

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 24, 2020

Ronald K. Moore
Senior Regulatory Analyst
Golden State Water Company
630 East Foothill Blvd.
San Dimas, CA 91773

Dear Mr. Moore,

The Commission has approved Golden State Water Company's Advice Letter No. 1840, filed on November 16, 2020, regarding the Sales Adjustment Mechanism Rate Change for Bay Point District.

Enclosed are copies of the following revised tariff sheets, effective January 1, 2021, for the utility's files:

P.U.C. Sheet No.	Title of Sheet
8808-W	Schedule No. BY-1-NR, Bay Point Customer Service Area Non-Residential Metered Service, Page 1
8809-W	Schedule No. BY-1-R, Bay Point Customer Service Area Residential Metered Service, Page 1
8810-W	Table of Contents, Page 2
8811-W	Table of Contents, Page 1

Please contact Jeremy Ho at JRY@cpuc.ca.gov or 415-703-1905, if you have any questions.

Thank you,

/s/ROBIN BRYANT

Robin Bryant
Water Division

Enclosures



November 16, 2020

Advice Letter No. 1840-W

(U 133 W)

California Public Utilities Commission

Golden State Water Company ("GSWC") hereby transmits the following tariff sheets applicable to its Bay Point Customer Service Area ("CSA"):

<u>CPUC Sheet No</u>	<u>Title of Sheet</u>	<u>Canceling CPUC Sheet No.</u>
Revised No. 8808-W	Schedule No. BY-1-NR Bay Point Customer Service Area Non-Residential Metered Service, Page 1	Revised No. 8802-W
Revised No. 8809-W	Schedule No. BY-1-R Bay Point Customer Service Area Residential Metered Service, Page 1	Revised No. 8804-W
Revised No. 8810-W	Table of Contents Page 2	Revised No. 8806-W
Revised No. 8811-W	Table of Contents Page 1	Revised No. 8807-W

PURPOSE

This advice letter requests approval of the rate changes as a result of the Sales Adjustment Mechanism ("SAM") adjustment in the Bay Point CSA. GSWC has calculated the adjustment to the revenue requirement and production costs in accordance with the SAM guidelines adopted in Decision No. ("D") 16-12-067, as described below, pursuant to D.19-05-044, GSWC's last General Rate Case.

In D. 16-12-067, for GSWC's 2014 General Rate Case Application, GSWC was granted authority to implement a SAM in ratemaking areas with a Water Revenue Adjustment Mechanism ("WRAM"). The SAM would adjust the WRAM-related sales volumes in escalation years, if recorded sales for the twelve months ending September before the escalation year vary by more than 10% from the adopted sales volume for that CSA. If the trigger is met, adopted WRAM-related sales volumes would be adjusted by 50% of the variance. In D. 19-05-044, the trigger threshold was reduced to 5%. For the Bay Point CSA, GSWC calculated the recorded WRAM-related sales for the period of October 2019 through September 2020 and compared the amounts to the WRAM-related sales for 2020

adopted in D.19-05-044. The recorded sales were 11.22% higher than adopted sales, therefore, the SAM is triggered and GSWC is authorized to increase its overall WRAM-related sales forecast by 50% of the recorded sales variation, revise the revenue requirement solely to flow-through the change to purchased water and purchased power expenses associated with the sales forecast change, and calculate rates based on the adjusted sales.

DISCUSSION

The California Public Utilities Commission ("Commission") issued D.19-05-044, adopting the Settlement Agreement between GSWC and the Commission's Public Advocates Office in A.17-07-010. Ordering Paragraph Nos. 1, 4, 5 in D.19-05-044 state the following:

1. *The joint motion filed on August 15, 2018, for the adoption of the Settlement Agreement, is granted. The Settlement Agreement attached to this decision as Appendix A is adopted.*

4. *For escalation years 2020 and 2021, Golden State Water Company must file Tier 1 advice letters in conformance with General Order 96-B proposing new revenue requirements and corresponding revised tariff schedules for each ratemaking area in this proceeding. The advice letters must follow the escalation procedures set forth in the Revised Rate Case Plan for Class A Water Utilities adopted in Decision 07-05-062 and must include supporting workpapers. Golden State Water Company must file for rate reduction if the escalation procedures result in a rate reduction due to negative rate base growth, inflation factors, or customer growth. The revised tariff schedule must take effect on January 1, 2020 and January 1, 2021, respectively and apply to services rendered on and after their effective dates. The proposed revised revenue requirements and rates must be reviewed by the Commission's Water Division. The Water Division must inform the Commission if it finds that the revised rates do not conform to the Revised Rate Case Plan, this decision, or other Commission decisions, and if so, reject the filing.*

5. *Golden State Water Company is authorized to continue the currently approved Sales Adjustment Mechanism (SAM) and to file a Tier 1 advice letter for each ratemaking area on the same date as the escalation filings for 2020 and 2021 if recorded sales vary by more than five percent from adopted sales. The proposed revised revenue requirements and rates must be reviewed by the Commission's Water Division.*

Additionally, the Resolution of Section 4.15.4- Special Request #4: Establishment of Sales Reconciliation Mechanism, in the Settlement Agreement¹, states, in part,

¹ A. 17-07-010 Settlement Agreement between Golden State Water Company And The Public Advocates Office Of The California Public Utilities Commission, Section 4.15.4, p.32.

The parties agreed that Golden State would withdraw its request to establish an SRM and will continue the SAM approved in D.16-12-067, but with a 5 percent trigger. The parties agree that Golden State will file a Tier 1 advice letter on the same date as Golden State's escalation filing for 2020 and 2021 if the conditions outlined on pages 190-191 of the Settlement Agreement are met. None of the parties objected to this Special Request and we find that it implements D.16-12-067 with a five percent trigger and should be approved.

The conditions set forth in the Settlement Agreement in D.16-12-067 are as follows:

- 1. The recorded WRAM-related sales volumes in any ratemaking area for the twelve months ending the September before the escalation year vary by greater than 10% from the adopted WRAM-related sales volumes for the current calendar year.*
- 2. If the mandated drought reductions are still in effect (Schedule 14.1 is still active), the advice letter would not trigger if the mandatory reduction targets have not been achieved.*

In the advice letter, GSWC will:

- 1. Adjust adopted sales volumes for the upcoming escalation year by 50% of the variance in the calculation of rates for that escalation year.*
- 2. Revise the adopted revenue requirement solely to flow-through the change in purchased water, purchased power and pump tax associated with the change in the adopted sales forecast (using adopted rates for purchased water, purchased power and pump tax expenses).*
- 3. Present the effect of the sales adjustment together with the escalation impacts on revenue requirement and rates so that the effect of the sales adjustment can be isolated and examined by looking at the advice letter.*

SALES ADJUSTMENT MECHANISM ("SAM")

The SAM, as adopted in D.19-05-044, is designed to trigger when actual WRAM-related sales vary from adopted WRAM-related sales by more than 5%. Current rates are to be recalculated incorporating a change in WRAM-related sales that is half of the total variation from adopted WRAM-related sales.

Since Bay Point's recorded WRAM-related sales for the period October 2019 through September 2020 were 11.22% higher than the 2020 adopted WRAM-related sales, GSWC has calculated an adjusted 2021 revenue requirement that incorporates a change in production costs to reflect the change in forecasted sales volumes. As such, these are the new adopted revenue requirement, sales volumes and production costs. GSWC has attached the revised Adopted Supply Expense and Adopted Quantities for Bay Point to this advice letter as **Attachment A** and **Attachment B**, respectively.

The new rates included in the advice letter are the rates that are needed to recover the revised revenue requirement using the adjusted sales volumes.²

Note: There are no mandatory water restrictions in place in the Bay Point CSA.

COMPLIANCE

As noted above, Bay Point’s SAM has been triggered, therefore, a sales adjustment, in accordance with the SAM guidelines, is required.

In compliance with the Settlement Agreement adopted in D. 19-05-044, GSWC is filing this Tier 1, stand-alone SAM advice letter, on the same date as the escalation review filing for the Bay Point CSA. Both filings will have the same effective date of January 1, 2021.

The table below shows Bay Point’s revenue requirement without the escalation (2021 adopted), the SAM adjustment, and the new adopted revenue requirement.

CSA	2021 Adopted (\$000)	SAM Adj. (\$000)	Revenue (SAM Rate Design) (\$000)	Change
Bay Point	\$6,277.0	\$35.5	\$6,312.5	0.57%

Supporting workpapers are being provided to the Water Division and the Public Advocates Office, detailing the adjustment and rate design calculations.

TIER DESIGNATION

This advice letter is submitted with a Tier 1 designation.

EFFECTIVE DATE

GSWC is requesting that this advice letter filing and the tariffs contained herein become effective on January 1, 2021.

NOTICE AND SERVICE

Distribution of this advice letter is being made to the attached service lists in accordance with Water Industry Rule 4.1 of General Order No. 96-B. No other parties have requested notification of tariff filings. In accordance with Water Industry Rule 3.3 of General Order 96-B, GSWC will also post this advice letter to its website.

CUSTOMER NOTICE

² The 2021 SAM rate adjustment reduces the 2021 Escalation rate increase, however, the overall impact of the 2021 Escalation rate increase and the SAM adjustment still results in an increase above the current 2020 rates.

Customer Notice: This is a Tier 1 advice letter that does not require customer notification, as provided in Water Industry Rule 7.3.1 of General Order 96-B. GSWC will include a bill message on each Bay Point customer's first bill after the rate change goes into effect.

RESPONSE OR PROTEST

Anyone may submit a response or protest for this Advice Letter (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 advice letter. A **protest** objects to the AL 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 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.

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:

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 Golden State Water Company at:

Email Address:
regulatoryaffairs@gswater.com

Mailing Address:
Golden State Water Company
Ronald Moore
630 East Foothill Blvd.
San Dimas, CA 91773

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.

REPLIES

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. 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.

The actions requested in this advice letter are not now the subject of any formal filings with the California Public Utilities Commission, including a formal complaint, nor action in any court of law.

No individuals or utilities have requested notification of filing of tariffs. Distribution of this advice letter is being made to the attached service list in accordance with General Order No. 96-B.

Sincerely,

/s/ Ronald Moore
Ronald Moore
Regulatory Affairs Department
Golden State Water Company

c: Jim Boothe, CPUC- Water Division
Jeremy Ho, CPUC- Water Division
Richard Rauschmeier, CPUC- Water Branch, Cal PAO
Victor Chan, CPUC- Water Branch, Cal PAO

Schedule No. BY-1-R
Bay Point District
Residential Metered Service

APPLICABILITY

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

TERRITORY

Portions of the City of Pittsburg and vicinity, Contra Costa County.

RATES

Quantity Rates:

First 800 cu. ft., per 100 cu. ft	\$ 6.009	(R)
Next 600 cu. ft., per 100 cu. ft	\$ 6.910	(R)
Over 1,400 cu. ft., per 100 cu. ft	\$ 7.947	(R)

Service Charges:

	<u>Per Meter</u> <u>Per Month</u>	
For 5/8 x 3/4-inch meter	\$ 20.34	(I)
For 3/4-inch meter	\$ 30.51	
For 1-inch meter	\$ 50.85	
For 1-1/2 inch meter	\$ 101.70	
For 2-inch meter	\$ 162.72	
Fire Sprinkler 1-inch to 5/8x 3/4-inch	\$ 21.15	
Fire Sprinkler 1-inch to 3/4-inch	\$ 30.82	
Fire Sprinkler 1 1/2-inch to 3/4-inch	\$ 34.78	
Fire Sprinkler 2-inch to 3/4-inch	\$ 36.31	
Fire Sprinkler 1 1/2-inch to 1-inch	\$ 54.92	
Fire Sprinkler 2-inch to 1-inch	\$ 56.44	(I)

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is added the charge for water used computed at the Quantity Rates.

(Continued)

(To be inserted by utility)

Advice Letter No. 1840-W
 Decision No. 19-05-044

Issued By
R. J. Sprowls
President

(To be inserted by P.U.C.)

Date Filed November 16, 2020
 Effective January 1, 2021
 Resolution No. _____

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<u>Subject Matter of Sheet</u>	<u>Schedule Number</u>	<u>CPUC Sheet No.</u>	
Rate Schedules:			
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Private Fire Service	AA-4	4801-W, 3285-W	
Public Fire Service	AA-5	2931-W	
Cross Connection Control Fee	CCCF	7506-W	
Fire Flow Testing Charge	FF	7659-W	
California Alternate Rates for Water	LI	8310-W, 8680-W	
Arden-Cordova District			
General Metered Service	AC-1	8799-W, 8792-W, 8793-W	
Flat Rate Service	AC-2	8800-W, 8795-W, 8796-W	
Bay Point District			
Residential Metered Service	BY-1-R	8809-W, 8805-W	(C)
Non-Residential Metered Service	BY-1-NR	8808-W, 8803-W	(C)
Clearlake District			
General Metered Service	CL-1	8531-W, 8501-W	
Los Osos District			
Residential Metered Service	LO-1-R	8746-W, 8747-W	
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Metropolitan District			
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(Continued)

(To be inserted by utility)

Advice Letter No. 1840-W
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R. J. Sprowls
President

(To be inserted by P.U.C.)

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

<u>Subject Matter of Sheet</u>	<u>Sheet No.</u>
Title Page	4905-W
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Hollydale	8295-W
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Simi Valley	8731-W
Wrightwood	6428-W

(To be inserted by utility)
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R. J. Sprowls
 President

(To be inserted by P.U.C.)
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GOLDEN STATE WATER COMPANY

DISTRIBUTION LIST

BAY POINT DISTRICT

City of Brentwood
Public Works Operations
Eric Brennan, Water Operations Manager
2201 Elkins Way
Brentwood, CA 94513

City of Antioch
P. O. Box 5007
Antioch, CA 94531

Diablo Water District
P. O. Box 127
Raley's Shopping Center, 2107 Main St.
Oakley, CA 94561-0127
Mikegm1@aol.com
cbelleci@diablowater.org

Contra Costa Water District
Public Affairs Department
P. O. Box H2O
Concord, CA 94520

Director of Financer
East Bay Municipal Utility District
375 – 11th Street, MS #801
Oakland, CA 94607
whendrix@ebmud.com

City of Martinez
525 Henrietta Avenue
Martinez, CA 94553

Contra Costa County
Conservation & Development
30 Muir Road
Martinez, CA 94553

Bay Point Municipal Advisory Council
3105 Willow Pass Road
Bay Point, CA 94565

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