

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



December 15, 2023

Natalie Wales  
Director, Regulatory Policy & Compliance  
California Water Service Co.  
1720 North First Street  
San Jose, CA 95112

Dear Ms. Wales,

The Water Division of the California Public Utilities Commission has approved California Water Service Company's Advice Letter No. 2500, filed on November 21, 2023, regarding Groundwater Surcharge for 2024 for Selma district.

Enclosed are copies of the following revised tariff sheets, effective January 1, 2024, for the utility's files:

<b>P.U.C. Sheet No.</b>	<b>Title of Sheet</b>
13318-W	Schedule SL-1-R, Residential Metered Service (page 2)
13319-W	Schedule SL-1-NR, Nonresidential Metered Service (page 2)
13320-W	Table of Contents (Page 13)
13321-W	Table of Contents (Page 12)
13322-W	Table of Contents (Page 1)

Please contact Mahdi Jahami at [MJ4@cpuc.ca.gov](mailto:MJ4@cpuc.ca.gov) or 916-743-5080, if you have any questions.

Thank you.

Enclosures





**CALIFORNIA WATER SERVICE COMPANY**

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

November 21, 2023

**Advice Letter No. 2500**

**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.
13318-W	Residential Metered Service (page 2)	SL-1-R	13258-W
13319-W	Nonresidential Metered Service (page 2)	SL-1-NR	13260-W
13320-W	Table of Contents (Page 13)	Not Applicable	13299-W
13321-W	Table of Contents (Page 12)	Not Applicable	13300-W
13322-W	Table of Contents (Page 1)	Not Applicable	13317-W

**Summary**

Cal Water requests to update the groundwater surcharge rates for Selma District customers effective January 1, 2024, consistent with D.15-03-003 and Advice Letter 2466. This results in a surcharge of \$0.2587 per CCF, an increase of \$0.0016 per CCF from the current rate.

**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

The phase-in is complete and the history of the ramp-up is shown below:

- 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.
- For Year 8, the surcharges were calculated to collect \$429,729 and Advice Letter 2466 was filed on November 18, 2022.

As shown in the table above, the City is allowed to recovery 100% of the calculated Replenishment Fees (plus a Consumer Price Index adjustment) as of 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 (the spreadsheet has now removed the formulas for calculating a fixed surcharge for flat-rate customers, since all customers have now been converted to meters). 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 \$418,641 to be calculated for 12 months is the sum of \$96,609 for groundwater recharge fees, and \$322,032 for groundwater replenishment fees (100% of the full amount). **For metered customers, this results in a surcharge of \$0.2587 per CCF, an increase of \$0.0016 CCF or 0.62% from the current rate.** For a typical residential customer with usage of 13 CCF, this results in a monthly bill increase of \$0.02 or 0.05%.

### **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, 2024.

### **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 21, 2023**, 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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Albree Jewell, Rates Analyst

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 Nine: January 1, 2024 – December 31, 2024): \$0.2587 per CCF** (C)(I)  
 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 2500, 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 by CPI after the first 8 years. (C)
- 6. **Power Expense Increase:** Beginning on July 31, 2023, rates in this area will reflect a 1.6% revenue increase (as compared to the revenue approved in Advice Letter 2433) due to higher charges by Pacific Gas and Electric Company. This caused quantity rates to go up \$0.0295 /CCF for Tier 1 usage, \$0.0374 /CCF for Tier 2 usage, and \$0.0570 /CCF for Tier 3 usage. Amounts collected from these quantity rate increases will be tracked in a balancing account, as required by Section 792.5 of the Public Utilities Code. Monthly service charges also went up, with the charge for a 5/8 x 3/4-inch meter increasing by \$0.30. (C)

(To be inserted by utility)	Issued By	(To be inserted by CPUC)
Advice Letter <u>2500</u>	<u>Greg Milleman</u>	Date Filed <u>11/21/2023</u>
Decision	<u>Vice President</u>	Effective <u>01/01/2024</u>
	<u>Rates and Regulatory Affairs</u>	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 Nine: January 1, 2024 - December 31, 2024): \$0.2587 per CCF** (C)(I)  
 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 2500, 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 by CPI after the first 8 years. (C)
- 5. **Power Expense Increase:** Beginning on July 31, 2023, rates in this area will reflect a 1.6% revenue increase (as compared to the revenue approved in Advice Letter 2433) due to higher charges by Pacific Gas and Electric Company. This caused quantity rates to go up by \$0.0335 /CCF. Amounts collected from this quantity rate increase will be tracked in a balancing account, as required by Section 792.5 of the Public Utilities Code. Monthly service charges also went up, with the charge for a 5/8 x 3/4-inch meter increasing by \$0.24. (C)

<small>(To be inserted by utility)</small>	<small>Issued By</small>	<small>(To be inserted by CPUC)</small>
Advice Letter <u>2500</u>	<u>Greg Milleman</u>	Date Filed <u>11/21/2023</u>
Decision	<u>Vice President</u>	Effective <u>01/01/2024</u>
	<u>Rates and Regulatory Affairs</u>	Resolution _____

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<b>SELMA DISTRICT (Continued)</b>			
	Nonresidential Metered Service	SL-1-NR (Pg 1 of 2)	13259-W
		SL-1-NR (Pg 2 of 2)	13319-W (C)
<b>STOCKTON DISTRICT</b>			
	Residential Metered Service	ST-1-R (Pg 1 of 2)	13261-W
		ST-1-R (Pg 2 of 2)	12930-W
	Nonresidential Metered Service	ST-1-NR (Pg 1 of 1)	13262-W
<b>TRAVIS DISTRICT</b>			
	Potable Water Service	Schedule No. TRV	13281-W
<b>VISALIA DISTRICT</b>			
	Residential Metered Service	VS-1-R (Pg 1 of 2)	13266-W
		VS-1-R (Pg 2 of 2)	13267-W
	Nonresidential Metered Service	VS-1-NR (Pg 1 of 2)	13268-W
		VS-1-NR (Pg 2 of 2)	13269-W
<b>WESTLAKE DISTRICT</b>			
	Residential Metered Service	WK-1-R (Pg 1 of 2)	13270-W
		WK-1-R (Pg 2 of 2)	13070-W
	Nonresidential Metered Service	WK-1-NR (Pg 2 of 2)	13271-W
		WK-1-NR (Pg 2 of 2)	13072-W
	Recycled Water Service	WK-6 (Pg 1 of 2)	13272-W
		WK-6 (Pg 2 of 2)	13074-W
<b>WILLOWS DISTRICT</b>			
	Residential Metered Service	WL-1-R (Pg 1 of 2)	13273-W
		WL-1-R (Pg 2 of 2)	12932-W
	Nonresidential Metered Service	WL-1-NR	13274-W

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**CALIFORNIA WATER SERVICE COMPANY**

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

Revised Cal. P.U.C. Sheet No. 13321-W  
 Cancelling Cal. P.U.C. Sheet No. 13300-W

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		OR-1-NR (Pg 2 of 2)	13256-W
Limited Flat Rate Service		OR-2UL	10324-W
Irrigation Service		OR-3M	10325-W
Interruptible Irrigation Service		OR-3M-I	10326-W
<b>PALOS VERDES DISTRICT</b>			
Residential Metered Service		PV-LAR-1-R (Pg 1 of 2)	13237-W
		PV-LAR-1-R (Pg 2 of 2)	13238-W
Nonresidential Metered Service		PV-LAR-1-NR (Pg 1 of 2)	13239-W
		PV-LAR-1-NR (Pg 2 of 2)	13240-W
Recycled Water Service		LAR-PV-6 (Pg 1 of 2)	13241-W
		LAR-PV-6 (Pg 2 of 2)	13242-W
Private Fire Hydrant Services on Private Property		PV-4A	10331-W
<b>REDWOOD VALLEY DISTRICT</b>			
<i>Applicable Tariffs now under Bay Area Region</i>			
<b>SALINAS VALLEY REGION</b>			
<i>Includes King City and Salinas</i>			
Residential Metered Service		SVR-1-R (Pg 1 of 2)	13263-W
		SVR-1-R (Pg 2 of 2)	12929-W
Nonresidential Metered Service		SVR-1-NR (Pg 1 of 2)	13264-W
		SVR-1-NR (Pg 2 of 2)	12432-W
<b>SELMA DISTRICT</b>			
Residential Metered Service		SL-1-R (Pg 1 of 2)	13257-W
		SL-1-R (Pg 2 of 2)	13318-W

(C)

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(To be inserted by utility)  
 Advice Letter 2500  
 Decision

Issued By  
Greg Milleman  
Vice President  
Rates and Regulatory Affairs

(To be inserted by CPUC)  
 Date Filed 11/21/2023  
 Effective 01/01/2024  
 Resolution \_\_\_\_\_

**CALIFORNIA WATER SERVICE COMPANY**

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

Revised  
 Cancelling

Cal. P.U.C. Sheet No. 13322-W  
 Cal. P.U.C. Sheet No. 13317-W

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

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(To be inserted by utility)	Issued By	(To be inserted by CPUC)
Advice Letter <u>2500</u>	<u>Greg Milleman</u>	Date Filed <u>11/21/2023</u>
Decision	<u>Vice President</u>	Effective <u>01/01/2024</u>
	<u>Rates and Regulatory Affairs</u>	Resolution _____



## Selma District

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

BUD TICKEL, INTERIM ASSISTANT  
DIRECTOR  
**City of Fresno, Department of Public  
Utilities**  
2600 Fresno St, Room 4019  
Fresno, CA 93721  
[bud.tickel@fresno.gov](mailto:bud.tickel@fresno.gov)

DARIO DOMINGUEZ , PUBLIC WORKS  
DIRECTOR  
**City of Fowler**  
128 S 5th St  
Fowler, CA 93625  
[ddominguez@ci.fowler.ca.us](mailto:ddominguez@ci.fowler.ca.us)

TERESA GALLAVAN, CITY MANAGER  
**City of Selma, City Hall**  
1710 Tucker Street  
Selma, CA 93662  
[teresag@cityofselma.com](mailto:teresag@cityofselma.com)

MAY ALBIANI, EXECUTIVE ASSISTANT  
**City of Fresno, Department of Public  
Utilities**  
2600 Fresno St, Room 4019  
Fresno, CA 93721  
[may.albiani@fresno.gov](mailto:may.albiani@fresno.gov)

MICHAEL CARBAJAL, DIRECTOR  
**City of Fresno, Department of Public  
Utilities**  
2600 Fresno St, Room 4019  
Fresno, CA 93721  
[Michael.carbajal@fresno.gov](mailto:Michael.carbajal@fresno.gov)

### ONLY FOR SERVICE AREA MAPS:

BRIAN SPAUNHURST, EXECUTIVE  
OFFICER  
**Fresno County LAFCO**  
1401 FULTON STREET, SUITE 900  
Fresno, CA 93721  
[bspaunhurst@fresnocountyca.gov](mailto:bspaunhurst@fresnocountyca.gov)

JORDAN WEBSTER, FIRE CHIEF  
**City of Selma, City Hall**  
1710 Tucker St  
Selma, CA 93662  
[jordanw@cityofselma.com](mailto:jordanw@cityofselma.com)