





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

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

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 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.**

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:

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

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



Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
XXXXX-W	PRELIMINARY STATEMENT (Continued) Sheet 1	10204-W
XXXXX-W	PRELIMINARY STATEMENT (Continued) Sheet 2	10205-W
XXXXX-W	Schedule No. 15 - West Placer SPECIAL FACILITIES FEE Sheet 1	8300-W
XXXXX-W	Schedule No. 15 - West Placer SPECIAL FACILITIES FEE Sheet 2	8301-W

**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:

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

(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)  
Advice 1368  
Decision

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

(TO BE INSERTED BY C.P.U.C.)  
Date Filed \_\_\_\_\_  
Effective \_\_\_\_\_  
Resolution \_\_\_\_\_



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 <sup>2</sup>	40%
5,001 – 8,000 ft <sup>2</sup>	60%
8,001 – 12,000 ft <sup>2</sup>	80%
>12,000 ft <sup>2</sup>	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)

ISSUED BY

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

Advice 1368

J. T. LINAM

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

Decision

DIRECTOR - Rates & Regulatory

Effective \_\_\_\_\_

Resolution \_\_\_\_\_



Schedule No. 15 - West Placer  
SPECIAL FACILITIES FEE

Sheet 2

RATES: (Continued)

(L)

- 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.

(L)

(Continued)

(TO BE INSERTED BY UTILITY)	ISSUED BY	(TO BE INSERTED BY C.P.U.C.)
Advice 1368	J. T. LINAM	Date Filed _____
Decision	DIRECTOR - Rates & Regulatory	Effective _____
		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
Steven J. Thompson 5224 Altana Way Sacramento, CA 95841	Sacramento County WMD 827 7th Street, Room 301 Sacramento, CA 95814	Robert C. Baptiste 9397 Tucumcari Way Sacramento, CA 95827-1045
Anthony La Bouff, County Counsel Placer County 175 Fulweiler Avenue Auburn, CA 95603	Fruitridge Vista Water Company P.O. Box 959 Sacramento, CA 95812	
	Rio Linda Water District 730 L Street Rio Linda, CA 95673	

**BY E-MAIL:**

Division of Ratepayer Advocates California Public Utilities Commission dra_water_al@cpuc.ca.gov	Richard Rauschmeier California Public Utilities Commission DRA - Water Branch, Rm 4209 505 Van Ness Ave San Francisco, CA 94102 rra@cpuc.ca.gov	Heather Hernandez Sacramento Suburban Water District 3701 Marconi Avenue, Suite 100 Sacramento, CA 95821-5303 HHernandez@sswd.org
Citrus Heights Water District 6230 Sylvan Road Citrus Heights, CA 95610 rchurch@chwd.org	City of Sacramento, Water Division 1391 35th Avenue Sacramento, CA 95822 dsherry@cityofsacramento.com	Marvin Philo 3021 Nikol Street Sacramento, CA 95826 mhphilo@aol.com
Florin County Water District P.O. Box 292055 Sacramento, CA 95829 fcwd@sbcglobal.net	Amy Van, City Clerk City of Citrus Heights 6237 Fountain Square Drive Citrus Heights, CA 95621 avan@citrusheights.net	Jim McCauley, Clerk-Recorder Placer County 2954 Richardson Drive Auburn, CA 95603 skasza@placer.ca.gov
	Linda Garcia, City Clerk City of Isleton P.O. Box 716 Isleton, CA 95641 lgarcia@cityofisleton.com	Placer County Water Agency Customer Service Department customerservices@pcwa.net

CALIFORNIA-AMERICAN WATER COMPANY  
ADVICE LETTER 1368  
SUPPORTING DOCUMENTATION FOR STAFF

Northern Division – PCWA Unit Cost Update  
TABLE OF CONTENTS

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	<u>Page</u>
Water Connection Charges Letter .....	1-1
Cancelled Tariffs .....	2-1



## Water Connection Charges (Effective 1/1/2022)

### Zone 6 - California American Water Company (for reference only)

Lower Zone 6 Base Rate Increased 3.35% per ENR CCI (Section 40700(c) of Rules & Regulations) from \$19,339 to \$19,987

#### Base Rate WCC for 1.0 Unit of Capacity (UOC):

Component	Amount
Treatment	\$9,259
Transmission	\$6,861
Groundwater	\$0
Storage	\$0
Planning	\$83
CAW Surcharge	\$1,220
<b>Total WCC</b>	<b>\$17,423</b>

#### Notes and Definitions:

- This WCC rate chart is for reference only and is intended to show fees as described in the PCWA-California American Water Company (CAW) supply contract. Please contact CAW for all development fees and process.
- Per contract with the CAW, WCC is based on the following percentage of PCWA Zone 1 components: 100% Treatment, 100% Transmission, 50% Planning, and CAW surcharge for CAW specific infrastructure needs.
- Units of Capacity (UOCs) is defined as 1,150 gallons per day maximum day demand.
- WCC = Water Connection Charge
- GPD = Gallons per Day
- MDD = Maximum Daily Demand (GPD)

**CALIFORNIA-AMERICAN WATER COMPANY**

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

Cancelling Revised  
Revised

Cal. P.U.C. Sheet No. 10204-W  
Cal. P.U.C. Sheet No. 9671-W

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). (T)

**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.

**3. RATES:**

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

Component:	Amount for first 3,000 Connections	Amount after first 3,000 Connections
Treatment	\$10,096	\$10,096
Storage	\$0	\$0
Transmission	\$5,136	\$5,136
Planning	\$88	\$88
Transmission	\$563	\$0
Total	\$15,883	\$15,320

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.
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.

(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 \_\_\_\_\_

CANCELLED

**CALIFORNIA-AMERICAN WATER COMPANY**

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

Cancelling Revised  
 Original

Cal. P.U.C. Sheet No. 10205-W  
 Cal. P.U.C. Sheet No. 9672-W

PRELIMINARY STATEMENT  
 (Continued)

Sheet 2

**AK. Special Facility Fee Memorandum Account (Continued)**

**4. 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.

(Continued)

(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
Advice	1353	J. T. LINAM	Date Filed	<u>12/23/2021</u>
Decision		DIRECTOR - Rates & Regulatory	Effective	<u>03/04/2022</u>
			Resolution	_____

CANCELLED

Schedule No.15 – West Placer  
SPECIAL FACILITIES FEE

APPLICABILITY

(N)

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

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- b) Allowed irrigated space
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- 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.

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.

(N)

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 1124-A

ISSUED BY  
J. Linam  
NAME

(TO BE INSERTED BY C.P.U.C.)  
DATE FILED 10-28-2016

DECISION NO. Res. W-5111

DIRECTOR – Rates & Regulatory  
TITLE

EFFECTIVE 10-13-2016  
RESOLUTION W-5111

Schedule No.15 – West Placer  
SPECIAL FACILITIES FEE

(Continued)

(N)

- 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
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- 5. All similarly situated customers shall pay similar facilities fees.

(N)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 1124-A

ISSUED BY  
J. Linam  
NAME

(TO BE INSERTED BY C.P.U.C.)  
DATE FILED 10-28-2016  
EFFECTIVE 10-13-2016

DECISION NO. Res. W-5111

DIRECTOR – Rates & Regulatory  
TITLE

RESOLUTION W-5111