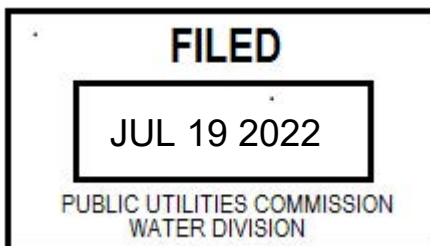




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July 19, 2022

ADVICE LETTER NO. 71-S

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 the Wastewater service areas.

Purpose:

The purpose of this advice letter filing is to request recovery of the 2019 General Rate Case (“GRC”) Interim Rate Memorandum Account for the Wastewater Service Areas in connection with California American Water’s 2019 General Rate Case in A.19-07-004. This request is in compliance with authorizations of the California Public Utilities Commission as detailed in the Rate Case Plan in D. 07-05-062 (“RCP”) and the *Administrative Law Judge’s Ruling Granting Interim Rates* (“Ruling”) issued on September 10, 2020 in A.19-07-004.

Background

D.21-11-018 was issued on November 23, 2021, nearly one year after 2021 test year rates were scheduled to be in effect. Given the delay in the final decision, California was granted authorization to track in a memorandum account the difference between interim rates and final rates for subsequent recovery or refund. Consistent with the Ruling, California American Water filed Advice Letter 1318-A which implemented interim rates effective January 1, 2021 and established the GRC Interim Rate True-up Memorandum Account to track the differences between revenues billed at interim rates and revenues that should have been billed under the final rates implemented and billed under D.21-11-018.

Consistent with D.21-11-018 California American Water filed its GRC implementation advice letter, Advice Letter 68-S, on December 23, 2021. California American Water then filed for 2022 Escalation Year Rates (Advice Letter 69-S and 70-S) also consistent with D.21-11-018. All rates and tariffs associated were implemented and began billing on March 4, 2022.

In order to calculate the interim rate true-up, California American Water needed new rates to bill for multiple billing cycles. California American Water hereby submits this filing to recover the balances in the GRC Interim Rate True-up Memorandum Account for its Wastewater Service Areas.

Request:

California American Water requests that the interim rate true-up be collected via a quantity-based surcharge through the end of 2023 covering the remaining General Rate Case period.

The total amount of undercollected revenues for the Monterey Wastewater Service Area is \$311,120 and the Dunnigan Wastewater Service Area is \$3,184.

Tier Designation:

California American Water is submitting this as a Tier 2 advice letter pursuant to General Order 96-B.

Effective Date:

California American requests an effective date of August 18, 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 Advice Letter 71-S to adjacent utilities and other parties requesting such notification, on July 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 PROTEST¹

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 grounds² 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.
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:

¹ G.O. 96-B, General Rule 7.4.1

² G.O. 96-B, General Rule 7.4.2

Email Address:
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

Mailing Address:
4701 Beloit Drive
Sacramento, CA 95838

jonathan.morse@amwater.com

4701 Beloit Drive
Sacramento, CA 95838

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.

REPLIES³

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/ Jonathan Morse

Jonathan Morse
Sr. Manager Rates and Regulatory

³ 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.
DELETE	Schedule SA Monterey Waste Water District Tariff Area ACTIVE SEWER SERVICE Sheet 5	298-S
DELETE	Schedule SP Monterey Waste Water District Tariff Area PASSIVE SEWER SERVICE Sheet 3	300-S
XXXX-W	Schedule WW-DU-1 Dunnigan District Sewer Tariff Area GENERAL FLAT RATE SERVICE Sheet 2	301-S
XXXX-W	Schedule SA Monterey Waste Water District Tariff Area ACTIVE SEWER SERVICE Sheet 4	306-S
XXXX-W	Schedule SP Monterey Waste Water District Tariff Area PASSIVE SEWER SERVICE Sheet 2	308-S

Schedule WW-DU-1
Dunnigan District Sewer Tariff Area
GENERAL FLAT RATE SERVICE

Sheet 2

SPECIAL CONDITIONS

General Items

9. Per D.18-12-021 a meter-based bill credit for the 2020 Excess Plant Accumulated Deferred Income Tax a credit of \$0.13 per month will be refunded to customers over the 12-month period beginning November 1, 2021.

10. Per Advice Letter 71-S and D.21-11-018 a surcharge of \$1.23 per month will be collected from customers for the 2019 General Rate Case interim rate true-up. The surcharge will be collected until December 31, 2023. (N)
(N)
(N)

(Continued)

(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
Advice	71-S	J. T. LINAM	Date Filed	_____
Decision		DIRECTOR - Rates & Regulatory	Effective	_____
			Resolution	_____

Schedule SA
Monterey Waste Water District Tariff Area
ACTIVE SEWER SERVICE

SPECIAL CONDITIONS
FEES & SURCHARGES (Continued)

5. Per D.18-12-021 a meter-based bill credit for the 2020 Excess Plant Accumulated Deferred Income Tax will be refunded to customers over a 12-month period beginning November 1, 2021.

Sewer Tariff Area	Refunds by Meter Equivalents
Oak Hills, Spreckels, Village Greens, White Oaks - Passive (Residential)	\$0.05
Spreckels - Public Authority	\$0.08
Spreckels - Commercial	\$0.13
Carmel Valley Ranch, Indian Springs, Las Palmas, Pasadera - Active (Residential) Pasadera - Commercial	\$0.25
Spreckels - Industrial	\$0.40
Pasadera - Golf	\$0.75
Las Palmas - Public Authority	\$1.25
Las Palmas - Commercial	\$2.51
SPCA - Contracted Property	\$4.01
Carmel Valley Ranch - Hotel	\$5.77

6. Per Advice Letter 71-S and D.21-11-018 a flat monthly surcharge month will be collected from customers for the 2019 General Rate Case interim rate true-up. The surcharge will be collected until December 31, 2023.

Sewer Tariff Area	Surcharge by Meter Equivalents
Oak Hills, Spreckels, Village Greens, White Oaks - Passive (Residential)	\$7.16
Spreckels - Public Authority	\$10.74
Spreckels - Commercial	\$14.32
Carmel Valley Ranch, Indian Springs, Las Palmas, Pasadera - Active (Residential) Pasadera - Commercial	\$7.16
Spreckels - Industrial	\$42.96
Pasadera - Golf	\$28.64
Las Palmas - Public Authority	\$35.80
Las Palmas - Commercial	\$42.96
SPCA - Contracted Property	\$179.02
Carmel Valley Ranch - Hotel	\$1,031.15

(N)

(N)

(Continued)

(TO BE INSERTED BY UTILITY)

Advice 71-S
Decision

ISSUED BY

J. T. LINAM
DIRECTOR - Rates & Regulatory

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

Date Filed _____
Effective _____
Resolution _____

MONTEREY WASTEWATER DISTRICT SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 71-S

BY MAIL:

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Monterey, CA 93940

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California Public Utilities Commission
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Salinas, CA 93901

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5 Harris Court Road. Bldg D.
Monterey, CA 93940

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Deputy Pub Works Director – Operations
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c/o Community Development Department
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Pacific Grove, CA 93950

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MONTEREY WASTEWATER DISTRICT SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 71-S

By E-MAIL:

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CALIFORNIA-AMERICAN WATER COMPANY
ADVICE LETTER 71-S
SUPPORTING DOCUMENTATION FOR STAFF

**Dunnigan & Monterey WW – 2019 GRC Interim Rate True-Up
TABLE OF CONTENTS**

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**CALIFORNIA-AMERICAN WATER COMPANY
DUNNIGAN WASTEWATER DISTRICT
RECOVERY/REFUND OF 2021 & 2022 INTERIM RATE TRUE-UP
SUMMARY OF SURCHARGE**

Workpaper 1-1

SUMMARY

		<u>Reference</u>
Total Interim True Up Balance Over/(Under) Collected	(\$3,184)	See Workpaper 1-2
Total 2018 Authorized Revenues	<u>\$ 55,076.70</u>	
Percent of Revenues	5.78%	
Amortization Period (Months)	16	

Connection Based Surcharge

Duration (Months)		16	
Monthly Surcharge per Connection	\$	(1.23)	Workpaper 1-3

CALIFORNIA-AMERICAN WATER COMPANY
 DUNNIGAN WASTEWATER DISTRICT
 RECOVERY/REFUND OF 2021 & 2022 INTERIM RATE TRUE-UP
 TOTAL ACCOUNT BALANCE

Workpaper 1-2

TOTAL ACCOUNT BALANCE(S)					
	Beginning Balance	Surcharge Recovered	Total Interest	Ending Balance YTD w/ Interest Over/(Under) Collected	Reference
2018 & 2019 Interim Rate					
True Up Recovery	(\$3,184)	\$0	(\$3)	(\$3,187)	See Workpaper 1-6
Sub-Total	(\$3,184)	\$0	(\$3)	(\$3,187)	
Recovery Period Interest					
TOTAL WITH INTEREST				(\$3,187)	

CALIFORNIA-AMERICAN WATER COMPANY
 DUNNIGAN WASTEWATER DISTRICT
 RECOVERY/REFUND OF 2021 & 2022 INTERIM RATE TRUE-UP
 SERVICE SURCHARGE

Workpaper 1-3

TOTAL ACCOUNT BALANCE

		<u>Reference</u>
Total Account Balance	(\$3,184)	Workpaper 1-1

TOTAL SEWER CONNECTIONS

	<u>Escalation Year Average # Customers</u>	<u>Reference</u>
Total	121	Workpaper 3-1

TOTAL SURCHARGE TO BE RECOVERED

No. of Years	1.33	
Total Surcharge per Connection	\$ (1.23)	<i>(Total Amount to Be Recovered divided by the number of years divided by the Total Connections)</i>

CALIFORNIA-AMERICAN WATER COMPANY
DUNNIGAN WASTEWATER DISTRICT
RECOVERY/REFUND OF 2021 & 2022 INTERIM RATE TRUE-UP
SERVICE SURCHARGE

Workpaper 1-3

TOTAL ACCOUNT BALANCE

Total Account Balance (\$3,184)

MOWW Rate Categories

	Summary by Area	# Cust.	EDU	EDU Equivalents	
	Residential				
Passive	Village Greens - Passive	22	1.0	22	\$1.18
Passive	White Oaks - Passive	39	1.0	39	\$1.18
Passive	Oak Hills - Passive	434	1.0	434	\$1.18
Passive	Spreckels - Passive	234	1.0	234	\$1.18
Active	Pasadera - Active	246	1.0	246	\$1.18
Active	Las Palmas - Active	997	1.0	997	\$1.18
Active	Carmel Valley Ranch - Active	301	1.0	301	\$1.18
Active	Indian Springs - Active	167	1.0	167	\$1.18
	Total Residential	2,440		2,440	
	Commercial				
	Dunnigan	0			
Passive	Spreckels - Passive	27	2.0	54.00	\$2.37
Active	Pasadera - Active	14	1.0	14.00	\$1.18
Active	Las Palmas - Active	1	6.0	6.00	\$7.10
	Industrial				
Passive	Spreckels - Passive	4	6.0	24.00	\$7.10
	Public Authority				
Passive	Spreckels - Passive	3	1.5	4.50	\$1.78
Active	Las Palmas - Active	0	5	0.00	\$5.92
	Golf				
Active	Las Palmas - Active	1	4	4.00	\$4.73
	Hotel				
Active	Carmel Valley Ranch - Active	1	144	144.00	\$170.42
	Total	2,491		2,691	

\$1.18

CALIFORNIA-AMERICAN WATER COMPANY
DUNNIGAN WASTEWATER DISTRICT
RECOVERY/REFUND OF 2021 & 2022 INTERIM RATE TRUE-UP
MONTHLY BREAKDOWN OF TRUE-UP

WATER SERVICE - Over/(Under) Collected																
Customer Class	01/2021	02/2021	03/2021	04/2021	05/2021	06/2021	07/2021	08/2021	09/2021	10/2021	11/2021	12/2021	01/2022	02/2022	03/2022	Total
Commercial	(219)	(1)	(94)	(48)	(48)	(46)	(49)	(48)	(48)	(48)	(48)	(48)	-	-	(118)	(860)
Residential	(128)	(96)	(95)	(96)	(97)	(97)	(97)	(100)	(100)	(101)	(100)	(101)	(415)	(427)	(275)	(2,324)
Grand Total	(347)	(96)	(190)	(143)	(144)	(143)	(146)	(147)	(147)	(148)	(148)	(149)	(415)	(427)	(393)	(3,184)

**CALIFORNIA-AMERICAN WATER COMPANY
DUNNIGAN WASTEWATER DISTRICT
RECOVERY/REFUND OF 2021 & 2022 INTERIM RATE TRUE-UP
INTERIM RATE TRUE-UP MEMORANDUM ACCOUNT AMORTIZATION**

[a]	[b]	[c]	[d] [b]-[c]	[e]	[f]	[g]		
Year	Month	Adjustments to Revenue (\$)	Adjustments to Expense (\$)	Over/(Under) Collection without interest (\$)	Comm'l. Paper Rate	This Month's Interest	Over/(Under) Collection	Reference:
Water Service								
	2021	Balance					0	
	2021	January	347	(347)	0.10%	(0)	(347)	See Workpaper 1-5
	2021	February	96	(96)	0.08%	(0)	(444)	
	2021	March	190	(190)	0.08%	(0)	(634)	
	2021	April	143	(143)	0.06%	(0)	(777)	
	2021	May	144	(144)	0.05%	(0)	(921)	
	2021	June	143	(143)	0.05%	(0)	(1,064)	
	2021	July	146	(146)	0.06%	(0)	(1,210)	
	2021	August	147	(147)	0.06%	(0)	(1,357)	
	2021	September	147	(147)	0.06%	(0)	(1,505)	
	2021	October	148	(148)	0.06%	(0)	(1,653)	
	2021	November	148	(148)	0.08%	(0)	(1,801)	
	2021	December	149	(149)	0.13%	(0)	(1,950)	
	2022	January	415	(415)	0.15%	(0)	(2,365)	
	2022	February	427	(427)	0.21%	(0)	(2,793)	
	2022	March	393	(393)	0.63%	(2)	(3,187)	
Total		-	3,184	(3,184)		(3)	(3,187)	
				0				

**CALIFORNIA-AMERICAN WATER COMPANY
DUNNIGAN WASTEWATER DISTRICT
RECOVERY/REFUND OF 2021 & 2022 INTERIM RATE TRUE-UP
90 DAY COMMERCIAL PAPER RATES**

Workpaper 1-7

Series Description: 90-Day AA Nonfinancial Commercial Paper Interest Rate
Unit: Percent
Date Pulled:

<u>Period</u>	<u>Rate</u>
2021-01	0.10%
2021-02	0.08%
2021-03	0.08%
2021-04	0.06%
2021-05	0.05%
2021-06	0.05%
2021-07	0.06%
2021-08	0.06%
2021-09	0.06%
2021-10	0.06%
2021-11	0.08%
2021-12	0.13%
2022-01	0.15%
2022-02	0.21%
2022-03	0.63%
2022-04	0.87%

**CALIFORNIA-AMERICAN WATER COMPANY
 MONTEREY WASTEWATER DISTRICT
 RECOVERY/REFUND OF 2021 & 2022 INTERIM RATE TRUE-UP
 SUMMARY OF SURCHARGE**

Workpaper 1-1

SUMMARY

		<u>Reference</u>
Total Interim True Up Balance Over/(Under) Collected	(\$311,120)	See Workpaper 1-2
Total 2018 Authorized Revenues	<u>\$3,698,575</u>	
Percent of Revenues	8.41%	
Amortization Period (Months)	16	

Connection Based Surcharge

Duration (Months)		16	
Monthly Surcharge per Connection	\$	(7.81)	Workpaper 1-3

CALIFORNIA-AMERICAN WATER COMPANY
 MONTEREY WASTEWATER DISTRICT
 RECOVERY/REFUND OF 2021 & 2022 INTERIM RATE TRUE-UP
 TOTAL ACCOUNT BALANCE

Workpaper 1-2

TOTAL ACCOUNT BALANCE(S)					
	Beginning Balance	Surcharge Recovered	Total Interest	Ending Balance YTD w/ Interest Over/(Under) Collected	Reference
2018 & 2019 Interim Rate					
True Up Recovery	(\$310,689)	\$0	(\$432)	(\$311,120)	See Workpaper 1-6
Sub-Total	(\$310,689)	\$0	(\$432)	(\$311,120)	
Recovery Period Interest					
TOTAL WITH INTEREST				(\$311,120)	

CALIFORNIA-AMERICAN WATER COMPANY
 MONTEREY WASTEWATER DISTRICT
 RECOVERY/REFUND OF 2021 & 2022 INTERIM RATE TRUE-UP
 SERVICE SURCHARGE

Workpaper 1-3

TOTAL ACCOUNT BALANCE

Total Account Balance (\$311,120)

MOWW Rate Categories

	Summary by Area	# Cust.	EDU	EDU Equivalents	
	Residential				
Passive	Village Greens - Passive	22	1.0	22	\$114.57
Passive	White Oaks - Passive	39	1.0	39	\$114.57
Passive	Oak Hills - Passive	434	1.0	434	\$114.57
Passive	Spreckels - Passive	234	1.0	234	\$114.57
Active	Pasadera - Active	246	1.0	246	\$114.57
Active	Las Palmas - Active	997	1.0	997	\$114.57
Active	Carmel Valley Ranch - Active	301	1.0	301	\$114.57
Active	Indian Springs - Active	167	1.0	167	\$114.57
	Total Residential	2,440		2,440	
	Commercial				
	Dunnigan	0			
Passive	Spreckels - Passive	27	2.0	54.00	\$229.14
Active	Pasadera - Active	14	1.0	14.00	\$114.57
Active	Las Palmas - Active	1	6.0	6.00	\$687.43
	Industrial				
Passive	Spreckels - Passive	4	6.0	24.00	\$687.43
	Public Authority				
Passive	Spreckels - Passive	3	1.5	4.50	\$171.86
Active	Las Palmas - Active	0	5	0.00	\$572.86
	SPCA				
Active	Pasadera - Active	1	25	25.00	\$2,864.30
	Golf				
Active	Las Palmas - Active	1	4	4.00	\$458.29
	Hotel				
Active	Carmel Valley Ranch - Active	1	144	144.00	\$16,498.36
	Total	2,491		2,716	

\$114.57

CALIFORNIA-AMERICAN WATER COMPANY
 MONTEREY WASTEWATER DISTRICT
 RECOVERY/REFUND OF 2021 & 2022 INTERIM RATE TRUE-UP
 MONTHLY BREAKDOWN OF TRUE-UP

WATER SERVICE - Over/(Under) Collected																	
Customer Class	01/2021	02/2021	03/2021	04/2021	05/2021	06/2021	07/2021	08/2021	09/2021	10/2021	11/2021	12/2021	01/2022	02/2022	03/2022	04/2022	Total
Commercial	(2,533)	(1,595)	(1,953)	(1,937)	(1,977)	(1,937)	752	(4,642)	(1,949)	(1,941)	(2,009)	(1,906)	(3,228)	(3,228)	(3,780)	(10,237)	(44,099)
Industrial	(585)	(585)	(585)	(585)	(585)	(585)	-	(1,171)	(585)	(585)	(585)	(585)	(651)	(651)	(482)	(1,783)	(10,591)
Public Authority	(293)	(286)	(286)	(286)	(286)	(286)	20	(592)	(286)	(286)	(286)	(286)	(189)	(160)	7	(342)	(4,123)
Residential	(12,868)	(10,560)	(10,445)	(10,533)	(10,637)	(10,612)	5,036	(26,143)	(10,669)	(10,545)	(10,639)	(10,359)	(17,801)	(17,755)	(25,893)	(61,450)	(251,875)
Grand Total	(16,279)	(13,026)	(13,270)	(13,342)	(13,486)	(13,420)	5,808	(32,547)	(13,489)	(13,357)	(13,520)	(13,136)	(21,870)	(21,794)	(30,148)	(73,812)	(310,689)

**CALIFORNIA-AMERICAN WATER COMPANY
 MONTEREY WASTEWATER DISTRICT
 RECOVERY/REFUND OF 2021 & 2022 INTERIM RATE TRUE-UP
 INTERIM RATE TRUE-UP MEMORANDUM ACCOUNT AMORTIZATION**

Year	[a] Month	[b] Adjustments to Revenue (\$)	[c] Adjustments to Expense (\$)	[d] [b]-[c] Over/(Under) Collection without interest (\$)	[e] Comm'l. Paper Rate	[f] This Month's Interest	[g] Over/(Under) Collection	Reference:
Water Service								
	2021	Balance					0	
	2021	January	16,279	(16,279)	0.10%	(1)	(16,280)	See Workpaper 1-5
	2021	February	13,026	(13,026)	0.08%	(2)	(29,308)	
	2021	March	13,270	(13,270)	0.08%	(2)	(42,580)	
	2021	April	13,342	(13,342)	0.06%	(2)	(55,924)	
	2021	May	13,486	(13,486)	0.05%	(3)	(69,412)	
	2021	June	13,420	(13,420)	0.05%	(3)	(82,836)	
	2021	July	(5,808)	5,808	0.06%	(4)	(77,032)	
	2021	August	32,547	(32,547)	0.06%	(5)	(109,584)	
	2021	September	13,489	(13,489)	0.06%	(6)	(123,079)	
	2021	October	13,357	(13,357)	0.06%	(6)	(136,443)	
	2021	November	13,520	(13,520)	0.08%	(10)	(149,972)	
	2021	December	13,136	(13,136)	0.13%	(17)	(163,126)	
	2022	January	21,870	(21,870)	0.15%	(22)	(185,017)	
	2022	February	21,794	(21,794)	0.21%	(34)	(206,846)	
	2022	March	30,148	(30,148)	0.63%	(117)	(237,110)	
	2022	April	73,812	(73,812)	0.87%	(199)	(311,120)	
Total		-	310,689	(310,689)		(432)	(311,120)	
				0				

**CALIFORNIA-AMERICAN WATER COMPANY
MONTEREY WASTEWATER DISTRICT
RECOVERY/REFUND OF 2021 & 2022 INTERIM RATE TRUE-UP
90 DAY COMMERCIAL PAPER RATES**

Workpaper 1-7

Series Description: 90-Day AA Nonfinancial Commercial Paper Interest Rate
Unit: Percent
Date Pulled:

<u>Period</u>	<u>Rate</u>
2021-01	0.10%
2021-02	0.08%
2021-03	0.08%
2021-04	0.06%
2021-05	0.05%
2021-06	0.05%
2021-07	0.06%
2021-08	0.06%
2021-09	0.06%
2021-10	0.06%
2021-11	0.08%
2021-12	0.13%
2022-01	0.15%
2022-02	0.21%
2022-03	0.63%
2022-04	0.87%

**FILED**09/10/20
01:48 PM

ALJ/GK1/smt 9/10/2020

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of California-American Water Company (U210W) for Authorization to Increase its Revenues for Water Service by \$25,999,900 or 10.60% in the year 2021, by \$9,752,500 or 3.59% in the year 2022, and by \$10,754,500 or 3.82% in the year 2023.

Application 19-07-004

**ADMINISTRATIVE LAW JUDGE'S RULING
GRANTING INTERIM RATES**

Summary

Pursuant to Public Utilities (Pub. Util.) Code § 455.2 this ruling grants the motion of California-American Water Company (Cal-Am) in which it seeks interim rate relief for the above-captioned proceeding. This ruling also grants Cal-Am's request for authorization to track in a memorandum account the difference between interim rates and final rates for subsequent recovery or refund, consistent with the final rates adopted by the Commission in the pending general rate case.

1. Background

On April 6, 2020, Cal-Am filed its motion for interim rate relief. The Rate Case Plan adopted in Decision (D.) 07-05-062, requires the applicant to file a motion for interim rate relief on or before the date for filing its opening brief, unless a different date is designated by the

A.19-07-004 ALJ/GK1/smt

Presiding Officer. Cal-Am's motion is timely filed. There were no comments filed concerning Cal-Am's motion for interim rates.

2. Requirements of Pub. Util. Code § 455.2

Pub. Util. Code § 455.2 provides for interim rate relief when the Commission is unable to issue its final decision on the general rate case application of a water corporation with greater than 10,000 service connections in a manner ensuring the decision becomes effective on the first day of the test year in the application. The first day of the test year for Cal-Am's application is January 1, 2021. Cal-Am contends that it has met all requirements for interim rate relief contained in § 455.2 (b) which provides:

- a. If the commission's decision is not effective in accordance with subdivision
- b. The applicant may file a tariff implementing interim rates that may be increased by an amount equal to the rate of inflation as compared to existing rates. The interim rates shall be effective on the first day of the first test year in the general rate case application. These interim rates shall be subject to refund and shall be adjusted upward or downward back to the interim rate effective date, consistent with the final rates adopted by the commission.

3. Requirements of Rulemaking (R.) 06-12-016 to Consider Revisions to the General Rate Case Plan for Class A Water Companies

Decision (D.) 07-05-062 was issued on May 24, 2007 and adopted several changes to the Rate Case Plan (RCP) for Class A water utilities. As it relates to interim rate relief requests, D. 07-05-052 set forth the following requirements:

1. The utility must file a motion for interim rate relief on or before the date for filing its opening brief, unless a different date is designated by the Presiding Officer;
2. The motion shall address the degree, if any, that the utility was responsible for delay during the proceeding;

3. The requested rate modification shall not exceed the rate of inflation;
4. The motion shall request a proposed effective date for the interim rate relief; and
5. The motion shall request the establishment of a memorandum account to track the difference between the interim rates and the final rates.

In response to the motion for interim rates, the Presiding Officer will issue a ruling. The ruling will determine the following:

1. Whether the utility was responsible for the delay in implementing rates;
2. Determine if the requested rates are appropriate for submitting to the Commission via an advice letter;
3. Set forth a specific effective date for the interim rates; and
4. Direct the utility to request the establishment of a memorandum account with the advice letter filing that implements the interim rates.

4. Request

Cal-Am requests authority, pursuant to Pub. Util. Code § 455.2 and D.07-05-062, to implement interim rates effective January 1, 2021 and to establish a memorandum account in which to track the difference between the interim rates authorized herein and the final rates authorized by the Commission in its decision.

Cal-Am asserts that any delay is not due to actions on its part and therefore the rate case plan requires the Commission to grant interim rate relief pursuant to § 455.2. Cal-Am notes that the Commission will be unable to issue a final decision before January 1, 2021.

5. Discussion

As to interim rate relief being in the public interest, the Commission recognizes that utilities should not be financially harmed, or ratepayers allowed to gain from deferred rate increases caused by delays in processing general rate cases. Here Cal-Am submitted its motion for interim rates timely. Additionally, Cal-Am correctly asserts that any delay in processing of the current proceeding has not been caused by actions of any of the parties¹.

Since the Commission decision will not be issued prior January 1, 2021, which is the first day of the test year for Cal-Am, it is appropriate to grant the motion for interim rates. The criteria for granting interim rate relief set forth in Pub. Util. Code § 455.2 has been met and no party has protested Cal-Am's motion for interim rate relief. For these reasons, Cal-Am's motion for interim rates effective January 1, 2021, is granted.

¹ The delay in this proceeding was caused by COVID-19. COVID-19 has significantly impacted the Commission's ability to timely conduct evidentiary hearings remotely.

IT IS RULED that:

1. California- America Water Company must file with the Commission, by Tier 1 Advice Letter, a tariff implementing interim rates for its service territory and establishing a Memorandum Account to track the difference between the interim rates and the final rates adopted by the Commission in this proceeding pursuant to Public Utilities Code § 455.2 and Decision 07-05-062. The interim rates may become effective no sooner than January 1, 2021.

Dated September 10, 2020, at San Francisco, California.

/s/ GERALD F KELLY
Gerald F. Kelly
Administrative Law Judge

Schedule WW-DU-1
Dunnigan District Sewer Tariff Area
GENERAL FLAT RATE SERVICE

Sheet 2

SPECIAL CONDITIONS

General Items

- 9. Per D.18-12-021 a meter-based bill credit for the 2020 Excess Plant Accumulated Deferred Income Tax a credit of \$0.13 per month will be refunded to customers over the 12-month period beginning November 1, 2021. (N)
(N)
(N)

(Continued)

(TO BE INSERTED BY UTILITY)		ISSUED BY	(TO BE INSERTED BY C.P.U.C.)	
Advice	67-S	J. T. LINAM	Date Filed	<u>07/01/2021</u>
Decision		DIRECTOR - Rates & Regulatory	Effective	<u>11/01/2021</u>
			Resolution	<u>Cancelled</u>

Schedule SA
 Monterey Waste Water District Tariff Area
ACTIVE SEWER SERVICE

SPECIAL CONDITIONS
FEES & SURCHARGES (Continued)

5. Per D.18-12-021 a meter-based bill credit for the 2020 Excess Plant Accumulated Deferred Income Tax will be refunded to customers over a 12-month period beginning November 1, 2021.

Sewer Tariff Area	Refunds by Meter Equivalents
Oak Hills, Spreckels, Village Greens, White Oaks - Passive (Residential)	\$0.05
Spreckels - Public Authority	\$0.08
Spreckels - Commercial	\$0.13
Carmel Valley Ranch, Indian Springs, Las Palmas, Pasadera - Active (Residential) Pasadera - Commercial	\$0.25
Spreckels - Industrial	\$0.40
Pasadera - Golf	\$0.75
Las Palmas - Public Authority	\$1.25
Las Palmas - Commercial	\$2.51
SPCA - Contracted Property	\$4.01
Carmel Valley Ranch - Hotel	\$5.77

(D)
(D)

(L)

(L)

(Continued)

(TO BE INSERTED BY UTILITY)

Advice 68-S
 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~~

Schedule SA
 Monterey Waste Water District Tariff Area
ACTIVE SEWER SERVICE

SPECIAL CONDITIONS
FEES & SURCHARGES (Continued)

5. Per D.18-12-021 a meter-based bill credit for the 2019 Excess Plant Accumulated Deferred Income Tax will be refunded to customers over the 12-month period beginning November 1, 2020.

Sewer Tariff Area	Refunds by Meter Equivalents
Oak Hills, Spreckels, Village Greens, White Oaks - Passive (Residential)	\$0.04
Spreckels - Public Authority	\$0.06
Spreckels - Commercial	\$0.10
Carmel Valley Ranch, Indian Springs, Las Palmas, Pasadera - Active (Residential)	\$0.19
Pasadera - Commercial	
Spreckels - Industrial	\$0.31
Pasadera - Golf	\$0.58
Las Palmas - Public Authority	\$0.97
Las Palmas - Commercial	\$1.94
SPCA - Contracted Property	\$3.10
Carmel Valley Ranch - Hotel	\$4.46

6. Per D.18-12-021 a meter-based bill credit for the 2020 Excess Plant Accumulated Deferred Income Tax will be refunded to customers over the 12-month period beginning November 1, 2021.

Sewer Tariff Area	Refunds by Meter Equivalents
Oak Hills, Spreckels, Village Greens, White Oaks - Passive (Residential)	\$0.05
Spreckels - Public Authority	\$0.08
Spreckels - Commercial	\$0.13
Carmel Valley Ranch, Indian Springs, Las Palmas, Pasadera - Active (Residential)	\$0.25
Pasadera - Commercial	
Spreckels - Industrial	\$0.40
Pasadera - Golf	\$0.75
Las Palmas - Public Authority	\$1.25
Las Palmas - Commercial	\$2.51
SPCA - Contracted Property	\$4.01
Carmel Valley Ranch - Hotel	\$5.77

(Continued)

(TO BE INSERTED BY UTILITY)

Advice 67-S
 Decision

ISSUED BY

J. T. LINAM
 DIRECTOR - Rates & Regulatory

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

Date Filed 07/01/2021
 Effective 11/01/2021
 Resolution **Cancelled**

(D)
(L)

(L)
(N)

(N)

Schedule SP
 Monterey Waste Water District Tariff Area
PASSIVE SEWER SERVICE

Sheet 2

SPECIAL CONDITIONS
FEES & SURCHARGES (Continued)

5. Per D.18-12-021 a meter-based bill credit for the 2020 Excess Plant Accumulated Deferred Income Tax will be refunded to customers over a 12-month period beginning November 1, 2021.

(D)

(L)

Sewer Tariff Area	Refunds by Meter Equivalents
Oak Hills, Spreckels, Village Greens, White Oaks - Passive (Residential)	\$0.05
Spreckels - Public Authority	\$0.08
Spreckels - Commercial	\$0.13
Carmel Valley Ranch, Indian Springs, Las Palmas, Pasadera - Active (Residential) Pasadera - Commercial	\$0.25
Spreckels - Industrial	\$0.40
Pasadera - Golf	\$0.75
Las Palmas - Public Authority	\$1.25
Las Palmas - Commercial	\$2.51
SPCA - Contracted Property	\$4.01
Carmel Valley Ranch - Hotel	\$5.77

(L)

(Continued)

(TO BE INSERTED BY UTILITY)

Advice 68-S
 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~~

Schedule SP
Monterey Waste Water District Tariff Area
PASSIVE SEWER SERVICE

Sheet 3

SPECIAL CONDITION

Fees and Surcharges (Continued):

6. Per D.18-12-021 a meter-based bill credit for the 2020 Excess Plant Accumulated Deferred Income Tax will be refunded to customers over the 12-month period beginning November 1, 2021.

(N)

Sewer Tariff Area	Refunds by Meter Equivalents
Oak Hills, Spreckels, Village Greens, White Oaks - Passive (Residential)	\$0.05
Spreckels - Public Authority	\$0.08
Spreckels - Commercial	\$0.13
Carmel Valley Ranch, Indian Springs, Las Palmas, Pasadera - Active (Residential)	\$0.25
Pasadera - Commercial	
Spreckels - Industrial	\$0.40
Pasadera - Golf	\$0.75
Las Palmas - Public Authority	\$1.25
Las Palmas - Commercial	\$2.51
SPCA - Contracted Property	\$4.01
Carmel Valley Ranch - Hotel	\$5.77

(N)

(Continued)

(TO BE INSERTED BY UTILITY)	ISSUED BY	(TO BE INSERTED BY C.P.U.C.)
Advice 67-S	J. T. LINAM	Date Filed <u>07/01/2021</u>
Decision	DIRECTOR - Rates & Regulatory	Effective <u>11/01/2021</u>
		Resolution <u>Cancelled</u>