



FILED

03-09-11
09:55 AM

RAB/jt2 3/9/2011

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Authority to, Among Other Things, Increase Its Authorized Revenues For Santa Catalina Island Water Operations, And to Reflect That Increase In Rates.

Application 10-11-009
(Filed November 15, 2010)

(Unconsolidated)

Hamilton Cove Homeowners Association, a California Mutual Benefit corporation, and its members: Gordon Anderson, Mimi Assanti, Shu-Hun Baran, Stuart Baron, Norris J. Bishton, Jr., Tom Cappannelli, John Cullens, Martin Curtin, Barbara Ehert, The Erb Family Trust, Bart Glass, Peter R. Giulioni, Jr., Ellen Greenhill, Tom Gross, Clifford Hague, as member and as the Owner of a Multiunit Apartment in Avalon California, and all others similarly situated, Ladon Hix, Ron Hoffman, William Hurst, The Longpre Family Trust, Craig C. Manger III, Michael Margulis, Patricia McCormick, Jeffrey P. McCormick, Jeffrey P. McIndoo, Doug Meissner, Duane Miller, Thomas R. Murphy, Mike Owens, Kathy Patterson, Carol Peck, James P. Selles, Frank R. Randall, Dave Schmitz, Sharon Stow, Jack & Cathy Sweeny, Judy Tejada, Will Von der Aha, John Willett, and Phillip Williams; Catalina Island Camps, Inc., Tom Sawyer Camps, Inc., Guided Discoveries, Inc., Western Los Angeles County Council - Boys

Case 09-12-006
(Filed December 10, 2009)

Scouts of America at Camp Emerald Bay on
Catalina Island, Santa Catalina Island
Conservancy, and all other persons
similarly situated,

Complainants,

vs.

Southern California Edison Company
(U338E),

Defendant.

**ADMINISTRATIVE LAW JUDGE'S RULING ON
PROTESTANTS' MOTION TO COMPEL AND ON UNCONSOLIDATION**

In Application A.10-11-009, Southern California Edison Company (SCE) seeks a rate increase of \$3.3 million for its Santa Catalina Island Water Operations. The application is protested by the Division of Ratepayer Advocates (DRA) and various entities on Catalina, including the City of Avalon, the Catalina Island Chamber of Commerce, the Santa Catalina Island Company, the Santa Catalina Island Conservancy, the Guided Discoveries, the Conference of Catalina Condos and Apartments, and the Hamilton Cove Homeowners Association (the Catalina Protestants).

Prior to the filing of the application the Hamilton Cove Homeowners Association had brought a complaint against SCE (C.09-12-006) challenging water rates and service on Catalina. On January 14, 2011, at a prehearing conference, the application and complaint were consolidated. On February 11,

2011, at a second prehearing conference, the application and complaint were unconsolidated.

The reasons for the Catalina Protestants' protest include the condition of the water system and how it got to its current condition, the efficacy of recent and proposed infrastructure improvements, the amount of groundwater available, the role of SCE's desalination plant, unaccounted-for water, SCE's operating expenses, SCE's alternative cost recovery proposal, rates, rate base, and rate of return. The Catalina Protestants request that the Commission require SCE to retain an independent engineering firm to evaluate the entire water system, past, present, and future. This request is denied; DRA has the needed expertise.

On February 1, 2011, the Catalina Protestants filed a motion to compel discovery on various issues, and to require SCE to file an amended application using the Uniform System of Accounts. On February 10, 2011, SCE responded. The motion was heard at the prehearing conference on February 14, 2011.

The Catalina Protestants' motion is granted as follows:

Pre-2005 discovery (but not earlier than 1985) is allowed for all capital projects, or the lack thereof.

Specifically, the request for interim financial statements is denied, as is the request to restate the application using the Uniform System of Accounts. The record does not show that SCE has failed to respond to discovery requests other than the capital projects 1985-2005.

In all other respects the Catalina Protestants' motion is denied. The Catalina Protestants continue to have discovery (data requests and document requests) on all remaining issues. To obtain confidential information, the

