

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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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.

Application 10-09-017

(Filed September 20, 2010)

**RESPONSE TO ALJ'S RULING OF APPLICANTS
CALIFORNIA WATER SERVICE COMPANY (U60W),
GOLDEN STATE WATER COMPANY (U133W),
PARK WATER COMPANY (U314W), AND
APPLE VALLEY RANCHOS WATER COMPANY (U346W)**

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February 8, 2012

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ATTACHMENT A: Proposed Findings of Fact, Conclusions of Law, and Ordering Paragraphs

ATTACHMENT B: Calif. Water Service Co. Settlement Agreement Approved by D.08-02-036

ATTACHMENT C: Park Water Co. Settlement Agreement Approved by D.08-02-036.

ATTACHMENT D: Golden State Water Co. Settlement Agreement Approved by D.08-08-030

ATTACHMENT E: Golden State Water Co. Settlement Agreement Approved by D.09-05-005

**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.

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APPLE VALLEY RANCHOS WATER COMPANY (U346W)**

Pursuant to a ruling issued February 1, 2012, in the above-captioned proceeding by Administrative Law Judge ("ALJ") Walwyn and in accordance with the Commission's Rules of Practice and Procedure, Applicants California Water Service Company ("Cal Water"), Golden State Water Company ("Golden State"), Park Water Company ("Park"), and Apple Valley Ranchos Water Company ("AVR"), collectively referenced as "Applicants" herein, jointly submit their response to ALJ Walwyn's Ruling Reopening Record for the Limited Purpose of Directing Applicants to Submit Information Required under Rule 1.4(b) of the Commission's Rules of Practice and Procedure ("ALJ's Ruling").

With reference to the Commission's Decision ("D.") 08-02-036, D.08-08-030, D.08-09-026, and D.09-05-005 (the "WRAM Decisions") and as directed by the ALJ's Ruling, this

response, on behalf of each of the Applicants, provides “specific wording for any requested changes to its decision(s) that include text within the decisions, Findings of Fact, Conclusions of Law, and Ordering Paragraphs.” See, ALJ’s Ruling, at 2. Applicants note that many of their proposals in this proceeding relate to issues that were not directly addressed in a Commission decision, and Commission adoption of those proposals would not require changes to any Commission decision.

I.

APPLICANTS’ RECOMMENDATIONS
AS THEY RELATE TO THE WRAM DECISIONS

The application that gave rise to this proceeding was filed September 13, 2010, jointly by the Applicants and California-American Water Company (“CAW”) and sought approval for certain changes in how the Commission and its Division of Water & Audits (“DWA”) authorize amortizations of companies’ Water Revenue Adjustment Mechanisms (“WRAMs”) and Modified Cost Balancing Accounts (“MCBAs”). The application identified and proposed resolution of nine issues. In some respects the application sought changes or clarifications of the WRAM Decisions and certain other decisions relevant to Applicants’ and CAW’s WRAM and MCBA mechanisms. As discussed in greater detail below, however, most proposals sought a formal Commission determination relating to informal “advice letter” practices that were not explicitly considered in Commission decisions, and that therefore do not require modification of a Commission decision.

In the course of this proceeding, including Applicants’ development of data and proposals to address concerns about high WRAM/MCBA balances, withdrawal of CAW from the proceeding, submission of testimony by Applicants and the Division of Ratepayer Advocates (“DRA”), and two days of evidentiary hearing, Applicants modified their proposed resolution of

the identified issues in certain respects. Applicants presented their revised proposals to resolve the nine identified issues in their Opening Brief, filed October 17, 2011. The “specific wording” proposed in this response for changes to the WRAM Decisions is intended to implement Applicants revised proposals as presented in their Opening Brief.

Not all of Applicants’ proposals require changes to the WRAM Decisions. In fact, of the nine numbered recommendations relative to Applicants’ proposals that are listed at pages v to vi of Applicants’ Opening Brief, only Recommendations 5 and 6 (concerning the “trigger” for amortization filings and the application of surcredits to service charges, respectively) address aspects of WRAM/MCBA procedures that were specifically addressed in any of the WRAM Decisions. Recommendation 2, for example, would allow the utilities to submit their annual reports on their WRAM/MCBA balances earlier to facilitate review by DRA, but adoption of this proposal would not conflict with the March 31 deadline established in the settlement agreements approved by the WRAM Decisions.¹ Applicants’ other recommendations, especially Recommendation 1 regarding amortization periods, similarly do not require any deviation from the terms of any settlement agreements or any of the WRAM Decisions.²

II.

PROPOSED CHANGES TO D.08-02-036

The only changes to the “specific wording” of D.08-02-036 that Applicants propose are to the discussion of WRAMs and MCBA for Cal Water and Park at pages 26 and 27, to

¹ This recommendation would allow the utilities to submit annual reports by November 30th, with data through the previous September, which would give DRA more time to review their filings. The utilities would then provide complete data, for the entire calendar year, in their later requests for actual amortization of the WRAM/MCBA accounts.

² For the Commission’s convenience, Applicants provide in Attachment A to this response a set of proposed findings of fact, conclusions of law, and ordering paragraphs to implement all their recommendations as stated in their Opening Brief.

Conclusion of Law 2 at page 54, and to Ordering Paragraph 1 at page 55 of that decision.

Applicants also propose to add a new Finding of Fact at page 54 of the decision. The proposed changes to D.08-02-036 are as follow:

- In the 15th line on page 26, the phrase, “exceeds 2% of Park’s and 2.5% of CalWater’s”, should be deleted and replaced by the phrase, “is 2% or more of Park’s or CalWater’s”.
- In the 17th line on page 26, after the sentence ending with “amortized”, the following sentence should be inserted: “Each utility also will have the discretion to amortize combined balances of less than 2% if it chooses to do so.”
- In the first line on page 27, the word, “volumetric”, should be deleted and replaced by the words, “monthly service”.
- After the first paragraph on page 54, insert a new Finding of Fact 54, reading as follows: “54. Revisions to certain procedures related to the recovery and refund of CalWater’s and Park’s WRAM and MCBA accounts were subsequently proposed and justified in A.10-09-017.”
- In Conclusion of Law 2 on page 54, insert the following clause at the end of the sentence: “, but certain procedures related to the recovery and refund of WRAM and MCBA accounts should be revised”.
- At the beginning of Ordering Paragraph 1 on page 55, the word, “The”, should be deleted and replaced by the words, “Subject to revisions to certain procedures related to the recovery and refund of certain WRAM and MCBA accounts authorized in A.10-09-017, the”.

III.

PROPOSED CHANGES TO D.08-08-030

The only changes to the “specific wording” of D.08-08-030 that Applicants propose are to the discussion of WRAM and MCBA for Golden State at pages 15 and 16 of that decision.

The proposed changes are as follow:

- In the last line of text on page 15, the phrase, “exceeds 2.5%”, should be deleted and replaced by the phrase, “is 2% or more”.
- In the first line on page 16, after the sentence ending with “amortized”, the following sentence should be inserted: “GSWC also will have the discretion to amortize combined balances of less than 2% if it chooses to do so.”
- In the 3rd line on page 16, the word, “volumetric”, should be deleted and replaced by the words, “monthly service”.
- After the first paragraph on page 41, insert a new Finding of Fact 22, reading as follows: “22. Revisions to certain procedures related to the recovery and refund of GSWC’s WRAM and MCBA accounts were subsequently proposed and justified in A.10-09-017.”
- In Conclusion of Law 1 on page 41, insert the following clause at the end of the sentence: “, but certain procedures related to the recovery and refund of WRAM and MCBA accounts should be revised”.
- At the beginning of Ordering Paragraph 1 on page 41, the word, “The”, should be deleted and replaced by the words, “Subject to revisions to certain procedures related to the recovery and refund of certain WRAM and MCBA accounts authorized in A.10-09-017, the”.

IV.

PROPOSED CHANGES TO D.08-09-026

D.08-09-026 was a GRC decision for AVR, which approved a settlement agreement and resolved some unrelated issues relating to plant in rate base, but did not directly address any WRAM/MCBA issues. The approved settlement agreement included a request for authorization of a WRAM and MCBAs for AVR consistent with those previously authorized for Park by D.08-02-036. Accordingly, the only changes to the “specific wording” of D.08-09-026 that Applicants propose are the following:

- After the paragraph numbered 14 on page 11, insert a new Finding of Fact 15, reading as follows: “15. Revisions to certain procedures related to the recovery and refund of AVR’s WRAM and MCBA accounts were subsequently proposed and justified in A.10-09-017.”
- In Conclusion of Law 1 on page 11, insert the following clause at the end of the sentence: “, but certain procedures related to the recovery and refund of WRAM and MCBA accounts should be revised”.
- At the beginning of Ordering Paragraph 1 on page 12, the word, “The”, should be deleted and replaced by the words, “Subject to revisions to certain procedures related to the recovery and refund of certain WRAM and MCBA accounts authorized in A.10-09-017, the”.

V.

PROPOSED CHANGES TO D.09-05-005

The only changes to the “specific wording” of D.09-05-005 that Applicants propose are to the discussion of WRAMs and MCBAs for Golden State’s Region 1 at pages 12 and 14, to Conclusion of Law 4 at page 18, and to Ordering Paragraphs 1 and 3 at pages 19 and 20 of that

decision. Applicants also propose to add a new Finding of Fact at page 18 of the decision. The proposed changes to D.09-05-005 are as follow:

- In the 3rd line of the final paragraph on page 11, the phrase, “March 31 of the following year”, should be deleted and replaced by the phrase, “November 30 of each year”.
- In the 2nd line of text on page 12, the phrase, “exceeds 2.5%”, should be deleted and replaced by the phrase, “is 2% or more”.
- In the 5th line on page 12, the phrase, “2.5 or less,” should be deleted and replaced by the phrase, “less than 2, Golden State will have the discretion to amortize the combined balances if it chooses to do so; otherwise,”.
- In the 12th line of the full paragraph on page 14, the phrase, “2.5% threshold for triggering the amortization”, should be deleted and replaced by the phrase, “2% threshold for triggering the mandatory amortization”.
- After the paragraph numbered 6 on page 18, insert a new Finding of Fact 7, reading as follows: “7. Revisions to certain procedures related to the recovery and refund of Golden State’s WRAM and MCBA accounts were subsequently proposed and justified in A.10-09-017.”
- In Conclusion of Law 3 on page 18, insert the following clause at the end of the sentence: “, but certain procedures related to the recovery and refund of WRAM and MCBA accounts should be revised”.
- At the beginning of Ordering Paragraph 1 on page 59, the word, “The”, should be deleted and replaced by the words, “Subject to revisions to certain procedures related to the recovery and refund of certain WRAM and MCBA accounts authorized in A.10-09-017, the”.

VI.

REFERENCES TO SETTLEMENT AGREEMENTS

The ALJ's Ruling specifies that for D.08-02-036, D.08-08-030, and D.09-05-005, Applicants should "attach the settlements adopted in each decision and cites to the specific wording changes." D.08-02-036 approved and adopted eight separate settlement agreements, but only two of them, the June 15, 2007 Cal Water and Park settlements, concerned WRAM/MCBA accounting. Those two settlement agreements are appended to this response as Attachments B and C, respectively. Similarly, D.08-08-030 approved and adopted five separate settlement agreement, but only one of them, the October 19, 2007 Golden State settlement, proposed WRAM and MCBA accounts. That settlement agreement is appended as Attachment D. Finally, D.09-05-005 approved and adopted a single settlement agreement for Golden State's Region 1, which is appended as Attachment E.

There are only a few references in the settlement agreements to details of WRAM and MCBA accounting that are relevant to Applicants' proposals. Specifically, each of Attachments B, C, D, and E includes a very similar set of provisions in a section entitled, in each case, "Recovery and Refund of Balancing Accounts," and calling for the utility to do the following:

- Provide an annual report on the status of WRAM/MCBAs to Commission staff by March 31 of each year. Attachment B, ¶IX.3).a; Attachment C, ¶9.2.a; Attachment D, ¶IX.C.1; Attachment E, ¶IX.C.1.
- Show, in that report, the revenue under- or over-collection in the WRAM as of December 31 of the previous year. Attachment B, ¶IX.3).b; Attachment C, ¶9.2.b; Attachment D, ¶IX.C.2; Attachment E, ¶IX.C.2.

- Compare, in the same report, actual with adopted MCBA costs as of December 31 of the previous year. Attachment B, ¶IX.3).c; Attachment C, ¶9.2.c; Attachment D, ¶IX.C.3; Attachment E, ¶IX.C.3.
- File within 30 days, if the combined [net] over- or under-collection in the WRAM and MCBA exceeds 2.5% of recorded revenue requirement for the previous year, an advice letter to amortize the balance in both accounts, and otherwise defer amortization until the next GRC. Attachment B, ¶IX.3).d; Attachment C, ¶9.2.d; Attachment D, ¶¶IX.C.4, C.6; Attachment E, ¶¶IX.C.4, C.6.
- Recover under-collections and refund over-collections through volumetric surcharges and surcredits, respectively. Attachment B, ¶IX.4); Attachment C, ¶9.3; Attachment D, ¶IX.D; Attachment E, ¶IX.D.³

Applicants do not propose any changes to the wording of any of the referenced settlement agreements,⁴ considering that it would not be appropriate to do so years after those agreements have been executed, submitted, and approved by the Commission. The present application was served on all parties to the past settlement agreements and the parties have had the opportunity to participate in this proceeding, including the evidentiary hearing.

Applicants believe that no changes to the settlement agreements are necessary. With the specific wording changes to the WRAM Decisions proposed above, Applicants believe that the Commission will have set the stage for approving all nine of Applicants' recommendations

³ Shortly after the Commission approved a Golden State settlement providing for both surcharges and surcredits against volumetric charges, Golden State entered into a separate GRC settlement agreement that provided for WRAM/MCBA surcredits to be provided in the form of flat rate refunds. See, *Re Golden State Water Co.*, D.10-11-035; Settlement Agreement, ¶IX.D.

⁴ As indicated earlier and in footnote 1, *supra*, Applicants' propose a modification in the timing of the annual WRAM/MCBA reports that does not directly conflict with the settlement agreements.

for changes to the detailed accounting and reporting procedures applicable to WRAMs and MCBAs.

VII.

CONCLUSION

Applicants respectfully urge the Commission to act promptly to approve Applicants' nine recommendations for changes in the detailed accounting and reporting procedures applicable to their WRAMs and MCBAs and to make the recommended specific wording changes in the WRAM Decisions.

Respectfully submitted,

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February 8, 2012

ATTACHMENT A

**PROPOSED FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND
ORDERING PARAGRAPHS**

ATTACHMENT A

PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDERING PARAGRAPHS

Proposed Findings of Fact

1. Absent specific direction in the WRAM Decisions as to the timing for amortization of WRAM and MCBA account balances, DWA has applied the rules specified in Standard Practice U-27-W, with resultant delays in the recovery of under-collected balances.

2. Delays in the recovery of under-collected balances have caused significant cash flow and accounting problems for Applicants and intergenerational inequities for customers.

3. Applicants proposed to amortize WRAM/MCBA balances up to 5% of the last authorized revenue requirement over a 12 month period and to amortize balances above the 5% limit over 18 months.

4. Applicants' alternative proposal, applicable to WRAM/MCBA balances between 15% and 30%, was to amortize such balances through surcharges equal to or less than 10% of the last authorized revenue requirement by setting the amortization at the smallest duration between 19 and 36 months consistent with the 10% limit, with a maximum amortization term of 36 months, as provided below:

Percent Range of Last Authorized Revenue Requirement			Months
0%	to	< 2%	12 (optional)
2%	to	< 5%	12
5%	to	< 15%	18
15%	to	< 16%	19
16%	to	< 17%	20
17%	to	< 18%	22
18%	to	< 19%	23
19%	to	< 20%	24
20%	to	< 21%	25
21%	to	< 22%	26
22%	to	< 23%	28
23%	to	< 24%	29
24%	to	< 25%	30
25%	to	< 26%	31
26%	to	< 27%	32
27%	to	< 28%	34
28%	to	< 29%	35
29% or higher			36

5. The utilities' annual reports on their WRAM/MCBA balances will be most useful if submitted well in advance of their annual related advice letter filings.

6. The Water Industry Rules of General Order 96-A allow requests to amortize balancing accounts by Tier 1 advice letter.

7. For the sake of consistency and intergenerational equity, Applicants and DRA proposed that Applicants be required to amortize WRAM/MCBA balances at or above 2% of the last authorized revenue requirement and be permitted to amortize balances below that percentage, on an annual basis.

8. Amortization of most water utility balancing accounts is achieved by surcharges on quantity charges and surcredits on service charges and consistency in this regard will be beneficial.

9. Applicants agreed with DRA that the Commission need not dictate a utility's choice of specific accounting treatments, such as the First In/First Out ("FIFO") method, is not relevant to ratemaking determinations regarding WRAM/MCBA balances, and that the Commission need not dictate such accounting procedures.

10. It would be overly complex and burdensome to require utilities to maintain separate surcharges or surcredits for each WRAM/MCBA year and it is simpler and more efficient to allow utilities to include under-amortized or over-amortized amounts from ongoing surcharges or surcredits in their annual WRAM/MCBA filings while allowing previously authorized surcharges or surcredits to run their course.

11. WRAM/MCBA balances remaining from 2010 present accounting problems for the utilities that can be addressed by accelerated amortization.

Proposed Conclusions of Law

1. It is reasonable for the utilities, by ratemaking district and for each WRAM/MCBA balance for which a surcharge or surcredit has not already been authorized, to amortize WRAM/MCBA balances up to 5% of the last authorized revenue requirement over a 12 month period, to amortize balances above 5% and up to 15% of the last authorized revenue requirement over 18 months, to amortize balances above 15% and up to 30% of the last authorized revenue requirement through surcharges equal to or less than 10% of the last authorized revenue requirement by setting the amortization at the smallest duration between 19 and 36 months consistent with the 10% limit, with a maximum amortization term of 36 months applicable to balances above 30% of the last authorized revenue requirement.

2. The utilities should be required to submit their annual reports on their WRAM/MCBA balances to DWA, with copies to DRA, by November 30 of each year, with data through the previous September 30, and should be permitted to request amortization of WRAM/MCBA balances as of December 31 by Tier 1 advice letters filed on or before March 31 of the succeeding year.

3. Applicants should be required to amortize WRAM/MCBA balances at or above 2% of their last authorized revenue requirement and should be permitted to amortize balances below that percentage, on an annual basis.

4. Under-collected WRAM/MCBA balances should be amortized by surcharges to quantity rates, while over-collected WRAM/MCBA balances should be amortized by surcredits to service charges.

5. Applicants should have the discretion to choose whether to use FIFO to determine revenue recognition for financial accounting purposes.

6. Notwithstanding Conclusion of Law 1, Applicants should be allowed to include under-amortized or over-amortized amounts from ongoing surcharges or surcredits in their annual WRAM/MCBA filings while previously authorized surcharges or surcredits run their course.

7. Applicants should be allowed to recover WRAM/MCBA balances remaining from 2010 by accelerated amortization.

8. D.08-02-036, D.08-08-030, D.08-09-026, and D.09-05-005 should be modified in order to implement the changes in WRAM/MCBA amortization procedures adopted in this decision.

Proposed Ordering Paragraphs

1. Cal Water, Golden State, Park, and AVR each is authorized, for each ratemaking district and for each WRAM/MCBA balance for which a surcharge or surcredit has not already been authorized, to amortize WRAM/MCBA balances that are up to 5% of its last authorized revenue requirement over a 12 month period, to amortize balances that are above 5% and up to 15% of its last authorized revenue requirement over 18 months, to amortize balances that are above 15% and up to 30% of its last authorized revenue requirement through surcharges equal to or less than 10% of the last authorized revenue requirement by setting the amortization at the smallest duration between 19 and 36 months consistent with the 10% limit, and to amortize balances that are above 30% of its last authorized revenue requirement over a 36 month period.

2. Cal Water, Golden State, Park, and AVR each shall submit its annual report on its WRAM/MCBA balances to DWA, with copies to DRA, by November 30 of each year, with data through the previous September 30, while submitting any requests to amortize WRAM/MCBA balances as of December 31 on or before March 31 of the succeeding year.

Such requests may be submitted by Tier 1 advice letter and are mandatory for any ratemaking district if the net WRAM/MCBA balance is at or above 2% of the last authorized revenue requirement for that district.

3. Under-collected WRAM/MCBA balances shall be amortized by surcharges to quantity rates, while over-collected WRAM/MCBA balances shall be amortized by surcredits to service charges.

4. Applicants have the discretion to choose whether to use FIFO to determine revenue recognition for financial accounting purposes.

5. Notwithstanding any limitation stated in Ordering Paragraph 1, Cal Water, Golden State, Park, and AVR may include under-amortized or over-amortized amounts from ongoing surcharges or surcredits in their annual WRAM/MCBA filings while previously authorized surcharges or surcredits run their course.

6. Cal Water, Golden State, Park, and AVR each may file a Tier 1 advice letter to accelerate the amortization of any WRAM/MCBA balances remaining from 2010 in order to complete the recovery of such balances by the end of 2012.

7. D.08-02-036 is hereby modified as follows:

- a. In the 15th line on page 26, the phrase, “exceeds 2% of Park’s and 2.5% of CalWater’s”, should be deleted and replaced by the phrase, “is 2% or more of Park’s or CalWater’s”.
- b. In the 17th line on page 26, after the sentence ending with “amortized”, the following sentence should be inserted: “Each utility also will have the discretion to amortize combined balances of less than 2% if it chooses to do so.”
- c. In the first line on page 27, the word, “volumetric”, should be deleted and replaced by the words, “monthly service”.
- d. After the first paragraph on page 54, insert a new Finding of Fact 54, reading as follows: “54. Revisions to certain procedures related to the recovery and refund of CalWater’s and Park’s WRAM and MCBA accounts were subsequently proposed and justified in A.10-09-017.”
- e. In Conclusion of Law 2 on page 54, insert the following clause at the end of the sentence: “, but certain procedures related to the recovery and refund of WRAM and MCBA accounts should be revised”.

- f. At the beginning of Ordering Paragraph 1 on page 55, the word, “The”, should be deleted and replaced by the words, “Subject to revisions to certain procedures related to the recovery and refund of certain WRAM and MCBA accounts authorized in A.10-09-017, the”.
8. D.08-08-030 is hereby modified as follows:
- a. In the last line of text on page 15, the phrase, “exceeds 2.5%”, should be deleted and replaced by the phrase, “is 2% or more”.
 - b. In the first line on page 16, after the sentence ending with “amortized”, the following sentence should be inserted: “GSWC also will have the discretion to amortize combined balances of less than 2% if it chooses to do so.”
 - c. In the 3rd line on page 16, the word, “volumetric”, should be deleted and replaced by the words, “monthly service”.
 - d. After the first paragraph on page 41, insert a new Finding of Fact 22, reading as follows: “22. Revisions to certain procedures related to the recovery and refund of GSWC’s WRAM and MCBA accounts were subsequently proposed and justified in A.10-09-017.”
 - e. In Conclusion of Law 1 on page 41, insert the following clause at the end of the sentence: “, but certain procedures related to the recovery and refund of WRAM and MCBA accounts should be revised”.
 - f. At the beginning of Ordering Paragraph 1 on page 41, the word, “The”, should be deleted and replaced by the words, “Subject to revisions to certain procedures related to the recovery and refund of certain WRAM and MCBA accounts authorized in A.10-09-017, the”.
9. D.08-09-026 is hereby modified as follows:
- a. After the paragraph numbered 14 on page 11, insert a new Finding of Fact 15, reading as follows: “15. Revisions to certain procedures related to the recovery and refund of AVR’s WRAM and MCBA accounts were subsequently proposed and justified in A.10-09-017.”
 - b. In Conclusion of Law 1 on page 11, insert the following clause at the end of the sentence: “, but certain procedures related to the recovery and refund of WRAM and MCBA accounts should be revised”.
 - c. At the beginning of Ordering Paragraph 1 on page 12, the word, “The”, should be deleted and replaced by the words, “Subject to revisions to certain procedures related to the recovery and refund of certain WRAM and MCBA accounts authorized in A.10-09-017, the”.

10. D.09-05-005 is hereby modified as follows:

- a. In the 3rd line of the final paragraph on page 11, the phrase, “March 31 of the following year”, should be deleted and replaced by the phrase, “November 30 of each year”.
- b. In the 2nd line of text on page 12, the phrase, “exceeds 2.5%”, should be deleted and replaced by the phrase, “is 2% or more”.
- c. In the 5th line on page 12, the phrase, “2.5 or less,” should be deleted and replaced by the phrase, “less than 2, Golden State will have the discretion to amortize the combined balances if it chooses to do so; otherwise,”.
- d. In the 12th line of the full paragraph on page 14, the phrase, “2.5% threshold for triggering the amortization”, should be deleted and replaced by the phrase, “2% threshold for triggering the mandatory amortization”.
- e. After the paragraph numbered 6 on page 18, insert a new Finding of Fact 7, reading as follows: “7. Revisions to certain procedures related to the recovery and refund of Golden State’s WRAM and MCBA accounts were subsequently proposed and justified in A.10-09-017.”
- f. In Conclusion of Law 3 on page 18, insert the following clause at the end of the sentence: “, but certain procedures related to the recovery and refund of WRAM and MCBA accounts should be revised”.
- g. At the beginning of Ordering Paragraph 1 on page 59, the word, “The”, should be deleted and replaced by the words, “Subject to revisions to certain procedures related to the recovery and refund of certain WRAM and MCBA accounts authorized in A.10-09-017, the”.