

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



FILED
03-04-11
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In the matter of the application of: Alco Water Service, (U-206), (Alco) a California Corporation, for an order 1) authorizing it to increase rates for water service by \$3,709,633 or 62.6% in test year 2010, 2) authorizing it to increase rates on July 1, 2011 by \$1,752,844 or 18.2% and July 1, 2012 by \$1,016,639 or 8.9% in accordance with Decision 08-11-035, and 3) adopting other related rulings and relief necessary to implement the Commission's ratemaking policies.

A.10-02-006
(Filed February 1, 2010)

**NOTICE OF EX PARTE COMMUNICATION
OF THE DIVISION OF RATEPAYER ADVOCATES**

Pursuant to Rules 8.2 and 8.5 of the Commission's Rules of Practice and Procedure the Division of Ratepayer Advocates ("DRA") hereby submits its ex parte notice.

On March 2, 2011, at approximately 2:00 p.m., Danilo Sanchez, Program Manager of DRA's Water Branch met with Ken Koss, interim Chief of Staff for Commissioner Simon, regarding the Alco general rate case Application (A).10-02-006 at the Commission's headquarters in San Francisco.

The original Proposed Decision (PD) of Administrative Law Judge Long was revised in response to comments from parties including DRA. DRA was satisfied with the revised PD and supported its adoption by the Commission on February 24, 2011. Commissioner Simon asked for a hold on this decision.

During Mr. Sanchez's approximate ten minute meeting with Mr. Koss he reiterated DRA's position that the revised PD should not be further modified. He emphasized the importance of retaining the ban on financial transactions between family members and Alco as a utility. He also explained that the restriction in the revised PD does not bar Alco from hiring family members and paying them a salary. DRA noted that while Alco is not yet a Class A utility, DRA is not opposed to having Alco file a general rate case application similar to other Class A utilities. Alco's preference is to revert to its former procedure of submitting an Advice Letter filing as a Class B utility. DRA also noted that because the revised PD approved three additional wells in Alco's service territory, customer rates will rise by 54% once the wells are complete and in rate base.

Copies of this Notice may be obtained by calling or sending e-mail to Sue Muniz at (415) 703-1858 (e-mail: sam@cpuc.ca.gov).

Respectfully submitted,

/s/ JASON ZELLER

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