

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of California-American Water Company for Authority Pursuant to Public Utilities Code Section 454 to Restructure and Consolidate its Rates for its Monterey and Felton Districts.

Application 04-08-012
(Filed August 11, 2004)

SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER

Summary

The Commission in Decision (D.) 04-05-023 directed California-American Water Company (CalAm) to file an application for authority to consolidate rates for its Monterey and Felton districts. It has done so, and included in its application related requests to increase Felton District rates by use of a surcharge for the next five years to recover a shortfall between rates currently being charged in Felton and those authorized but deferred in D.04-05-023, to establish a new balancing account to accumulate any ongoing revenue shortfall in Felton should consolidated rates be granted, and to collect that shortfall later from both Felton and Monterey district customers. A prehearing conference was held on September 20, 2004. Pursuant to Rules 6(a)(3) and 6.3 of the Commission's Rules of Practice and Procedure, I am issuing this Scoping Memo and Ruling to confirm the proceeding category and need for hearing, establish the issues and timetable, and designate the principal hearing officer.

Scope of the Proceeding

This proceeding will address the following issues:

1. Should the Commission authorize CalAm to implement new Felton District and Monterey District rates (“consolidated rates”) based on the combined revenue requirement of those districts?

If yes,

- 1.(a) Should the combined revenue requirement and rates be adjusted to account for differences between the districts in water supply and other factors, and if so, how?
- 1.(b) Should the Commission authorize CalAm to establish a new balancing account to track variations between revenues collected from Felton District customers using the new consolidated rates and those revenues that would have been collected by applying the Felton District rates approved but not implemented in D.04-05-023, Ordering Paragraph #6, until the Commission establishes new consolidated rates in Monterey District’s Test Year 2006-2008 general rate case? If so, how and from whom should the amounts accrued in this new balancing account eventually be recovered?

If no,

- 1.(c) What action should the Commission take with respect to the Felton District rates authorized and deferred by D.04-05-023?
2. What action should the Commission take with respect to the deferred revenues accrued in the Felton District balancing account established in D.04-05-023, Ordering Paragraph #6?

Timetable

The schedule for this proceeding is as follows:

December 6 & 7, 2004	Public Participation Hearings in Monterey and Felton
December 8, 2004	Commission staff and parties other than CalAm serve direct testimony and exhibits.
December 22, 2004	CalAm serves rebuttal testimony.
January 4, 2005	Evidentiary hearings begin in San Francisco.
January 21, 2005	Opening briefs.
February 4, 2005	Reply briefs; proceeding submitted
May 5, 2005	Proposed Decision (PD) filed. Comments on PD (20 days after PD is filed). Reply Comments on PD (five days following Comments).
June, 2005	Commission meeting to consider PD.

The assigned Administrative Law Judge (ALJ), with the concurrence of the Assigned Commissioner, may adjust the schedule as necessary during the course of the proceeding. In no event do I expect this proceeding to take longer to resolve than 18 months from the date this Scoping Ruling is issued.

Category and Need for Hearing

This ruling confirms that this is a ratesetting proceeding and that a hearing is required, as the Commission preliminarily determined in Resolution ALJ 176-3137.

Principal Hearing Officer

ALJ James McVicar is designated as the principal hearing officer (Rule 5(l)), and thus will be the presiding officer under Rule 5(k)(2).

Final Oral Argument Before the Commission

Any party wishing to exercise the right under Rule 8(d) to make a final oral argument before the Commission must file a written request and serve it on all parties and the assigned Commissioner and assigned ALJ not later than the proceeding submission date.

IT IS RULED that:

1. The issues to be considered are those described in this ruling.
2. The timetable for the proceeding is as set forth herein.
3. This is a ratesetting proceeding.
4. A hearing is needed.
5. Administrative Law Judge (ALJ) James McVicar is designated as the principal hearing officer.
6. Any party wishing to make a final oral argument before the Commission must file a written request and serve it on all parties and the assigned Commissioner and assigned ALJ not later than the case submission date.

Dated September 30, 2004, at San Francisco, California.

Susan P. Kennedy
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Scoping Memo and Ruling of Assigned Commissioner on all parties of record in this proceeding or their attorneys of record.

Dated September 30, 2004, at San Francisco, California.

Janet V. Alviar

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TTY# 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.