

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

Advice Letter Cover Sheet

Utility Name: California Water Service Company **Date Mailed to Service List:** 11/27/2024
District: Selma
CPUC Utility #: U-60-W **Protest Deadline (20th Day):** 12/17/2024
Advice Letter #: 2542 **Review Deadline (30th Day):** 12/27/2024
Tier: 1 2 3 Compliance **Requested Effective Date:** 01/01/2025
Authorization: D.15-03-003

Description: Selma Groundwater Surcharge for 2025 **Rate Impact:** Surcharge increase of \$0.0010 /CCF

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: Scott Thomas
Phone: 408-367-8574
Email: sthomas@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[] WITHDRAWN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

November 27, 2024

Advice Letter No. 2542

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.
XXXXX-W	Residential Metered Service (page 2)	SL-1-R	XXXXX-W
XXXXX-W	Nonresidential Metered Service (page 2)	SL-1-NR	XXXXX-W
XXXXX-W	Table of Contents (Page 12)	Not Applicable	XXXXX-W
XXXXX-W	Table of Contents (Page 1)	Not Applicable	XXXXX-W

Summary

Cal Water requests to update the groundwater surcharge rates for Selma District customers effective January 1, 2025, consistent with D.15-03-003 and Advice Letter 2500. This results in a surcharge of \$0.2597 per CCF, an increase of \$0.0010 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:

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

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 recover 100% of the calculated Replenishment Fees (plus a Consumer Price Index adjustment) as of Year 8.



Discussion

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 metered). The formula takes into account the previous year's actual production, which determines the total amount to be collected from all Selma residents, the previous year's actual sales, which is used to calculate the surcharge rates for a 12-month period, and a Consumer Price Index adjustment.

The total amount of \$392,101 to be calculated for 12 months is the sum of \$95,328 for groundwater recharge fees, and \$296,722 for groundwater replenishment fees (100% of the full amount). **For metered customers, this results in a surcharge of \$0.2597 per CCF, an increase of \$0.0010 CCF or 0.39% from the current rate.** For a typical residential customer with usage of 12 CCF, this results in a monthly bill increase of \$0.012 or 0.03%.

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, 2025.

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 27, 2024**, 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:



CALIFORNIA WATER SERVICE COMPANY

AL 2542 – Selma Groundwater Surcharge Adjustment

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- (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, 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 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)



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367-8200, and ask for the Rates Department.

CALIFORNIA WATER SERVICE COMPANY

/s/

Scott Thomas, Rates Analyst

Enclosures

cc: Syreeta Gibbs (Public Advocates Office), 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 Ten: January 1, 2025 – December 31, 2025): \$0.2597 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 2542, 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)

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 Ten: January 1, 2025 - December 31, 2025): \$0.2597 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 2542, 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)

CALIFORNIA WATER SERVICE COMPANY

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

Revised Cal. P.U.C. Sheet No. 13548-W
 Cancelling Cal. P.U.C. Sheet No. 13408-W

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Rate Schedules

<u>Service Area</u>	<u>Sheet Subject Matter</u>	<u>Schedule No.</u>	<u>CPUC Sheet No.</u>
REDWOOD VALLEY DISTRICT			
<i>Applicable Tariffs now under Bay Area Region</i>			
SALINAS VALLEY REGION			
<i>Includes King City and Salinas</i>			
Residential Metered Service		SVR-1-R (Pg 1 of 2)	13518-W
		SVR-1-R (Pg 2 of 2)	13406-W
Nonresidential Metered Service		SVR-1-NR (Pg 1 of 2)	13519-W
		SVR-1-NR (Pg 2 of 2)	13407-W
SELMA DISTRICT			
Residential Metered Service		SL-1-R (Pg 1 of 2)	13512-W
		SL-1-R (Pg 2 of 2)	13513-W (C)
Nonresidential Metered Service		SL-1-NR (Pg 1 of 2)	13514-W
		SL-1-NR (Pg 2 of 2)	13515-W (C)
SOUTH BAY REGION			
<i>Includes Dominguez and Hermosa-Redondo</i>			
Residential Metered Service		SBR-1-R (Pg 1 of 2)	13506-W
		SBR-1-R (Pg 2 of 2)	13507-W
Nonresidential Metered Service		SBR-1-NR (Pg 1 of 2)	13508-W
		SBR-1-NR (Pg 2 of 2)	13509-W
Recycled Water Service		SBR-6 (Pg 1 of 2)	13510-W
		SBR-6 (Pg 2 of 2)	13511-W
STOCKTON DISTRICT			
Residential Metered Service		ST-1-R (Pg 1 of 2)	13516-W
		ST-1-R (Pg 2 of 2)	12930-W
Nonresidential Metered Service		ST-1-NR (Pg 1 of 1)	13517-W

(Continued)

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1720 North First Street
 San Jose, CA 95112
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Revised
 Cancelling

Cal. P.U.C. Sheet No. 13610-W
 Cal. P.U.C. Sheet No. 13607-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:

<u>Sheet</u>	<u>Subject Matter</u>	<u>Service Area</u>	<u>Schedule No.</u>	<u>CPUC Sheet No.</u>
	Title Page			13288-W
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Page 2	Preliminary Statements			13574-W
Page 3	Preliminary Statements			13573-W
Page 4	Preliminary Statements			13572-W
Page 5	Preliminary Statements			13554-W
Page 6	Rate Schedules - All Districts			13606-W
Page 7	Rate Schedules - All Districts			13305-W
Page 8	Rate Schedules - District Specific			13552-W
Page 9	Rate Schedules - District Specific			13600-W
Page 10	Rate Schedules - District Specific			13550-W
Page 11	Rate Schedules - District Specific			13590-W
Page 12	Rate Schedules - District Specific			13548-W (C)
Page 13	Rate Schedules - District Specific			13547-W
Page 14	Service Area Maps			13609-W
Page 15	Service Area Maps			13583-W
Page 16	Service Area Maps			13582-W
Page 17	Rules			13295-W
Page 18	Rules			13294-W
Page 19	Rules			13293-W
Page 20	Rules			13292-W
Page 21	Sample Forms			13291-W
Page 22	Sample Forms			13290-W
Page 23	Sample Forms			13289-W

(Continued)

(To be inserted by utility)	Issued By	(To be inserted by CPUC)
Advice Letter <u>2542</u>	<u>Greg Milleman</u>	Date Filed _____
Decision	<u>Vice President</u>	Effective _____
	<u>Rates and Regulatory Affairs</u>	Resolution _____



Selma District

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

BROCK BUCHE, DIRECTOR
**City of Fresno, Department of Public
Utilities**
1626 E Street
Fresno, CA 93706
Brock.Buche@fresno.gov

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FERNANDO SANTILLAN, CITY MANAGER
City of Selma, City Manager
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fernandos@cityofselma.com

MAY ALBIANI, EXECUTIVE ASSISTANT
**City of Fresno, Department of Public
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JUAN RIOS, BUSINESS MANAGER
**City of Fresno, Department of Public
Utilities**
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ONLY FOR SERVICE AREA MAPS:

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