



AMERICAN WATER

July 9, 2010

ADVICE LETTER NO. 850

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California American Water Company (California American Water) (U210W) hereby submits for filing the following tariff sheets applicable to its Monterey District which are attached hereto:

<u>C.P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Sheet No.</u>
5822-W	MONTEREY DIVISION SERVICE AREA INDEX MAP	5040-W
5823-W	MONTEREY DIVISION SERVICE AREA DETAIL MAP 4	2752-W
5824-W	TABLE OF CONTENTS	5820-W

The purpose of this advice letter filing is to update and extend California American Water's Monterey service area to include the Monterey Bay Shores site, owned by Security National Guaranty, APN 011-501-014. This parcel is the only parcel within the City of Sand City that is currently not within California American Water's service territory.

The Monterey Peninsula Water Management District (MPWMD) amended California American Water's water distribution system on October 15, 2007 to annex the Security National Guaranty parcel. The MPWMD application number is 20070829CAW. Water used to serve the Monterey Bay Shores site will be from a portion of Security National Guaranty's adjudicated water rights in the Seaside Groundwater Basin.¹ California American Water is, in effect, wheeling Security National Guaranty's adjudicated right through California American Water's distribution system. This will occur with no harm to existing customers because SNG will be paying the rates established in California American Water's tariffs.

¹ Security National Guaranty holds the right to 149 acre-feet per year. California American Water and Security National Guaranty have sought permission from the Monterey Peninsula Water Management District for California American Water to produce 90 acre-feet from Security National Guaranty's rights to serve the Monterey Bay Shores site. This 90 acre-feet includes a large margin for error (almost 50 percent) over the estimated consumption for the proposed development. This arrangement was approved by the Seaside Groundwater Basin Watermaster on October 23, 2008.

Because California American Water is wheeling water sourced in the Seaside Groundwater water to the Monterey Bay Shores site, this arrangement does not implicate State Water Resources Control Board Order WRO-2009-0060. The Sixth District Court of Appeal in *California-American Water Company v. City of Seaside* has held that the fact that water from both the Carmel River and the Seaside Basin may commingle in California American Water's distribution system does not mean that Monterey Bay Shores parcel will receive Carmel River water. A copy of that Court of Appeal decision is included with this advice letter. Security National Guaranty has filed a response to California American Water's application for a moratorium in proceeding A.10-05-020 seeking a specific exception to the requested moratorium for service to this parcel. California American Water supports that request.

The documentation supporting this application includes a letter from the Deputy Fire Marshal from the City of Monterey, while the Monterey Bay Shores site is within the City of Sand City. Fire service to the City of Sand City is provided by the City of Monterey through a municipal services contract between those two cities, making the Deputy Fire Marshal of the City of Monterey the *de facto* Deputy Fire Marshal of the City of Sand City.

In accordance with Section 4.3 of General Order 96-B, a copy of this advice letter is being furnished to those entities listed in Exhibit A.

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.

This filing will not cause the withdrawal of service, nor conflict with other schedules or rules.

Effective Date:

California American Water requests that the tariffs discussed above be made effective August 9, 2010.

Protests and Responses:

Anyone may respond to or protest this advice letter. 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 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:

Recipients


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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.

If you have not received a reply to your protest within 10 business days, contact this person at (916) 568-4222.

CALIFORNIA AMERICAN WATER

David P. Stephenson
Director - Rates & Regulation

*downloaded 7/12/2010 by H. Stern
attachments/maps not included*