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BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Application of California-American Water Company (U210W), California Water Service Company (U60W), Golden State Water Company (U133W), Park Water Company (U314W) and Apple Valley Ranchos Water Company (U346W) 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

A.10-09-017
(Filed September 20, 2010)

**COMPLIANCE FILING
OF CALIFORNIA-AMERICAN WATER COMPANY (U-210-W)**

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Dated: February 10, 2011

Attorneys for Applicant
California-American Water Company

In response to Administrative Law Judge (“ALJ”) Walwyn’s request for additional information at the January 24, 2011 Prehearing Conference (“1/24/11 PHC”), California American Water Company (U-210-W) (“California American Water”) respectfully submits this Compliance Filing.¹

At the 1/24/11 PHC, ALJ Walwyn requested that California American Water provide information regarding compliance with D.08-06-002, Ordering Paragraph 11, which states:

In consultation with DRA and other interested parties, Cal-Am shall develop a comprehensive monitoring and data collection system for use in analyzing customer response to the proposed conservation rates and conservation program. Cal-Am shall schedule a meeting every four to six months to discuss with interested parties the results of the customer response data it is tracking and whether there should be any changes in conservation outreach programs in response to the results.

California American Water has complied with D.08-06-002, Ordering Paragraph 11, which was issued on June 12, 2008. First, California American Water addressed the requirements of that decision in subsequent general rate cases. Second, California American Water held multiple meetings to address conservation rate impacts and gather input from interested parties.

To implement the WRAM/MCBA pilot program in its Los Angeles district, California American Water filed Advice Letter 698 on July 24, 2008, which was approved on September 25, 2008. Due to the need to implement a billing structure change, California American Water was not able to implement the conservation rate pilot program (including the WRAM/MCBA) until November 1, 2008. By the time California American Water’s next general rate case (“GRC”) application for Los Angeles

¹ California American Water will address other issues raised at the 1/24/11 PHC in a separate statement filed jointly with DRA and the other utilities.

was submitted in January 2009, there were only two months of data available. As explained in the Direct Testimony of David P. Stephenson submitted with the 2009 Los Angeles GRC, “because the CPUC issued the decisions [approving conservation rates in Los Angeles] so close to the filing of the current application, it is impossible to perform any of the evaluations required by the decisions. Adequately performing the evaluations requires the conservation rates to be in place for at least one year.” D.09-01-013; California American Water Ex. 16, Q/A48.

California American Water, DRA and other interested parties discussed the WRAM/MCBA in the 2009 Los Angeles GRC proceeding and agreed in settlement to review the impacts of the WRAM/MCBA mechanisms in concert with the proposed rate design changes for all of California American Water’s districts as part of the second phase of the 2010 Statewide GRC. By this time the parties would have the first full year of WRAM/MCBA implementation data and would be able to perform a meaningful analysis and make informed recommendations regarding any adjustments to the pilot programs. This provision of the settlement agreement was approved in D.10-06-038.

As provided in D.10-06-038, California American Water has addressed issues with the WRAM/MCBA in its 2010 Statewide GRC filing. Primarily, California American Water’s revised its method for forecasting water sales and consumption because the multiple regression analysis based on Standard Practice U-2 and U-25 failed to appropriately account for conservation and other restrictions.

In addition to the comprehensive review of the WRAM/MCBA program taking place as part of the 2010 Statewide GRC, California American Water held multiple public meetings in the Los Angeles County service area regarding conservation

PROOF OF SERVICE

I, Olivia Para, declare as follows:

I am employed in the City and County of San Francisco, California. I am over the age of eighteen years and not a party to this action. My business address is 333 Hayes Street, Suite 202, San Francisco, CA 94102. On February 10, 2011, I served the within:

COMPLIANCE FILING OF CALIFORNIA-AMERICAN WATER (U-210-W)

on the interested parties in this action addressed as follows:

See attached service list

- (BY E-MAIL SERVICE)** By transmitting such document electronically from California-American Water Company, San Francisco, California, to the electronic mail addresses listed above. I am readily familiar with the practice of California-American Water Company for transmitting documents by electronic mail, said practice being that in the ordinary course of business, such electronic mail is transmitted immediately after such document has been tendered for filing. Said practice also complies with Rule 1.10(b) of the Public Utilities Commission of the State of California and all protocols described therein.

- (BY U.S. MAIL)** By placing such document(s) in a sealed envelope, with postage thereon fully prepaid for first class mail, for collection and mailing at California-American Water Company, San Francisco, California following the ordinary business practice. I am readily familiar with the practice of California-American Water Company for collection and processing of correspondence for mailing with the United States Postal Service, said practice being that in the ordinary course of business, correspondence is deposited in the United States Postal Service the same day as it is placed for collection.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on February 10, 2011, in San Francisco, California.

By: _____ */s/ Olivia Para*
Olivia Para

CPUC E-Mail Service List
A.10-09-017
(Updated February 7, 2011)

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(Updated February 7, 2011)

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