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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of California-American Water Company (U210W) for Authorization to Increase its Revenues for Water Service by \$34,559,200 or 16.29% in the year 2018, by \$8,478,500 or 3.43% in the year 2019, and by \$7,742,600 or 3.03% in the year 2020.

Application 16-07-002

**ADMINISTRATIVE LAW JUDGE'S RULING ADDRESSING
SUBMISSION OF THE OFFICE OF RATEPAYER ADVOCATES' REPORT
ON THE LOS PADRES DAM FISH PASSAGE PROJECT**

In Decision (D.) 15-04-007, issued in California-American Water Company (Cal-Am)'s prior General Rate Case (GRC), Application (A.) 13-07-002, the Commission adopted in part an Amended Partial Settlement Agreement (Agreement).¹ Among the approved provisions was Section 22.5.17 of the Agreement, which addressed the resolution of the Los Padres Dam Fish Passage Project (Project). Section 22.5.17 of the Agreement states that the Office of Ratepayer Advocates (ORA) "agrees that this capital project may be added to rate base once it is completed and in service, after ORA has completed a reasonableness review of this project in the next GRC."

The next GRC is the present GRC. A review of ORA's "Summary of Cal Am and ORA Positions on Disputed Items"² does not indicate there is a dispute regarding the Project. However, while there does not appear to be a dispute between Cal-Am and ORA regarding the Project there is no affirmative

¹ The Agreement is set forth in Attachment A to D.15-04-007.

² Attachment 1 to ORA's Reply Brief.

statement or other indication that ORA fulfilled its intention to complete a reasonableness review of the Project in this GRC.

Subsequent to D.15-04-007, Cal-Am filed Advice Letter (AL) 1129-W on July 1, 2016, requesting recovery of Project costs. The Commission's Water Division rejected AL 1129-W on the basis that the reasonableness review anticipated by ORA in the current GRC had not been completed. Later, on June 7, 2017, Cal-Am filed AL 1168, which requested recovery of Project costs in the amount of \$4.2 million, with the remainder (estimated at \$1,175,190) to be determined in the current GRC.

In order to determine the amount of Project costs to be included in rates in this application, and as a requirement to fulfilling Section 22.5.17 of the Agreement, this ruling directs ORA to file in this proceeding a report of its reasonableness review of the Project. The report shall indicate whether ORA reviewed the Project in accordance with the Agreement, and whether ORA finds the Project costs are reasonable and should be included in rates. In order to provide sufficient time to ORA, this ruling provides that ORA's report should be filed by November 1, 2017. Cal-Am and other parties may file a response to ORA's report within 20 days of the filing of the report.

IT IS RULED that:

1. The Office of Ratepayer Advocates shall file and serve a report of its reasonableness review of the Los Padres Dam Fish Passage Project by November 1, 2017. The Report shall indicate whether the Office of Ratepayer Advocates reviewed the Los Padres Dam Fish Passage Project in accordance with the Amended Partial Settlement Agreement attached to Decision 15-04-007.

2. California-American Water Company and other parties may file and serve a response to the Office of Ratepayer Advocates' Report no later than 20 days after the Report is filed.

Dated, September 13, 2017 at San Francisco, California.

/s/ SOPHIA J. PARK
Sophia J. Park
Administrative Law Judge