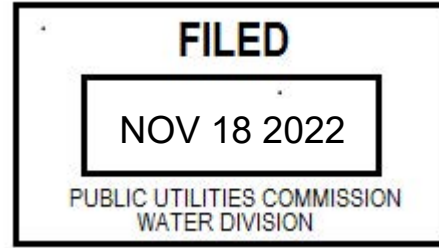






**CALIFORNIA WATER SERVICE COMPANY**  
 1720 NORTH FIRST STREET  
 SAN JOSE, CA 95112 • (408) 367-8200 • F (408) 367-8428



November 18, 2022

**Advice Letter No. 2466**

**CALIFORNIA WATER SERVICE COMPANY (U 60 W)**

To The Public Utilities Commission of the State of California:

California Water Service Company (“Cal Water”) respectfully submits this Tier 1 advice letter requesting authority to make the changes to the tariffs listed below. ***Please note that this advice letter will only be distributed electronically to the Water Division and the attached service lists.***

New/Revised C.P.U.C. Sheet No.	Title of Sheet	Schedule No.	Cancelling C.P.U.C. Sheet No.
XXXXX-W	Residential Metered Service (page 2)	SL-1-R	12752-W
XXXXX-W	Nonresidential Metered Service (page 2)	SL-1-NR	12752-W
DELETE	Residential Flat Rate Service (page 1)	SL-2R	12711-W
DELETE	Residential Flat Rate Service (page 2)	SL-2R	12754-W
XXXXX-W	Table of Contents (Page 10)	Not Applicable	XXXXX-W
XXXXX-W	Table of Contents (Page 1)	Not Applicable	XXXXX-W

**Summary**

Cal Water requests to update the groundwater surcharge rates for Selma District customers effective January 1, 2023, consistent with D.15-03-003 and Advice Letter 2436. For metered customers, this results in a surcharge of \$0.2571 per CCF, an increase of \$0.0457 CCF from the current rate. Flat rate customers were previously billed \$6.38 a month (for lot sizes up to 6,000 feet), however, they have been converted to metered and will now receive the surcharge of \$0.2571 per CCF. This advice also requests deletion of both tariff sheets in the residential flat rate service tariff schedule for Selma.

**Background**

In January 2014, Cal Water and the City of Selma (“the City”) jointly filed an application to apply groundwater surcharges to customers in the Selma District (A.14-01-008). The requested surcharges are the result of a Cooperative Agreement between the City and the Consolidated Irrigation District (“CID”) resolving litigation and establishing the funds that would be collected from Selma residents, and other towns in the Upper Kings River Basin, to replenish the overdrafted basin.



The Cooperative Agreement establishes two different fees payable to CID – “groundwater recharge (baseline) fees” at \$0.069 per CCF, and “groundwater replenishment fees” at \$0.23 per CCF – but allows the groundwater replenishment fees to be ramped up over an 8-year period, after which it will only be increased by the Consumer Price Index.

The Settlement Agreement approved by the Commission in D.15-03-003 allows groundwater surcharges to be applied to customer bills in the Selma District on a permanent basis to fund the full amount of the fee payable by the Ordinance adopted by the Selma Municipal Code. There is a groundwater surcharge for metered customers on a per-CCF basis. Remittance of what is collected is sent to the City of Selma within 30 days after the end of each month. The table below indicates the percentage of the total fee to be collected each year during the phase-in:

<b>Replenishment Fee Ramp-Up (Per Cooperative Agreement)</b>	
Year 1	12.5%
Year 2	25.0%
Year 3	37.5%
Year 4	50.0%
Year 5 *	62.5%
Year 6 *	75.0%
Year 7 *	87.5%
Year 8 *	100.0%

\* Add CPI adjustment

Here is the history of the ramp-up thus far:

- For Year 1 (2015), the surcharges were calculated to collect \$160,810 from Selma residents and Advice Letters 2165 & 2165-A were filed on April 15, 2015.
- For Year 2, the calculated surcharges was \$158,970, and Advice Letters 2214 & 2214-A were filed on April 6, 2016.
- For Year 3, the surcharges were calculated to collect \$189,529, and Advice Letter 2275 was filed on March 24, 2017.
- For Year 4, the surcharges were calculated to collect \$235,254, and Advice Letter 2302 was filed on April 4, 2018.
- For Year 5, the surcharges were calculated to collect \$274,887, and Advice Letter 2340 was filed on April 10, 2019.
- For Year 6, the surcharges were calculated to collect \$379,793 and Advice Letter 2392 was filed on December 10, 2020.
- For Year 7, the surcharges were calculated to collect \$373,671 and Advice Letter 2436 was filed on December 7, 2021.



As shown in the table above, the City is allowed to increase the recovery from 87.5% to 100% of the calculated Replenishment Fees (plus a Consumer Price Index adjustment) in Year 8.

### **Discussion**

Under the Settlement Agreement approved in D.15-03-003, the groundwater surcharges collected for the City and CID are increased each year over an 8-year phase-in period. The increase for Year 6 would have normally occurred on April 15, 2020. Cal Water filed Advice letter 2382 on April 15, 2020 to request deferral of the Year 6 increase to July 2020 as a means to provide stability to water bills during the start of COVID-19. The advice letter also proposed to change the start dates of the Year 7 and 8 surcharges from April of each year to January 1st. Cal Water subsequently filed Advice Letter 2388 to request deferral of the Year 6 surcharge to January 1, 2021 due to the continued financial challenges many Selma customers faced as a result of COVID-19.

Attachment A to D.15-03-003 provides a one-page spreadsheet with the formulas for calculating the volumetric surcharge for metered customers, and the fixed surcharge for flat-rate customers. The formula takes into account the previous year's actual production, which determines the total amount to be collected from all Selma residents, and the previous year's actual sales, which is used to calculate the surcharge rates for a 12-month period.

The total amount of \$429,729 to be calculated for 12 months is the sum of \$99,168 for groundwater recharge fees, and \$330,560 for groundwater replenishment fees (100% of the full amount, for Year 8). **For metered customers, this results in a surcharge of \$0.2571 per CCF, an increase of \$0.0457 CCF from the current rate.**

Flat-Rate Customers: All flat rate customers have been converted to metered customers as of September 2022, at which time they began receiving the current per-CCF surcharge for metered customers. Going forward, they will receive the updated surcharge for metered customers proposed herein. Note that the 2021 sales data used to calculate the surcharge does not include usage for flat rate customers since they were unmetered. Cal Water has accounted for this by taking the total sales from Schedule D-7 of the 2021 CPUC Annual Report, dividing it by the total number of metered customers from Schedule D-1, and multiplying it by the number of flat rate customers to adjust sales for the conversion of unmetered to metered customers between 2021 and 2022. Additionally, Cal Water is taking this opportunity to eliminate the flat-rate schedule for residential customers.

### **Tier Designation**

Pursuant to D.15-03-003, Ordering Paragraph 1, Cal Water submits this as a Tier 1 advice letter.



### **Requested Effective Date**

Pursuant to General Order 96-B, General Rule 7.3.1, which allows Tier 1 advice letters to be effective pending disposition, Cal Water requests that this advice letter become effective on January 1, 2023.

### **Notice**

*Customer Notice* – Customer notice of Tier 1 advice letters is not required under General Order 96-B, General Rule 7.3.1.

*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 electronically transmitted on **November 18, 2022**, to competing and adjacent utilities and other utilities or interested parties having requested such notification. ***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 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 advice letter process does not provide for any responses, protests or comments, except for the utility's reply, after the 20-day comment period. 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 by mail (or e-mail) to us, addressed to:

Natalie Wales  
California Water Service Company  
1720 North First Street,  
San Jose, California 95112  
Fax 408/367-8430 or  
E-mail [cwsrates@calwater.com](mailto:cwsrates@calwater.com)

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division, 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**

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/

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Melody Singh, Regulatory Program Manager

Enclosures

cc: Syreeta Gibbs (Public Advocates Office), [PublicAdvocatesWater@cpuc.ca.gov](mailto:PublicAdvocatesWater@cpuc.ca.gov)

Schedule No. SL-1-R

Selma Tariff Area

RESIDENTIAL METERED SERVICE

SPECIAL CONDITIONS (continued)

3. All bills are subject to the following tariff schedules: **Schedule UF** (CPUC reimbursement fee) and applicable surcharges and surcredits on **Schedule RSF** (Rate Support Fund), **Schedule CAP** (Customer Assistance Program), and **Schedule AS** (Additional Surcharges and Surcredits).

4. **Fire sprinkler rates:** A single-family residence with a meter size that has a “fire sprinkler” rate (listed above) is eligible for that rate if: (a) the customer is paying for service where a residential fire sprinkler system is required/requested to be installed by local fire or building codes; (b) a smaller meter would be large enough to provide adequate service in the absence of the additional demand needed to supply water to the system; (c) the sprinkler system is served through the meter providing residential water service; and (d) the customer requests the “fire sprinkler” rate. The Company may seek verification that the above criteria are met. This service will be considered a general metered service, and not a fire service, so the rules and conditions for general metered service shall apply.

5. **Groundwater surcharge (Year Eight: January 1, 2023 – December 31, 2023): \$0.2571 per CCF** (C)

Under the Cooperative Agreement between the City of Selma and the Consolidated Irrigation District, the surcharge identified above will be applied to bills on a monthly basis. Authorized by Decision 15-03-003 and Advice Letter 2466, the collected amounts will be provided to the City of Selma for groundwater replenishment activities. The total annual groundwater fees due under the Cooperative Agreement will be increased over the first 8 years. (C)

(To be inserted by utility)

Issued By

(To be inserted by CPUC)

Advice Letter 2466

Greg A. Milleman

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

Decision

Vice President

Effective \_\_\_\_\_

Resolution \_\_\_\_\_

**Schedule No. SL-1-NR**  
**Selma Tariff Area**  
**NONRESIDENTIAL METERED SERVICE**

SPECIAL CONDITIONS (continued)

- 3. Qualifying non-profit group living facilities, agricultural employee housing facilities, and migrant farm worker housing centers are eligible for credits as shown on **Schedule CAP**.
  
- 4. **Groundwater surcharge (Year Eight: January 1, 2023 - December 31, 2023): \$0.2571 per CCF** (C)  
 Under the Cooperative Agreement between the City of Selma and the Consolidated Irrigation District, the surcharge identified above will be applied to bills on a monthly basis. Authorized by Decision 15-03-003 and Advice Letter 2466, the collected amounts will be provided to the City of Selma for groundwater replenishment activities. The total annual groundwater fees due under the Cooperative Agreement will be increased over the first 8 years. (C)



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<u>Sheet Subject Matter</u>	<u>Service Area</u>	<u>Schedule No.</u>	<u>CPUC Sheet No.</u>
<u>Rate Schedules: (continued)</u>			
<b>SELMA DISTRICT</b>			
Residential Metered Service (sheet 1)		SL-1-R (Pg 1 of 2)	12710-W
Residential Metered Service (sheet 2)		SL-1-R (Pg 2 of 2)	XXXXX-W (C)
Nonresidential Metered Service (sheet 1)		SL-1-NR (Pg 1 of 2)	12712-W
Nonresidential Metered Service (sheet 2)		SL-1-NR (Pg 2 of 2)	XXXXX-W (C)
			(D)
			(D)
<b>STOCKTON DISTRICT</b>			
Residential Metered Service		ST-1-R (Pg 1 of 2)	12713-W
		ST-1-R (Pg 2 of 2)	12930-W
Nonresidential Metered Service		ST-1-NR (Pg 1 of 1)	12714-W
<b>TRAVIS DISTRICT</b>			
Potable Water Service		Schedule No. TRV	12886-W
<b>VISALIA DISTRICT</b>			
Residential Metered Service		VS-1-R (Pg 1 of 2)	12717-W
		VS-1-R (Pg 2 of 2)	12931-W
Nonresidential Metered Service		VS-1-NR (Pg 1 of 1)	12718-W
<b>WESTLAKE DISTRICT</b>			
Residential Metered Service		WK-1-R (Pg 1 of 2)	12861-W
		WK-1-R (Pg 2 of 2)	12862-W
Nonresidential Metered Service		WK-1-NR (Pg 1 of 2)	12863-W
		WK-1-NR (Pg 2 of 2)	12864-W
Reclaimed Water Service		WK-6 (Pg 1 of 2)	12865-W
		WK-6 (Pg 2 of 2)	12866-W
<b>WILLOWS DISTRICT</b>			
Residential Metered Service		WL-1-R (Pg 1 of 2)	12722-W
		WL-1-R (Pg 2 of 2)	12932-W
Nonresidential Metered Service		WL-1-NR	12723-W
<b>FIRE FLOW TESTING CHARGE</b>		FF	8597-W

(continued)

(To be inserted by utility)  
 Advice Letter No. 2466  
 Decision No. \_\_\_\_\_

Issued by  
GREG A. MILLEMAN  
 Name  
Vice President  
 TITLE

(To be inserted by CPUC)  
 Date Filed \_\_\_\_\_  
 Effective \_\_\_\_\_  
 Resolution No. \_\_\_\_\_

**Table of Contents - Page 1**

The following listed tariff sheets contain all effective rates and rules affecting the rates and service of the Utility together with information relating thereto:

<u>Sheet</u>	<u>Subject Matter</u>	<u>Service Area</u>	<u>Schedule No.</u>	<u>CPUC Sheet No.</u>
	Title Page			5613-W
	Table of Contents			
Page 1	Table of Contents			XXXXX-W (C)
Page 2	Preliminary Statements			13001-W
Page 3	Preliminary Statements			12880-W
Page 4	Preliminary Statements			12894-W
Page 5	Rate Schedules - All Districts			12941-W
Page 6	Rate Schedules - District Specific			13000-W
Page 7	Rate Schedules - District Specific			13007-W
Page 8	Rate Schedules - District Specific			12998-W
Page 9	Rate Schedules - District Specific			12935-W
Page 10	Rate Schedules - District Specific			XXXXX-W (C)
Page 11	Service Area Maps			13004-W
Page 12	Rules			12950-W
Page 13	Rules			12969-W
Page 14	Sample Forms			12553-W
Page 15	Sample Forms			2926-W
Page 16	Sample Forms			12933-W

(continued)

(To be inserted by utility)  
 Advice Letter No. 2466  
 Decision No. \_\_\_\_\_

Issued by  
GREG A. MILLEMAN  
 Name  
Vice President  
 TITLE

(To be inserted by CPUC)  
 Date Filed \_\_\_\_\_  
 Effective \_\_\_\_\_  
 Resolution No. \_\_\_\_\_



## Selma District

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

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[ddominguez@ci.fowler.ca.us](mailto:ddominguez@ci.fowler.ca.us)

TERESA GALLAVAN, CITY MANAGER  
**City of Selma, City Hall**  
1710 Tucker Street  
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[teresag@cityofselma.com](mailto:teresag@cityofselma.com)

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### ONLY FOR SERVICE AREA MAPS:

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