

**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> June 20, 2022
<b>District:</b> Monterey County	
<b>CPUC Utility #:</b> U210W	<b>Protest Deadline (20<sup>th</sup> Day):</b> June 23, 2022
<b>Advice Letter #:</b> 1375-A	<b>Review Deadline (30<sup>th</sup> Day):</b> July 3, 2022
<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, 2022
<b>Authorization</b> D.16-09-021	<b>Rate Impact:</b> \$See AL See AL%
<b>Description:</b> Fiscal Year 2022-2023 PWM Increase	

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](mailto:Lakhjit.Thind@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)

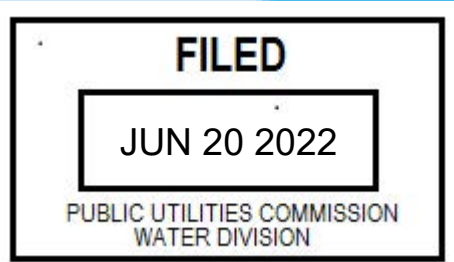
<b>DWA USE ONLY</b>
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<u>DATE</u>	<u>STAFF</u>	<u>COMMENTS</u>
_____	_____	_____
_____	_____	_____

[ ] APPROVED [ ] WITHDRAWN [ ] REJECTED

**Signature:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

**Comments:** \_\_\_\_\_



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P (916)-568-4251  
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June 20, 2022

ADVICE LETTER NO. 1375-A

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California American Water (U210W) hereby submits for filing the following tariff sheets applicable to its Monterey Service Area, which are attached hereto:

**Purpose:**

The purpose of this supplemental advice letter is to update cost per AF rate from \$3,446 to \$3,486 to match the notice California American Water received from MPWMD.

California American Water requests authority pursuant to Decision 16-09-021, General Order (GO) 96-B, Water Industry Rules, Section 7.3.1, and section 454 of the Public Utilities Code to offset purchased water expenses it incurs from the Monterey Peninsula Water Management District related to the Pure Water Monterey project.

In accordance with Section 4.3 of General Order No. 96-B, a copy of this advice letter is being sent to those entities listed in Exhibit 1.

**Background:**

On September 22, 2016, California American Water entered into a Revised Water Purchase Agreement (RWPA) with Monterey Peninsula Water Management District (MPWMD) and Monterey One Water (collectively "the public agencies") per Decision (D.)16-09-021. The currently effective purchased water surcharge of \$0.4022 per 100 gallons for the Pure Water Monterey project was approved through Advice Letter 1336 filed May 28, 2021.

The Commission approved RWPA provides for the following process:<sup>1</sup>

*At least six (6) months prior to the Performance Start Date, at least one time between May 1 and June 1 of every year thereafter, and at any time throughout the term of this Agreement the District deems necessary, the District shall provide the Company with written notice of the Company Water Rate, supported by detailed information relating to the Fixed Project Costs and the estimated Operation and Maintenance Expenses to be incurred in the upcoming Fiscal Year that were used to determine the Company Water Rate. Within sixty (60) days following receipt of the written notice containing the Company Water Rate, the Company shall file a Tier 1 advice letter for rate recovery with the CPUC to update its rates and tariffs, and in doing so establish a surcharge rate to reflect the Company Water Rate.*

*All changes to the Company Water Rate resulting from annual increases or decreases to the*

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<sup>1</sup> RWPA, pg 13

*Fixed Project Costs or Project Operation and Maintenance Expenses, as reflected in the Company Water Rate, shall be requested for rate recovery through a Tier 1 advice letter in accordance with Section 3.2 of Water Industry Rules in General Order 96-B, as amended from time to time, for processing expense offset rate changes. The rate change will be applied to the surcharge to ensure that the Company's customer rates remain aligned with the Company Water Rate under the Agreement.*

On April 27, 2022, California American Water received notice from the public agencies that the Company Water Rate for FY 2022-23 would increase to \$3,486 based on a company allotment of 3,500 AF, representing a 24% increase over the current Company Water Rate of \$2,808 per AF. This increase in rates charged by MPWMD results in a \$969,000 annual increase in purchased water expenses to California American Water's Monterey Service Area, plus a corresponding \$4,958 increase in uncollectible, for a total expense increase of \$973,958. This increase is directly related to water consumption and thus should be applied to the quantity rate.

The resulting increase provides a surcharge of \$3.2643 per hundred cubic feet (ccf) or \$0.4364 per hundred gallons (cgl).

The offset requested represents an annual increase of \$973,958 or 1.16% over the latest revenue requirement approved by the Commission in AL 1336.

**Request:**

California American Water requests authorization to adjust the existing purchased water surcharge totaling \$3.0086 to \$3.2643 per ccf (\$0.4364 per 100 gallons) for Monterey Service Area customers.

**Tier Designation:**

This advice letter is submitted with a Tier 1 designation.

**Effective Date:**

California American Water requests an effective date of July 1, 2022.

**Notice:**

Pursuant to Section 4.3 of General Order No. 96-B, a copy of this advice letter is being provided to those entities listed in the attached "SERVICE LIST PURSUANT TO SECTION 4.3 OF G.O. NO. 96-B." Per guidance from the California Public Utilities Commission's Water Division, during the COVID-19 pandemic, advice letters will only be delivered electronically to the service list. Hardcopy advice letters will be mailed as soon as administrative staff are able to return to California American Water offices.

**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 evaluation 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 errors 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, 3<sup>rd</sup> floor  
California Public Utilities Commission,  
505 Van Ness Avenue, San Francisco, CA 94102  
[water\\_division@cpuc.ca.gov](mailto: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 to California American Water, addressed to:

**Email Address:**

[lakhjit.thind@amwater.com](mailto:lakhjit.thind@amwater.com)

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

**Mailing Address:**

520 Capital Mall St 630  
Sacramento, CA 95814  
Fax: (916) 568-4277

555 Montgomery Street, Suite 816  
San Francisco, CA 94111

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

520 Capital Mall St 630  
Sacramento, CA 95814  
Fax: (916) 568-4277

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.

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 & Regulatory

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
XXXXX-W	Schedule No. MO-1C GENERAL METERED SERVICE in the Monterey Service Area Tariff Area NON-RESIDENTIAL CUSTOMERS Sheet 8	XXXXX-W
XXXXX-W	Schedule No. MO-1-MF GENERAL METERED SERVICE in the Monterey Service Area Tariff Area MULTI-FAMILY RESIDENTIAL CUSTOMERS Sheet 5	XXXXX-W
XXXXX-W	Schedule No. MO-1O GENERAL METERED SERVICE in the Monterey Service Area Tariff Area OTHER CUSTOMERS Sheet 6	XXXXX-W
XXXXX-W	Schedule No. MO-1-SF GENERAL METERED SERVICE in the Monterey Service Area Tariff Area SINGLE FAMILY RESIDENTIAL CUSTOMERS Sheet 5	XXXXX-W

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 1366, the under-collected balance in the Monterey Service Area Consolidated Expense Balancing Account will be recovered through a quantity-based surcharge of \$0.1458 per 100 gallons over 36 months, beginning May 11, 2022. (P)  
(P)  
(P)
- 7. Per Advice Letter 1375-A, 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 \$973,958 or 1.16%. The surcharge of \$0.4364 per cgl is added to the quantity charge beginning July 1, 2022. (C)  
(I)  
(C)
- 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

(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 1375-A  
 Decision

J. T. LINAM  
 DIRECTOR - Rates & Regulatory

Date Filed \_\_\_\_\_  
 Effective \_\_\_\_\_  
 Resolution \_\_\_\_\_

Schedule No. MO-1-MF

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

**CENTRAL DIVISION TARIFF AREA (Continued)**

SPECIAL CONDITIONS:

Fees and Surcharges:

**Monterey Service Area**

9. Per Advice Letter 1329, the net over-collected balance of the 2020 residential WRAM/MCBA is \$4,015,520, 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. In accordance with the final decision issued in 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	\$10.08
For 3/4" meter	\$20.16
For 1" meter	\$30.23
For 1 1/2" meter	\$50.39
For 2" meter	\$80.62
For 3" meter	\$151.17
For 4" meter	\$251.95
For 6" meter	\$503.91
For 8" meter	\$806.25

11. Per Advice Letter 1366, the under-collected balance in the Monterey County District Consolidated Expense Balancing Account will be recovered through a quantity-based surcharge of \$0.1458 per 100 gallons over 36 months, beginning May 11, 2022. This total amount will be recovered from all classes of customers. (P)
12. 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 \$6,245,448 per annum is included in base rates. (P)
13. Per Advice Letter 1375-A, 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 \$973,958 or 1.16%. The surcharge of \$0.4364 per cgl is added to the quantity charge beginning July 1, 2022. (C)

(Continued)

(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
Advice	1375-A	J. T. LINAM	Date Filed	_____
Decision		DIRECTOR - Rates & Regulatory	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 1366, the under-collected balance in the Monterey County District Consolidated Expense Balancing Account will be recovered through a quantity-based surcharge of \$0.1458 per 100 gallons over 36 months, beginning May 11, 2022. This total amount will be recovered from all classes of customers. (P)  
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10	\$31.72

(Continued)

(TO BE INSERTED BY UTILITY)	ISSUED BY	(TO BE INSERTED BY C.P.U.C.)
Advice 1375-A	J. T. LINAM	Date Filed _____
Decision	DIRECTOR - Rates & Regulatory	Effective _____
		Resolution _____

Schedule No. MO-1-SF  
GENERAL METERED SERVICE in the Monterey Service Area Tariff Area  
SINGLE FAMILY RESIDENTIAL CUSTOMERS

**CENTRAL DIVISION TARIFF AREA (Continued)**

SPECIAL CONDITIONS (Continued):  
Fees and Surcharges:

**Monterey Service Area (Continued)**

9. Per Advice Letter 1329, the net over-collected balance of the 2020 residential WRAM/MCBA is \$4,015,520, 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.
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(Continued)

(TO BE INSERTED BY UTILITY)	ISSUED BY	(TO BE INSERTED BY C.P.U.C.)
Advice 1375-A	J. T. LINAM	Date Filed _____
Decision	DIRECTOR - Rates & Regulatory	Effective _____
		Resolution _____

**MONTEREY COUNTY DISTRICT SERVICE LIST**  
**CALIFORNIA-AMERICAN WATER COMPANY**  
**ADVICE LETTER 1375-A**

**BY MAIL:**

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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
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**MONTEREY COUNTY DISTRICT SERVICE LIST**  
**CALIFORNIA-AMERICAN WATER COMPANY**  
**ADVICE LETTER 1375-A**

**By E-MAIL:**

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connolly@ci.monterey.ca.us

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