

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

January 28, 2010

File No.: 602-19

Gladys Rosendo  
Regulatory Analyst  
Golden State Water Company  
630 East Foothill Boulevard  
San Dimas, CA 91773

Dear Ms. Rosendo:

The Commission has received and filed your Advice Letters 1373-W and 1374-WA and the revised Cal. P.U.C. tariff sheets you submitted:

Advice Letter 1373

5693-W	Schedule SI-1-R, Residential Metered Service
5694-W	Schedule SI-1-NR, Non-Residential Metered Service
5695-W	Table of Contents (Page 3 of 4)
5696-W	Table of Contents (Page 1 of 4)

Advice Letter 1374-WA

5697-W	Schedule SI-1-R, Residential Metered Service
5698-W	Schedule SI-1-NR, Non-Residential Metered Service
5699-W	Table of Contents (Page 3 of 4)
5700-W	Table of Contents (Page 1 of 4)

Enclosed is a copy of the advice letters and tariff sheets, with the filing and effective dates shown, for the utility's files.

Please contact Jim Boothe at (415) 703-1748, if you have any questions.

Very truly yours,

A handwritten signature in cursive script that reads "Josie L. Jones".

JOSIE L. JONES  
Program Technician III  
Water and Sewer Advisory Branch

Enclosures

FEB - 1 2010

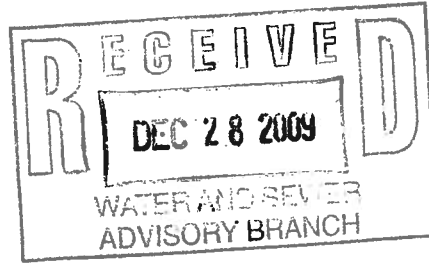
GOLDEN STATE WATER COMPANY  
REGULATORY DIVISION



**Golden State**  
Water Company

A Subsidiary of American States Water Company

**"CONFORMED COPY"**



December 28, 2009

**Advice Letter No. 1373-W**

**(U 133 W)**

### **California Public Utilities Commission**

Golden State Water Company ("GSWC") hereby requests ministerial review and approval of the following changes to the tariffs sheets applicable to its Simi Valley Customer Service Area (CSA):

<u>CPUC Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling CPUC Sheet No.</u>
Revised No. 5693-W	Schedule No. SI-1-R Simi Valley District Residential Metered Service	Revised No. 5603-W*
Revised No. 5694-W	Schedule No. SI-1-NR Simi Valley District Non-Residential Metered Service	Original No. 5604-W*
Revised No. 5695-W	Table of Contents Page 3 of 4	Revised No. 5683-W
Revised No. 5696-W	Table of Contents Page 1 of 4	Revised No. 5684-W

#### **Subject**

Balancing-type Memorandum Account Amortization

#### **Purpose**

This advice letter filing requests approval for the imposition of a temporary surcharge to the water rates in the Simi Valley CSA. GSWC is proposing a surcharge of \$0.152 per Ccf in Tier 1, \$0.175 per Ccf in Tier 2, \$0.201 per Ccf in Tier 3 for metered residential customers and \$0.166 per Ccf for non-residential customers in its Simi Valley CSA. The purpose of the surcharge is to recover the under-collection of supply-related costs (purchased power and purchased water) recorded in the Balancing -Type Memorandum Account for the

period September 2006 through August 2009. This request is made pursuant to the Commission's directive in Decision 06-04-037, dated April 13, 2006.

### **Background**

On October 20, 2006 GSWC filed Advice Letter 1227-W requesting recover of the under-collection of supply-related costs (purchased power and purchased water ) recorded in the Balancing -Type Memorandum Account for the period January 2005 through August 2006 and the net balances after amortization of the 2001, 2002, and 2003 Balancing Accounts.

The Commission authorized GSWC's request and granted recover of the under-collection in the supply cost balancing account through a surcharge over a three year period, January 1, 2007 through December 31, 2009.<sup>1</sup>

In this Advice Letter, GSWC is requesting authorization to implement a surcharge to recover the under-collection of supply-related costs (purchased power and purchased water) recorded in the Balancing -Type Memorandum Account for the three year period September 2006 through August 2009. GSWC request the surcharge to become effective January 1, 2010 to coincide with the expiration of the surcharge authorized by Advice Letter 1227-W.

On November 29, 2001, the Commission issued Resolution W-4294 (W-4294), indicating its intention to review the existing practices for maintaining supply cost balancing accounts in order to determine whether there was a need to adopt new procedures or policies for maintaining these accounts. In addition, W-4294 ordered all water companies with existing supply cost balancing accounts to immediately suspend those accounts and create new "Balancing Type -Memorandum Accounts" (Memo Accounts) in their place, pending resolution of the Commission's rulemaking.

On June 19, 2003, the Commission issued D.03-06-072, representing its final decision in OIR 01-12-009. In that Decision, the Commission adopted new procedures for the recovery of costs recorded in the Memo Accounts created by Resolution W-4294. One of the provisions adopted in D.03-06-072 mandated that utilities file an annual advice letter by March 31 seeking review of its Memo Accounts for the previous calendar year.

On April 13, 2006, the Commission issued D. 06-04-037, modifying D.03-06-72 to eliminate the earnings test and the mandatory annual filing adopted in D.03-06-072. This advice letter is filed pursuant to Conclusion of Law 2 of D.06-04-037.

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<sup>1</sup> GSWC filed its last GRC in Region 1 on January 1, 2007, the same time the surcharged authorized by AL 1227-W became effective. Therefore GSWC did not address the supply cost balancing account in its GRC.

**Request**

As ordered in W-4294, GSWC created a new Memo Account for Purchased Power and Purchased Water on November 29, 2001.

The supply expense balance in the Memo Account on August 31, 2009 was \$1,801,130 under-collection. This total represents the entries into the Accounts for the period, September 2006 through August 2009. GSWC is requesting full recovery of the undercollection recorded in the Memo Account. This under-collection represents 16.75% of the adopted annual revenues.

According to the procedures adopted in D.03-06-072, undercollections that are more than 10 percent of annual revenues are to be recovered in rates over a thirty- six month amortization period. Accordingly, GSWC proposes a temporary surcharge of \$0.152 per Ccf in Tier 1, \$0.175 per Ccf in Tier 2, \$0.201 per Ccf in Tier 3 for metered residential customers and \$0.166 per Ccf for metered non-residential customers for thirty six months. The proposed surcharge will generate revenues of \$1,801,130.

The net balances after amortization, whether it be an over or under-collection will be transferred the Simi Valley Modified Cost Balancing Account (MCBA) which became effective September 1, 2009.<sup>2</sup>

**Rate Impact**

GSWC proposes a surcharge of \$0.152 per Ccf in Tier 1, \$0.175 per Ccf in Tier 2 \$0.201 per Ccf in Tier 3 for metered residential customers and \$0.166 per Ccf for metered non-residential customers to be effective for a 36-month period beginning on the effective date of Advice Letter 1373-W. The proposed surcharge would apply to all customer classes equally. The monthly bill for a residential customer on Schedule No. SI-1-R with a 5/8 x 3/4" meter, using 17 Ccfs in a month, would experience an increase of \$2.68 or 5.40 % from \$ 49.56 per month to \$ 52.24 per month, during the 36-month period.

A commercial customer on Schedule No. SI-1-NR with a 2" meter, using 137 Ccfs in a month, would experience an increase of \$22.74 or 5.57 % increase from \$ 408.32 per month to \$ 431.06 per month, during the 36-month period.

**Existing Rates**

The present rates in Simi Valley became effective on September 1, 2009 by Advice Letter No. 1347-W.

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<sup>2</sup> Advice Letter 1347-W implementing adopted Phase 1B Settlement Agreement in D. 09-05-005

**Effective Date**

GSWC is requesting that this filing become effective January 1, 2010.

**Tier Designation**

This advice letter is submitted with a Tier 1 designation per GO 96-B Water Industry Rules section 7.3.4 Tier 1 item (1) Balancing Account amortization.

**Protest and Responses**

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding;
- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require re-litigating a prior order of the Commission.)

A protest shall provide citations or proofs where available to allow staff to properly consider the protest.

A response or protest must be made in writing or by electronic mail and must be received by the Water Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3<sup>rd</sup> floor  
California Public Utilities Commission,  
505 Van Ness Avenue, San Francisco, CA 94102  
E-mail: [water\\_division@cpuc.ca.gov](mailto:water_division@cpuc.ca.gov)

On the same date the response or protest is submitted to the Water Division, the

respondent or protestant shall send a copy by mail (or e-mail) to us, addressed to:

Golden State Water Company  
ATTN: Gladys Rosendo  
630 East Foothill Blvd.  
San Dimas, CA 91773  
Fax: 909-394-7427 or  
E-mail: [regulatoryaffairs@gswater.com](mailto:regulatoryaffairs@gswater.com)

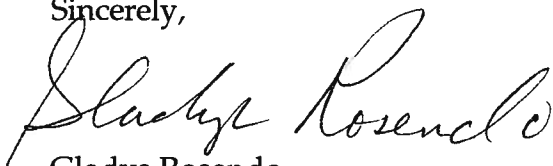
If you have not received a reply to your protest within 10 business days, contact this person at 909-394-3600 ext. 527.

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division, within the 20 day protest period, so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

The actions requested in this advice letter are not now the subject of any formal filings with the California Public Utilities Commission, including a formal complaint, nor action in any court of law.

No individuals or utilities have requested notification of filing of tariffs. Distribution of this advice letter is being made to the attached service list in accordance with General Order No. 96-B. GSWC will notify its customers of this rate increase by placing a message on the first water bill after the increase is granted.

Sincerely,



Gladys Rosendo  
Regulatory Analyst

- c: Jim Boothe, CPUC - Water Division  
Danilo Sanchez, CPUC- Water Branch, DRA  
Hani Moussa, CPUC- Water Branch, DRA  
John Garon, GSWC Regulatory Affairs Manager

Schedule No. SI-1-R

Simi Valley District

RESIDENTIAL METERED SERVICE

APPLICABILITY

Applicable to all residential metered water services provided to single-family residential customers.

TERRITORY

Portions of the City of Simi Valley and vicinity, Ventura County.

RATES

Quantity Rates:

First 1,300 cu. ft. per 100 cu. ft.....	\$ 2.191
Next 700 cu. Ft., per 100 cu. ft.....	\$ 2.520
Over 2,000 cu. ft., per 100 cu. ft.....	\$ 2.898

Per Meter  
Per Month

Service Charge:

For 5/8 x 3/4-inch meter.....	\$ 11.00
For 3/4-inch meter.....	16.55
For 1-inch meter.....	27.55
For 1 1/2 inch meter.....	55.10
For 2-inch meter.....	88.15
For 3-inch meter.....	165.00
For 4-inch meter.....	276.00
For 6-inch meter.....	551.00
For 8-inch meter.....	882.00
For 10-inch meter.....	1,267.00

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is to be added the charge for water used computed at the Quantity Rates.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF. (D)
2. Effective May 1, 2008, pursuant to Decision No. 08-01-043, a surcharge of \$0.040 per Ccf will be applied to all metered customer bills excluding customers that are receiving the CARW credit. This surcharge will offset the CARW credits and CARW administrative program costs recorded in the CARW Balancing Account.
3. As authorized by the California Public Utilities Commission, an amount of \$0.152 per Ccf for tier 1, \$0.175 per Ccf for tier 2 and \$0.201 per Ccf for tier 3 is to be added to the Quantity Rate for a period of 36 months, beginning on the effective date of Advice Letter 1373-W. This surcharge will recover the undercollection in the Balancing-Type Memorandum Account, as of August 2009. (N)  
(N)  
(N)

ISSUED BY

**R. J. SPROWLS**

President

Date Filed **DEC 28 2009**

Effective Date **JAN 1 2010**

Resolution No. \_\_\_\_\_

Advice Letter No. 1373-W

Decision No. 06-04-037

**GOLDEN STATE WATER COMPANY**

630 E. FOOTHILL BLVD. - P. O. BOX 9016

SAN DIMAS, CALIFORNIA 91773-9016

Revised Cal. P.U.C. Sheet No. 5694-W

Canceling Original Cal. P.U.C. Sheet No. 5604-W\*

Schedule No. SI-1-NR

Simi Valley District

NON-RESIDENTIAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service except those covered under SI-1-R.

TERRITORY

Portions of the City of Simi Valley and vicinity, Ventura County.

RATES

Quantity Rates:

For all water delivered, per 100 cu. ft..... \$ 2.337

Per Meter  
Per Month

Service Charge:

For 5/8 x 3/4-inch meter.....	\$ 11.00
For 3/4-inch meter.....	16.55
For 1-inch meter.....	27.55
For 1 1/2 inch meter.....	55.10
For 2-inch meter.....	88.15
For 3-inch meter.....	165.00
For 4-inch meter.....	276.00
For 6-inch meter.....	551.00
For 8-inch meter.....	882.00
For 10-inch meter.....	1,267.00

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is to be added the charge for water used computed at the Quantity Rates.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. Effective May 1, 2008, pursuant to Decision No. 08-01-043, a surcharge of \$0.040 per Ccf will be applied to all metered customer bills excluding customers that are receiving the CARW credit. This surcharge will offset the CARW credits and CARW administrative program costs recorded in the CARW Balancing Account. (D)
3. As authorized by the California Public Utilities Commission, an amount of \$0.166 per Ccf is to be added to the Quantity Rate for a period of 36 months, beginning on the effective date of Advice Letter 1373-W. This surcharge will recover the undercollection in the Balancing-Type Memorandum Account, as of August 2009. (N)  
(N)  
(N)

ISSUED BY

**R. J. SPROWLS**

President

Date Filed **DEC 28 2009**

Effective Date **JAN 1 2010**

Resolution No. \_\_\_\_\_

Advice Letter No. 1373-W

Decision No. 06-04-037

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(Continued)

ISSUED BY

**R. J. SPROWLS**

President

Date Filed **DEC 28 2009**

Effective Date **JAN 1 2010**

Resolution No. \_\_\_\_\_

Advice Letter No. 1373-W

Decision No. 06-04-037

**CALIFORNIA PUBLIC UTILITIES  
COMMISSION  
DIVISION OF WATER AND  
AUDITS  
Advice Letter Cover Sheet**

(Date Filed / Received Stamp by CPUC)

<b>AL #</b> 1373-W	<b>Date Mailed to Service List:</b> 12/28/09	<b>Requested Effective Date:</b> January 1, 2010	<b>Requested Tier:</b> <input checked="" type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input type="checkbox"/> Tier 3	
<b>Replacing AL#:</b>	<b>Authorized by:</b> D.06-04-037	<b>Compliance Filing?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Rate</b>	\$ 1,801,130
			<b>Impact</b>	% 16.75

<b><u>The public has 20 days from Date Mailed (above) to protest this advice letter. If you chose to protest or respond to the advice letter, send Protest and/or Correspondence within 20 days to:</u></b>	Director Division of Water and Audits 505 Van Ness Ave. San Francisco, CA 94102
<b><u>and if you have email capability, also email to:</u></b>	<a href="mailto:water_division@cpuc.ca.gov">water_division@cpuc.ca.gov</a>
<b><u>Your protest also must be served on the Utility</u></b>	(see attached advice letter for more information and grounds for protest)

<b>Company Name:</b> Golden State Water Company	<b>CPUC Utility Number:</b> WTA _____ WTB _____ WTC _____ WTD _____ SWR _____
<b>Address:</b> 630 East Foothill Blvd.	
<b>City, State, Zip:</b> San Dimas, CA 91773	

	Contact Name:	Phone No.	Fax No.	Email Address:
Filer	Gladys Rosendo	909-394-3600 ext. 527	909-394-7427	<a href="mailto:grosendo@gswater.com">grosendo@gswater.com</a>
Alternate	Keith Switzer	909-394-3600 ext. 759	909-394-7427	<a href="mailto:kswitzer@gswater.com">kswitzer@gswater.com</a>

**Description:**

1. This Tier 1 filing is in compliance with D.06-04-037.
2. Balancing-Type Memorandum Account Amortization
3. n/a

(FOR CPUC USE ONLY)			
WTS Budget/Activity/Type		Process as: <input type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input type="checkbox"/> Tier 3	
/ /		20th Day	30th Day
Project Manager:		Suspended on:	
Analyst:		Extended on:	
Due Date:		Resolution No.:	
Completion Date:		AL/Tariff Effective Date:	

**GOLDEN STATE WATER COMPANY**

**DISTRIBUTION LIST**

**SIMI VALLEY DISTRICT**

Calleguas Municipal Water District  
2100 Olsen Road  
Thousand Oaks, CA 91362  
[staylor@calleguas.com](mailto:staylor@calleguas.com)

Mike Sedell, City Manager  
City of Simi Valley  
2929 Tapo Canyon Road  
Simi Valley, CA 93065

Clerk of the Board of Supervisors  
Hall of Administration, 4<sup>th</sup> Floor  
800 South Victoria Avenue  
Ventura, CA 93009-1920

California Dept. of General Services  
Office of Buildings and Grounds  
1304 "O" Street, Suite 300  
Sacramento, CA 95814

Herschel T. Elkins, Asst. Attorney General  
State of California  
300 South Spring Street  
Los Angeles, CA 90013