



Draft Resolution W-4942  
Agenda ID #11981

March 5, 2013

TO: All Interested Persons

Enclosed is draft Resolution W-4942 of the Division of Water and Audits regarding Golden State Water Company's request for permitting payment of water bills using Credit or Debit Card and allowing customers to receive their billing statements electronically. This Resolution will be on the Commission's April 4, 2013 agenda. The Commission may act then on this resolution or it may postpone action until later.

When the Commission acts on a draft resolution, it may adopt all or part of it as written, amend, modify or set it aside and prepare a different resolution. Only when the Commission acts does the resolution become binding.

Interested persons may submit comments on this draft resolution. An original of the comments, with a certificate of service, should be submitted to:

Division of Water and Audits, Third Floor  
Attention: Ravi Kumra  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Division of Water and Audits, Third Floor  
Attention: Rami Kahlon  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Interested persons must serve a copy of their comments on the utility on the same date that the comments are submitted to the Division of Water and Audits. Interested persons may submit comments on or before March 25, 2013. The date of submission is the date the comments are received by the Division of Water and Audits.

Comments should focus on the factual, legal, technical, or policy errors in the draft resolution.

Persons interested in comments of parties may write to Ravi Kumra, email him at [rkk@cpuc.ca.gov](mailto:rkk@cpuc.ca.gov) or telephone him at (415) 703-2571.

/s/ RAMI S. KAHLON  
Rami S. Kahlon, Director  
Division of Water and Audits

Enclosures: Draft Resolution W-4942  
Certificate of Service  
Service List

DWA/RSK/BMD/JB5/RKK/drs

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

DIVISION OF WATER AND AUDITS  
Water and Sewer Advisory Branch

RESOLUTION NO. W-4942  
April 4, 2013

R E S O L U T I O N

(RES. W-4942), GOLDEN STATE WATER COMPANY (GSWC). ORDER APPROVING GSWC'S REQUEST TO PERMIT PAYMENT OF WATER BILLS USING A CREDIT OR DEBIT CARD; AND ALLOWING GSWC'S REQUEST TO PERMIT CUSTOMERS TO RECEIVE THEIR BILLING STATEMENTS ELECTRONICALLY.

By Advice Letter (AL) No. 1494-W filed on June 7, 2012, as supplemented by AL 1494-W-A filed on November 8, 2012.

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SUMMARY

This resolution approves Golden State Water Company's request to add an option to its tariffs that allows customers to pay their bills using a credit or debit card. Golden State Water Company's request is approved based on the following conditions: 1) Golden State Water Company charges a convenience fee not to exceed \$2.00 for each transaction; and 2) Golden State Water Company files a Tier 2 Advice Letter establishing a credit card memorandum account to record:

- all costs associated with the credit card program previously authorized in rates that were incurred to support the credit and debit card payment options from January 1, 2006;
- all costs that are currently being incurred to support the credit and debit card payment options; and
- any verifiable savings associated with offering the program.

The net balance in the memorandum account shall be refunded to customers as part of Golden State Water Company's next general rate case.

This resolution approves Golden State Water Company's request to allow customers to receive their billing statements and legally mandated notices electronically. Excluded from the credit/debit card payment option are customers who have made fraudulent payments over the last twelve months. Golden State Water Company is authorized to file a Supplement to Advice Letter 1494-W-A to modify Tariff Rule 9 to permit these changes consistent with the tariff sheets included in Appendix A attached to this resolution.

## **BACKGROUND**

Golden State Water Company (GSWC) filed Advice Letter (AL). 1494-W on June 7, 2012. On November 8, 2012, GSWC filed a Supplement to AL 1494-W, AL 1494-W-A, replacing the original AL filing in its entirety. In its filing, GSWC requests similar treatment as was afforded to Valencia Water Company (Valencia) in Resolution W-4908 dated April 19, 2012, pursuant to Water Industry Rule 8.2 (Request for Similar Treatment) of General Order 96-B.<sup>1</sup> GSWC seeks Commission authorization to:

- (1) Continue accepting payment of water bills by credit and debit cards.
- (2) Amend Tariff Rule 9, Rendering and Payment of Bills to:
  - (a) allow customers to pay their bills using a credit or debit card subject to a convenience fee of \$2.50 per transaction charged by a third-party vendor;
  - (b) exclude from this service those customers who have made fraudulent payments over the last twelve months; and
  - (c) allow customers to receive their billing statements and legally mandated notices either electronically or in paper format.
- (3) Establish a memorandum account to track any potential expenses related to administrating credit and debit card payments.

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<sup>1</sup> Section 8.2 of General Order 96-B states:

**8.2 Request for Similar Treatment (see Industry Rule 7.3.2 (8))**

A Utility may submit an advice letter requesting approval, authorization, or other relief similar to that accorded another Utility by Commission order. The advice letter shall each decision or resolution relied upon, and shall demonstrate that the Utility submitting the advice letter is similarly situated in all material respects, and is requesting the same relief and relying on the same justification as in the cited order(s).

GSWC filed AL 1494-W as a Tier 2 AL. On July 7, 2012, the Division of Water and Audits (DWA) suspended AL 1494-W because additional time and information were required to process the subject AL. Due to the unique circumstances surrounding GSWC's filing, it was determined that AL 1494-W should be handled through a Commission Resolution.

## **NOTICE AND PROTEST**

Pursuant to requirements of GO 96-B General Rule 4.2 and Water Industry Rule 3.1, GSWC's Notification of Filing Advice Letter 1494-W-A was given to all customers either by bill insert or e-mail. Fifteen (15) protests to AL 1494-W-A were received by the Division of Water and Audits (DWA). The following issues were raised in the protests:

- Electronic mailing of bills is environmentally superior and saves mailing costs that should be passed on to customers who pay their bills electronically.
- The proposed \$2.50 convenience fee is excessive since other utilities do not charge such a fee.

## **DISCUSSION**

GSWC has been continuously offering to its customers an option to pay bills by credit or debit card since September 2002. To avail of this service, customers are directed to a third-party vendor hired by GSWC. The third-party vendor accepts the credit or debit card payments, charges and collects a non-refundable "convenience fee", interfaces with the credit card company, and pays GSWC the amount of the customer's bill. Only customers who use this service are charged the "convenience fee" by the third-party vendor. GSWC does not receive any portion of the convenience fee from the third-party vendor.

### ***1. GSWC's credit/debit card payment option***

GSWC established its credit and debit card payment program ("payment program") in September 2002. This was prior to the introduction and passage of AB 746 in 2005, adding Section (§) 755 to the PU Code in 2006. GSWC claims that at the time this program was offered, no Commission authorization was required. GSWC states that it became aware that it needed Commission authorization for offering its payment program after it received a copy of Resolution W-4908 in April 2012, authorizing

credit and debit card services for Valencia Water Company. GSWC states that it continued to offer its payment program because discontinuation of the service would be an inconvenience to customers. GSWC requests the Commission allow it to continue offering its payment program.

*Compliance with Public Utilities Code § 755*

Public Utilities Code § 755 permits water utilities to offer a credit or debit card bill payment option if approved by the Commission. Public Utilities Code § 755 requires that only those customers choosing to use the credit or debit card payment option shall incur the additional charges associated with providing this service, unless the Commission determines that the credit or debit card payment option results in savings to ratepayers that exceed the net costs of accepting payment by those cards. (Public Utilities Code § 755(a) (2).)<sup>2</sup> The Commission is required to determine the reasonableness of transaction costs charged to customers that choose to pay their water bills by credit or debit card pursuant to Public Utilities Code § 755(c). If the Commission determines that the savings to the utility exceed the costs to the company, the net savings shall be passed on to the utility's customers (Public Utilities Code § 755(c) (3)).

GSWC believed its credit and debit card payment options complied with Public Utilities Code § 755 (b) because GSWC was not directly charging its customers a fee to accept payments by credit card. The statute does not support GSWC's interpretation. GSWC states that it became aware that Commission approval was required after the Commission adopted Resolution W-4908. Resolution W-4908 approved a similar program for Valencia Water Company on April of 2012. GSWC filed its request on June 7, 2012, seeking permission to continue offering credit and debit card payment options.

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<sup>2</sup> Public Utilities Code § 755 (a)(2) states:

"Only the customers that choose to use the [credit or debit card] payment options incur the additional charge and that no portion of the expense is shifted to customers that do not choose to pay a bill by credit card or debit card, unless and until the commission determines that the savings to ratepayers exceeds the net cost of accepting those cards."

GSWC should have reviewed its payment program and sought clarifications and necessary permissions to continue offering these services when Public Utilities Code § 755 was enacted. GSWC violated Public Utilities Code § 755 because it did not seek permission from the Commission to continue to offer its payment program. However, for the following reasons, GSWC should not be fined for its violation because:

- GSWC began offering the payment program years before Commission approval was required;
- GSWC sought Commission approval to continue offering its payment program soon after it became aware that Commission approval was required;
- GSWC did not derive any financial benefits from offering the payment program; and
- the payment program was elective and the rates of non-participating customers were not affected.

We remind GSWC that it needs to be cognizant of requirements for Commission authorization mandated in the Public Utilities Code prior to offering any services prior to offering any new services.

## *2. Reasonableness of convenience fees*

GSWC began offering credit and debit payment options in 2002 using the services of a third-party vendor, Bill Matrix. The charge for that service was \$4.95 per transaction from customers who used credit or debit card payment options. In April 2010, GSWC replaced Bill Matrix with its current vendor, Western Union Speed Pay, and negotiated a per transaction fee of \$3.95. In April 2012, that fee was reduced to \$2.50 per transaction. GSWC states that all maintenance, customer service, and technology costs are paid for by its third-party vendor. No competitive bidding was used for vendor selection. The convenience fee of \$2.50 per transaction is the same that we approved for Valencia Water Company in Resolution W-4908, dated April 19, 2012.

We previously addressed the issue of a reasonable convenience fee for bill payment by credit or debit card. In Resolution W-4908, we noted that Valencia considered five service providers prior to selecting its lowest cost provider for offering credit or debit card services for a convenience fee of \$2.50 per transaction. The small number of

transactions precluded Valencia from negotiating any volume discounts.<sup>3</sup> We also found that a reasonable cost of offering these services by some multi-jurisdictional utilities like Southern California Gas Company, San Diego Gas and Electric Company, and Pacific Gas and Electric Company was between \$1.45 to \$1.75 per transaction.<sup>4</sup> This was due to the much larger number of transactions for this service. In the case of GSWC, there were over 61,000 transactions in 2012. Based on the above, a convenience fee of \$2.00 or lower per transaction for this optional service is a reasonable charge. GSWC's Tariff Rule 9 should be modified accordingly. Further, GSWC is reminded that before any increase in the convenience fee can be instituted it must seek authorization from the Commission.

### *3. Establishment of credit card memorandum account*

GSWC states that the number of credit and debit transactions increased from 1,818 in 2002 to 61,034 in 2012. GSWC claims that it did not incur any costs for implementing the program and does not foresee any future program costs as the program has been implemented and has been running successfully since 2002. All maintenance, customer service, and technology costs are paid by Western Union Speed Pay, the third-party vendor. GSWC states that it does not have any ongoing operation, maintenance, and capital-related costs or expenditures related to legal review and programming. GSWC indicates that the only costs incurred in offering this service is about two hours per week that its Customer Service Representatives (CSR's) spend to verify that payments made over the phone for using the credit/debit card payment option are applied to the proper account.<sup>5</sup>

Using fully loaded hourly costs furnished by GSWC, we estimate that \$30,648 in CSR-related expenses were incurred by GSWC from 2006 through 2012.<sup>6</sup> Furthermore, GSWC estimates that notice to each of its customers of the requested change in its Rule 9 would cost GSWC's customers \$7,340. Based on this, GSWC's

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<sup>3</sup> Resolution W-4908, pg. 9.

<sup>4</sup> Resolution W-4908, pg. 8.

<sup>5</sup> Data Request GSWC AL 1494-W RK 001, Response 1.

<sup>6</sup> Source: January 7, 2013 e-mail from GSWC.

total estimated cost for the program from 2006 through 2012 is \$37,988 before interest.<sup>7</sup>

We conclude that recovery of costs with respect to a credit and debit card program from the general body of non-participating customers should not be permitted, given that GSWC has not shown that the credit and debit card option offers any net savings at this time. As a condition of our approval of GSWC's request to continue offering customers a credit and debit card payment option, we accept GSWC's proposal to establish a memorandum account by filing a Tier 2 Advice Letter. GSWC shall record all costs previously authorized in rates that are being used to support the credit and debit card payment options in that memorandum account. This would include all ongoing maintenance, operation and capital costs needed to support this payment option. In addition, all costs of noticing the program shall be accounted for in the memorandum account until GSWC files its next general rate case. GSWC shall also record in this memorandum account any verifiable savings resulting from payment of bills using debit or credit cards. The net balance in the memorandum account shall be refunded to customers as part of GSWC's next general rate case. Further, in its next general rate case filing, GSWC shall remove all costs associated with the debit and credit card payment program that are included in base rates. This will ensure that GSWC's credit/debit card payment option is compliant with Public Utilities Code § 755.

***4. Excluding certain customers from credit card/debit card services***

GSWC seeks to exclude from the credit/debit card program customers who have made fraudulent payments in the past twelve months.

Customers who have made fraudulent payments over the past twelve months should be excluded from being offered the credit/debit card payment option because they pose an extra level of collection risk. GSWC's request is reasonable and Tariff Rule 9 should be modified to not extend the credit/debit card payment option to customers who have made fraudulent payments over the past twelve months.

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<sup>7</sup> The following are estimated costs of offering the program:  
Customer Service Representative cost @ 2 hrs/week from 2006 through 2012: \$30,648.  
Customer notice to modify Rule 9: \$7,340.  
Total amount before interest to implement the program: \$37,988.

*5. Availability of electronic statements*

GSWC seeks to provide customers the option to receive regular bills for service and legally mandated notices (except as a tariff may require) electronically and no longer receive these items in paper form.

Customers should be given the option, at no extra cost, to receive electronically, regular bills for service and other legally mandated notices instead of in paper format. We agree with DWA staff's recommendation that GSWC's request is reasonable and authorize modification of Tariff Rule 9 to reflect this change.

**COMMENTS**

Public Utilities Code §311(g) (1) provides that resolutions generally must be served on all parties and be subject to at least 30 days public review and comment prior to a vote of the Commission. Accordingly, this draft resolution was mailed to GSWC and the eight protestants for comment on March 4, 2013.

**FINDINGS AND CONCLUSIONS**

1. Golden State Water Company (GSWC) filed Advice Letter (AL) 1494-W, as supplemented by AL 1494-W-A requesting authority: (a) to continue to offer its water customers a credit/debit card bill payment option, which charges a non-refundable transaction fee of \$2.50 per transaction; (b) to allow customers to receive electronically their bills and mandated legal notices; and (c) not to extend the credit/debit card payment option to customers who have had fraudulent payments within the last twelve months.
2. GSWC has been offering its customers the option to pay their water bills by credit or debit card since September 2002.
3. A convenience fee was collected by a third-party vendor from customers who opted to pay their water bill using a credit or debit card.
4. In 2002, GSWC was not required to seek permission from the Commission when it started offering the debit and credit card payment option to its customers.

5. In 2006, Public Utilities Code § 755 was enacted. Public Utilities Code § 755 requires Commission approval before a water corporation may offer a credit/debit card bill payment option to customers.
6. After Public Utilities Code § 755 was enacted, GSWC continued offering the credit/debit card bill payment option without seeking Commission approval.
7. GSWC states that it sought permission from the Commission to offer credit/debit card services as soon as it became aware that Commission approval was required.
8. GSWC did not profit from offering the option for bill payment by credit/debit card.
9. It is reasonable not to impose a penalty on GSWC for offering a credit/debit card payment option without Commission authorization in this instance.
10. GSWC needs to be cognizant of requirements for Commission authorization mandated in the Public Utilities Code.
11. Public Utilities Code § 755 requires the Commission to determine the reasonableness of transaction costs charged to customers who choose to pay their water bills using the credit or debit card bill payment option.
12. GSWC proposes a convenience fee of \$2.50 per transaction to be collected by GSWC's third-party vendor from customers who opt to pay their water bill using a credit or debit card.
13. Fifteen customers protested the amount charged for the convenience fees.
14. A convenience fee of \$2.50 per transaction is reasonable for water utilities that lack the ability to obtain volume discounts because of few transactions.
15. GSWC should be able to offer the credit and debit card service at a cost that is lower than \$2.50 per transaction in view of the larger number of transactions.
16. It is reasonable for customers to pay a convenience fee of \$2.00 for using a credit or debit card to pay water bills.

17. Public Utilities Code § 755 requires that only those customers choosing to use the credit or debit card bill payment option incur the additional charges associated with providing this service, unless the Commission determines that the credit or debit card bill payment option results in savings to ratepayers that exceed the net costs of accepting payment by those cards.
18. All revenues arising from the convenience fees paid for making payments using a credit or debit card flow directly to the third-party vendor.
19. Customers who do not use the credit or debit card bill payment option service are not charged any costs related to providing this service.
20. Public Utilities Code § 755 requires the Commission to determine how any associated costs or potential savings from credit or debit card bill payments are passed on to the customers.
21. GSWC was not charged by its vendor for maintenance for offering the credit or debit card payment service.
22. GSWC should record all costs previously authorized in rates that are being used to support the credit and debit card payment options including all ongoing maintenance, operation, and capital costs pertaining to the credit/debit card option in a credit card memorandum account. GSWC should also record in this memorandum account any verifiable savings from payment of bills using debit or credit cards. The net balance in the memorandum account should be refunded to customers as part of GSWC's next general rate case.
23. GSWC should remove all costs associated with the optional debit and credit card payment program that are included in base rates in its next general rate case. The costs that are removed from base rates should be reported in GSWC's next general rate case.
24. It is reasonable for GSWC to record the net costs for providing credit/debit card bill payment services starting with the effective date of its credit/debit card program. The memorandum account is the appropriate mechanism for recording all costs and savings associated with providing credit/debit card bill payment services.

25. GSWC's estimated cost for offering the credit and debit card program is \$37,988 from 2006 through 2012. That amount is comprised of \$30,648 for ongoing maintenance and \$7,340 for satisfying the noticing requirements to modify Rule 9. That amount plus interest should be recorded in the credit card memorandum account.
26. It is reasonable to expect additional costs will likely be incurred to collect from customers who have made fraudulent payments in the past.
27. It is reasonable to exclude customers who have made fraudulent payments over the past twelve months from participating in the credit/debit card bill payment option.
28. It is reasonable to modify Tariff Rule No. 9 to establish a credit/debit card bill payment program consistent with Appendix A attached to this Resolution.
29. It is reasonable to permit customers to receive at no extra charge billing statements and other legally mandated notices electronically. GSWC should file a Supplement to advice letter number 1394-W-A modifying Tariff Rule No. 9 – Rendering and Payment of Bill, consistent with Appendix A attached to this Resolution.

**THEREFORE IT IS ORDERED THAT:**

1. Golden State Water Company's advice letter number 1494-W-A is approved consistent with directions provided below: Modify Tariff Rule No. 9 - Rendering and Payment of Bills, consistent with the authorization in this Resolution to: 1) allow customers the option to receive electronically at no extra charge billing statements and legal and mandated notices; 2) offer an optional credit/debit card bill payment option to all customers; and 3) add a tariff sheet "Credit and Payment Program Memorandum Account" consistent with the language shown in Appendix A of this Resolution, and to concurrently cancel the presently effective tariff sheets. GSWC should file the supplement to advice letter number 1494-W-A within five days of the effective date of this Resolution.
2. Golden State Water Company's proposal to continue to allow customers the option to pay their water bills by credit or debit card is approved. The charge

3. for offering such service shall be \$2.00 or lower per transaction to be paid by those customers who use this service.
4. Within thirty days of this Resolution, Golden State Water Company is ordered to file a Tier 2 advice letter, to establish a credit card memorandum account as authorized by this Resolution to record all costs and savings associated with providing credit or debit card payment services. The balance in the memorandum account shall be refunded to the general body of ratepayers as part of Golden State Water Company's next general rate case.
5. Golden State Water Company, as part of its next general rate case, shall remove all ongoing costs associated with providing credit/debit card payment options from its base rates consistent with Public Utilities Code § 755.
6. This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on April 5, 2013; the following Commissioners voting favorably thereon:

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PAUL CLANON  
Executive Director

Appendix A, Sheet 1

Rule No. 9

RENDERING AND PAYMENT OF BILLS

A. Rendering of Bills

Bills for service will be rendered to each customer on a monthly or bimonthly basis at the option of the utility, unless otherwise provided in the rate schedules.

At the customer's request, the utility may be requested to provide either paper or electronic bills for service rendered, but not both. (N)

The customer may elect to receive and view regular bills for service and other legal and mandated notices electronically and to no longer receive paper bills and legal and mandated notices. Customers requesting this option may be required to complete additional forms and agreements. Legal and mandated notices shall be included with the utility's electronic means of bill delivery; except, however, all notices of termination of service shall be made in accordance with Rule No. 8. The customer may discontinue electronic billing upon 30 days prescribed notice. (N)

1. Metered Service

- a. Meters will be read at regular intervals for the preparation of periodic bills and as required for the preparation of opening bills, closing bills and special bills.
- b. The opening bills for metered service will not be less than the established monthly minimum or readiness to serve charge for the service. Any amount paid in excess of the prorated charges otherwise applicable to the opening period will be credited against the charge for the succeeding regular billing period, except that no such credit shall accrue if the total period of service is less than one month.
- c. It may not always be practicable to read meters at intervals which will result in billing periods of equal numbers of days.
  - (1) Should a monthly billing period contain less than 27 days or more than 33 days a pro rata correction in the amount of the bill will be made.
  - (2) The charge for metered service for a bimonthly period will be computed by doubling the monthly minimum or readiness to serve charge and the number of cubic feet to which each block rate is applicable on a monthly basis.
  - (3) For billing periods other than monthly or bimonthly adjustments will be made proportionate to that for a monthly billing period.
- d. Bills for metered service will show at least the reading of the meter at the end of the period for which the bill is rendered, the meter constant, if any, the number and kinds of units, and date of the current meter reading.

(Continued)

Appendix A, Sheet 2

Rule No. 9

RENDERING AND PAYMENT OF BILLS

(Continued)

1. Metered Service (Continued)

- e. Each meter on a customer's premises will be considered separately and the readings of two or more meters will not be combined except where combination of meter readings is specifically provided for in the applicable rate schedule, or where the utility's operating convenience or necessity may require the use of more than one meter or a battery of meters. In the latter case, the monthly minimum or readiness to serve charge will be prorated from the monthly minimum or readiness to serve charges of the applicable rate schedule upon the basis of a meter size equivalent in diameter to the total combined discharge areas of such meters.

2. Flat Rate Service

- a. Bills for flat rate service are payable in advance.
- b. The opening bill for flat rate service will be the established monthly charge for the service. Any amount paid in excess of the prorated charges otherwise applicable to the opening period will be credited against the charge for the succeeding regular billing period, except that no such credit shall accrue if the total period of service is less than one month.
- c. For billing periods other than monthly, the charge for flat rate service will be computed by multiplying the monthly charge by the number of months in the billing period.

3. Proration of Bills

- a. The charges applicable to opening periods, closing bills and bills rendered for periods corresponding to less than 27 days or more than 33 days for monthly billing periods will be computed as follows:

(1) Metered Service

The amount of the minimum charge (and the quantity allowed therefor) or the readiness to serve charge and the quantity in each of the several quantity rate blocks will be prorated on the basis of the ratio of the number of days in the period to the number of days in an average billing period. The measured quantity of usage will be applied to such prorated amounts and quantities.

(Continued)

Appendix A, Sheet 3  
Rule No. 9  
RENDERING AND PAYMENT OF BILLS  
(Continued)

3. Proration of Bills (Continued)

(2) Flat Rate Service

The billing period charge will be prorated on the basis of the ratio of the number of days in the period to the number of days in an average billing period.

(3) Average Billing Period

The number of days in an average billing period is defined as 365 divided by the number of billing periods in a year. (It is 30.4 days for a monthly billing period.)

B. Payment of Bills

1. Bills for service are due and payable upon presentation and payment may be made at any commercial office of the utility or to any representative of the utility authorized to make collections. Collection of closing bills may be made at the time of presentation.

2. The utility may charge \$10.00 for any bad check, electronic fund transfer or Automated Clearing House (ACH) Payment that is not honored.

3. Credit/Debit Card Option

At the option of the customer, a credit or debit card payment can be made. These payments will be accepted through the use of a vendor(s), and a non-refundable \$2.00 convenience fee per transaction shall apply. Customers are limited to one transaction per each assessed fee. If a customer has more than one account, a separate transaction is needed for each account. A non-refundable convenience fee will apply for each transaction completed and will be added as a charge to the credit/debit account by the vendor(s) and not the utility statement. The convenience fee is paid directly to the vendor(s), not the utility. The payment option is not available to customers who have made fraudulent payments within the last 12 months.

(N)

(N)

C. Service to Tenants

(T)

No tenant applying for residential water service shall be required to pay any charges or penalties on account of non-payment of charges by a previous tenant. The company may, however, require that service to subsequent tenants be furnished on the account of the landlord or property owner.

Appendix A, Sheet 4

Rule No. 9

PRELIMINARY  
STATEMENTS

(Continued)

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EEE CREDIT CARD PAYMENT PROGRAM MEMORANDUM ACCOUNT

Golden State Water Company (GSWC) requests to establish a Credit Card Payment Program Memorandum Account (CCPPMA).

(N)

1. Purpose

The CCPPMA will track all administrative and printing costs that may be incurred to administer the Credit Card Payment Program.

2. Applicability

The CCPPMA does not have a rate component and applies to all areas served by GSWC.

GSWC shall maintain the CCPPMA by making entries at the end of each month as follows:

- a. A debit entry shall be made to the CCPPMA at the end of each month to record the expenses.
- b. Interest shall accrue to the CCPPMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

3. Effective Date

The CCPPMA shall go into effect on the effective date of Advice Letter 1494-WA.

4. Disposition

Disposition of amounts recorded in the CCPPMA may be determined in GSWC's next GRC or in a subsequent regulatory proceeding, as authorized by the Commission.

(N)

**CERTIFICATE OF SERVICE**

I certify that I have by electronic mail and mail this day served a true copy of draft Resolution W-4941 on all parties in these filings or their attorneys as shown on the attached list.

Dated March 5, 2013, at San Francisco, California.

/s/ DARLENE SUSTAITA

Darlene Sustaita

Parties should notify the Division of Water and Audits, Third Floor, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the Resolution number on which your name appears.

SERVICE LIST OF DRAFT  
RESOLUTION W-4942

1 of 2

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