

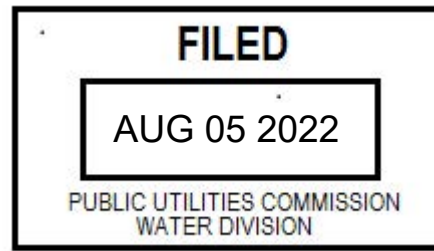


CALIFORNIA WATER SERVICE COMPANY

1720 NORTH FIRST STREET
SAN JOSE, CA 95112 • (408) 367-8200 • F (408) 367-8428

August 05, 2022

Advice Letter No. 2456



To the California Public Utilities Commission:

California Water Service Company (Cal Water) respectfully requests approval of the attached Agreement for Emergency Water Service (Agreement) between Cal Water and the County of Butte (Butte). ***Please note that this advice letter will only be distributed electronically to the Water Division and the attached service lists.***

Summary

Cal Water and the County of Butte have entered into an Agreement for Emergency Water Service (“Agreement”) for the provision of emergency water to residents near Cal Water’s Chico District; specifically, residents in Butte County.

Attachment 1 is the signed agreement which is dated July 27, 2022. This advice letter is submitted as a Tier 1 filing consistent with General Order 96-B, General Industry Rule 8.2.3, and Water Industry Rule 7.3.1(9). Cal Water requests approval of this advice letter effective immediately.

Discussion

Under General Order 96-B (“G.O. 96-B”) of the California Public Utilities Commission (“Commission”), General Industry Rule 8.2.3 allows a water company to provide services to a government agency under terms and conditions that deviate from its tariff, as stated below:

At all times, a utility other than a telephone corporation may provide service (other than resale service) to a government agency for free, or at reduced rates and charges, or under terms and conditions otherwise deviating from its tariffs then in effect. The utility may begin such service without prior Commission approval, but the utility shall promptly submit an advice letter to the appropriate Industry Division to notify the Commission of the utility’s provision of such service and of the rates, charges, terms and conditions under which the service is provided. Although the advice letter may be effective pending disposition under General Rule 7.5.3, the Commission may determine, in an appropriate proceeding, the reasonableness of such service.

For purposes of this General Rule 8.2.3, “government agency” means the United States and its departments, Indian tribes recognized by the United States or the State of California, the State of California and its political subdivisions and municipal corporations, including the departments thereof, and public fairs and celebrations.



The County of Butte is a government agency within the meaning of General Rule 8.2.3. Cal Water and the County of Butte reached the attached Agreement for Emergency Water Services (“Agreement”) dated July 27, 2022. The terms and conditions of Cal Water’s provision of water service are contained within the Agreement and deviate from Cal Water’s tariff. In addition, Section 4.d of the Agreement recognizes the Commission’s authority to terminate the contract:

If the Commission determines that terms or conditions of this Agreement are not reasonable or are not in the public interest, the Agreement shall terminate at a time mutually agreed-upon by the Parties, but in no event later than **60 days** after the Commission’s determination....

Cal Water notes that these terms and conditions are substantially similar to those in the Emergency Water Services Agreements between Cal Water and the County of Butte from September 2021 AL 2418.

General Industry Rule 8.2.3 allows Cal Water to begin providing this service without prior Commission approval, as long as the agreement is “promptly” submitted to the Commission via advice letter. This advice letter fulfills those terms. Cal Water and the County of Butte therefore consider the Agreement to be effective as of July 27, 2022, pending Commission disposition. Pursuant to Water Industry Rule 7.3.1(9), Cal Water submits this request for approval of the agreement via a Tier 1 advice letter.

These emergency water agreements are for trucking water using a construction meter on our hydrants. Usage is charged at the non-residential rate, and the quantity revenue is put into an “Other Revenue” class, and will be tracked in the Water Revenue Adjustment Mechanism and Modified Cost Balancing Account (“WRAM/MCBA”). Service charge revenues and any other revenues not booked in the WRAM/MCBA is recorded in our Drought Memorandum Account 2 (DRMA2) Preliminary Statement AL2. The deposits charged for the construction meters are put in a liability account because the deposits are returned when the entity turns in the construction meters.

Requested Effective Date

Cal Water is submitting this as a **Tier 1** advice and requests that approval of this Agreement be considered effective immediately.

Notice

Customer Notice – Individual customer notice of this advice letter is not required under General Order 96-B, Water Industry Rule 3.2 (Special Notice Rules for Compliance Advice Letter, Certain Tier 1 Advice Letters) and there are no customers currently receiving service.

Service Lists – In accordance with General Order 96-B, General Rule 4.3 and 7.2 and Water Industry Rule 4.1, a copy of this advice letter will be transmitted electronically on **August 05, 2022** to competing and adjacent utilities and other utilities or interested parties having requested such notification, including the Local Agency Formation Commission (LAFCO). ***Please note that this***



advice letter will only be distributed electronically to the Water Division and the attached service lists.

Response or Protest

Anyone may respond to or protest this advice letter. 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 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 error 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 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 by mail (or e-mail) to Cal Water at the following address:

Natalie Wales
California Water Service Company
1720 North First Street,
San Jose, California 95112
E-mail: cwsrates@calwater.com

Cities and counties requiring Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division within the 20-day protest period so a late-filed protest can be entertained. The informing document should include an estimate of the date the proposed



CALIFORNIA WATER SERVICE COMPANY

Advice Letter 2456 – Butte County Emergency Water Agreement

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protest might be voted on. The advice letter process does not provide for any responses, protests or comments, except for the utility’s reply, after the 20-day comment period.

Replies: The utility shall reply to each protest and may reply to any response. Each reply must be received by the Water Division within 5 business days after the end of the protest period and shall be served on the same day to the person who filed the protest or response. If you have not received a reply to your protest within 10 business days, contact California Water Service Company at (408) 367-8200 and ask for the Rates Department.

CALIFORNIA WATER SERVICE COMPANY

 /s/

Albree Jewell
Rates Analyst

cc: Syreeta Gibbs (Public Advocates Office)
PublicAdvocatesWater@cpuc.ca.gov

ATTACHMENT 1

AGREEMENT FOR EMERGENCY WATER SERVICE

This agreement is made on 27JUL2022, by and between the County of BUTTE, a political subdivision of the State of California ("County") and CALIFORNIA WATER SERVICE COMPANY, a California corporation ("Cal Water") (together, "Parties").

RECITALS

- A. The County of BUTTE is a government agency of the State of California.
- B. Cal Water is a public utility company regulated by the California Public Utilities Commission ("Commission") that provides water services throughout California, including in and around the City of Chico in Butte County, California.
- C. Due to the current water drought, there are residents near Cal Water's Chico District service area who are not customers of Cal Water and who do not have a reliable source of water.
- D. The County desires to receive, and Cal Water agrees to provide, emergency water service pursuant to the terms and conditions set forth in this Agreement to assist those residents for a limited time period.
- E. Cal Water enters into this Agreement subject to Commission rules, including the Commission's General Order 96-B, General Rule Section 8.2.3, which allows a deviation from a utility's tariff to provide services to a government agency as long as the service is not re-sold (see Appendix B).

NOW, THEREFORE, for and in consideration of the provisions herein contained, it is agreed as follows:

1. Recitals. The above Recitals are incorporated into this Agreement as if fully set forth herein.
2. Definitions.
 - a. "County" means the employees, agents, and contractors of Butte County.
 - b. "End User" shall mean any recipient or beneficiary of water delivered by the County or its agents, whether an individual, household, business, or other entity.
3. Emergency Water Service.
 - a. Access: Cal Water hereby grants permission to County to access designated hydrants in Cal Water's Chico water system service area in order to withdraw water pursuant to this Agreement. Unless otherwise specified in the Agreement, all terms and conditions of service are subject to Cal Water's tariffs.
 - b. Meters. Cal Water shall provide meters with backflow devices to the County for the purpose of measuring the volume of water withdrawn by the County. County agrees to connect the meters to only the designated hydrants, absent advance written agreement from Cal Water to use a non-designated hydrant.
 - c. Backflow Prevention. The County shall withdraw water from a designated hydrant only if a backflow prevention device (or other method approved in writing by Cal Water) is in place to prevent the backflow of water into Cal Water's system.
 - d. Designated Hydrants. Cal Water and the County will meet and select the designated hydrants for County's use in areas mutually agreeable to both Parties. The designated hydrants will be shown on a map or identified by street address in a writing, which is incorporated by reference into this Agreement.

e. Hydrant Protocol. County shall cause its water haulers to follow the following Cal Water protocol: Only one truck per designated hydrant at a time shall withdraw water. Each truck shall adhere to a pre-described number of turns when opening the wharf head hydrant.

4. Limitations.

a. The County shall only provide water to End Users located within the County of Butte. The County shall instruct End Users that they must comply with the State Water Resources Control Board's restrictions on water use and Cal Water's Tariff Rule 14.1. The County is prohibited from reselling water obtained under this Agreement pursuant to the California Public Utilities Commission's General Order 96-B, General Rule 8.2.3 (see Appendix B). The County shall not use the water for commercial or other nonresidential purposes.

b. The County agrees to the maximum monthly limitations of up to 1,000,000 gallons or 1,337 CCF, subject to available capacity as determined by Cal Water, of water service under this Agreement, as specified in Appendix A, which may be modified by mutual written agreement of the Parties or by the Commission.

c. Only County, or its' licensed designated water hauler, shall withdraw water from Cal Water's designated hydrants under this Agreement.

d. If the Commission determines that terms or conditions of this Agreement are not reasonable or are not in the public interest, the Agreement shall terminate at a time mutually agreed-upon by the Parties, but in no event later than 60 days after the Commission's determination. In such case, the County shall remit payment under the terms of this Agreement for any water withdrawn prior to termination.

5. No Warranties. Cal Water does not warrant the quality of water after it is withdrawn from its hydrants by the County; in particular, Cal Water makes no representation that the water obtained under this Agreement meets the state's health and safety requirements for safe drinking water. THE WATER IS PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. The County shall regularly notify End Users in writing that the water delivered by Cal Water under the terms of this Agreement is not so warranted.

6. Billing and Compensation.

a. Cal Water shall bill County monthly for all water obtained under this Agreement.

b. The effective tariff rates for non-residential metered service in the Chico District shall apply to water withdrawn under this Agreement, with the amount of the fixed monthly service charge determined by the size of the requested meter. Current tariffs can be obtained from the Cal Water website at www.calwater.com.

c. Before commencing water withdrawals, County will deposit with Cal Water the replacement cost of meters and backflow devices (see Appendix A). The deposit will be refunded to the County upon return of the meters and backflow devices, less any repair or replacement costs, at the termination of the Agreement.

7. Reporting. The County will provide the following documents to Cal Water monthly:

- a. Number of locations served, by month; and
- b. Total amount of water delivered, by month; and
- c. Monthly meter readings from each meter issued to County as of the end of the calendar month; and
- d. Additional information that is reasonably necessary to fulfill the intent of this Agreement, upon request by Cal Water.

8. Term and Termination.

a. This Agreement shall continue in effect until December 31, 2022 or 12 months from the effective date of this Agreement, whichever is earlier. The term of this Agreement may be extended by mutual written agreement of the Parties for two additional successive one-year terms. Either Party may terminate this Agreement, with or without cause, by providing at least ninety (90) days advance written notice to the other.

b. Notwithstanding the above notice for termination, if the Commission or Cal Water, in its sole discretion, determines that continuing with the Agreement negatively impacts Cal Water's operations or customers who are situated within Cal Water's Commission-approved service area (including a determination that there is excessive or inappropriate use of water obtained under this Agreement), the County shall be notified, and the Parties shall develop a timetable and process (such as phasing in a decrease of the maximum withdrawal amounts) to ensure termination of the Agreement within a reasonable time not to exceed thirty (30) days.

9. Notice, Any notice required or given under this Agreement must be in writing, and may be given either personally, by certified mail, or by overnight mail. If personally delivered, a notice shall be deemed to have been given and received when delivered to the party to whom it is addressed. If given by certified mail or overnight carrier, the same shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (b) five (5) days after a letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail or with the overnight carrier. Such notices or communications shall be given to the parties at their addresses set forth below:

Butte County: Office of Emergency Management
25 County Center Drive
Oroville, CA

Cal Water: California Water Service Company Chico District
2222 Martin Luther King Jr. Drive
Chico, CA 95928

With a Copy to: California Water Service Company
1720 North First Street
San Jose, California 95112
Telephone: (408) 367-8200
Attention: Lynne McGhee

Any party from time to time, by notice to the other party, given as set forth above, may change its address for purpose of receipt of any such notice.

10. Indemnity. The County shall defend, indemnify and hold harmless Cal Water and its directors, officers, employees, and agents from and against all third party claims, damages, losses, liabilities, expenses, and attorney's fees (collectively "Claims") to the extent arising from a negligent act or omission or intentional misconduct of the County, its employees, agents, or contractors in accessing a hydrant or the delivery of emergency water from a hydrant, including, but not limited to, Claims for:

- a. Bodily injury including, but not limited to, sickness or disease, emotional injury or death to persons, the public, End Users, employees or agents of the County or any contractor;
- b. Damage to real or personal property of anyone, including loss of use thereof; and
- c. Water shortages, delays, curtailment, interruption, or service termination to any End User of water delivered by the County under this Agreement.

11. Entire Agreement; Modification. This Agreement contains the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior or contemporaneous agreement and understandings (whether written or oral) of the parties. This Agreement cannot be modified in any manner except by an instrument in writing executed by the duly authorized representatives of the parties.

12. Severability. If any term or provision of this Agreement is, to any extent, held invalid or unenforceable, the remainder of this Agreement shall not be affected.

13. Waivers. Any waiver of a breach of any covenant or condition in this Agreement is not to be deemed a waiver of any other covenant or condition in this Agreement and no waiver is valid unless in writing and executed by the duly authorized representative of the waiving party. An extension of time for

performance of any obligation or act is not to be deemed an extension of the time for performance of any other obligation or act.

14. Successors. This Agreement inures to the benefit of and is binding upon the parties to this Agreement and their respective heirs, successors, and assigns.

15. Governing Law. This Agreement is to be governed by and construed in accordance with California law.

16. Insurance. The County shall secure or cause its contractors to secure and maintain the insurance described below throughout the term of this Agreement. The County shall furnish to Cal Water an endorsement evidencing that Cal Water is an additional insured and certificates evidencing such insurance coverages prior to water service, and upon request of Cal Water.

<u>Insurance Coverages:</u>	<u>Limits:</u>
Commercial General Liability	\$2,000,000
Automobile (Owned, Hired, Non-Owned)	\$1,000,000
Worker's Compensation	Statutory Limits

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year hereinabove written.

“County”

BUTTE COUNTY

a California agency

By: [Signature]

Name: Grant Hunsicker

Title: Director, General Services

“Cal Water”

CALIFORNIA WATER SERVICE

COMPANY, a California corporation

By: Lynne McGhee

Name: Lynne McGhee

Title: Vice President, General Counsel

By: Paula Glen

Name: Paula Glen

Title: Assistant Corporate Secretary

Review For Contract
Policy Compliance
General Services
Contracts Division

[Signature]

APPROVED AS TO FORM
Butte County Counsel

By: [Signature] 8/3/22

APPENDIX A

LIMITATIONS ON SERVICE UNDER AGREEMENT

Maximum Number of Locations Served (per month): **1 location**
Total Maximum Amount Delivered (per month): **1,000,000 gallons (1,337 Ccf)**

REFUNDABLE DEPOSIT FOR METER (WITH BACKFLOW DEVICE)

<u>Requested Meter Size</u>	<u>Refundable Deposit</u>
2-inch meter	\$2,400/Waived

Cal Water has agreed to waive the above referenced \$2,400.00 meter fee under the provision that the County will replace, reimburse, or repair the meter at no cost to Cal Water should the meter be lost or damaged through negligence and/or misuse. Further, the County will exercise all necessary precautions to avoid causing damage to the meter and water delivery system by adhering to all instructions and directions as presented by Cal Water on the use of the meter and water delivery system.

AUG 04 2025

Review for Contract
Policy Compliance
General Services
Contract Division

APPROVED AS TO FORM
Butte County Counsel

By: _____

APPENDIX B

GENERAL ORDER 96-B OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION GENERAL INDUSTRY RULES, SECTION 8.2.3

At all times, a utility other than a telephone corporation may provide service (other than resale service) to a government agency for free, or at reduced rates and charges, or under terms and conditions otherwise deviating from its tariffs then in effect. The utility may begin such service without prior Commission approval, but the utility shall promptly submit an advice letter to the appropriate Industry Division to notify the Commission of the utility's provision of such service and of the rates, charges, terms and conditions under which the service is provided. Although the advice letter may be effective pending disposition under General Rule 7.5.3, the Commission may determine, in an appropriate proceeding, the reasonableness of such service.

For purposes of this General Rule 8.2.3, "government agency" means the United States and its departments, Indian tribes recognized by the United States or the State of California, the State of California and its political subdivisions and municipal corporations, including the departments thereof, and public fairs and celebrations.



Chico District

ADVICE LETTER FILING MAILING LIST
PER SECTION III (G) OF GENERAL ORDER NO. 96-A

JENNIFER MACARTHY, DEPUTY CITY
MANAGER

City of Chico

P.O.Box 3420

Chico, CA 95927

Jennifer.macarthy@chicoca.gov

MARK ORME, CITY MANAGER

City of Chico

P.O.Box 3420

Chico, CA 95927

mark.orme@chicoca.gov

SCOTT DOWELL

City of Chico

P.O.Box 3420

Chico, CA 95927

scott.dowell@chicoca.gov

ONLY FOR SERVICE AREA MAPS:

EXECUTIVE OFFICER

Butte County LAFCO

1453 Downer St, Suite C

Oroville, CA 95965

slucas@buttecounty.net

FIRE CHIEF

Butte County Fire Rescue

176 Nelson Ave

Oroville, CA 95965