

CALIFORNIA PUBLIC UTILITIES COMMISSION DIVISION OF WATER AND AUDITS

Advice Letter Cover Sheet

Utility Name: California American Water **Date Mailed to Service List:** July 19, 2024
District: Southern Division
CPUC Utility #: U210W **Protest Deadline (20th Day):** August 8, 2024
Advice Letter #: 1449 **Review Deadline (30th Day):** August 18, 2024
Tier 1 2 3 Compliance **Requested Effective Date:** August 1, 2024
Authorization **Rate Impact:** \$See AL
See AL%
Description: 2024 Southern Division Production Expense Offset

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.

<p>Utility Contact: Chase Grady Phone: 916-568-4241 Email: chase.grady@amwater.com</p>	<p>Utility Contact: Jonathan Morse Phone: 916-568-4237 Email: Jonathan.morse@amwater.com</p>
<p>DWA Contact: Tariff Unit Phone: (415) 703-1133 Email: Water.Division@cpuc.ca.gov</p>	

DWA USE ONLY

<u>DATE</u>	<u>STAFF</u>	<u>COMMENTS</u>

APPROVED WITHDRAWN REJECTED

Signature: _____ **Comments:** _____
Date: _____ _____

July 19, 2024

ADVICE LETTER NO. 1449

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, attached hereto, which are applicable to its Southern Division:

Purpose:

The purpose of this advice letter is to request Commission approval of an increase in rates of \$1,098,788 or 0.79% to offset increased purchased power and water costs in California American Water's Southern Division

Background:

California American Water requests authority pursuant to General Order (GO) 96-B, Water Industry Rules, Section 7.3.1, and Section 454 of the Public Utilities Code to offset purchased water and power expenses in its Southern Division.

Purchased Water

California American Water incurs its purchased power expenses from various purveyors that supply water to California American Water's San Diego, Baldwin Hills, and San Marino Service Areas. California American Water incurs its purchased water expenses for these Southern Division Services Areas from the Metropolitan Water District of Southern California, City of San Diego, and Water Replenishment District of Southern California. These various wholesalers have increased rates to California American Water. California American Water requests that the full increase be offset as a quantity surcharge to account for the annual change in purchased water costs.

California American Water seeks to offset increased wholesale costs from water providers in the San Diego, Baldwin Hills, and San Marino Service Areas of California American Water's Southern Division. For San Diego the per AF rate increases from \$2,247 to \$2,317 and the per CCF rate increases from \$5.16 to \$5.32 to match the invoice California American Water received from Calleguas Municipal Water District. For Baldwin Hills the water replenishment district price per AF rate increases from \$423 to \$494 to match the notice received from West Basin Municipal Water District and Water Replenishment District. For San Marino, the MWD capacity charge rate increases from \$6,748 to \$6,813 and the MWD Readiness to Serve charge increases from \$1,909 to \$6,612.

The increase to water rates results in a \$924,805 annual increase to purchased water expense to California American Water, plus a corresponding increase of \$4,732 in uncollectible for a total increase of \$929,537. The increase is directly related to water consumption and thus should be applied to the quantity rate. The resulting final purchased water surcharge by service area is as follows. Per Decision 21-11-018 California American Water is authorized to partially consolidate purchased water costs in its Southern Division, as agreed to in Section 4.3 of Settlement approved by D.21-11-018. Pursuant to the approved Settlement, 70% of purchased water expenses for Baldwin Hills would be

consolidated into the Southern Division and 30% would remain within the applicable District. For San Diego, 40% of purchased water expenses would be consolidated into the Southern Division and 60% would remain within the applicable District.

Service Area	Surcharge per CGL
Baldwin Hills	\$0.0436
Duarte	\$0.0249
San Marino	\$0.0336
San Diego	\$0.0399
Ventura	\$0.0519
Bellflower	\$0.0249

Purchased Power

The composite purchased power cost factors of \$0.3165 per kilowatt-hour (kwh) and \$0.2092 per kwh were established for the Ventura and Los Angeles Districts of the Southern Division in D.21-11-018. Actual composite costs per kwh for the 12-month period ending April 30, 2024 were \$0.3474 per kwh and \$0.2171 per kwh for the Ventura and Los Angeles Districts respectively. The increase to power rates results in a \$168,389 annual increase to purchased water expense to California American Water, plus a corresponding increase of \$861 in uncollectible for a total increase of \$169,251 for the consolidated Southern Division. The increase is directly related to water consumption and thus should be applied to the quantity rate. The resulting final purchased power surcharge by service area is as follows.

Service Area	Surcharge per CGL
Baldwin Hills	\$0.0130
Duarte	\$0.0130
San Marino	\$0.0130
San Diego	\$0.0130
Ventura	\$0.0130
Bellflower	\$0.0130

Request:

California American Water requests authorization to implement (1) a purchased water surcharge totaling \$0.1866 per ccf (\$0.0249 per 100 gallons) for Duarte, Ventura, and Bellflower Service Area customers, (2) a surcharge totaling \$0.3260 per ccf (\$0.0436 per 100 gallons) for Baldwin Hills Service Area customers, and (3) a surcharge totaling \$0.2981 per ccf (\$0.0399 per cgl) for San Diego Service Area customers, and (4) a surcharge totaling \$0.2517 per ccf (\$0.0336 per cgl) for San Marino Service Area Customers. California American Water requests authorization to implement a purchased power surcharge totaling \$0.0970 per ccf (\$0.0130 per 100 gallons) for the Southern Division.

Tier Designation:

This advice letter is submitted pursuant to General Order No. 96-B and is designated as a Tier 1 filing.

Effective Date:

California American Water requests an effective date of August 1, 2024.

Notice and Service List:

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 to interested parties having requested such notification. ***Please note that this advice letter will only be distributed electronically.***

Response or Protest¹

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 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 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 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:

¹ G.O. 96-B, General Rule 7.4.1

² G.O. 96-B, General Rule 7.4.2

Tariff Unit, Water Division, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
water_division@cpuc.ca.gov

In 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:

Email Address:

chase.grady@amwater.com

sarah.leeper@amwater.com

ca.rates@amwater.com

Mailing Address:

520 Capital Mall, Suite 630
Sacramento, CA 95814

555 Montgomery Street, Suite 816
San Francisco, CA 94111

520 Capital Mall, Suite 630
Sacramento, CA 95814

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.

If you have not received a reply to your protest within 10 business days, please contact Chase Grady at (916) 568-4241.

CALIFORNIA-AMERICAN WATER COMPANY

/s/ Chase Grady

Chase Grady
Associate Rates & Regulatory Analyst

**Cal P.U.C.
Sheet No.**

Title of Sheet

**Cancelling
Cal P.U.C.
Sheet No.**

XXXXX-W

Schedule No. SOU-1
Southern Division Tariff Area
GENERAL METERED SERVICES
Sheet 6

11015-W

Schedule No. SOU-1
Southern Division Tariff Area
GENERAL METERED SERVICES

SOUTHERN DIVISION TARIFF AREA (Continued)

SPECIAL CONDITIONS (Continued):
Fees and Surcharges (Continued):

5. Per Advice Letter 1442 and D.21-11-018 a surcharge of \$0.0364 per cgl will be collected from customers, Bellflower customers excluded, for the 2019 General Rate Case interim rate true-up. The surcharge will be collected over 12 months beginning upon approval of Advice Letter 1442.
6. Per Advice Letter 1441 and D.21-11-018 a surcharge is included to recover the net under-collection in the WRAM and MCBA of \$2,781,180 including interest, as of December 31, 2023. The surcharge of \$0.0270 per 100 gallons is set to recover the under-collection at a rate equal to 15% of the authorized revenue requirement as approved by D.21-11-018, will be collected over 12 months beginning April 1, 2024. Bellflower customers are excluded from this surcharge.
7. A surcharge is applied to each bill to offset increases in purchase water costs for Southern Division.

Service Area	Purchase Water Surcharge Per 100 Gallon	Effective Date	Advice Letter
Baldwin Hills	\$0.0436	August 1, 2024	1449
Duarte	\$0.0249	August 1, 2024	1449
San Marino	\$0.0336	August 1, 2024	1449
San Diego	\$0.0399	August 1, 2024	1449
Ventura	\$0.0519	August 1, 2024	1449
Bellflower	\$0.0249	August 1, 2024	1449

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8. A surcharge is applied to each bill to offset increases in purchase power costs for Southern Division.

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Bellflower	\$0.0130	August 1, 2024	1449

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SOUTHERN DIVISION SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY

BY MAIL:

	City of Camarillo 601 Carmen Drive Camarillo, CA 93010	James R. Lough, City Attorney City of Imperial Beach 825 Imperial Beach Blvd. Imperial Beach, CA 91932
Los Angeles Docket Office California Public Utilities Commission 320 West 4 th Street, Suite 500 Los Angeles, CA 90013	Sunnyslope Water Company 1040 El Campo Drive Pasadena, CA 91109	San Gabriel County Water District P.O. Box 2227 San Gabriel, CA 91776
Hatties Stewart 4725 S. Victoria Avenue Los Angeles, CA 90043	City of Monrovia City Clerk 415 South Ivy Ave Monrovia, CA 91016	City of San Gabriel City Clerk 425 S. Mission Drive San Gabriel, CA 91776
Michelle Keith City Manager City of Bradbury 600 Winston Avenue Bradbury, CA 91008	Temple City City Clerk 9701 Las Tunas Dr. Temple City, CA 91780	William M. Marticorena Rutan & Tucker, LLP 611 Anton Blvd., 14 th Floor Costa Mesa, CA 92626-1931
Barbara Delory 4030 Bartlett Avenue Rosemead, CA 91770-1332	Wallin, Kress, Reisman & Krantz, LLP 11355 West Olympic Blvd., Suite 300 Los Angeles, CA 90064	Andrew Jackson Golden State Water Company 630 E. Foothill Blvd. San Dimas, CA 91773 afjackson@gswater.com
Bernardo R. Garcia P.O. Box 37 San Clemente, CA 92674-0037	Mary Martin 4611 Brynhurst Ave. Los Angeles, CA 90043	City of Rosemead City Clerk 8838 E. Valley Blvd Rosemead, CA 91770
James L. Markman Richards, Watson & Gershon 355 South Grand Avenue, 40 th Floor Los Angeles, CA 90071-3101	City of Los Angeles Department of Water and Power 111 North Hope Street Los Angeles, CA 90012 Attn: City Attorney	Veronica Ruiz, City Clerk City of San Marino 2200 Huntington Dr, 2 nd Floor San Marino, CA 91108 vrui@cityofsanmarino.org
Marcus Nixon Asst. Public Advisor 320 W. 4 th Street, Suite 500 Los Angeles, CA 90013	Louis A. Atwell Director of Public Works City of Inglewood One W. Manchester Blvd. Inglewood, CA 90301	Rex Ball SR/WA, Senior Real Property MGMT County of Los Angeles 222 South Hill Street, 3rd Floor Los Angeles, CA 90012

SOUTHERN DIVISION SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY

California Water Service
P.O. Box 49062
San Jose, CA 95161-9062

Gregory J. Smith, County Clerk
County of San Diego
County Administration Center
1600 Pacific Highway, Room 260
San Diego, CA 92101

Henry Nanjo
Department of General Services
Office of Legal Services, MS-102
PO Box 989052
West Sacramento, CA 95798-9052

BY E-MAIL:

City of El Monte
City Clerk/Water Department
11333 Valley Blvd
El Monte CA 91731-3293
cityclerk@elmonteca.gov

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
PublicAdvocatesWater@cpuc.ca.gov

Mukunda Dawadi
California Public Utilities Commission
Cal PA - Water Branch, Rm 4209
505 Van Ness Ave
San Francisco, CA 94102
Mukunda.dawadi@cpuc.ca.gov
Christina Baker, City Clerk
City of San Marino
2200 Huntington Drive, 2nd floor
San Marino, CA 91108
cityclerk@cityofsanmarino.org

Rates Department
California Water Service Company
1720 North First Street
San Jose, CA 95112
rateshelp@calwater.com

Ventura County Waterworks District
7150 Walnut Canyon Road
P.O. Box 250
Moorpark, CA 93020

City of Chula Vista
Director of Public Works
276 Forth Avenue
Chula Vista, CA 91910

Anne Moore, City Attorney
City of Chula Vista
276 Forth Avenue
Chula Vista, CA 91910

County of Ventura
800 South Victoria Avenue
Ventura, CA 93009
wspc@ventura.org

Laura Nieto, Chief Deputy City Clerk
City of Irwindale
5050 North Irwindale Avenue
Irwindale, CA 91706
lnieto@irwindaleca.gov

Ms. Lisa Bilir
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
lwa@cpuc.ca.gov

City of Inglewood
City Hall
One W. Manchester Blvd.
Inglewood, CA 90301
brai@cityofinglewood.org

East Pasadena Water Company
3725 Mountain View
Pasadena, CA 91107
larry@epwater.com

San Gabriel Valley Water Company
11142 Garvey Blvd.
El Monte, CA 91734
dadellosa@sgvwater.com

City of Thousand Oaks Water Dept.
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Jim Sandoval, City Manager
City of Chula Vista
276 Forth Avenue
Chula Vista, CA 91910

Division of Ratepayer Advocates
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
dra_water_al@cpuc.ca.gov

B. Tilden Kim
Attorney At Law
Richards Watson & Gershon
Los Angeles, CA 90071
tkim@rwglaw.com

Laura L. Krannawitter
California Public Utilities Commission
Executive Division, Rm 5303
505 Van Ness Avenue
San Francisco, CA 94102
llk@cpuc.ca.gov

Jennifer Capitolo, Executive Director
California Water Association
601 Van Ness Avenue, Suite 2047
San Francisco, CA 94102-3200
jcapitolo@calwaterassn.com
Lori Ann Dolqueist
Nossaman LLP
50 California St. 34th Floor
San Francisco, CA 94111-3719
ldolqueist@nossaman.com

Kiki Carlson
Regulatory Affairs Manager
1325 N. Grand Avenue, Suite 100
Covina, CA 91724
kcarlson@swwc.com

SOUTHERN DIVISION SERVICE LIST
CALIFORNIA-AMERICAN WATER COMPANY

Annette Juarez, City Clerk
City of Duarte
1600 Huntington Drive
Duarte, CA 91010
ajuarez@accessduarte.com

Clifford G. Finley, Dir. of Public Works
City of Thousand Oaks
2100 Thousand Oaks Blvd.
Thousand Oaks, CA 91363
publicworks@toaks.org

Richard Rauschmeier
California Public Utilities Commission
DRA - Water Branch, Rm 4209
505 Van Ness Ave
San Francisco, CA 94102
rra@cpuc.ca.gov

Thomas Montgomery, County Counsel
County of San Diego
County Administration Center
1600 Pacific Highway, Room 260
San Diego, CA 92101
thomas.montgomery@sdcounty.ca.gov

Audrey Jackson
Golden State Water Company
630 E. Foothill Blvd.
San Dimas, CA 91773
afjackson@gswater.com

Elizabeth Maland, City Clerk
City of San Diego
202 'C' Street
San Diego, CA 92101
cityclerk@sandiego.gov

Johanna N. Canlas, City Attorney
City of Coronado
501 West Broadway, Suite 1600
Coronado, CA 92101
jcanlas@bwslaw.com

Mara W. Elliott, City Attorney
City of San Diego
1200 Third Avenue, Suite 1620
San Diego, CA 92101
cityattorney@sandiego.gov

John Corona
Utilities Superintendent
City of Arcadia Water Dept.
Arcadia, CA 91006
jcorona@arcadiaca.gov

Jennifer Ekblad, City Clerk
City of Coronado
1825 Strand Way
Coronado, CA 92118
cityclerk@coronado.ca.us

Barry Gabrielson
bdgabriel1@aol.com