,508,838	\$0.2862	\$2,277,897	100%	\$0.2599	\$0.3474
Division 2	715,139	\$204,673	\$0.2862	\$209,061	112.5%	\$0.2923	\$0.3908
Division 3	2,617,435	\$749,110	\$0.2862	\$850,192	125%	\$0.3248	\$0.4342
Division 4	345,232	\$98,805	\$0.2862	\$224,276	250%	\$0.6496	\$0.8684
TOTAL	12,443,835	\$3,561,426		\$3,561,426		\$0.2599	
TOTAL REVENUES (vol + mtr)		\$3,561,426		\$3,561,426	\$3,561,426	<--Qty Rate Target	<<CCCBR
		\$3,561,426		\$3,561,426			
		\$0.2862					

**CALIFORNIA-AMERICAN WATER COMPANY
CENTRAL DIVISION - MONTEREY MAIN
APPENDIX B: ADJUSTMENTS TO RATE DESIGN TO REFLECT THE CAM**

Workpaper 1-4

Note: The following schedules are meant to reflect how volumetric rates would be adjusted under the CAM. The numbers presented are for illustrative purposes only and do not necessarily reflect the final outcome of Decision D. 21-11-018 in this proceeding or other submittals before the Commission. The conservation rate design that is used in this schedule under both the Previously Adopted and under the CAM are as adopted in D. 21-11-018.

OTHER WATER USE / SALE FOR RESALE WITH 2022 STEP RATE CONSUMPTION

Standard Components		Standard Rate Design			Conservation Rate Design		
Meter Size	Avg Number of Meters	50% Meter Rate	Meter Revenues	30% Meter Rate	Meter Revenues		
	Consumption (10cfs)	Volume Revenues	Standard Base Qty Rate	Volume Revenues	Factor	Conservation Qty Rate	
Block 1	6,436	\$6,262	\$0.9730	\$3,152	100%	\$0.4898	
Block 2	3,987	\$3,879	\$0.9730	\$3,906	112.5%	\$0.9796	
Block 3	1,047	\$1,018	\$0.9730	\$4,102	125%	\$3.9184	
Block 4	0	\$0	\$0.9730	\$0	250%	\$0.0000	
TOTAL	11,470	\$11,159		\$11,160			\$1.4387
TOTAL REVENUES (vol + mtr)		\$11,159		\$11,160		\$11,159 <--Qty Rate Target	
		\$11,159		\$11,159			
		\$0.9730					

OTHER WATER USE / SALE FOR RESALE UNDER CONSUMPTION ADJUSTMENT MECHANISM

Standard Components		Standard Rate Design		Conservation Rate Design		
Meter Size	Avg Number of Meters	50% Meter Rate	Meter Revenues	30% Meter Rate	Meter Revenues	
	Adjusted Consumption (10cfs)	Volume Revenues	Adjusted Standard Base Qty Rate	Volume Revenues	Factor	Adjusted Conservation Qty Rate
Block 1	22,221	\$6,360	\$0.2862	\$3,202	100%	\$0.1441
Block 2	13,766	\$3,940	\$0.2862	\$3,967	200%	\$0.2882
Block 3	3,614	\$1,034	\$0.2862	\$4,166	800%	\$1.1527
Block 4	0	\$0	\$0.2862			
TOTAL	39,600	\$11,334		\$11,334		\$0.1441
TOTAL REVENUES (vol + mtr)		\$11,334		\$11,334	\$11,334 <--Qty Rate Target	
		\$11,334		\$11,334		
		\$0.2862				

Quantity Rate (cgl)

\$0.1926

\$0.3852

\$1.5409

<<CCCBR

CALIFORNIA-AMERICAN WATER COMPANY

655 W. Broadway, Suite 1410
San Diego, CA 92101

Cancelling Revised
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Cal. P.U.C. Sheet No. 10282-W
Cal. P.U.C. Sheet No. 9976-W

Schedule No. MO-1C
GENERAL METERED SERVICE in the Monterey Service Area Tariff Area
NON-RESIDENTIAL CUSTOMERS

Sheet 7

CENTRAL DIVISION TARIFF AREA (Continued)

(N)

SPECIAL CONDITIONS:

Fees and Surcharges:

Monterey Service Area

(N)

1. All bills are subject to the reimbursement fee set forth in Schedule No.UF.
2. A surcharge is included on each bill to collect franchise taxes and/or business license fees paid to various municipalities. The amount collected is based on a percentage of the gross revenues of each bill. The percentages are as follows:
Franchise Fees: Ryan Ranch 1.00%, City of Pacific Grove 2.00%, City of Carmel-by-the-Sea 2.00%, City of Seaside 1.00%, City of Del Rey Oaks Franchise Fee 2.00%, City of Monterey 1.00%, and unincorporated areas of Monterey County 1.00%.
Business Fees: City of Del Rey Oaks 0.11% and City of Sand City 0.12%.
3. A surcharge for the Customer Assistance Program (CAP) is applied to each California American Water customer bill. Please refer to tariff CA-FEES for charges and details.
4. Per Advice Letter 1152, a fee of 8.325%, imposed by the Monterey Peninsula Water Management District (MPWMD), will be assessed against the customer's monthly base bill to fund MPWMD's environmental mitigation, water supply, and conservation programs, as well as other activities. The fee will remain in effect until otherwise directed by the Commission. This fee is applicable to customers in the Monterey Main, Bishop, Hidden Hills and Ryan Ranch areas.
5. Per Advice Letter 1199, the balance of the 2017 Non-Residential WRAM/MCBA is \$2,762,923 as of December 31, 2017. The surcharge is shown in the table below and will remain effective until December 2021.

(D)
(C)
(C)

Non-Residential		
Monterey Main, Hidden Hills, Ryan Ranch, & Bishop Systems:	Surcharge per 100 gal	Months
Division 1	\$0.1363	18
Division 2	\$0.1533	18
Division 3	\$0.1703	18
Division 4	\$0.3407	18

(Continued)

(TO BE INSERTED BY UTILITY)

Advice 1353
Decision

ISSUED BY

J. T. LINAM
DIRECTOR - Rates & Regulatory

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

Date Filed 12/23/2021
Effective 03/04/2022
Resolution _____

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655 W. Broadway, Suite 1410
San Diego, CA 92101

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Revised

Cal. P.U.C. Sheet No. 10358-W
Cal. P.U.C. Sheet No. 10283-W

Schedule No. MO-1C
GENERAL METERED SERVICE in the Monterey Service Area Tariff Area
NON-RESIDENTIAL CUSTOMERS

Sheet 8

CENTRAL DIVISION TARIFF AREA (Continued)

SPECIAL CONDITIONS:
Fees and Surcharges:

Monterey Service Area (Continued)

6. In accordance with Decision 16-12-003, the WRAM/MCBA balance through 2014 for the Monterey Service Area shall be recovered over five years with interest at the 90-day commercial paper rate. The surcharge is shown in the table below and will remain effective for 60 months, ending February 28, 2022.

Meter Size	Meter Surcharge
For 5/8" x 3/4" meter	\$4.21
For 3/4" meter	\$8.42
For 1" meter	\$12.63
For 1-1/2" meter	\$21.05
For 2" meter	\$33.68
For 3" meter	\$63.15
For 4" meter	\$102.25
For 6" meter	\$210.50
For 8" meter	\$336.80

7. Per Advice Letter 1265-A, the net under-collected balance of the 2018 Non-Residential WRAM/MCBA is \$106,180, including interest. D.21-11-018 sets the cap on WRAM/MCBA surcharges at 15% of the authorized revenue requirement. Rates will be established through a separate Tier 1 filing to update the tariff language and surcharge based upon the then current authorized amortization.
8. Per Advice Letter 1291-A, the net under-collected balance of the 2019 Non-Residential WRAM/MCBA is \$982,007, including interest. D.21-11-018 sets the cap on WRAM/MCBA surcharges at 15% of the authorized revenue requirement. Rates will be established through a separate Tier 1 filing to update the tariff language and surcharge based upon the then current authorized amortization.
9. Per Advice Letter 1329, the net under-collected balance of the 2020 non-residential WRAM/MCBA is \$4,177,160, including interest. D.21-11-018 sets the cap on WRAM/MCBA surcharges to 15% of the authorized revenue requirement. Rates will be established through a separate Tier 1 filing to update the tariff language and surcharge based upon the then authorized amortization.
10. Per Advice letter 1357, the under-collected balance in the Monterey Service Area Consolidated Expense Balancing Account will be recovered through a quantity-based surcharge of \$0.1320 per 100 gallons over 36 months, beginning March 4, 2022. (C)
(C)
(C)

(Continued)

(TO BE INSERTED BY UTILITY)	ISSUED BY	(TO BE INSERTED BY C.P.U.C.)
Advice 1357	J. T. LINAM	Date Filed _____
Decision	DIRECTOR - Rates & Regulatory	Effective _____
		Resolution _____

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CALIFORNIA-AMERICAN WATER COMPANY

655 W. Broadway, Suite 1410
San Diego, CA 92101

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Cal. P.U.C. Sheet No. 10284-W
Cal. P.U.C. Sheet No. 10061-W

Schedule No. MO-1C
GENERAL METERED SERVICE in the Monterey Service Area Tariff Area
NON-RESIDENTIAL CUSTOMERS

Sheet 9

CENTRAL DIVISION TARIFF AREA (Continued)

(N)

SPECIAL CONDITIONS:
Fees and Surcharges:

Monterey Service Area (Continued)

(N)

11. Per Advice Letter 1336, a surcharge is applied to each bill to offset increases in purchased water costs imposed by Monterey Peninsula Water Management District (MPWMD). The offset results in a needed increase of \$5,644,269 or 7.47%. The surcharge of \$0.4022 per cgl is added to the quantity charge beginning July 1, 2021.
12. Per D.18-12-021 a meter-based bill credit for the 2020 Excess Plant Related Accumulated Deferred Income Tax will be refunded to customers over the 12-months periods beginning November 1, 2021, as shown in the table below.

(T)

Meter Size	Refunds by Meter Equivalents
5/8 x 3/4	\$0.28
3/4	\$0.41
1	\$0.69
1 1/2	\$1.38
2	\$2.21
3	\$4.14
4	\$6.90
6	\$13.79
8	\$22.07
10	\$31.72

(D)
(D)

(TO BE INSERTED BY UTILITY)
Advice 1353
Decision

ISSUED BY
J. T. LINAM
DIRECTOR - Rates & Regulatory

(TO BE INSERTED BY C.P.U.C.)
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CALIFORNIA-AMERICAN WATER COMPANY

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Cal. P.U.C. Sheet No. 10289-W
Cal. P.U.C. Sheet No. 9977-W

Schedule No. MO-10
GENERAL METERED SERVICE in the Monterey Service Area Tariff Area
OTHER CUSTOMERS

Sheet 5

CENTRAL DIVISION TARIFF AREA

(N)

SPECIAL CONDITIONS:

Fees and Surcharges:

Monterey Service Area

(N)

1. All bills are subject to the reimbursement fee set forth in Schedule No.UF.
2. A surcharge is included on each bill to collect franchise taxes and/or business license fees paid to various municipalities. The amount collected is based on a percentage of the gross revenues of each bill. The percentages are as follows:
Franchise Fees: Ryan Ranch 1.00%, City of Pacific Grove 2.00%, City of Carmel-by-the-Sea 2.00%, City of Seaside 1.00%, City of Del Rey Oaks Franchise Fee 2.00%, City of Monterey 1.00%, and unincorporated areas of Monterey County 1.00%.
Business Fees: City of Del Rey Oaks 0.11% and City of Sand City 0.12%.
3. A surcharge for the Customer Assistance Program (CAP) is applied to each California American Water customer bill. Please refer to tariff CA-FEES for charges and details.
4. Per Advice Letter 1152, a fee of 8.325%, imposed by the Monterey Peninsula Water Management District (MPWMD), will be assessed against the customer's monthly base bill to fund MPWMD's environmental mitigation, water supply, and conservation programs, as well as other activities. The fee will remain in effect until otherwise directed by the Commission. This fee is applicable to customers in the Monterey Main, Bishop, Hidden Hills and Ryan Ranch areas.
5. Per Advice Letter 1199, the balance of the 2017 non-residential WRAM/MCBA is \$2,762,923 as of December 31, 2017. The surcharge is shown in the table below and will remain effective until December 2021.

(D)
(C)
(C)

	Surcharge per 100 gal	Months
OWU-Permanent		
Block 1	\$0.0811	18
Block 2	\$0.1622	18
Block 3	\$0.6486	18
OWU-Temporary	\$0.0811	18

(Continued)

(TO BE INSERTED BY UTILITY)
Advice 1353
Decision

ISSUED BY
J. T. LINAM
DIRECTOR - Rates & Regulatory

(TO BE INSERTED BY C.P.U.C.)
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Cal. P.U.C. Sheet No. 10361-W
Cal. P.U.C. Sheet No. 10290-W

Schedule No. MO-10
GENERAL METERED SERVICE in the Monterey Service Area Tariff Area
OTHER CUSTOMERS

Sheet 6

CENTRAL DIVISION TARIFF AREA (Continued)

SPECIAL CONDITIONS (Continued):
Fees and Surcharges

Monterey Service Area (Continued)

- In accordance with Decision 16-12-003, the WRAM/MCBA balance through 2014 for the Monterey Service Area shall be recovered over five years with interest at the 90-day commercial paper rate. The surcharge is shown in the table below and will remain effective for 60 months, ending February 28, 2022.

Meter Size	Meter Surcharge
For 5/8" x 3/4" meter	\$4.21
For 3/4" meter	\$8.42
For 1" meter	\$12.63
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For 3" meter	\$63.15
For 4" meter	\$102.25
For 6" meter	\$210.50
For 8" meter	\$336.80

- Per Advice Letter 1265-A, the net under-collected balance of the 2018 Non-Residential WRAM/MCBA is \$106,180, including interest. D.21-11-018 sets the cap on WRAM/MCBA surcharges to 15% of the authorized revenue requirement. Rates will be established through a separate Tier 1 filing to update the tariff language and surcharge based upon the then current authorized amortization.
- Advice Letter 1291-A, the net under-collected balance of the 2019 Non-Residential WRAM/MCBA is \$982,007, including interest. D.21-11-018 sets the cap on WRAM/MCBA surcharges at 15% of the authorized revenue requirement. Rates will be established through a separate Tier 1 filing to update the tariff language and surcharge based upon the then current authorized amortization.
- Per Advice Letter 1329, the net under-collected balance of the 2020 non-residential WRAM/MCBA is \$4,177,160, including interest. D.21-11-018 raises the cap on WRAM/MCBA surcharges to 15% of the authorized revenue requirement. Rates will be established through a separate Tier 1 filing to update the tariff language and surcharge based upon the then authorized amortization.
- Per Advice Letter 1357, the under-collected balance in the Monterey County District Consolidated Expense Balancing Account will be recovered through a quantity-based surcharge of \$0.1320 per 100 gallons over 36 months, beginning March 4, 2022. This total amount will be recovered from all classes of customers. (C)

(Continued)

(TO BE INSERTED BY UTILITY)
Advice 1357
Decision

ISSUED BY
J. T. LINAM
DIRECTOR - Rates & Regulatory

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Date Filed _____
Effective _____
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Cal. P.U.C. Sheet No. 10291-W
Cal. P.U.C. Sheet No. 10063-W

Schedule No. MO-10
GENERAL METERED SERVICE in the Monterey Service Area Tariff Area
OTHER CUSTOMERS

Sheet 7

CENTRAL DIVISION TARIFF AREA (Continued)

(N)

SPECIAL CONDITIONS (Continued)

Fees and Surcharges:

Monterey Service Area (Continued)

(N)

11. Decision 12-06-040 authorized Carmel River Reroute and San Clemente Dam Removal Project costs to be included in the San Clemente Dam balancing account. Per Decision 18-12-021, California American Water will recover the regulatory asset / San Clemente Dam balancing account in base rates over a 20-year period starting January 1, 2018. Current authorized recovery of \$7,921,004 per annum is included in base rates.

(L)
|
(L)

12. Per Advice Letter 1336, a surcharge is applied to each bill to offset increases in purchased water costs imposed by Monterey Peninsula Water Management District (MPWMD). The offset results in a needed increase of \$5,644,269 or 7.47%. The surcharge of \$0.4022 per cgl is added to the quantity charge beginning July 1, 2021.

(D)
(D)

13. Per D.18-12-021 a meter-based bill credit for the 2020 Excess Plant Related Accumulated Deferred Income Tax will be refunded to customers over the 12-months periods beginning November 1, 2021, as shown in the table below.

(L)
(T)
|

Meter Size	Refunds by Meter Equivalents
5/8 x 3/4	\$0.28
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2	\$2.21
3	\$4.14
4	\$6.90
6	\$13.79
8	\$22.07
10	\$31.72

(L)

(TO BE INSERTED BY UTILITY)

Advice 1353
Decision

ISSUED BY

J. T. LINAM
DIRECTOR - Rates & Regulatory

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

Date Filed 12/23/2021
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