

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.

A.10-09-017
(Filed September 20, 2010)

**COMMENTS OF THE DIVISION OF RATEPAYER ADVOCATES
ON ADMINISTRATIVE LAW JUDGE'S RULING REOPENING THE RECORD**

I. INTRODUCTION

In response to the “Administrative Law Judge’s Ruling Reopening Record for the Limited Purpose of Directing Applicants to Submit Information Required Under Rule 16.4(b) of the Commission’s Rules of Practice and Procedure,” issued February 1, 2012, (“ALJ Ruling”) the Division of Ratepayer Advocates (“DRA”) hereby submits these comments on the “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),” filed on February 8, 2012. Administrative Law Judge (“ALJ”) Walwyn’s ruling directed Applicants’ to “submit specific wording to carry out all requested modifications to the underlying decisions requested herein.”¹ The underlying decisions at issue are the

¹ See ALJ’s Ruling, February 1, 2012, p. 1.

following: Decision (D.) 08-02-036, D.08-08-030, D.08-09-026, and D.09-05-005. Of these decisions, D.08-02-036, D.08-08-030, and D.09-05-005 include adopted settlement agreements.²

DRA welcomes this opportunity to comment on Applicants’ specific wording changes to the underlying decisions, and on the Applicants’ Proposed Findings of Fact, Conclusions of Law, and Ordering Paragraphs, included as Attachment A to their response. DRA agrees with Applicants that it “would not be appropriate” to propose changes to the wording of any of the adopted settlement agreements in the underlying decisions since those agreements have been previously “executed, submitted, and approved by the Commission.”³ Applicants also state in their response that they have not proposed any changes to the settlement agreements, nor that any changes to the settlement agreements are necessary.⁴ Therefore, DRA will not comment on or recommend any changes to the referenced settlement agreements.

II. DISCUSSION

A. Applicants’ Recommendations related to the Water Revenue Adjustment Mechanism (“WRAM”)/Modified Cost Balancing Accounts (“MCBAs”) Decisions.

In their response, Applicants’ state that most of the proposals included in their initial application “did not require modification of a Commission decision,” but instead “sought a formal Commission determination relating to informal ‘advice letter’ practices that were not explicitly considered in Commission decisions.”⁵ Nevertheless, in sections

² Id. at 2.

³ See Applicants’ Response to ALJ Ruling, February 8, 2012, p. 9.

⁴ Id.

⁵ Id. at p. 2.

II through V of Applicants' response, Applicants' propose "specific wording" changes to D.08-02-036, D.08-08-030, D.08-09-026, and D.09-05-005. Although DRA is in agreement with the majority of Applicants' proposed changes to these decisions, DRA disagrees with some of the specific wording changes and offers its own modifications to Applicants' proposals. The modifications offered by DRA are intended to correct any errors or omissions in Applicants' proposed changes. DRA's modifications also recommend that the Commission use the phrase, "last authorized revenue requirement" on a consistent basis, and remove references to similar but potentially confusing phrases of, "prior year's revenue requirement," and "total authorized revenue requirement."

DRA's proposed modifications to Applicants' specific wording changes apply only to D.08-02-036, D.08-08-030, and D.09-05-005, and are as shown below in redlined form. In addition, DRA includes proposed changes to D.09-05-005 related to the WRAM/MCBA for Golden State Water Company, Region I at pages 19-20, to Ordering Paragraph 3, seemingly omitted from the Applicants' response.

B. DRA's proposed modifications to Applicants' proposed changes to D.08-02-036, D.08-08-030, and D.09-05-005.

1. D.08-02-036

- In the 15th line on page 26, the phrase, "exceeds 2% of Park's and 2.5% of CalWater's prior year revenue requirement", should be deleted and replaced by the phrase, "is 2% or more of Park's or CalWater's last authorized revenue requirement".
- After the first paragraph on page 54, insert a new Finding of Fact 29, reading as follows: "29. 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."

2. D.08-08-030

- In the last line of text on page 15, the phrase, "exceeds 2.5% of GSWC's prior year revenue requirement", should be deleted and replaced by the phrase, "is 2% or more of GSWC's last authorized revenue requirement".

3. D.09-05-005

- In the 2nd line of text on page 12, the phrase, "exceeds 2.5% of that area's total authorized revenue requirement", should be deleted and replaced by the phrase, "is 2% or more of that area's last authorized revenue requirement".
- At the beginning of Ordering Paragraph 1 on page 19, 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".
- In the 3rd line of Ordering Paragraph 3 on page 19, the phrase, "during the preceding calendar year by March 31 of the following year, beginning March 31, 2010." Should be deleted and replaced by the phrase, "by November 30 of each year."
- In the 3rd line on page 20, the continuation of Ordering Paragraph 3, the phrase, "exceeds 2.5% of that area's total authorized revenue requirement" should be replaced by the phrase, "2% or more of that area's last authorized revenue requirement".

- In the 6th line on page 20, the continuation of Ordering Paragraph 3, 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,”

C. Applicants’ Proposed Findings of Fact, Conclusions of Law, and Ordering Paragraphs.

Applicants’ include in Attachment A of their response, a set of proposed findings of fact, conclusions of law, and ordering paragraphs which are intended to “implement all their recommendations as stated in their Opening Brief.”⁶ Although DRA is in agreement with the majority of Applicants’ proposed findings of fact, conclusions of law, and ordering paragraphs, DRA disagrees with some of the proposals and provides its own modifications. For the Commission’s convenience, DRA includes its edits to Applicants’ Attachment A in redlined form, attached hereto as Attachment 1. DRA’s modifications include additional proposed findings of fact, conclusions of law, and ordering paragraphs, to supplement those proposed by Applicants. DRA’s modifications to the proposals are intended to implement its recommendations as set forth in DRA’s Opening Brief. DRA believes that the modifications it makes to these proposals will provide a consistent approach to the WRAM/MCBA amortization process and WRAM/MCBA balances across all Class A Water Utilities.

III. CONCLUSION

DRA respectfully requests that the Commission consider its comments, which include modifications to Applicants’ proposed specific wording changes to the

⁶ Id. at 3, footnote 2.

WRAM/MCBA decisions for California Water Service Company, Golden State Water Company, Park Water Company, and Apple Valley Ranchos Water Company, as well as, modifications and additions to Applicants' proposed findings of fact, conclusions of law, and ordering paragraphs for this proceeding.

Respectfully submitted,

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