

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

Joint Application of California-American Water Company (U210W), California Water Service Company (U60W), Golden State Water Company (U133W), Great Oaks Water Company (U162W), Liberty Utilities (Apple Valley Ranchos Water) Corp. (U346W), Liberty Utilities (Park Water) Corp. (U314W), San Gabriel Valley Water Company (U337W), San Jose Water Company (U168W) and Suburban Water Systems (U339W) for Authority to Establish the California Consumer Privacy Act Memorandum Account.

Application 19-12- _____

JOINT APPLICATION OF CALIFORNIA-AMERICAN WATER COMPANY (U210W), CALIFORNIA WATER SERVICE COMPANY (U60W), GOLDEN STATE WATER COMPANY (U133W), GREAT OAKS WATER COMPANY (U162W), LIBERTY UTILITIES (APPLE VALLEY RANCHOS WATER) CORP. (U346W), LIBERTY UTILITIES (PARK WATER) CORP. (U314W), SAN GABRIEL VALLEY WATER COMPANY (U337W), SAN JOSE WATER COMPANY (U168W) AND SUBURBAN WATER SYSTEMS (U339W) FOR AUTHORITY TO ESTABLISH THE CALIFORNIA CONSUMER PRIVACY ACT MEMORANDUM ACCOUNT

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December 6, 2019

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I.

INTRODUCTION

Pursuant to California Public Utilities Code Section 701 and Rule 2.1 of the Rules of Practice and Procedure (“Rules”) of the California Public Utilities Commission (“Commission”) California-American Water Company, California Water Service Company, Golden State Water Company, Great Oaks Water Company, Liberty Utilities (Apple Valley Ranchos Water) Corp., Liberty Utilities (Park Water) Corp., San Gabriel Water Company, San Jose Water Company and Suburban Water Systems, all Class A water utilities subject to the Commission’s jurisdiction (together, “the Water Utilities”), respectfully submit this joint application requesting authority for each of them to establish a California Consumer Privacy Act Memorandum Account (“CCPAMA”) to track incremental costs related to compliance with the California Consumer

Privacy Act of 2018 (“CCPA”), which was signed into law in June 28, 2018. As described in greater detail in Part II below, the CCPA is landmark legislation that establishes new requirements for businesses to provide requesting individuals with information on what personal information is collected, shared or sold, and provides them the right to opt-out of sharing or selling of such data. It is a broad-reaching, first-of-its-kind privacy law in the United States.

This application does not seek authorization to recover any costs. Rather, the Water Utilities request only the authority to track costs incremental to those provided for in their general rates in a memorandum account so each of them may file an application or an appropriate advice letter in the future, or include a request to recover such costs in an existing or new application for general rate relief. In order for the Water Utilities to comply with the CCPA, and specifically with its compliance date of January 1, 2020, each of them must begin implementation activities now to be able to map, track and report on personal information it collects and shares. Without a memorandum account, the Water Utilities will have no reasonable opportunity to recover these costs.

As will be discussed in greater detail below, the four major energy utilities filed similar applications in March 2019 for authorization to establish memorandum accounts to record their incremental costs associated with CCPA compliance. The Commission consolidated the energy utilities applications for joint consideration and proceeded promptly to adopt Decision (“D.”) 19-09-026, authorizing each of the energy utilities to file a Tier 1 advice letter to establish a memorandum account to record and track its incremental costs to implement the CCPA.¹

Likewise, it is appropriate for water utilities subject to the CCPA to establish the CCPAMA now, to track incremental costs associated with compliance with CCPA, and to seek recovery of such costs later, in an appropriate proceeding. Accordingly, the Water Utilities respectfully request that the CCPAMA be made effective for each of them as of April 1, 2019, which is shortly after the dates as of which each of the energy utilities was authorized to begin

¹ *Pacific Gas and Electric Co., et al.*, D.19-09-026, at 14 (Ordering Paragraph 1).

tracking CCPA compliance costs in a CCPAMA.² An alternative effective date for the requested CCPMAs would be September 12, 2019, which was the date of D.19-09-026. Either of these effective dates would allow the Water Utilities to track the incremental CCPA compliance costs they incur in these accounts during the pendency of the Commission’s disposition of this application.³

II.

OVERVIEW OF CCPA

This section provides an overview of the CCPA, which was introduced in Assembly Bill (AB) 375 and signed into law by Governor Brown on June 28, 2018.

A. CCPA Requirements

The CCPA provides Californians with information and control over the personal information that businesses with annual gross revenues exceeding \$25 million currently collect or create about them. Each of the Water Utilities now has revenues exceeding this threshold or closely approaching it. This law has broad impacts because of how “consumer” and “personal information” are defined.

Under the CCPA, “consumer” is defined to mean California residents, including customers, employees, applicants, employee’s beneficiaries, and employees of third parties for whom a business may have contact information.

The CCPA broadened what had been considered “personal information” under the law. For example, the CCPA defines “personal information” to include the following:⁴

- (D) Commercial information, including records of personal property, products or services purchased, obtained, or considered, or other purchasing or consuming histories or tendencies.

² *Id.*

³ Seeking memo account treatment and having it effective prior to the authorization date, are consistent with prior practice. See discussion *infra*, Parts IV.B-C, pp. 8-13.

⁴ Cal. Civ. Code §1798.140(o)1.

- (F) Internet or other electronic network activity information, including, but not limited to, browsing history, search history, and information regarding a consumer’s interaction with an Internet Web site, application, or advertisement.
- (I) Professional or employment-related information.
- (K) Inferences drawn from any of the information identified in this subdivision to create a profile about a consumer reflecting the consumer’s preferences, characteristics, psychological trends, preferences, predispositions, behavior, attitudes, intelligence, abilities, and aptitudes.

The CCPA’s definition of “personal information” also is broader than in prior laws because it includes information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or *household*.⁵

Below is a summary of the key aspects of the CCPA, segmented by the broad requirements around California residents’ rights to know what personal information is being collected, sold, shared, and with whom, the right to delete or opt-out of sharing personal information in some instances, and the rights to equal service and price.

1. Right to Know What Information Is Collected

The CCPA gives consumers the right to request that a business disclose the categories and specific pieces of personal information that the business has collected, free of charge and up to two times in a 12-month period. The CCPA requires that businesses disclose the categories of personal information collected, the sources of the information, the business purpose for collecting personal information, the categories of third parties with whom the business shares personal information, and specific pieces of information collected. This, of course, means that the Water Utilities must be able to track the personal information they collect on their customers, whom they have a statutory obligation to serve.

⁵ *Id.*

2. Right to Know Whether Personal Information Is Shared or Sold and to Whom

In addition to the “collection disclosure” described above, consumers have the right to know the categories of information shared for a business purpose or sold to third parties, and the categories of third parties to whom the data was sold. This can be thought of as a “sharing disclosure.” Whether or not the Water Utilities’ sharing of customer data is considered to be a “sale,” they will need to track their sharing of information in ways they have not previously done.

3. Right to Delete Personal Information

In certain instances, the CCPA allows consumers to request that businesses delete any personal information about the consumer that the business has collected from the consumer.⁶ It also obligates the business to direct its service providers also to delete such personal information from their records except when the information is needed to provide services requested by the consumer, detect security incidents, comply with laws, and for other specified purposes.

4. Right to Opt-Out of Sale of Information

Consumers have the right to direct businesses not to sell their personal information to third parties. As indicated previously, it is uncertain whether the Water Utilities’ sharing of customer data with third parties will be considered a “sale,” and so whether this requirement applies to the Water Utilities is still to be determined.

5. Right to Access Personal Information

The CCPA requires that businesses make available two or more methods for submitting requests for information, including a toll-free telephone number and a web site address. Businesses are required to make the requested information available to consumers within 45 days of the receipt of the request, and the information must cover the 12-month period

⁶ This requirement, of course, is not practical or permissible for regulated water utilities, because they must keep certain personal information of their customers on file so that they can manage the customer account and provide special benefits to customers such as water conservation and low-income customer assistance.

preceding the receipt of the request. Businesses must provide the categories of information described above.

6. Right to Equal Service and Price

The CCPA requires that businesses not discriminate against a consumer because the consumer exercised any of his or her rights under the CCPA. This includes prohibiting the denial of goods or services, charging different prices or penalties, and providing or suggesting a different level of quality of goods or services if the customer exercises his or her rights.

B. Entities Required to Comply with CCPA

The CCPA applies to all for-profit businesses in California that meet any of the following attributes:

1. Gross revenues in excess of \$25 million, or
2. Obtains data for at least 50,000 California residents annually, or
3. Derives over 50 percent of revenue from selling California residents' personal information.

Any revenue the the Water Utilities derive from what may be considered “sales” of their customers' personal information to third parties is, in any event, a tiny fraction of their total revenue. However, several of the Water Utilities fall within the first two parameters noted above and each of them now has revenues exceeding the gross revenues threshold or closely approaching it.⁷ All of them therefore must comply with the CCPA or at least prepare to do so.

III.

STATEMENT OF RELIEF SOUGHT

In light of the extensive CCPA requirements to track, delete and allow access to personal information, and the broad definition of personal information, the Water Utilities respectfully request that the Commission authorize each of the Water Utilities to establish a

⁷ Great Oaks Water Company, the smallest of the Water Utilities, has gross annual revenue approaching the \$25 million threshold; all the other Water Utilities clearly exceed this threshold.

memorandum account to track costs associated with the implementation of activities in support of compliance with the CCPA. The Water Utilities have included the proposed additions to the preliminary statements in their tariffs, attached hereto as Appendix A. The Water Utilities also request that the Commission allow them to establish CCPA memorandum accounts as of the date of filing of this application, so that work may begin to comply with the CCPA during the pendency of this application.

IV.

REASONS AND BASIS FOR REQUESTED RELIEF

A. The Water Utilities Will Incur Incremental and Unforeseen Compliance Expenses

Due to the timing of the signing of the CCPA into law, June 28, 2018, and the imminent compliance date of January 1, 2020, the Water Utilities have had no previous means to request cost recovery or cost tracking in any other proceeding. The Water Utilities are already incurring costs and expect to incur more in 2020 to comply with CCPA requirements. They do not have a reasonable opportunity to recover those costs as cost recovery for 2019 and 2020 was determined or is being determined in prior or ongoing general rate cases (“GRCs”) for each of the Water Utilities. Therefore, it is reasonable for the Commission to enable the Water Utilities to track CCPA compliance costs separately, and later seek recovery of such costs as are not reflected in their authorized revenue requirements. Such later recovery requests should include a review of the reasonableness of such costs.

The Water Utilities expect to incur incremental CCPA compliance costs in 2019 and 2020 primarily related to employee labor, but also including non-labor costs for requirements such as employee training, licensing, and mailing and printing costs. Because the Water Utilities expect to evaluate technical solutions and obtain legal advice for some of these compliance requirements in 2020, they also may record technology and legal-related costs in the CCPAMA. The Water Utilities expect to include costs for future GRC cycles in their-GRC applications filed beginning next year.

At this time, many of the costs for CCPA compliance are unknown, due to the relationship that will exist between the number of requests received and the amount of incremental labor needed to fulfill those requests. Furthermore, numerous amendments to the CCPA were adopted during the 2019 Legislative session, and further amendments are likely to be considered next year. It is unknown at this time what effects such legislation will have on the Water Utilities' compliance-related costs. In addition, the California Attorney General's Office recently opened a formal rulemaking, proposing regulations to define terms relevant to the CCPA and procedures for implementing the statutory requirements. These regulations could further affect the scope and interpretation of the CCPA as well as the Water Utilities' compliance obligations.

B. A CCPAMA Is Consistent with Commission Precedent

The Commission has authorized memorandum accounts in many instances where new statutory requirements or other changing conditions have made it likely that utilities will incur significant costs not accounted for in their current rates. In appropriate cases, the Commission has authorized such memorandum accounts for groups of utilities and has made them effective as of the dates on which utilities have requested such permission. In their applications, the energy utilities cited several examples of such authorizations. Some of those examples will be noted here, followed by reference to parallel authorizations of memorandum accounts for water utilities.

In 2010, Pacific Gas and Electric Company ("PG&E"), San Diego Gas & Electric Company ("SDG&E"), Southern California Gas Company ("SoCalGas") and Southern California Edison Company ("SCE") filed a joint application (A.10-08-002) asking that the Commission authorize memorandum accounts to record the energy utilities' administrative expenses incurred to implement Assembly Bill ("AB") 32. By D.10-12-026, the Commission authorized memorandum accounts for AB 32 implementation costs. The Commission noted it was not certain those fees would materialize but still authorized the memorandum accounts stating, "[s]imply because there is some uncertainty concerning whether and when the fees will

be assessed should not prevent a utility from establishing a memorandum account to record such costs in the event they are incurred.”⁸ Similarly, by D.15-01-051, the Commission granted SCE’s proposal to establish a memorandum account to record costs associated with implementation of Senate Bill (“SB”) 43, a bill establishing a new renewable energy program, reasoning that “[a] memorandum account will allow the IOU to track administrative and marketing costs, and provide an opportunity for review before these amounts are approved by the Commission.”⁹

In another case, the Commission authorized SCE’s creation of a Risk Management Memorandum Account (“RMMA”) to record costs associated with fuel cost hedging and allowed the RMMA to be deemed effective nearly two months before the Commission’s decision.¹⁰ In such cases, the Commission authorized memorandum accounts without conducting evidentiary hearings, noting that authority to establish a memorandum account does not prejudice the appropriateness of the costs tracked for future recovery. Likewise, approval of the Water Utilities’ request to establish CCPAMAs will not prejudice the reasonableness of any of the expenses recorded to the CCPAMA, but rather will create the means to record incremental unreimbursed costs and allow the Water Utilities to seek recovery of those costs through a subsequent application.

More recently, SCE’s A.18-04-001 requested Commission authorization to establish a Wildfire Expense Memorandum Account (“WEMA”) to allow SCE to track incremental unreimbursed wildfire liability-related costs. SCE’s proposal was consistent with the Commission’s authorization of memorandum accounts for SDG&E and SoCalGas for the same purpose in D.12-12-029. The Commission granted SCE’s request for a WEMA by D.18-11-051, finding it reasonable to establish the WEMA as of the date the application was filed, with recovery of costs recorded in the WEMA to be addressed in separate rate recovery proceedings.¹¹

⁸ D.10-12-026, at 6.

⁹ D.15-01-051, at 173 (Finding of Fact 146).

¹⁰ Resolution E-3761, November 29, 2001.

¹¹ D.18-11-051, at 10 (Conclusions of Law 2, 4).

Most relevant to the Water Utilities' current application are the requests submitted in March 2019 by PG&E, SCE, SDG&E and SoCalGas for authorization to establish memorandum accounts to record and track incremental costs to implement the CCPA. As noted above, by D.19-09-026, adopted September 12, 2019, the Commission authorized the four major energy utilities to establish CCPAMAs to accumulate such incremental costs, with rate recovery to be considered in separate, subsequent proceedings. This is precisely the relief the Water Utilities seek in their present application.

The requested relief is consistent with previous Commission authorizations of memorandum accounts for water utilities. The conditions for such authorization were most fully addressed in I.07-01-022, an Investigation of Policies to Achieve the Commission's Conservation Objectives for Class A Water Utilities ("Conservation OII"). By D.08-02-026, the Commission responded to a request by Suburban Water Systems ("Suburban") to establish a memorandum account to track costs of participation in the Conservation OII by authorizing all the Class A water utilities to do so.¹² The Commission granted rehearing as to the allowance of memorandum accounts for the utilities other than Suburban, and D.10-04-001 confirmed that authorization. In that decision, the Commission addressed precedents for establishing memorandum accounts, noting the four-factor test the Commission sometimes has applied,¹³ resembling that specified in Standard Practice U-27-W. However, D.10-04-001 concluded that "the Commission has not applied a fixed set of factors in determining whether to establish memorandum accounts for water utilities."¹⁴

The four factors that the Commission recognized in D.10-04-001 all have been met with respect to the Water Utilities' obligations to comply with the CCPA. Enactment of the

¹² D.08-02-036, at 46, 55 (Conclusion of Law 8), 56 (Ordering Paragraph 5).

¹³ "In reviewing some requests for memorandum accounts, the Commission has considered the following four factors, finding that memorandum accounts were appropriate if: 1) the expense is caused by an event of an exceptional nature that is not under the utility's control; 2) the expense cannot have been reasonably foreseen in the utility's last general rate case and will occur before the utility's next scheduled rate case; 3) the expense is of a substantial nature in the amount of money involved; and 4) the ratepayers will benefit by the memorandum account treatment." D.10-04-001, at 5.

¹⁴ *Id.* at 4-5; see also, *id.* at 19 (Findings of Fact 3-4).

CCPA was certainly an exceptional event not under any utility's control. The costs of complying with the CCPA cannot have been reasonably foreseen in the Water Utilities' last GRCs and they are seeking to account only for such costs as will occur before their next GRCs will be implemented. While the extent of incremental CCPA compliance costs cannot yet be estimated, they are likely to be substantial.¹⁵ The Legislature enacted the CCPA "to further Californians' right to privacy by giving consumers an effective way to control their personal information,"¹⁶ and enabling the Water Utilities to recover their costs of compliance with the CCPA will benefit ratepayers by helping to secure their right to privacy.

C. The Water Utilities Request That the CCPAMA Be Made Effective as of the Application's Filing Date

The Water Utilities seek authority to make their CCPAMA tariffs effective as of April 1, 2019, which is shortly after the dates as of which each of the energy utilities was authorized to begin tracking its CCPA compliance costs in a CCPAMA.¹⁷ An alternative effective date for the requested CCPMAs would be September 12, 2019, which also would allow the Water Utilities to track in these accounts the incremental CCPA compliance costs they incur during the pendency of the Commission's disposition of this application.. This treatment will preserve the Water Utilities' ability to seek Commission review of the reasonableness of these incremental costs in appropriate future proceeding.

This request is consistent with the Commission's long-standing policy objectives to ensure that affected parties are financially indifferent to the timing of the Commission's final

¹⁵ According to a recent study commissioned by the State Attorney General's Office, compliance costs for companies statewide could total \$55 billion. California's Department of Finance has estimated potential initial compliance costs as ranging from \$50,000 for firms with fewer than 20 employees to \$2 million for firms with more than 500 employees. Based on the size of the Water Utilities' repositories of personal customer information and data that will be subject to CCPA, their robust collection of personal customer data associated with the provision of water service (as required by the Public Utilities Code and Commission regulations), and the limitations of current staffing levels and customer information systems, initial costs for the Water Utilities to comply with the CCPA will likely be substantial.

¹⁶ California Consumer Privacy Act of 2018 (SB 375), §2(i).

¹⁷ D.19-09-026, at 14 (Ordering Paragraph 1).

decision. The purpose of this request is to make sure that the Water Utilities do not lose the ability to track costs in their memorandum accounts while the Commission resolves the present application. The Commission has explained its longstanding practice of establishing memorandum accounts to avoid retroactive ratemaking.¹⁸ Allowing the relief sought herein would be consistent with that practice and is also consistent with Commission precedent. Specifically, it is consistent with the Commission's recent D.19-09-026, authorizing CCPAMAs for the four major energy utilities to be implemented as of the date each of them filed its application requesting such a memorandum account. As the Commission stated in that recent decision, "[b]ased on the Commission's precedent and statutory law, it is reasonable to set an effective date for the memorandum accounts on the dates the applications were filed."¹⁹

D. D.19-09-026 Supports Authorizing the Requested Memorandum Accounts.

In evaluating the energy utilities' applications for CCPAMAs, the Commission considered and addressed a series of issues relevant to the Water Utilities' present requests for similar relief. The appropriate outcome is the same.

In D.19-09-026, the Commission noted that a memorandum account "allows a utility to isolate and list costs related to a particular activity and later to seek to recover those costs in rates," providing a means to avoid unlawful retroactive ratemaking.²⁰ The Commission recognized that the energy utilities already were incurring costs to implement the CCPA or expected to do so soon and had been unable to rely on their GRCs to collect such costs in rates, and that a memorandum account was appropriate to provide the utilities the opportunity to recover the costs in rates, provided the costs are found reasonable in an appropriate GRC or other ratemaking proceeding.²¹ The Commission specified that the costs booked to the memorandum accounts must be incremental capital costs or expenses, and found that, while the energy utilities were unsure of the exact amount of their CCPA compliance costs, those costs were potentially

¹⁸ See, e.g., D.03-05-076, at 6.

¹⁹ D.19-09-026, at 13 (Conclusion of Law 8; see also, *id.* at 14 (Ordering Paragraph 1)).

²⁰ *Id.* at 5.

²¹ *Id.* at 6-8.

significant and not speculative.²² The Commission also found it appropriate, based on Commission precedent and statutory authority, to make the authorized memorandum accounts effective as of the dates the energy utilities' applications were filed.²³

The same determinations are appropriate with respect to the present Application. As explained above, the Water Utilities already are incurring costs to implement the CCPA and are unable to rely on their GRCs to collect such costs in rates. The Water Utilities seek to include only their incremental capital costs and expenses in rates and they recognize that their eventual recovery of such costs in rates should be subject to a reasonableness review in a future GRC. And while the Water Utilities cannot specify the exact amount of their CCPA compliance costs, those costs are potentially significant and not speculative. Accordingly, consistent with D.19-09-026, the Commission should authorize the Water Utilities to establish CCPAMAs as of the date this Application was filed.

V.

INFORMATION REQUIRED BY THE COMMISSION'S RULES

A. Statutory and Other Authority (Rule 2.1)

The Water Utilities submit this application pursuant to Section 701 of the California Public Utilities Code; Rule 2.1 of the Commission's Rules, and the prior Commission decisions, orders and resolutions discussed above, including most recently and most prominently, D.19-09-026, which authorized memorandum accounts for the four large energy utilities' incremental costs of implementing the CCPA.

²² *Id.* at 8-10.

²³ *Id.* at 10.

B. Legal Name and Principal Place of Business (Rule 2.1(a))

The legal names and principal business addresses for each of the Water Utilities, each of which is a corporation organized and doing business under the laws of the State of California, are as follows:

Utility	Principal Business Address
California-American Water Company	655 West Broadway, #1410, San Diego, CA 92101
California Water Service Company	1720 North First Street, San Jose, CA 95112
Golden State Water Company	630 East Foothill Boulevard, San Dimas, CA 91773
Great Oaks Water Company	20 Great Oaks Blvd., Suite 120, San Jose, CA 95119
Liberty Utilities (Apple Valley Ranchos Water) Corp.	21760 Ottawa Road, Apple Valley, CA 92307
Liberty Utilities (Park Water) Corp.	9750 Washburn Road, Downey, CA 90421
San Gabriel Valley Water Company	11142 Garvey Avenue, El Monte, CA 91733
San Jose Water Company	110 West Taylor Street, San Jose, CA 95110
Suburban Water Systems	1325 N. Grand Ave. Suite 100, Covina CA 91724

C. Correspondence and Communications (Rule 2.1(b))

All correspondence, communications, and service of papers regarding this Application should be directed to:

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D. Categorization, Hearings, and Issues to Be Considered (Rule 2.1(c))

1. Proposed Categorization

The Water Utilities propose that this Application be categorized as a ratesetting proceeding pursuant to Commission Rules 1.3(e) and 7.1(e)(2).

2. Need for Hearings

The Water Utilities believe that evidentiary hearings are not required. As discussed above, the Commission has authorized the establishment of memorandum accounts without requiring evidentiary hearings where, as here, any request for cost recovery will be submitted for Commission review and approval through subsequent application.

3. Issues to Be Considered

The issue presented in this Application is whether the Commission should authorize the Water Utilities to establish memorandum accounts to track their respective incremental costs of complying with the CCPA, in order to preserve their ability to seek recovery of those costs in appropriate future proceedings.

4. Procedural Schedule

As discussed above, the Commission has previously authorized establishment of memorandum accounts without conducting evidentiary hearings, particularly in the context of an application which does not seek cost recovery. The Water Utilities therefore propose the following schedule, including the potential for shortened or waived comment periods for a Proposed Decision as appropriate. This schedule will allow for swift resolution of this Application, while maintaining the opportunity for the Commission and parties to consider the reasonableness of SCE's compliance costs in subsequent proceedings.

Date	Event
December 2019	Water Utilities file Application to establish California Consumer Privacy Act Memorandum Accounts
January 2020	Deadline to file protests or responses
January 2020	Deadline to file reply to protests or responses
January 2020	Prehearing conference (if necessary)
February 2020	Scoping memo (if necessary)
March 2020	Proposed decision
March 2020	Final decision (if comments waived)
April 2020	Final decision (after standard comment period)

E. Articles of Incorporation (Rule 2.2)

In compliance with Rule 2.2, the Water Utilities confirm that a copy of each Utility's Certificate of Articles of Incorporation or Certificate of Restated Articles of Incorporation, effective as of the date specified below, presently in effect, and certified by the California Secretary of State, was filed with the Commission on the date and in connection with the proceeding specified below, and is by reference made a part hereof.

Utility	Effective Date	Filing Date	Proceeding
California-American Water	June 23, 2014	April 3, 2017	A.17-04-003
California Water Service	April 25, 1988	December 13, 1996	A.96-12-029
Golden State Water	September 16, 2005	December 14, 2018	A.18-12-019
Great Oaks Water	December 19, 1974	September 3, 2009	A.09-09-001
Liberty Utilities (AVR Water)	January 11, 2016	January 2, 2018	A.18-01-002 <i>et al.</i>
Liberty Utilities (Park Water)	January 11, 2016	January 2, 2018	A.18-01-002 <i>et al.</i>

Utility	Effective Date	Filing Date	Proceeding
San Gabriel Valley Water	October 9, 1979	October 9, 1979	A.59243
San Jose Water	April 18,1991	February 28, 1992	A.92-02-050
Suburban Water Systems	October 19, 2004	October 19, 2004	A.06-08-015

F. Safety (Rule 2.1(c))

In D.16-01-017, the Commission adopted an amendment to Rule 2.1(c) requiring applications to clearly state “relevant safety considerations.” The Water Utilities view this application as not presenting any safety considerations, as it requests only the creation of a memorandum account to track costs that will be incurred in any event.

VI.

CONCLUSION

Wherefore, the Water Utilities respectfully requests that the Commission issue a decision on this application: (1) authorizing each Utility to establish a California Consumer Privacy Act Memorandum Account (“CCPAMA”) to track incremental CCPA compliance costs in order to preserve their ability to seek recovery of those costs through appropriate future applications; and (2) approving each Utility’s proposed CCPAMA tariff in the form attached hereto as Appendix A.

Respectfully submitted,

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Keith Switzer
Vice President, Regulatory Affairs
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Timothy S. Guster
Secretary, Vice President and General Counsel
Great Oaks Water Company

/s/ CHRIS ALARIO
Chris Alario
President, California
Liberty Utilities (Park Water) Corp.

/s/ CHRIS ALARIO
Chris Alario
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/s/ JOEL M. REIKER
Joel M. Reiker
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San Gabriel Valley Water Company

/s/ CRAIG GOTT
Craig Gott
President
Suburban Water Systems

/s/ JOHN B. TANG, P.E.
John B. Tang, P.E.
Vice President of Regulatory Affairs
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APPROVED AS TO FORM

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December 6, 2019

VERIFICATION

I, Jeffrey T. Linam, declare and state:

I am an officer of California-American Water Company, a corporation, and am authorized pursuant to Rule 2.1 and Rule 1.11 of the Rules of Practice and Procedure of the CPUC to make this Verification for and on behalf of said corporation, and I make this Verification for that reason. I have read the foregoing Application and I am informed and believe that the matters therein concerning California-American Water Company are true. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at San Diego, California, this 5th day of December, 2019.

/s/ JEFFREY T. LINAM
Jeffrey T. Linam
Vice President of Rates and Regulatory
California-American Water Company

VERIFICATION

I, Greg A. Milleman, declare and state:

I am an officer of California Water Service Company, a corporation, and am authorized pursuant to Rule 2.1 and Rule 1.11 of the Rules of Practice and Procedure of the CPUC to make this Verification for and on behalf of said corporation, and I make this Verification for that reason. I have read the foregoing Application and I am informed and believe that the matters therein concerning California Water Service Company are true. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at San Jose, California, this 4th day of December, 2019.

/s/ GREG A. MILLEMAN

Greg A. Milleman
Vice President, California Rates
California Water Service Company

VERIFICATION

I, Keith Switzer, declare and state:

I am an officer of Golden State Water Company, a corporation, and am authorized pursuant to Rule 2.1 and Rule 1.11 of the Rules of Practice and Procedure of the CPUC to make this Verification for and on behalf of said corporation, and I make this Verification for that reason. I have read the foregoing Application and I am informed and believe that the matters therein concerning Golden State Water Company are true. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at San Dimas, California, this 4th day of December, 2019.

/s/ KEITH SWITZER
Keith Switzer
Vice President, Regulatory Affairs
Golden State Water Company

VERIFICATION

I, Timothy S. Guster, declare and state:

I am an officer of Great Oaks Water Company, a corporation, and am authorized pursuant to Rule 2.1 and Rule 1.11 of the Rules of Practice and Procedure of the CPUC to make this Verification for and on behalf of said corporation, and I make this Verification for that reason. I have read the foregoing Application and I am informed and believe that the matters therein concerning Great Oaks Water Company are true. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at San Jose, California, this 4th day of December, 2019.

/s/ TIMOTHY S. GUSTER
Timothy S. Guster
Secretary, Vice President and General Counsel
Great Oaks Water Company

VERIFICATION

I, Chris Alario, declare and state:

I am an officer of Liberty Utilities (Park Water) Corp. and Liberty Utilities (Apple Valley Ranchos Water) Corp., a corporation, and am authorized pursuant to Rule 2.1 and Rule 1.11 of the Rules of Practice and Procedure of the CPUC to make this Verification for and on behalf of said corporation, and I make this Verification for that reason. I have read the foregoing Application and I am informed and believe that the matters therein concerning Liberty Utilities (Park Water) Corp. and Liberty Utilities (Apple Valley Ranchos Water) Corp. are true. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed at Downey, California, this 6th day of December, 2019.

/s/ CHRIS ALARIO

Chris Alario

President, California

Liberty Utilities (Park Water) Corp.

Liberty Utilities (Apple Valley Ranchos Water) Corp.

VERIFICATION

I, Joel M. Reiker, declare and state:

I am an officer of San Gabriel Valley Water Company, a corporation, and am authorized pursuant to Rule 2.1 and Rule 1.11 of the Rules of Practice and Procedure of the CPUC to make this Verification for and on behalf of said corporation, and I make this Verification for that reason. I have read the foregoing Application and I am informed and believe that the matters therein concerning San Gabriel Valley Water Company are true. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at El Monte, California, this 5th day of December, 2019.

/s/ JOEL M. REIKER
Joel M. Reiker
Vice President of Regulatory Affairs
San Gabriel Valley Water Company

VERIFICATION

I, John B. Tang, declare and state:

I am an officer of San Jose Water Company, a corporation, and am authorized pursuant to Rule 2.1 and Rule 1.11 of the Rules of Practice and Procedure of the CPUC to make this Verification for and on behalf of said corporation, and I make this Verification for that reason. I have read the foregoing Application and I am informed and believe that the matters therein concerning San Jose Water Company are true. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at San Jose, California, this 5th day of December, 2019.

/s/ JOHN B. TANG, P.E.
John B. Tang, P.E.
Vice President of Regulatory Affairs
and Government Relations
San Jose Water Company

VERIFICATION

I, Craig Gott, declare and state:

I am an officer of Suburban Water Systems, a corporation, and am authorized pursuant to Rule 2.1 and Rule 1.11 of the Rules of Practice and Procedure of the CPUC to make this Verification for and on behalf of said corporation, and I make this Verification for that reason. I have read the foregoing Application and I am informed and believe that the matters therein concerning Suburban Water Systems are true. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at Covina, California, this 3rd day of December, 2019.

/s/ CRAIG GOTT

Craig Gott
President
Suburban Water Systems

ATTACHMENT

655 W. Broadway, Suite 1410
San Diego, CA 92101

PRELIMINARY STATEMENT
(Continued)

Sheet 61

BB. California Consumer Privacy Act Expense Memorandum Account

(N)

1. PURPOSE:

The purpose of the California Consumer Privacy Act Memorandum Account (CCPAMA) is to track the incremental expenses associated initial implementation and ongoing maintenance costs and other related expenses to comply with the requirement of the California Consumer Privacy Act of 2018.

2. APPLICABILITY:

The entries in the CCPAMA may include the following:

- a. All initial implementation costs associated with complying with the California Consumer Privacy Act of 2018.
- b. All ongoing maintenance costs and other expenses associated with compliance with the California Consumer Privacy Act of 2018.
- c. A debit entry shall be made to the CCPAMA at the end of each month to record the expenses as I discussed above.
- d. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

3. DISPOSITION:

If the accumulated balance for the CCPAMA exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. Prior to recovery, I charges made to the CCPAMA are subject to a reasonableness review in the Company's next General Rate I Case or in an appropriate advice letter filing or regulatory proceeding. The recovery of under-collections will be I passed on to the customers through volumetric surcharges and over-collections will be amortized by surcredits.

4. EFFECTIVE DATE:

The CCPAMA shall go into effect on December __, 2019.

5. SUNSET DATE:

The CCPAMA will remain in effect until new rates incorporating the requirements for the California Consumer Privacy Act of 2018 are placed into effect under the Company's next General Rate Case decision.

(N)

(Continued)

(TO BE INSERTED BY UTILITY)	ISSUED BY	(TO BE INSERTED BY C.P.U.C.)
Advice	J. T. LINAM	Date Filed _____
Decision	DIRECTOR - Rates & Regulatory	Effective _____
		Resolution _____

Preliminary Statement

Sheet 1

AZ. California Consumer Privacy Act Expense Memorandum Account

(N)

1. Purpose

The purpose of the California Consumer Privacy Act Expense Memorandum Account (CCPAEMA) is to track the incremental expenses associated initial implementation and ongoing maintenance costs and other related expenses to comply with the requirements of the California Consumer Privacy Act of 2018.

2. Applicability

The entries in the CCPAEMA may include the following:

- a. All initial implementation costs associated with complying with the California Consumer Privacy Act of 2018.
- b. All ongoing maintenance costs and other expenses associated with compliance with the California Consumer Privacy Act of 2018.
- c. A debit entry shall be made to the CCPAEMA at the end of each month to record the expenses as discussed above.
- d. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

3. Disposition

If the accumulated balance for the CCPAEMA exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. Prior to recovery, charges made to the CCPAEMA are subject to a reasonableness review in the Company's next General Rate Case or in an appropriate advice letter filing or regulatory proceeding. The recovery of under-collections will be passed on to the customers through volumetric surcharges and over-collections will be amortized by surcredits.

4. Effective Date

The CCPAEMA shall go into effect on December __, 2019.

5. Sunset Date

The CCPAEMA will remain in effect until new rates incorporating the requirements for the California Consumer Privacy Act of 2018 are placed into effect under the Company's next General Rate Case decision.

(N)

PRELIMINARY STATEMENTS

(Continued)

CALIFORNIA CONSUMER PRIVACY ACT MEMORANDUM ACCOUNT

(N)

PURPOSE

The purpose of the California Consumer Privacy Act Memorandum Account (CCPAMA) is to track the incremental expenses associated with initial implementation and ongoing maintenance costs and other related expenses to comply with the requirements of the California Consumer Privacy Act of 2018.

APPLICABILITY

The CCPAMA does not have a rate component.

ACCOUNTING PROCEDURE

Golden State Water Company (GSWC) shall maintain the CCPAMA by making entries as follows:

- a. All initial implementation costs associated with complying with the California Consumer Privacy Act of 2018;
- b. All ongoing maintenance costs and other expenses associated with compliance with the California Consumer Privacy Act of 2018;
- c. A debit entry shall be made to the CCPAMA at the end of each month to record the expenses as discussed above;
- d. Interest shall accrue to the CCPAMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

EFFECTIVE DATE

The CCPAMA shall go into effect on (TBD).

MEMORANDUM ACCOUNT PERIOD

The CCPAMA will remain in effect until new rates incorporating the requirements for the California Consumer Privacy Act of 2018 are placed into effect under GSWC's next General Rate Case decision.

DISPOSITION

Disposition of amounts recorded in the CCPAMA shall be determined in GSWC's next General Rate Case application or by as otherwise determined by the Commission, if the account's cumulative balance exceeds 2% of GSWC's adopted gross revenues.

(N)

ISSUED BY

Date Filed: _____

Advice Letter No. _____

R. J. SPROWLS

Effective Date: _____

Decision No. _____

President

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

TBD. **California Consumer Privacy Act Memorandum Account** (N)

1. **Purpose.** The purpose of the California Consumer Privacy Act Memorandum Account (CCPAMA) is to track the incremental expenses associated with initial implementation and ongoing maintenance costs and other related expenses to comply with the requirements of the California Consumer Privacy Act of 2018.
2. **Applicability.** The CCPAMA does not have a rate component.
3. **Accounting Procedure.** The Utility shall maintain the CCPAMA by making entries as follows:
 - a. All initial implementation costs associated with complying with the California Consumer Privacy Act of 2018;
 - b. All ongoing maintenance costs and other related expenses associated with compliance with the California Consumer Privacy Act of 2018;
 - c. A debit entry shall be made to the CCPAMA at the end of each month to record the expenses as described above; and
 - d. Interest shall accrue to the CCPAMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial Commercial Paper rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.
4. **Effective Date.** The CCPAMA shall be effective as of _____.
5. **Memorandum Account Period.** The CCPAMA will remain in effect until new rates incorporating the requirements for and expenses of compliance with the California Consumer Privacy Act of 2018 are placed into effect in a general rate case for the Utility.
6. **Disposition.** Disposition of amounts recorded in the CCPAMA shall be determined in the Utility's next general rate case or as otherwise determined by the Commission, if the account's cumulative balance exceeds two percent (2%) of the Utility's authorized revenues.

(N)

(To be inserted by utility)
Advice Letter No. _____

Issued by
Timothy S. Guster
NAME
General Counsel
TITLE

(To be inserted by Cal. P.U.C.)
Date Filed _____

Decision No. _____

Effective _____

Resolution No. _____

PRELIMINARY STATEMENT
(continued)

GG. California Consumer Privacy Act Memorandum Account (“CCPAMA”)

(N)

1. Purpose: The purpose of the California Consumer Privacy Act Memorandum Account (“CCPAMA”) is to track the incremental expenses associated with the initial implementation and ongoing maintenance costs and other related expenses to comply with the requirements of the California Consumer Privacy Act of 2018.

2. Procedure

The following entries in the CCPAMA shall include the following:

- a. All initial implementation costs associated with complying with the California Consumer Privacy Act of 2018.
- b. All ongoing maintenance costs and other expenses associated with complying with the California Consumer Privacy Act of 2018.
- c. Entries to the CCPAMA shall be made at the end of each month commencing with the month in which the event occurs. (Debit)
- d. Monthly interest expense would be calculated at 1/12 of the most recent month’s interest rate on Commercial Paper (non-financial, 3-month), published in the Federal Reserve Statistical Release, www.federalreserve.gov/releases/H15, or its successor publication (debit/credit).

3. Disposition

If the accumulated balance recorded in the CCPAMA exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. The recovery request of the amounts recorded in the CCPAMA will subject to a reasonableness review.

4. Effective Date

The CCPAMA shall go into effect on December , 2019. The CCPAMA will remain in effect until new rates incorporating the requirements for the California Consumer Privacy Act of 2018 are placed into effect under the Company’s next General Rate Case decision.

(N)

(To be inserted by utility)

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

Advice No. _____

GREGORY S. SORENSEN

Date Filed _____

Name

Decision No. _____

PRESIDENT

Effective _____

Title

Resolution No. _____

PRELIMINARY STATEMENT
(continued)

GG. California Consumer Privacy Act Memorandum Account (“CCPAMA”)

(N)

1. Purpose: The purpose of the California Consumer Privacy Act Memorandum Account (“CCPAMA”) is to track the incremental expenses associated with the initial implementation and ongoing maintenance costs and other related expenses to comply with the requirements of the California Consumer Privacy Act of 2018.

2. Procedure

The following entries in the CCPAMA shall include the following:

- a. All initial implementation costs associated with complying with the California Consumer Privacy Act of 2018.
- b. All ongoing maintenance costs and other expenses associated with complying with the California Consumer Privacy Act of 2018.
- c. Entries to the CCPAMA shall be made at the end of each month commencing with the month in which the event occurs. (Debit)
- d. Monthly interest expense would be calculated at 1/12 of the most recent month’s interest rate on Commercial Paper (non-financial, 3-month), published in the Federal Reserve Statistical Release, www.federalreserve.gov/releases/H15, or its successor publication (debit/credit).

3. Disposition

If the accumulated balance recorded in the CCPAMA exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. The recovery request of the amounts recorded in the CCPAMA will subject to a reasonableness review.

4. Effective Date

The CCPAMA shall go into effect on December , 2019. The CCPAMA will remain in effect until new rates incorporating the requirements for the California Consumer Privacy Act of 2018 are placed into effect under the Company’s next General Rate Case decision.

(N)

(continued)

(To be inserted by utility)

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

Advice No. _____

GREGORY S. SORENSEN

Date Filed _____

Name

Decision No. _____

PRESIDENT

Effective _____

Title

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

R. California Consumer Privacy Act Memorandum Account (CCPAMA)

1. Purpose

The purpose of the CCPAMA is to track incremental costs, not already reflected in rates, of San Gabriel’s initial implementation and ongoing maintenance incurred in compliance with the California Consumer Privacy Act of 2018 (AB 375) in order to preserve the opportunity for rate recovery of the costs recorded therein at a later date.

2. Applicability

Costs will be recorded separately for the Los Angeles County division and for the Fontana Water Company division. All costs applicable companywide will be allocated to each division based on the CPUC-adopted 4-factors.

3. Memorandum Account Entries

The entries in the CCPAMA shall include the following:

- a. All initial implementation costs associated with complying with the California Consumer Privacy Act of 2018 (debit).
- b. All ongoing maintenance costs associated with complying with the California Consumer Privacy Act of 2018 (debit).
- c. Monthly interest expense calculated at 1/12 of the most recent month’s interest rate on Non-financial Commercial Paper (AA, 3-month), published in the Federal Reserve Statistical Release, H.15 ([www/federalreserve.gov/release/H15](http://www.federalreserve.gov/release/H15)), or its successor publication (debit or credit).

4. Disposition

Should the accumulated balance for the CCPAMA exceed 2% of the total authorized revenue requirement, San Gabriel will submit a Tier 3 advice letter requesting amortization of that balance. In the next general rate case (anticipated to be filed in January 2022), San Gabriel will request the amortization of any residual balance. All balances to be amortized will first be subject to a reasonableness review and approval.

5. Effective Dates

The CCPA shall be opened effective on December 15, 2019.

(To be inserted by utility)

Issued by

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

Advice Letter No. _____

_____ J.M. Reiker _____

Date Filed _____

Decision No. _____

NAME
Vice President of Regulatory Affairs
TITLE

Effective _____

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

- AB. California Consumer Privacy Act Expense Memorandum Account** (N)
1. Purpose
The purpose of the California Consumer Privacy Act Expense Memorandum Account (CCPAEMA) is to track the incremental expenses associated initial implementation and ongoing maintenance costs and other related expenses to comply with the requirements of the California Consumer Privacy Act of 2018.
 2. Applicability
The entries in the CCPAEMA may include the following:
 - a. All initial implementation costs associated with complying with the California Consumer Privacy Act of 2018.
 - b. All ongoing maintenance costs and other expenses associated with compliance with the California Consumer Privacy Act of 2018.
 - c. A debit entry shall be made to the CCPAEMA at the end of each month to record the expenses as discussed above.
 - d. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.
 3. Disposition
If the accumulated balance for the CCPAEMA exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. Prior to recovery, charges made to the CCPAEMA are subject to a reasonableness review in the Company's next General Rate Case or in an appropriate advice letter filing or regulatory proceeding. The recovery of under-collections will be passed on to the customers through volumetric surcharges and over-collections will be amortized by surcredits.
 4. Effective Date
The CCPAEMA shall go into effect on XXXX XX, 2020.
 5. Sunset Date
The CCPAEMA will remain in effect until new rates incorporating the requirements for the California Consumer Privacy Act of 2018 are placed into effect under the Company's next General Rate Case decision. (N)

(To be inserted by utility)

Issued by

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

Advice No. _____

JOHN TANG

Date Filed _____

Vice President,

Effective _____

Dec. No. _____

Regulatory Affairs

Resolution No. _____

TITLE

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(Continued)

(To be inserted by utility)

Issued by

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

Advice No. _____

JOHN TANG

Date Filed _____

Vice President,

Effective _____

Dec. No. _____

Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

California Consumer Privacy Act Memorandum Account (CCPAMA)

(N)

1. PURPOSE

The purpose of the California Consumer Privacy Act Memorandum Account (CCPAMA) is to track the incremental expenses associated with the initial implementation, ongoing maintenance costs, and other related expenses to comply with the requirements of the California Consumer Privacy Act of 2018 (CCPA) that are not currently reflected in rates.

2. APPLICABILITY

The CCPAMA applies to all areas served by Suburban. The CCPAMA balance to be recovered from all customer classes, except those specifically excluded by the C.P.U.C.

3. ACCOUNTING PROCEDURE

- a. All initial implementation costs associated with complying with the CCPA;
- b. All ongoing maintenance costs and other expenses associated with compliance with the CCPA;
- c. A debit entry shall be made to the CCPAMA at the end of each month to record the expenses as discussed above;
- d. Interest shall accrue to the CCPAMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

4. EFFECTIVE DATE

The CCPAMA shall go into effect on December 15, 2019.

5. CCPAMA RATES and DISPOSITION

The CCPAMA does not currently have a rate component. Requests for recovery of any balance in the CCPAMA are to be processed according to General Order 96-B and Standard Practices or requested in a general rate case. Requests for recovery shall include a showing the reasonableness of the costs incurred, and subject to review and approval by the Commission.

(N)

(To be inserted by utility)

Issued by

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

Advise Letter No. _____

Robert L. Kelly

Date Filed _____

Name

Decision No. _____

Vice President

Effective _____

Title

Resolution No. _____