



**FILED**

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

04/20/12  
04:59 PM

Application Of CALIFORNIA-AMERICAN WATER COMPANY (U-210-W), CALIFORNIA WATER SERVICE COMPANY (U-60-W), GOLDEN STATE WATER COMPANY (U-133-W), PARK WATER COMPANY (U-314-W) AND APPLE VALLEY RANCHOS WATER COMPANY (U-346-W) to Modify D.08-02-036, D.08-06-002, D.08-08-030, D.08-09-026, D.08-11-023, D.09-05-005, D.09-07-021, and D.10-06-038 regarding the Amortization of WRAM-Related Accounts.

Application 10-09-017

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**NOTICE OF EX PARTE COMMUNICATION BY  
CALIFORNIA WATER SERVICE COMPANY (U-60-W)**

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Pursuant to Article 8 of the Commission's Rules of Practice and Procedure ("Rules"), California Water Service Company (U-60-W) submit the this notice of ex parte communications regarding the above-captioned proceeding.

On Wednesday, April 18, 2012, at approximately 4:15 pm, Thomas F. Smegal (Vice President, Regulatory Matters and Corporate Relations for California Water Service Company) spoke with Lester Wong, Advisor to President Peevey by telephone. The meeting lasted approximately 5 minutes. Mr. Smegal initiated the call and no written materials were provided.

During the meeting, Mr. Smegal raised the concern that the revised Proposed Decision ("PD") ordered utilities to consider revisions or options to the WRAM mechanisms in the next general rate case ("GRC") but prejudged the amortization regime for whatever mechanism might be adopted in that case. Mr. Smegal suggested that a better approach would be to consider the amortization "cap" as one among other potential solutions to large under-collected balances. Mr. Smegal raised the concern that the prejudgment of an amortization regime would distort the potential options developed in the GRC. Mr. Smegal also expressed concern that the proposed future amortization cap was unreasonably low and would not likely remove the utilities' disincentive to promoting conservation. Furthermore, Mr. Smegal noted that the PD

would force the utilities to propose extremely low sales forecasts in order to reduce or eliminate the likelihood of under-collection.

Finally, Mr. Smegal requested that Mr. Wong consider changing the revised PD to require a determination of appropriate amortization periods alongside the substantive review in the GRC.

In addition, on Wednesday, April 18, 2012 at approximately 4:30 pm, Mr. Smegal spoke again with Mr. Wong for approximately five minutes by telephone. Again, no written materials were provided. The call was initiated by Mr. Smegal. In the second call, Mr. Smegal pointed out that the revised PD had ordered a review of the WRAM in Golden State and Park's ongoing GRC proceedings. Mr. Smegal noted that Golden State was in settlement conferences with DRA and that testimony from the company, DRA, and intervenors had already been completed. Mr. Smegal asked Mr. Wong to consider technical revisions to the revised PD that would defer the review of the WRAM mechanism until the subsequent GRCs for both companies.

Respectfully Submitted,

/s/ THOMAS F. SMEGAL

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**Vice President, Regulatory Matters**  
**California Water Service Company**

Dated: April 20, 2012