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

Application of California-American Water  
Company (U-210W) for Authorization to Modify  
Conservation and Rationing Rules, Rate Design,  
and Other Related Issues for the Monterey  
District

Application No. 15-07-019  
(Filed, July 14, 2015)

**CALIFORNIA-AMERICAN WATER COMPANY'S NOTICE  
OF EX PARTE COMMUNICATION**

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For: Applicant California-American Water  
Company

Dated: September 1, 2016

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

Application of California-American Water Company (U-210W) for Authorization to Modify Conservation and Rationing Rules, Rate Design, and Other Related Issues for the Monterey District

Application No. 15-07-019  
(Filed, July 14, 2015)

**CALIFORNIA-AMERICAN WATER COMPANY’S NOTICE  
OF EX PARTE COMMUNICATION**

Pursuant to Article 8 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), California-American Water Company (“California American Water”) files this notice of the following ex parte communications with the following Commission staff members.

<b>Date</b>	<b>Time</b>	<b>Commissioner and/or Advisor</b>	<b>Company Representatives in Attendance</b>
August 29, 2016	1:35 p.m. – 2:08 p.m.	Liz Podolinsky, Advisor to President Picker	<ul style="list-style-type: none"> <li>• Jeffrey T. Linam, Director of Rates for California American Water;</li> <li>• Sherrene Chew, Senior Manager in the Rates &amp; Regulatory Department for California American Water;</li> <li>• David P. Stephenson, regulatory consultant to California American Water;</li> <li>• Ann T. Bui of Black &amp; Veatch Management Consulting, LLC, a consultant to California American Water; and</li> <li>• Sarah E. Leeper, Vice President-Legal, Regulatory for California American Water</li> </ul>
August 29, 2016	2:10 p.m. – 2:30 p.m.	Lester Wong, Advisor to Commissioner Randolph	<ul style="list-style-type: none"> <li>• Jeffrey T. Linam, Director of Rates for California American Water;</li> <li>• Sherrene Chew, Senior Manager in the Rates &amp; Regulatory Department for California American Water;</li> </ul>

			<ul style="list-style-type: none"> <li>• David P. Stephenson, regulatory consultant to California American Water;</li> <li>• Ann T. Bui of Black &amp; Veatch Management Consulting, LLC, a consultant to California American Water; and</li> <li>• Sarah E. Leeper, Vice President-Legal, Regulatory for California American Water</li> </ul>
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The meetings took place at the Commission's offices at 505 Van Ness Avenue, in San Francisco, California, and consisted of oral and written communications as discussed below.

During the meetings the Monterey Water Revenue Adjustment Mechanism (“WRAM”) and allotment process was discussed. Specifically, background was provided on the WRAM and allotment process, including the fact that the growing undercollected WRAM balance is tied to the complex Monterey rate design, not to any alleged mismanagement of residential allotments. California American Water also addressed the Office of Ratepayer Advocate’s (“ORA”) analysis of California American Water’s Monterey WRAM and allotment process, and identified the defects in ORA’s analysis and the unprecedented nature of ORA’s request to reduce an appropriately calculated WRAM balance. California American Water used three handouts to discuss these issues: (1) a memorandum highlighting the WRAM and allotment process and where ORA’s analysis of those issues was defective, (2) an attachment (“Attachment 1”) to the memorandum which consisted of three charts demonstrating (a) that even if the allotments were incorrect, there is no effect on the WRAM balance, (b) that the distribution of household size since 2010 has been consistent, and (c) that the customers that have changed their reported household size – 10% increased household size and 10% decreased household size – since 2010 offset each other; and (3) an attachment (“Attachment 2”) to the memorandum which consisted of a chart illustrating that any discrepancies in the allotments do not ultimately impact the WRAM balance since rates would have been adjusted in subsequent rate design reviews performed in the general rate cases. The memorandum and Attachment 1 and Attachment 2 are attached hereto as Attachment A.

Dated: September 1, 2016

Respectfully submitted,

By: */s/ Sarah E. Leeper*

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