

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



FILED

10-14-10
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In the Matter of the Application of CALIFORNIA WATER SERVICE COMPANY, (U-60-W), a California corporation, for an order 1) authorizing it to increase rates for water service by \$70,592,000 or 16.75% in test year 2011, 2) authorizing it to increase rates on January 1, 2012 by \$24,777,000 or 5.04% and January 1, 2013 by \$24,777,000 or 4.79% in accordance with the Rate Case Plan, and 3) adopting other related rulings and relief necessary to implement the Commission's ratemaking policies

Application 09-07-001

(Filed July 2, 2009)

JOINT MOTION OF THE DIVISION OF RATEPAYER ADVOCATES
AND CALIFORNIA WATER SERVICE COMPANY
(U 60 W) TO APPROVE FURTHER CORRECTIONS TO
THE AMENDED JOINT SETTLEMENT FILED ON SEPTEMBER 3, 2010

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California Water Service Company

Dated: October 18, 2010

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OF THE STATE OF CALIFORNIA**

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I. INTRODUCTION

Pursuant to Rule 11.1 of the Commission's Rules of Practice and Procedure ("Rules"), and authorization provided by Administrative Law Judge ("ALJ") Jeffrey O'Donnell via e-mail on October 8, 2010, the Division of Ratepayer Advocates ("DRA") and California Water Service Company ("Cal Water") (together, "Parties") submit this joint motion for approval of corrections to the Amended Joint Settlement filed on September 3, 2010. The Joint Settlement also included Mr. Jeff Young, Mr. Jack Chacanaca, and the Leona Valley Town Council, however the proposed corrections do not impact the interests of Mr. Young and Mr. Chacanaca. The Leona Valley Town Council has reviewed and agrees to the proposed corrections that impact its interests.

In working with the Division of Water & Audits to prepare the tables of rates and results of operations based on the Amended Settlement filed on September 3, 2010, the Parties identified numerical errors that require correction, but that do not result in any significant impact on the overall rate increase proposed by the Parties. The corrections impact 41 pages of the Amended Settlement and are described in detail below. With the corrections incorporated, the “Further Amended Settlement” is included as Attachment A to this Motion.

II. THE “FURTHER” AMENDED SETTLEMENT AGREEMENT

A. Description of the Corrections

The “Further” Amended Settlement Agreement reflects the following corrections to the Amended Settlement Agreement:

1. Incorrect sales in workpapers for the following districts: Antelope Valley, King City, Salinas, Westlake, and Willows. Cal Water proposes making changes to the **Summary of Earnings Tables for these districts** to match **page 8** of the settlement document. This change would result in changes to the present and proposed revenues for 2011.
2. Incorrect number of services for the following districts: Dominguez, Kern River Valley, and Westlake. Cal Water proposes making changes to the **Summary of Earnings Tables for these districts** to match **page 10** of the settlement document. This change would also result changes to the present and proposed revenues for 2011.
3. Incorrect number of services for the Bear Gulch District. The workpapers did not include the previous acquisitions of two smaller water companies. Cal Water proposes changing both **page 8** of the settlement document and the **Summary of Earnings Table for this district** to correct this. This change would result in an increase in the revenue requirement for this district of about \$400,000.
4. Incorrect sales and services for the Visalia District. This is simply a typo on the table on **page 8** and will have no impact to the Summary of Earnings.

5. Rate Design changes to Livermore - Cal Water modified the rate design to separate revenue collected from 1" residential customers and 1" residential customers with fire protection. This change modifies only the present rates.
6. **Page 41** of the settlement document: Cal Water proposes shifting the table so that all the information is visible. No impact on Summary of Earnings.
7. **Page 288** of the settlement document should not include PID 20394. This is a typo and has no impact on Summary of Earnings.
8. **Page 461** of the settlement document includes an incorrect figure of \$732.2 instead of \$669.3. This is a typo on this page and has no impact on the Summary of Earnings.
9. **Page 462** of the settlement document includes a summary for 2012 showing an incorrect figure of \$129.3 instead of \$192.6. This is a typo on this page and has no impact on the Summary of Earnings.
10. The **Weighted Average Depreciated Rate Base tables (Section 11)** are calculated using sales and services amount. With the changes to the sales and number of customers, the Weighted Average Depreciated Rate Base tables will also change 17 pages for the following districts: Antelope Valley, Bear Gulch, Dominguez, Hermosa-Redondo, King City, Kern River Valley, Livermore, Salinas, Willows, and Westlake.
11. The table in Attachment 2 summarizes the numerical changes to the **Summary of Earnings tables**. The numbers in the parenthesis indicate a reduced amount from the Settlement Agreement.

B. Table of Changes to the Summaries of Earnings

The table below identifies the numerical changes to some districts' Summary of Earnings tables (in Chapter 12 of the Amended Settlement Agreement) resulting from the corrections:

**Corrections to the Summary of Earnings Tables
(Chapter 12 of Settlement Agreement)**

Item	District	Present 2011			Proposed 2011			Comments
		Original	New	Change	Original	New	Change	
1	Antelope Valley	no changes	no changes	no changes	2,284.0	2,298.2	14.2	modified sales quantities to match settlement
	King City	2,403.7	2,517.4	113.7	2,825.2	2,830.8	5.6	modified sales quantities to match settlement
	Salinas	24,649.3	24,591.6	(57.7)	25,363.6	25,357.0	(6.6)	modified sales quantities to match settlement
	Westlake	15,804.0	15,555.1	(248.9)	15,557.0	15,385.2	(171.8)	modified sales & services quantities to match settlement
	Willows	1,569.8	1,594.3	24.5	2,027.7	2,031.2	3.5	modified sales quantities to match settlement
2	Dominguez	46,331.2	45,959.6	(371.6)	51,586.0	51,327.2	(258.8)	Change from the services error, contributed to a \$5k variance, The balance of the variance is attributed to Cal Water using the incorrect tables in the Settlement document filed.
	Kern River Valley	4,296.8	4,302.0	5.2	5,389.9	5,389.7	(0.2)	modified the number of services
	Westlake	15,804.0	15,555.1	(248.9)	15,557.0	15,385.2	(171.8)	modified the number of services to match settlement
3	Bear Gulch	27,370.8	28,172.7	801.9	30,910.6	31,289.2	378.6	modified the number of services to incorporate 556 additions from the Skyline and Woodside acquisitions agreed to in settlement
4	Livermore	19,649.0	20,077.3	428.3	no changes	no changes	no changes	modified the rate design to separate out revenue collected from 1" residential customers and 1" residential customers with fire protection. This modified the present rates only.

III. CONCLUSION

For the above mentioned reasons, DRA and Cal Water request that this Motion be granted, and that the attached Further Amended Settlement Agreement containing revisions to the Amended Settlement Agreement filed on September 3, 2010 be adopted as the final Settlement Settlement in A.09-07-001.

Respectfully Submitted,

/s/ THOMAS F. SMEGAL

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Attorneys for the
Division of Ratepayers Advocate

Dated: October 18, 2010

CERTIFICATE OF SERVICE

I hereby certify that on this date I served the foregoing JOINT MOTION OF THE DIVISION OF RATEPAYER ADVOCATES AND CALIFORNIA WATER SERVICE COMPANY (U 60 W) TO APPROVE FURTHER CORRECTIONS TO THE AMENDED JOINT SETTLEMENT FILED ON SEPTEMBER 3, 2010 by electronic mail or U.S. Mail delivery on the Service List for A.09-07-001 below:

By Electronic Mail:

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By U.S. Mail Delivery:

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Executed this 18th day of October 2010, at San Jose, California.

/s/ TU RASH

Tu Rash