

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

Advice Letter Cover Sheet

Utility Name: California American Water	Date Mailed to Service List: June 3, 2022
District: Monterey County	
CPUC Utility #: U210W	Protest Deadline (20th Day): June 23, 2022
Advice Letter #: 1375	Review Deadline (30th Day): July 3, 2022
Tier <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> Compliance	Requested Effective Date: July 1, 2022
Authorization D.16-09-021	
Description: Fiscal Year 2022-2023 PWM Increase	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: Lakhjit Thind
Phone: 916-568-4233
Email: Lakhjit.Thind@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

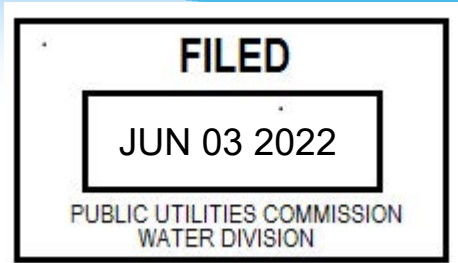
WITHDRAWN

REJECTED

Signature: _____

Comments: _____

Date: _____



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Sacramento, CA 95838
www.amwater.com

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

June 3, 2022

ADVICE LETTER NO. 1375

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:

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:¹

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 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

¹ RWPA, pg 13

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 28, 2022, California American Water received notice from the public agencies that the Company Water Rate for FY 2022-23 would increase to \$3,446 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 \$829,000 annual increase in purchased water expenses to California American Water's Monterey Service Area, plus a corresponding \$4,242 increase in uncollectible, for a total expense increase of \$833,242. This increase is directly related to water consumption and thus should be applied to the quantity rate.

The resulting increase provides a surcharge of \$3.2274 per hundred cubic feet (ccf) or \$0.4315 per hundred gallons (cgl).

The offset requested represents an annual increase of \$833,242 or 0.99% 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 \$3.2274 per ccf (\$0.4315 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, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
water_division@cpuc.ca.gov

On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy to California American Water, addressed to:

Email Address:

lakhjit.thind@amwater.com

sarah.leeper@amwater.com

ca.rates@amwater.com

Mailing Address:

520 Capital Mall St 630
Sacramento, CA 95817
Fax: (916) 568-4277

555 Montgomery Street, Suite 816
San Francisco, CA 94111

520 Capital Mall St 630
Sacramento, CA 95817
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

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
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 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 \$833,242 or 0.99%. The surcharge of \$0.4315 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

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. (C)
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.
13. Per Advice Letter 1375, 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 \$833,242 or 0.99%. The surcharge of \$0.4315 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	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

Sheet 6

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. (C)
(C)
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8. Per Advice Letter 1375, 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 \$833,242 or 0.99%. The surcharge of \$0.4315 per cgl is added to the quantity charge beginning July 1, 2022. (C)
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8	\$22.07
10	\$31.72

(Continued)

(TO BE INSERTED BY UTILITY)

Advice 1375
Decision

ISSUED BY

J. T. LINAM
DIRECTOR - Rates & Regulatory

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

Date Filed _____
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.
10. 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	\$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
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For 4" meter	\$251.95
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(Continued)

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

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

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 1375

By E-MAIL:

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rra@cpuc.ca.gov

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Del Rey Oaks, CA 93940
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kminami@delreyoaks.org

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connolly@ci.monterey.ca.us

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CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 1375
SUPPORTING DOCUMENTATION FOR STAFF

**Monterey Service Area – 2022 Purchased Water Offset
TABLE OF CONTENTS**

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CALIFORNIA AMERICAN WATER
 MONTEREY COUNTY DISTRICT
 WORKPAPERS FOR ADVICE LETTER 1375
 PURCHASED WATER SURCHARGE CALCULATION
 SUMMARY OF EARNINGS - (\$000)

WKPR: SUMMARY OF EARNINGS
 PAGE: 1-1

Line No.	2022 Escalation (per earnings test)	Jun-20 Additional Purch. H2O AL 1298-A	Currently in Effect		Jul-22 2022 Add'l Purchase H2O AL 1375	At Proposed Rates	% Proposed Incr. in Revenues	Reference
			Sep-20 Additional Purch. H2O AL 1311	Jul-21 2021 Add'l Purchase H2O AL 1336				
Operating Revenues								
1	Water Service	75,744.3	\$6,050.9	(\$405.5)	\$2,565.1	\$833.2	\$84,788.1	0.99% Workpaper 1-3, Ln. 3
Operating Expenses								
2	Labor	8,996.5					\$8,996.5	
3	Purchased Water	1,147.6	\$6,020.0	(\$403.4)	\$2,552.0	\$829.0	\$10,145.2	Workpaper 1-3, Ln. 1/1000
4	Purchased Power	2,419.4					\$2,419.4	
5	Chemicals	381.2					\$381.2	
6	Operation Expense	2,009.0					\$2,009.0	Workpaper 1-3, Ln 2/1000
7	Maintenance (excluding Amort Tank Painting)	2,172.3					\$2,172.3	
8	Amortization of Tank Painting	749.7					\$749.7	
9	Customer Accounting	412.0					\$412.0	
10	Uncollectible Expense	2,778.3	\$30.9	(\$2.1)	\$13.1	\$4.2	\$2,824.5	
11	Insurance	628.4					\$628.4	
12	Pensions and OPEB	84.6					\$84.6	
13	Group Insurance	1,401.8					\$1,401.8	
14	Benefits other than Pension	726.0					\$726.0	
15	Regulatory Expenses	342.4					\$342.4	
16	Rents	787.3					\$787.3	
17	Other Administrative & General	3,914.2					\$3,914.2	
18	Service Company Costs	2,911.1					\$2,911.1	
19	Citizens Acquisition Premium	900.4					\$900.4	
20	General Office Return on Rate Base	702.9					\$702.9	
21	Earnings Test Adjustment	637.8					\$637.8	
22	San Clemente Dam	6,245.4					\$6,245.4	
23	Earnings Test Adjustment	0.0					\$0.0	
24	Depreciation	10,441.7					\$10,441.7	
25	General Taxes	3,025.0					\$3,025.0	
26	State Income Taxes	1,412.5					\$1,412.5	
27	Federal Income Taxes	2,385.8					\$2,385.8	Lns. 2 thru 25
28	Total Expenses	57,613.4					\$66,657.3	
29	Net Operating Revenue	18,130.9					\$18,130.9	
30	Rate Base	238,270.2					\$238,270.2	
31	Rate of Return	7.61%					7.61%	

CALIFORNIA AMERICAN WATER
 MONTEREY COUNTY DISTRICT
 WORKPAPERS FOR ADVICE LETTER 1375
 PURCHASED WATER SURCHARGE CALCULATION
 ANNUAL CHANGE IN WHOLESALE PURCHASED WATER COSTS

Ref.	PURCHASED WATER COSTS 2019 GRC D.21-11-018	Currently in Effect		Currently in Effect		ANNUAL CHANGE IN PURCHASED WATER COSTS	SUPPORTING DOCUMENTS
		Effective August 2020 ADDITIONAL P. WATER COSTS PER ADVICE LETTER 1298-A	Effective October 2020 ADDITIONAL P. WATER COSTS PER ADVICE LETTER 1311	Effective July 2021 ADDITIONAL P. WATER COSTS PER ADVICE LETTER 1336	Effective July 2022 ADDITIONAL P. WATER COSTS PER ADVICE LETTER 1375		
	[1]					[6]-[5]	
1	Purchased Total AF	0.0	3,500.0	2,300.0	4,000.0	3,500.0 \$	(500)
2	Total KCcf	0.0	1,524.6	1,001.9	1,742.4	1,524.6 \$	(218)
Purchased Water Rates							
3	Pure Water Monterey (\$/AF)		\$1,720	\$2,442	\$2,808	\$3,446 \$	638 Workpaper 3-1
	Sand City/Seaside Basin Wa	1,147,610.05	\$1,147,610.05	\$1,147,610.05	\$1,147,610.05	\$1,147,610.05 \$	-
4	Purchased Water Costs	\$1,147,610	\$7,167,610	\$6,764,210	\$12,379,610	\$13,208,610 \$	829,000
5	Total Costs	\$1,147,610	\$7,167,610	\$6,764,210	\$12,379,610	\$13,208,610 \$	829,000

**CALIFORNIA AMERICAN WATER
 MONTEREY COUNTY DISTRICT
 WORKPAPERS FOR ADVICE LETTER 1375
 PURCHASED WATER SURCHARGE CALCULATION**

**WKPR: INCREASE
 PAGE: 1-3**

<u>Line No.</u>				<u>SUPPORTING DOCUMENTS</u>	
1	Additional Revenue Required		\$829,000	Workpaper 1-2, Ref Ln 5	
2	Uncollectible Adjustment	0.5117	\$4,242	Line 1 x Adopted Uncollectible Rate	
3	Total Additional Revenue Required		\$833,242	Total Ln 1 through 2	
4	Commission Authorized Consumption Estimate AL 1360 2022 ACAM Central Division		3,808,944	AL 1360	
5	Increased Costs, per Ccf		\$0.21876	Ln 3 / Ln 4	
6	USE:		\$0.2188	Round Ln 5	
7	Proof: Additional Cost for General Mtrd per Ccf:		\$0.21876	From Ln 5	
8	Total General Mtrd Consumption:		3,808,944	From Ln 4	
9	GRAND TOTAL REVENUE		\$833,242	Ln 7 x Ln 8	
	<u>Surcharge</u>		<u>Per Ccf</u>	<u>Per CGL</u>	
10	Current Surcharge		\$3.0086	\$0.4022	AL 1336
11	Surcharge Increase/(Decrease)		\$0.2188	\$0.0293	Line 6
12	Total Adjusted Surcharge		\$3.2274	\$0.4315	Line 10 + Line 11



Monterey One Water

Providing Cooperative Water Solutions

Workpaper 2-1

ADMINISTRATIVE OFFICE: 5 Harris Court, Bldg D, Monterey, CA 93940-5756

MAIN: (831) 372-3367 or (831) 422-1001

FAX: (831) 372-6178

WEBSITE: www.montereyonewater.org

Ian C. Crooks
California American Water Company (Cal Am)
Vice President / Director, Engineering
655 W. Broadway, Suite 1410
San Diego, CA 92101

Re: Pure Water Monterey Rates for Fiscal Year 2022-23

This letter serves as official notice of the following rates per acre foot to be charged for water produced from the Pure Water Monterey project for Fiscal Year 2022-23:

Rate charged by Monterey One Water (M1W) to Monterey Peninsula Water Management District (MPWMD)
\$3,486 per acre foot

Rate charged by MPWMD to Cal Am - \$3,486 per acre foot

The rates established are based upon estimated production of 3,700 acre feet for Fiscal Year 2022-23 and a total estimated budget of \$12,895,897 (excluding debt service and costs allocable to the Marina Coast Water District for the production of an additional 600 acre feet)

The attached worksheet provides additional details on the proposed budget for Fiscal Year 2022-23.

Please let me know if you have any questions or comments on the above. Thank you.

Sincerely,

Fred Marsh

Fred Marsh
CFO / Business Services Manager
Monterey One Water

Cc: Dave Stoldt, MPWMD
Paul Sciuto, M1W

Rate Letter to Cal Am for FY 22-23

CALIFORNIA-AMERICAN WATER COMPANY

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

Cancelling Revised Cal. P.U.C. Sheet No. XXXXX-W
Revised Cal. P.U.C. Sheet No. 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. (C)
(C)
(C)
- 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

CALIFORNIA-AMERICAN WATER COMPANY

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

Cancelling Revised
Revised

Cal. P.U.C. Sheet No. XXXXX-W
Cal. P.U.C. Sheet No. 10356-W

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

Sheet 5

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. (C)
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. (C)
13. 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.

(Continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

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

Advice 1366
Decision

J. T. LINAM
DIRECTOR - Rates & Regulatory

Date Filed _____
Effective _____
Resolution _____

CALIFORNIA-AMERICAN WATER COMPANY

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

Cancelling Revised
Revised

Cal. P.U.C. Sheet No. XXXXX-W
Cal. P.U.C. Sheet No. XXXXX-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)

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. (C)
(C)
(C)
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(Continued)

(TO BE INSERTED BY UTILITY)
Advice 1366
Decision

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

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

CALIFORNIA-AMERICAN WATER COMPANY

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

Cancelling Revised
Revised

Cal. P.U.C. Sheet No. XXXXX-W
Cal. P.U.C. Sheet No. 10354-W

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

Sheet 5

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 1366	J. T. LINAM	Date Filed _____
Decision	DIRECTOR - Rates & Regulatory	Effective _____
		Resolution _____