

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

Advice Letter Cover Sheet

Utility Name: California Water Service Company	Date Mailed to Service List: 04/15/2020
District: Selma	
CPUC Utility #: U-60-W	Protest Deadline (20th Day): 05/05/2020
Advice Letter #: 2382	Review Deadline (30th Day): 05/15/2020
Tier: <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> Compliance	Requested Effective Date: 04/15/2020
Authorization: D 15-03-003	

Rate Impact: None

Description: Deferral of Selma Groundwater Surcharge Increase until August 1, 2020

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: Melody Singh
Phone: (916) 329-1856
Email: msingh@calwater.com

Utility Contact: Natalie Wales
Phone: (408) 367-8566
Email: nwales@calwater.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WITHDRAWN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: _____



CALIFORNIA WATER SERVICE COMPANY

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

April 15, 2020

Advice Letter No. 2382

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 in its tariff as described below.

Please note that, due to limitations on non-essential travel as a result of the COVID-19 virus, this advice letter will only be distributed electronically to the Water Division and the attached service lists. If applicable, paper copies will be distributed when administrative staff are able to return to company offices.

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 (sheet 1)	SL-1-R	12201-W
XXXXX-W	Residential Metered Service (sheet 2)	SL-1-R	NEW
XXXXX-W	Nonresidential Metered Service (sheet 1)	SL-1-NR	12202-W
XXXXX-W	Nonresidential Metered Service (sheet 2)	SL-1-NR	NEW
XXXXX-W	Residential Flat Rate Service (sheet 1)	SL-2R	12201-W
XXXXX-W	Residential Flat Rate Service (sheet 2)	SL-2R	NEW
XXXXX-W	Table of Contents (Page 1)	Not Applicable	XXXXX-W
XXXXX-W	Table of Contents (Page 10)	Not Applicable	XXXXX-W

Summary

In recognition of the customer hardships posed by the COVID-19 pandemic, Cal Water has consulted with the City of Selma and the Consolidated Irrigation District, and proposes to defer this year’s annual April 15th increase in the Selma groundwater surcharges to August 1, 2020. The existing groundwater surcharges will expire on April 14, 2020. Cal Water therefore requests that the groundwater surcharges continue at existing rates from April 15, 2020 through July 31, 2020.



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, and there will be flat monthly groundwater surcharge for flat-rate customers until they are metered. 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:

Replenishment Fee Ramp-Up (Per Cooperative Agreement)	
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.



CALIFORNIA WATER SERVICE COMPANY

AL 2382 – Deferral of Selma Groundwater Surcharge Increase

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- 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.

As shown in the table above, the City is allowed to increase the recovery from 62.5% to 75% of the calculated Replenishment Fees (plus a Consumer Price Index adjustment) in Year 6. As discussed below, Cal Water proposes that this increase occur on August 1, 2020, rather than April 15, 2020.

Discussion

Under the Settlement Agreement approved in D.15-03-003, the groundwater surcharges collected for the City and CID are increased each year on April 15th over an 8-year phase-in period. The increase for Year 6 would normally occur on April 15, 2020. Due to the financial challenges many Selma customers are facing as a result of the COVID-19 pandemic, for which California declared a state of emergency on March 4, 2020, Cal Water proposes to defer the Year 6 surcharge from April 15, 2020 to August 1, 2020. Cal Water also proposes that that subsequent surcharge increases occur on January 1st of each year, starting with the Year 7 surcharge increase on January 1, 2021.

This proposed deferral is structured to accomplish two goals. First, it would provide greater stability to water bills for a 3.5 month period during which access to water is central to combating the spread of COVID-19. Second, it would schedule future groundwater surcharge increases for January 1st, at the same time other water rate changes are likely to occur. Cal Water's customers have expressed a clear preference for less frequent changes to the rates on their water bills. Cal Water therefore now tries to coordinate such changes, whether due to base rate or surcharge/surcredit adjustments, so that they occur together at more predictable times, when possible.

In consultation with the City and CID, Cal Water will seek modification of D.15-03-003 to allow the surcharge increases to occur on January 1st rather than April 15th of each year, starting with the Year 7 increase on January 1, 2021. In subsequent advice letters, Cal Water will request authority to implement the Year 6 increase in the groundwater surcharge on August 1, 2020, and to implement the Year 7 increase on January 1, 2021.

Tariff Consistency

Cal Water is in the process of migrating its tariffs into a more consistent format. For the tariff sheets submitted with this advice letter, this has resulted in the addition of sheets, and caused movement of text between sheets without a change in the content.



CALIFORNIA WATER SERVICE COMPANY

AL 2382 – Deferral of Selma Groundwater Surcharge Increase

Page 4 of 6

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 April 15, 2020.

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 **April 15, 2020**, to competing and adjacent utilities and other utilities or interested parties having requested such notification. ***Please note that, due to limitations on non-essential travel as a result of the COVID-19 virus, this advice letter will only be distributed electronically. If applicable, paper copies will be distributed when administrative staff are able to return to company offices.***

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



CALIFORNIA WATER SERVICE COMPANY

AL 2382 – Deferral of Selma Groundwater Surcharge Increase
Page 5 of 6

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, 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 us, addressed to:

Natalie Wales
California Water Service Company
1720 North First Street,
San Jose, California 95112
Fax 408/367-8430 or
E-mail nwales@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.

CALIFORNIA WATER SERVICE COMPANY

/s/

Natalie Wales
Director of Regulatory Policy

Enclosures

cc: Ting-Pong Yuen, Public Advocates Office
Hani Moussa, Public Advocates Office

Schedule No. SL-1-R
Selma Tariff Area
RESIDENTIAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service provided to single-family residential customers.

TERRITORY

Selma and vicinity, Fresno County.

RATES

1 CCF is 100 cubic feet (748 gallons)

Quantity Rates:

For 1 - 12 CCF, per CCF	\$1.8144
For 13 to 34 CCF, per CCF	\$1.8507
For over 34 CCF, per CCF	\$1.9830

Service Charge:

	<u>Per Meter</u>
	<u>Per Month</u>
For 5/8 x 3/4 - inch meter	\$21.88
For 3/4 - inch meter	\$32.82
For Fire Sprinkler with 1 - inch meter	\$23.41
For 1 - inch meter	\$42.26
For 1-1/2 - inch meter	\$74.51
For 2 - inch meter	\$105.63
For 3 - inch meter	\$195.29
For 4 - inch meter	\$291.18
For 6 - inch meter	\$534.36
For 8 - inch meter	\$826.27
For 10 - inch meter	\$2,516.20
For 12 - inch meter	\$3,610.20
For 14 - inch meter	\$4,923.00

The service charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the quantity rates.

SPECIAL CONDITIONS

1. New service connections may be subject to a facilities fee as detailed under Rule 15.

2. Qualifying low-income individually metered residential customers are eligible for credits as shown on **Schedule LIRA**.

(L)

(Continued)

<small>(To be inserted by utility)</small>	<small>Issued By</small>	<small>(To be inserted by CPUC)</small>
Advice Letter <u>2382</u>	<u>Greg A. Milleman</u>	Date Filed _____
Decision	<u>Vice President</u>	Effective _____
		Resolution _____

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 LIRA** (Low-Income Ratepayer Assistance), 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 Five: April 15, 2019 – July 31, 2020): \$0.1579 per CCF**
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 2382, 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.

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(L)

(C)(L)

(C)(L)

(To be inserted by utility)

Issued By

(To be inserted by CPUC)

Advice Letter 2382

Greg A. Milleman

Date Filed _____

Decision

Vice President

Effective _____

Resolution _____

CALIFORNIA WATER SERVICE COMPANY

1720 North First Street
San Jose, CA 95112
(408) 367-8200

Revised
Cancelling

Cal. P.U.C. Sheet No. XXXXX-W
Cal. P.U.C. Sheet No. 12202-W

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

Page 1

APPLICABILITY

Applicable to all metered water service except that provided to single-family residential customers.

TERRITORY

Selma and vicinity, Fresno County.

RATES

1 CCF is 100 cubic feet (748 gallons)

Quantity Rates:

Per CCF

\$1.7597

Service Charge:

Per Meter
Per Month

For	5/8 x 3/4 - inch meter	\$17.63
For	3/4 - inch meter	\$23.56
For	1 - inch meter	\$30.28
For	1-1/2 - inch meter	\$53.81
For	2 - inch meter	\$76.95
For	3 - inch meter	\$142.43
For	4 - inch meter	\$214.29
For	6 - inch meter	\$396.32
For	8 - inch meter	\$614.83
For	10 - inch meter	\$1,805.33
For	12 - inch meter	\$2,590.23
For	14 - inch meter	\$3,532.12

The service charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the quantity rates.

SPECIAL CONDITIONS

1. New service connections may be subject to a facilities fee as detailed under Rule 15.
2. 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 LIRA** (Low-Income Ratepayer Assistance), and **Schedule AS** (Additional Surcharges and Surcredits).

(L)

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<small>(To be inserted by utility)</small>	<small>Issued By</small>	<small>(To be inserted by CPUC)</small>
Advice Letter <u>2382</u>	<u>Greg A. Milleman</u>	Date Filed _____
Decision	<u>Vice President</u>	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 LIRA.** (L)
(L)
- 4. **Groundwater surcharge (Year Five: April 15, 2019 - July 31, 2020): \$0.1579 per CCF** (L)(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 2382, 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. (L)(C)

Schedule No. SL-2R

Selma Tariff Area

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service.

TERRITORY

Selma and vicinity, Fresno County.

RATES

For a single-family residential unit, including premises having the following areas:	Per Service Connection <u>Per Month</u>
6,000 sq. ft., or less	\$60.94
6,001 to 10,000 sq. ft.	\$74.07
10,001 to 16,000 sq. ft.	\$91.60
16,001 to 25,000 sq. ft.	\$116.35
For each additional single-family residential unit on the same premises and served from the same service connection	\$45.68

SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one inch in diameter.
2. All service not covered by the above classifications shall be furnished only on a metered basis.
3. For service covered by the above classifications, if the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. SL-1-R, Residential Metered Service.
4. This Schedule is closed to all new connections as of January 20, 1992, the effective date of Tariff Sheet 4338-W.
5. 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 LIRA** (Low-Income Ratepayer Assistance), and **Schedule AS** (Additional Surcharges and Surcredits).
6. Qualifying low-income flat rate residential customers are eligible for credits as shown on **Schedule LIRA**.

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(To be inserted by utility)	Issued By	(To be inserted by CPUC)
Advice Letter <u>2382</u>	<u>Greg A. Milleman</u>	Date Filed _____
Decision	<u>Vice President</u>	Effective _____
		Resolution _____

Schedule No. SL-2R

Selma Tariff Area

RESIDENTIAL FLAT RATE SERVICE

SPECIAL CONDITIONS (continued)

7. Groundwater surcharge (Year Five: April 15, 2019 - July 31, 2020)

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 2382, 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.

Lot Size:	Monthly Surcharge:
0-6000 sq. ft.	\$6.47
6001-10,000 sq. ft.	\$7.87
10,001-16,000 sq. ft.	\$9.73
16,001-25,000 sq. ft.	\$12.36

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(To be inserted by utility)

Issued By

(To be inserted by CPUC)

Advice Letter 2382

Greg A. Milleman

Date Filed _____

Decision

Vice President

Effective _____

Resolution _____



Selma District

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

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alaroque@conservice.com

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