



GW2/ek4 10/27/2016

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

Application of California-American Water Company (U210W) for Authorization to Modify Conservation and Rationing Rules, Rate Design, and Other Related Issues for the Monterey District.

Application 15-07-019  
(Filed July 14, 2015)

**ADMINISTRATIVE LAW JUDGE'S RULING REGARDING ACCOUNTING OF LIRA REVENUES IN 2013 AND 2014 WRAM/MCBA**

Water Division staff has identified a potential accounting issue in its review of applicant's 2015 advice letter for the Water Revenue Adjustment Mechanism/Modified Cost Balancing Account (WRAM/MCBA). Staff believes the 2015 under-collected WRAM balances are overstated because authorized revenues account for customers in the low income ratepayer assistance program (LIRA) while actual recorded revenues do not. This same issue may have occurred in the 2013 and 2014 WRAM/MCBA advice letters.

The November 18, 2016 Proposed Decision keeps the proceeding open to consider (a) an improved annual consumption true-up program, if one is proposed, and (b) a penalty phase to examine whether applicant should be penalized for failure to reasonably administer its tariffs. Given the new information provided by Water Division staff, the Commission will also consider adding review of the impact of LIRA accounting on the 2013 and 2014 WRAM/MCBA balances as a third item in the continued proceeding.

Parties may comment on adding this issue as a third item for the continued proceeding. Those comments should be made in comments due by

November 7, 2016 on the Proposed Decision. Parties may also comment on anything else relevant to the Commission's treatment of this issue.

**IT IS RULED that** parties may comment on adding a third item in the continued phase of this proceeding. That item is the correct accounting of revenues in the 2013 and 2014 Water Revenue Adjustment Mechanism/Modified Cost Balancing Account as it related to customers in the low income ratepayer assistance program. Those comments shall be included in comments due by November 7, 2016 on the Proposed Decision. Parties may also comment on anything else relevant to the Commission's treatment of this issue.

Dated October 27, 2016, at San Francisco, California.

/s/ RICHARD SMITH for  
Gary Weatherford  
Administrative Law Judge