



GW2/ek4 10/26/2016

**FILED**  
10-26-16  
09:07 AM

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of California-American Water Company (U210W) for Authorization to Modify Conservation and Rationing Rules, Rate Design, and Other Related Issues for the Monterey District.

Application 15-07-019  
(Filed July 14, 2015)

**ADMINISTRATIVE LAW JUDGE'S RULING REVISING SUMMARY TABLE AND ATTACHMENT A TO OCTOBER 8, 2016 PROPOSED DECISION**

Further examination of the workpapers shows that an error was made in the calculation regarding the 8.4% revenue collection moved from residential to non-residential customers. A revised Summary Table and revised Attachment A are attached to this Ruling with the correct results. Revised workpapers will be sent to parties by Water Division.

Comments on the Proposed Decision are due to be filed and served by November 7, 2016. Comments on the Proposed Decision should include comments, if any, on the revised items attached to this ruling.

**IT IS RULED that** a revised Summary Table and revised Attachment A are attached to this Ruling. Comments on the Proposed Decision shall include comments, if any, on the revised items attached to this Ruling.

Dated October 26, 2016, at San Francisco, California.

/s/ KEVIN DUDNEY for  
Gary Weatherford  
Administrative Law Judge

October 26, 2016

**REVISED SUMMARY TABLE**

Re: October 18, 2016 Proposed Decision at page 4

The resulting average monthly increases for the majority of customers are:

RATEPAYER GROUP [1]	WRAM SURCHARGE		METER CHARGE		QUANTITY CHARGE		TOTAL	
	\$	%	\$	%	\$	%	\$	%
SINGLE FAMILY	\$13.11	130%	\$7.03	70%	\$2.51	6%	\$22.65	42%
MULTIFAMILY	\$13.11	130%	\$7.03	70%	\$8.42 [2]	3%	\$28.56	11%
LOW-INCOME	\$13.11	163%	\$3.91	49%	-\$5.24 [3]	-14%	\$11.78	26%
NON-RESIDENTIAL	\$5.69	28%	\$0.00	0%	\$35.71	28%	\$41.39	20%

[1] Based on 5/8 inch meter.

[2] Includes master meter customers with multiple tenants.

[3] Includes 30% discount on Tiers 3 and 4.

See Attachment A for a more detailed bill analysis.

## REVISED ATTACHMENT A BILL ANALYSIS

The bill analysis presented here addresses the impacts of the decisions made in the attached order. These impacts include:

- amortizing the Water Revenue Adjustment Mechanism/Modified Cost Balancing Account (WRAM/MCBA) balances over five years,
- increasing residential fixed cost recovery in the monthly service charge from 15% to 30% (with equivalent reductions in quantity rates),
- applying a temporary deviation in the standard meter ratios to implement the 30%,
- adopting a standardized rate design with modified tier break points and block widths,
- reducing the ratio between tiers,
- using 2015 sales to set rates,
- retaining the same proportional net benefits for customers in the low income ratepayer assistance program, and
- realigning cost recovery between residential and non-residential ratepayers.

The bill analysis does not include bill elements that do not change as a result of the decisions made in the attached order. That is, the rates and total bills stated below do not include the following surcharges and estimated fees:

- California American Water Conservation
- Consolidated Expense Balancing Account
- Monterey Peninsula Water Management District Conservation
- Seaside Basin Adjudication
- Low Income Ratepayer Assistance
- Carmel River Mitigation
- Coastal Water Project
- California Public Utilities Commission Fees
- Estimated franchise fees and business license fees

These results are presented in Tables 1 – 8. The methodology used for Tables 5 – 8 differs from that used for the Summary Table (in the text at the beginning of the decision) so the results are not directly comparable (i.e., the Summary Table is based on averages over the group; Tables 5 – 8 are based on individual customer usage).

Table 9 compares applicant’s proposed average monthly increases to the results from the decisions made in the attached order. Similar to the other tables, the comparisons in Table 9 are limited to bill components affected by the attached order without elements that do not change as a result of the attached order (i.e., identified in the bullet points above).

**TABLE 1: ADOPTED MONTHLY WRAM SURCHARGES**

Five-year amortization, 90 day commercial paper rate,  
standard meter ratios

Meter Size	WRAM Surcharges	
	Residential (Dollars per month)	Non-Residential (Dollars per month)
5/8" [1]	\$13.11	\$5.69
3/4"	\$19.66	\$8.53
1"	\$32.77	\$14.22
1 1/2"	\$65.54	\$28.44
2"	\$104.87	\$45.50
3"	\$196.62	\$85.32
4"	\$327.71	\$142.20
6"	\$655.41	\$284.39
8"	\$1,048.66	\$455.03

[1] The majority of customers have a 5/8" meter

**TABLE 2: ADOPTED MONTHLY SERVICE CHARGES  
AND PERCENT INCREASES**

Note: Based on increasing the recovery of fixed costs in service charges from 15% to 30%; there are equivalent reductions in quantity rates

Meter-Size	Residential		Non-Residential	
	Dollars per month	Percent increase	Dollars per month	Percent increase
5/8" [1]	\$17.09	70%	\$20.10	0%
3/4"	\$29.90	98%	\$30.15	0%
1"	\$59.80	138%	\$50.26	0%
1 1/2"	\$187.44	273%	\$100.51	0%
2"	\$319.86	298%	\$160.82	0%
3"	\$599.74	298%	\$301.53	0%
4"	\$1,049.64	317%	\$502.55	0%
6"	\$2,249.30	347%	\$1,005.10	0%
8"	\$3,598.81	347%	\$1,608.16	0%

[1] The majority of customers have a 5/8" meter

**TABLE 3: RESIDENTIAL CUSTOMERS**  
**Adopted Quantity Rates and Percent Increases**

Note: The use of 2015 sales largely offsets the reductions from shifting revenue recovery to fixed costs, except in higher tiers

Tier	Residential Quantity Rates			
	Single Family		Multifamily	
	Dollars per CGL	Percent increase	Dollars per CGL	Percent increase
Tier 1	\$0.7427	15%	\$0.6877	6%
Tier 2	\$1.1141	15%	\$1.0316	6%
Tier 3	\$2.5996	0%	\$2.4070	-7%
Tier 4	\$4.8278	-7%	\$4.4701	-14%
Tier 5	\$5.9419	-8%	\$5.5016	-15%

CGL is hundreds of gallons

**TABLE 4: NON-RESIDENTIAL CUSTOMERS**  
**Adopted Quantity Rates and Percent Increases**

Division	Non-Residential Quantity Rates	
	Dollars per CGL	Percent Increase
Division 1	\$1.0402	19%
Division 2	\$1.1702	18%
Division 3	\$1.3003	19%
Division 4	\$2.6005	19%

CGL is hundreds of gallons

**TABLE 5**  
**SINGLE FAMILY RESIDENTIAL**  
**BILL IMPACTS (5/8" Meter)**

Usage Per Month (CGL)	Single Family Residential Total Monthly Bills			
	Current Rates	Adopted Rates	Increase	
0	\$10.06	\$30.20	\$20.14	200%
10	\$16.53	\$37.62	\$21.09	128%
20	\$23.00	\$45.05	\$22.05	96%
30 [1]	\$29.47	\$52.51	\$23.04	78%
37	\$35.44	\$60.31	\$24.87	70%
40	\$38.72	\$63.65	\$24.93	64%
50	\$49.64	\$74.79	\$25.15	51%
60	\$60.56	\$86.17	\$25.61	42%
70	\$75.83	\$112.16	\$36.33	48%
80	\$104.14	\$138.16	\$34.02	33%
90	\$132.45	\$164.15	\$31.70	24%
100	\$160.76	\$190.15	\$29.39	18%
110	\$189.07	\$227.91	\$38.84	21%
120	\$227.99	\$276.19	\$48.20	21%
130	\$284.61	\$324.47	\$39.86	14%
140	\$341.23	\$372.74	\$31.51	9%

[1] Median 2014 consumption (i.e., 50% consumed less than 30 CGLs and 50% consumed 30 CGLs or more)

CGL is hundreds of gallons

**TABLE 6**  
**MULTI-FAMILY RESIDENTIAL**  
**BILL IMPACTS (5/8" Meter)**

Usage (CGL)	Multi-Family Residential Total Monthly Bills			
	Current Rates	Adopted Rates	Increase	
0	\$10.06	\$30.20	\$20.14	200%
10	\$16.53	\$37.07	\$20.54	124%
20	\$23.00	\$44.40	\$21.40	93%
21 [1]	\$23.64	\$45.43	\$21.79	92%
25	\$26.23	\$49.55	\$23.32	89%
30	\$29.47	\$54.71	\$25.24	86%
40	\$38.72	\$68.60	\$29.88	77%
50	\$49.64	\$92.67	\$43.03	87%
60	\$60.56	\$136.36	\$75.80	125%
70	\$75.83	\$181.90	\$106.07	140%
80	\$104.14	\$236.92	\$132.78	128%
90	\$132.45	\$291.93	\$159.48	120%
100	\$160.76	\$346.95	\$186.19	116%
150	\$465.20	\$622.03	\$156.83	34%
200	\$831.23	\$897.11	\$65.88	8%
300	\$1,563.30	\$1,447.28	-\$116.02	-7%

[1] Median 2014 consumption

CGL is hundreds of gallons

**TABLE 7**  
**LOW INCOME CUSTOMER**  
**BILL IMPACTS (5/8" Meter)**

Usage (CGL)	Low Income Customer Total Monthly Bills			
	Current Rates	Adopted Rates	Increase	
0	\$8.05	\$25.07	\$17.02	211%
10	\$13.22	\$30.27	\$17.05	129%
20	\$18.40	\$35.47	\$17.07	93%
30	\$23.57	\$40.69	\$17.12	73%
32 [1]	\$24.61	\$42.25	\$17.64	72%
38	\$29.33	\$46.93	\$17.60	60%
40	\$31.13	\$48.49	\$17.36	56%
50	\$40.11	\$56.28	\$16.17	40%
60	\$49.09	\$64.25	\$15.16	31%
70	\$62.90	\$82.45	\$19.55	31%
80	\$91.21	\$100.64	\$9.43	10%
90	\$119.52	\$118.84	-\$0.68	-1%
100	\$147.83	\$137.04	-\$10.79	-7%
120	\$215.07	\$197.26	-\$17.81	-8%
150	\$384.92	\$298.65	-\$86.27	-22%
200	\$726.08	\$539.26	-\$186.82	-26%

[1] Median 2014 consumption

CGL is hundreds of gallons

**TABLE 8**  
**NON-RESIDENTIAL CUSTOMER**  
**BILL IMPACTS (5/8" Meter)**

Usage (CGL)	Division 1 Non-Residential Total Monthly Bill			
	Current Rates	Adopted Rates	Increase	
0	\$20.10	\$25.79	\$5.69	28%
10	\$28.87	\$36.19	\$7.32	25%
20	\$37.64	\$46.59	\$8.95	24%
30	\$46.41	\$56.99	\$10.58	23%
36	\$51.67	\$63.24	\$11.57	22%
40	\$55.18	\$67.40	\$12.22	22%
50 [1]	\$63.95	\$77.80	\$13.85	22%
75	\$85.87	\$103.80	\$17.93	21%
100	\$107.79	\$129.81	\$22.02	20%
125	\$129.71	\$155.81	\$26.10	20%
150	\$151.64	\$181.82	\$30.18	20%
175	\$173.56	\$207.82	\$34.26	20%
200	\$195.48	\$233.83	\$38.35	20%
250	\$239.33	\$285.84	\$46.51	19%
300	\$283.17	\$337.85	\$54.68	19%
400	\$370.86	\$441.87	\$71.01	19%
500	\$458.55	\$545.89	\$87.34	19%

[1] Average 2014 consumption

CGL is hundreds of gallons

**TABLE 9**  
**APPLICANT'S PROPOSED INCREASES COMPARED**  
**TO ADOPTED RESULTS (5/8" Meter)**

Note: This table shows applicant's proposed average monthly dollar and percent increases for the majority of customers compared to the adopted results. The comparison is limited to the bill components affected by the attached order identified at the beginning of this attachment. The comparison does not include surcharges and estimated fees also identified above.

**APPLICANT'S PROPOSAL**

Note: The WRAM balance is amortized by applicant over 20 years. If amortized over 5 years, applicant's proposed total increases (dollars and percent) are higher for all groups than those shown below for adopted results.

RATEPAYER GROUP [1]	WRAM SURCHARGE INCREASE		METER CHARGE INCREASE		QUANTITY CHARGE INCREASE		TOTAL INCREASE	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
Single Family	\$7.16	71%	\$7.03	70%	\$8.72	20%	\$22.91	43%
Multi-Family	\$7.16	71%	\$7.03	70%	\$42.02	17%	\$56.21	22%
Low Income	\$7.16	89%	\$3.92	49%	-\$0.89	-2%	\$10.18	22%
Non-Residential	\$2.86	14%	\$0.00	0%	\$18.82	10%	\$21.68	9%

[1] Based on 5/8 inch meter

**ADOPTED RESULTS**

RATEPAYER GROUP [1]	WRAM SURCHARGE INCREASE		METER CHARGE INCREASE		QUANTITY CHARGE INCREASE		TOTAL INCREASE	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
Single Family	\$13.11	130%	\$7.03	70%	\$2.51	6%	\$22.65	42%
Multi-Family	\$13.11	130%	\$7.03	70%	\$8.42	3%	\$28.56	11%
Low Income	\$13.11	130%	\$3.91	49%	-\$5.24	-14%	\$11.78	26%
Non-Residential	\$5.69	28%	\$0.00	0%	\$35.71	28%	\$41.39	20%

[1] Based on 5/8 inch meter

(END OF ATTACHMENT A.)