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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application of PARK WATER COMPANY)
(U 314 W) and APPLE VALLEY RANCHOS)
WATER COMPANY (U 346 W) for Authority) APPLICATION NO. 12-05-001
to Establish an Authorized Cost of Capital for)
2013 - 2015.)
_____)

WITHDRAWAL OF

RESPONSE OF

PARK WATER COMPANY (U 314 W)

TO THE DIVISION OF RATEPAYER ADVOCATES MOTION TO COMPEL DISCOVERY

FROM PARK WATER COMPANY

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July 18, 2012

I. Introduction

On June 18, 2012 Park Water Company (Park) filed its Response to the Motion to Compel Discovery from Park Water Company (Response) made verbally by the Division of Ratepayer Advocates (DRA) at the Pre-Hearing Conference (PHC) on June 12, 2012.

At the PHC, counsel for DRA raised a concern for the first time about a discovery issue with Park. The issue related to a data request sent to Park by DRA on May 8, 2012 asking for certain information and documents of Carlyle Infrastructure Partners LP (CIP) and Western Water Holdings LLC (WWH)¹ in addition to those requested for Park. On May 14, 2012, Park provided its response to DRA's data request, including objections to the requests that related to CIP and WWH. Park's objections included reasons and explanations why the specific information and/or documents requested were not available and/or, given the nature and structure of CIP and WWH, not necessary or relevant and would provide no meaningful information; and provided the information which DRA claimed at the PHC that Park had refused to provide – the capital structures of WWH and CIP. Prior to the issue being raised by counsel for DRA at the PHC, DRA had given no indication to Park that it had not found Park's discovery responses adequate. Accordingly, Park had no knowledge that DRA considered that response inadequate, that Park's explanations were not sufficient, or that DRA disputed the bases for Park's objection to DRA's request for information and documents relating to CIP and WWH and still sought to receive them, until the statements of DRA's counsel at the PHC.

In its Response Park provided additional information, explanation and clarification; and stated a willingness to work with DRA to attempt to resolve this matter and proposed that the parties, Park and DRA, be allowed to attempt to reach a mutually acceptable resolution. Subsequent to the PHC, Park initiated discussions with DRA on this matter and provided DRA the additional information, explanation and clarifications contained in its Response. Park and DRA have met and conferred regarding the discovery issue raised by DRA's legal counsel and DRA has informed Park that, after review by DRA and DRA's consultant of the additional information and clarification provided by Park, DRA does not require any further information in response to its data requests regarding WWH or CIP, the subject of the discovery issue.

¹ WWH is Park's immediate parent. WWH is a wholly-owned subsidiary of Carlyle Infrastructure Partners Western Water L.P. (CIP Western Water), which is wholly-owned by a group of investment fund vehicles associated with CIP.

II. Conclusion

Park believes, and has been informed that DRA agrees, that this discovery issue has now been resolved. DRA's verbal Motion to Compel Discovery from Park Water Company is therefore now moot. Park has informed the assigned Administrative Law Judge (ALJ) of this proceeding of the resolution of this issue between Park and DRA and has been advised by the ALJ to withdraw its Response to DRA's Motion. Accordingly, Park hereby withdraws its Response to the Motion to Compel Discovery from Park Water Company, filed by Park on June 18, 2012.

Dated at Downey, California, July 18, 2012.

Respectfully submitted,

PARK WATER COMPANY

By: /s/ Leigh K. Jordan

LEIGH K. JORDAN
Executive Vice President