

**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> May 18, 2022
<b>District:</b> Meadowbrook and Sacramento	
<b>CPUC Utility #:</b> U210W	<b>Protest Deadline (20<sup>th</sup> Day):</b> June 7, 2022
<b>Advice Letter #:</b> 1373	<b>Review Deadline (30<sup>th</sup> Day):</b> June 17, 2022
<b>Tier</b> <input type="checkbox"/> 1 <input checked="" type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> Compliance	<b>Requested Effective Date:</b> June 17, 2022
<b>Authorization</b>	
<b>Description:</b> Meadowbrook CIAC Surcharge Update	<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:** Preet Nagra  
**Phone:** 916-568-4255  
**Email:** [Preet.nagra@amwater.com](mailto:Preet.nagra@amwater.com)

**Utility Contact:** Jonathan Morse  
**Phone:** 916-568-4237  
**Email:** [Jonathan.morse@amwater.com](mailto: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[ ] APPROVED    [ ] WITHDRAWN    [ ] REJECTED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: \_\_\_\_\_

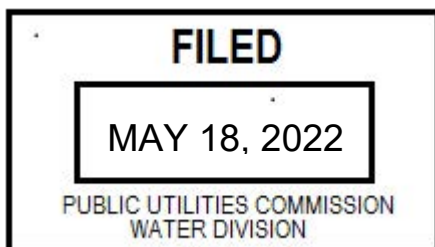
Date: \_\_\_\_\_

\_\_\_\_\_



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May 18, 2022

ADVICE LETTER NO. 1373

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California-American Water Company (California American Water) (U210W) hereby submits for review this advice letter, including the following tariff sheets applicable to Sacramento and Meadowbrook service areas.

**Purpose:**

The purpose this Advice Letter is to request authorization to collect through a surcharge the remaining balance of the \$575,000 in Contributions in Aid of Construction (CIAC) associated with the acquisition of the Meadowbrook service area as authorized in Decision (“D.”) 16-12-014. California American Water collected this surcharge for approximately 20 months rather than the authorized 36 months.

**Background**

Ordering Paragraph 9 of D.16-12-014 stated:

California-American Water Company (Cal-Am) shall update its current general rate case application, Application (A.) 16-07-002, to recognize the \$3,425,000 portion of the purchase price in ratebase for its Sacramento District and the \$575,000 portion of the purchase price as a Contribution in Aid of Construction to be recovered as surcharge on all customers of the Cal-Am Sacramento District through a 36-month amortization following issuance of a final Commission decision in A.16-07-002.

Findings of Fact Paragraph 15 stated:

The \$575,000 portion of the purchase price will be included as CIAC which Cal-Am will be allowed to recover as an expense, but on which it will not earn a rate of return. This \$575,000 will be recovered over 36 months as a surcharge on bills of the customers in the Sacramento District into which Meadowbrook will be consolidated once a final decision is issued in A.16-07-002.

The final decision in A.16-07-002, D.18-12-021, was issued on December 20, 2018, nearly a year after the date test year rates were scheduled to go into effect. California American Water implemented the CIAC surcharge through Advice Letter 1230-B, which was approved June 12, 2019, with an effective date of May 11, 2019. The approved tariff language stated the surcharge would be collected over 36 months beginning on January 1, 2018 from Sacramento and Meadowbrook customers and the surcharge was set to expire at the end of the 36-month

GRC cycle on December 31, 2020. Because D.18-12-021 was issued nearly a full year into the 2018 test year, California American Water did not actually began collecting the surcharge until May 11, 2019, and stopped collecting the surcharge on December 31, 2020, a period of only 20 months. Over those nearly 20 months, California American Water collected \$315,522.46 of the \$575,000 balance. Therefore, there is a remaining balance of \$259,477.54 which California American Water has not collected.

**Request:**

Through this advice letter filing California American Water requests authorization to collect the remaining balance of \$259,477.54 related to CIAC associated with the Meadowbrook acquisition over 16 months which is the remaining amortization period authorized in D.16-12-014. The surcharge is \$0.26 per customer per bill for Sacramento and Meadowbrook customers.

**Tier Designation:**

California American Water is submitting this as a Tier 2 advice letter pursuant to General Order 96-B and Water Industry Rule 7.3.2(5) (New Memorandum Account request).

**Effective Date:**

California American requests an effective date of June 17, 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 1373 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 re-litigating a prior order of the Commission.

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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

7. 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 California American Water at:

**Email Address:**

[ca.rates@amwater.com](mailto:ca.rates@amwater.com)

**Mailing Address:**

4701 Beloit Drive  
Sacramento, CA 95838

[preet.nagra@amwater.com](mailto:preet.nagra@amwater.com)

4701 Beloit Drive  
Sacramento, CA 95838

[sarah.leeper@amwater.com](mailto:sarah.leeper@amwater.com)

555 Montgomery Street, Ste. 916  
San Francisco, CA 94111

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.

CALIFORNIA-AMERICAN WATER COMPANY

*/s/ Preet Nagra*

\_\_\_\_\_  
Preet Nagra  
Operations Specialist

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

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
XXXXX-W	Schedule No. ND-1 Northern Division Tariff Area GENERAL METERED SERVICES Sheet 7	10303-W

Schedule No. ND-1  
Northern Division Tariff Area  
GENERAL METERED SERVICES

Sheet 7

**NORTHERN DIVISION TARIFF AREA (Continued)**

SPECIAL CONDITIONS (Continued)  
Fees and Surcharges

**Sacramento and Meadowbrook Service Areas**

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

Meter Size	Refunds by Meter Equivalents
5/8 x 3/4	\$0.20
3/4	\$0.30
1	\$0.51
1 1/2	\$1.01
2	\$1.62
3	\$3.04
4	\$5.06
6	\$10.13
8	\$16.21
10	\$23.30
12	\$33.43

2. Per Advice Letter 1373 and D.16-12-014, a surcharge of \$0.26 per customer per month to recover the remaining balance associated with the Meadowbrook acquisition Contribution in Aid of Construction (CIAC) will be collected over 16 months beginning upon approval of Advice Letter 1373.

(D)  
(L)

(L)

(N)

(N)

(Continued)

(TO BE INSERTED BY UTILITY)  
Advice 1373  
Decision

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

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

**SACRAMENTO DISTRICT SERVICE LIST**  
**CALIFORNIA-AMERICAN WATER COMPANY**  
**ADVICE LETTER 1373**

**BY MAIL:**

	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
Carol Smith 6241 Cavan Drive, 3 Citrus Heights, CA 95621	Sacramento County WMD 827 7th Street, Room 301 Sacramento, CA 95814	
Steven J. Thompson 5224 Altana Way Sacramento, CA 95841	Fruitridge Vista Water Company P.O. Box 959 Sacramento, CA 95812	Robert C. Baptiste 9397 Tucumcari Way Sacramento, CA 95827-1045
Anthony La Bouff, County Counsel Placer County 175 Fulweiler Avenue Auburn, CA 95603	Rio Linda Water District 730 L Street Rio Linda, CA 95673	
	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
<b><u>BY E-MAIL:</u></b>		
Division of Ratepayer Advocates California Public Utilities Commission dra_water_al@cpuc.ca.gov	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
Citrus Heights Water District 6230 Sylvan Road Citrus Heights, CA 95610 rchurch@chwd.org	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
Florin County Water District P.O. Box 292055 Sacramento, CA 95829 fcwd@sbcglobal.net	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 1373  
SUPPORTING DOCUMENTATION FOR STAFF

**MEADOWBROOK CIAC SURCHARGE UPDATE – MEADOWBROOK AND  
SACRAMENTO Service Areas  
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**CALIFORNIA AMERICAN WATER COMPANY  
MEADOWBROOK CIAC METER SURCHARGE  
ADVICE LETTER 1373  
D. 16-12-014  
WORKPAPER 1-1**

***CALCULATION***

Award (No Interest)	\$	259,477.54
No Interest	\$	-
<b>TOTAL AWARD</b>	<b>\$</b>	<b>259,477.54</b>

**CALIFORNIA AMERICAN WATER COMPANY  
MEADOWBROOK CIAC METER SURCHARGE  
ADVICE LETTER 1373  
WORKPAPER 1-2**

Intervenor Compensation Cost Recovery

D. 16-12-004	Meadowbrook CIAC Interest	\$	259,477.54
		\$	-
	Total Payment	\$	259,477.54
AL 1356	Current Authorized Revenue Sacramento and Meadowbrook	\$	69,550,827.58
	% Increase		0.37%
AL 1356	Meadowbrook Customers		1,718
	Sacramento Customers		60,638
	Total Customers		62,356
	Annual Refund per Meter Equivalent	\$	4.16
	<b>Surcharge per Month for 16 Months</b>	<b>\$</b>	<b>0.26</b>

Schedule No. ND-1

Sheet 7

Northern Division Tariff Area

GENERAL METERED SERVICES

**NORTHERN DIVISION TARIFF AREA (Continued)**

SPECIAL CONDITIONS (Continued)

Fees and Surcharges

**Sacramento and Meadowbrook Service Areas**

- Per Advice Letter AL 1322 unspent conservation funds will be refunded over 12 months, beginning from the approved date of AL 1322, at the following meter rates.

Meter Size	Refunds by Meter Equivalents
5/8 x 3/4	\$0.70
3/4	\$1.04
1	\$1.74
1 1/2	\$3.48
2	\$5.57
3	\$10.44
4	\$17.40
6	\$34.79
8	\$55.67
10	\$80.02
12	\$114.82

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

Meter Size	Refunds by Meter Equivalents
5/8 x 3/4	\$0.20
3/4	\$0.30
1	\$0.51
1 1/2	\$1.01
2	\$1.62
3	\$3.04
4	\$5.06
6	\$10.13
8	\$16.21
10	\$23.30
12	\$33.43

(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

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