

**CALIFORNIA PUBLIC UTILITIES COMMISSION
WATER DIVISION**

Advice Letter Cover Sheet

Utility Name: GOLDEN STATE WATER COMPANY

Date Mailed to Service List: 6/10/2020

District: SANTA MARIA

CPUC Utility #: 133 W

Protest Deadline (20th Day): 6/30/2020

Advice Letter #: 1819-W

Review Deadline (30th Day): 7/10/2020

Tier ☐ 1 ☒ 2 ☐ 3 ☐ Compliance

Requested Effective Date: 7/10/2020

Authorization

Rate Impact: N/A

Description: SANTA MARIA STEELHEAD RECOVERY PLAN
MEMORANDUM ACCOUNT UPDATE

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

Utility Contact: Ronald Moore

Utility Contact: Nguyen Quan

Phone: (909) 394-3600 x 682

Phone: (909) 394-3600 x 664

Email: rkmoore@gswater.com

Email: nquan@gswater.com

Water Division

Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

WD USE ONLY

DATE

STAFF

COMMENTS

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[] APPROVED

[] WITHDRAWN

[] REJECTED

Signature: _____

Comments: _____

Date: _____



June 10, 2020

Advice Letter No. 1819-W

(U 133 W)

California Public Utilities Commission

Golden State Water Company ("GSWC") hereby transmits one original and three conformed copies of the following tariff sheets applicable to its Water Operations:

| <u>CPUC Sheet No.</u> | <u>Title of Sheet</u> | <u>Canceling CPUC Sheet No.</u> |
|-----------------------|---|-------------------------------------|
| Revised No. 8685-W | Preliminary Statement Page 48, Part UU | Original No. 6103-W |
| Original No. 8686-W | Preliminary Statement Page 48, Part UU | |
| Revised No. 8687-W | Table of Contents Page 1 of 4 | Revised No. 8684-W |

SUBJECT: Santa Maria Steelhead Recovery Plan Memorandum Account Update

PURPOSE

GSWC is seeking authorization from the California Public Utilities Commission ("Commission") to expand the scope of Preliminary Statement, Part UU, Santa Maria Steelhead Recovery Plan Memorandum Account ("SMSRPMA"), to reflect recent developments involving the Steelhead Salmon Recovery Plan.

BACKGROUND

On March 30, 2011, GSWC filed Advice Letter No. 1442-W, to establish the SMSRPMA to track the following:

All outside services including consultants and legal associated with Legal expenses related to the Santa Maria Steelhead Recovery Plan – Prepare for and attend meetings and hearings including committee (e.g., finance committee, water resources, administrative, interagency and other committees); Review and respond to board and committee memoranda; Meetings with stakeholders re: same including area cities and water rights holders, local elected officials, water board members, utilities and industry; Provide public testimony as needed; Legal and policy research to defend and support positions to protect ratepayers;

Identify, analyze, and propose statutory changes to defend and support positions to protect ratepayers; attend meetings and hearings, including committee meetings, as needed; Legal research and other actions including employment of experts to defend against any legislation that has a negative impact on rates, water supply reliability or water rights affecting ratepayers; Review and preparation of legal documents; Review and preparation of technical documents; Meetings with technical staff and experts; Review and respond to various settlement approaches; Legal research to support and defend positions; Policy research to support and defend positions; Legal research re: potential litigation to protect ratepayers' long term storage costs; Identify, analyze, defend and propose statutory changes to protect long term storage benefits to ratepayers; Draft pleadings and other court documents re: same; Prepare for and attend meetings with potential litigants; Conduct discovery and file motions; Employ expert witnesses as necessary.

Additionally, the Settlement Agreement established a \$100,000 cap, split evenly between years 2011 and 2012 for the legal expenses incurred for the Steelhead Recovery Plan efforts.

Advice Letter No. 1442-W was filed pursuant to the Settlement Agreement adopted in Decision No. 10-12-059, GSWC's General Rate Case Application No. 10-01-009. Advice Letter No. 1442-W was approved with an effective date of January 1, 2011.

In Application No. 11-07-017, GSWC's General Rate Case Application, GSWC was authorized to continue the SMSRPMA for years 2013-2015, via Decision No. 13-05-011, issued May 13, 2013.

In Application No. 14-07-006, GSWC's General Rate Case Application, GSWC was authorized to continue the SMSRPMA for years 2016-2018, via Decision No. 16-12-067, issued December 21, 2016.

In Application No. 17-07-010, GSWC's General Rate Case Application, GSWC was authorized to continue the SMSRPMA for years 2019-2021, via Decision No. 19-05-044, effective May 22, 2019.

DISCUSSION

Two Steelhead habitat lawsuits have been filed to date regarding the Santa Maria River. The first by the San Luis Obispo Coastkeeper and the Los Padres Forest Watch groups against the Conservation District in State Court and a second Federal Endangered Species Act lawsuit by the San Luis Obispo Coastkeeper, the Environmental Defense Center and the Los Padres Forest Watch against the Conservation District and the Bureau of Reclamation to require releases of water from Twitchell Reservoir, a key element in

ensuring groundwater basin recharge under the Santa Maria Adjudication (which GSWC has rights to under the adjudication). GSWC and the City of Santa Maria have intervened in the Federal lawsuit to protect their water rights. The intent of the Steelhead Recovery Plan litigation ("Plan") was to obtain a court order imposing a recovery plan on the operation of Twitchell Reservoir in GSWC's Santa Maria customer service area. The Plan was initiated because the state and federal agencies responsible for the Steelhead Recovery Plan had not taken any action to implement it. Adjusting the operations of Twitchell Reservoir to accommodate the elements of the Steelhead Recovery Plan will have direct, negative water supply reliability impacts on GSWC's customers.

On April 17, 2020, the United States District Court Central District of California denied the Motions to Dismiss, filed by GSWC and the City of Santa Maria (case no. CV-19-8696-AB (JPRx) for the Federal Endangered Species Act lawsuit, therefore, GSWC will litigate the release of water from Twitchell Reservoir, a key element in ensuring groundwater basin recharge under the Santa Maria Adjudication (which GSWC has rights to under the Stipulation). As a result of this lawsuit's continuation, GSWC believes that it will incur (and record in the SMSRPMA) legal expenses in excess of \$1,000,000, starting in 2020.

REVISIONS TO PRELIMINARY STATEMENT

GSWC proposes to revise its Preliminary Statement, Part UU, Santa Maria Steelhead Recovery Plan Memorandum Account to expand its scope to reflect the projected additional legal expenses it expects to incur in years 2020 and 2021, on top of the current expenses already being tracked in the SMSRPMA, as discussed above.

The revised language for the SMSRPMA states that the account shall include:

All outside services including consultants, experts and legal fees and costs associated with legal expenses related to the Santa Maria Steelhead Recovery Plan, and all associated proceedings or efforts focused on fisheries resource recovery, including litigation and /or other proceedings intended to restore fisheries resources. These activities, and related expenses, include but are not limited to: Prepare for and attend meetings and hearings including committee (e.g., finance committee, water resources, administrative, interagency and other committees); Review and respond to board and committee memoranda; Meetings with stakeholders re: same including area cities and water rights holders, local elected officials, water board members, utilities and industry; Provide public testimony as needed; Legal and policy research and testimony to defend and support positions to protect ratepayers and the water supplies dedicated to serve those ratepayers; Identify, analyze, and propose statutory changes to defend and support positions to protect ratepayers and the water supplies dedicated to serve those ratepayers; Attend meetings and hearings,

including committee meetings, as needed; Legal activities (research, advocacy and litigation) and other actions including employment of experts to defend against any legislation, litigation or initiatives that may have negative impacts on rates, water supply reliability or water rights affecting ratepayers; Review and preparation of all necessary legal and technical documents related to or arising out of litigation, legislative or regulatory proceedings; Meetings with or among technical staff, legal representatives, consultants and experts, opposing or involved parties; Review and respond to various settlement approaches; Legal activities (research, advocacy, and litigation) to support and defend positions; Policy research to support and defend positions; Legal activities (research, advocacy, and litigation) to protect ratepayers' interests in the integrity of the water rights and water supplies dedicated to benefit those ratepayers; Identify, analyze, defend and propose statutory changes to protect long term water supplies and ratepayers' interests; Prepare pleadings and other court documents re: same; Prepare for and attend meetings with litigants; Conduct discovery and file motions and attend court hearings and trial; Employ expert witnesses as necessary.

REQUEST

GSWC is seeking authorization from the Commission to expand the scope of Preliminary Statement, Part UU, Santa Maria Steelhead Recovery Plan Memorandum Account, to reflect recent developments involving the Steelhead Salmon Recovery Plan in its Santa Maria customer service area.

EFFECTIVE DATE

GSWC desires that this filing become effective upon regular statutory notice.

TIER DESIGNATION

Pursuant to D. 07-01-024, this advice letter is submitted with a Tier 2 designation.

CUSTOMER NOTICE

Pursuant to Water Industry Rule No. 3.2 in the Commission's General Order 96-B, this advice letter does not require a customer notice nor a customer notice verification.

RESPONSE OR PROTEST

Anyone may submit a response or protest for this Advice Letter (AL). When submitting a response or protest, **please include the utility name and advice letter number in the subject line.**

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 AL 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 AL;
2. The relief requested in the AL 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 AL contain material error or omissions;
4. The relief requested in the AL is pending before the Commission in a formal proceeding; or
5. The relief requested in the AL requires consideration in a formal hearing, or is otherwise inappropriate for the AL process; or
6. The relief requested in the AL 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 may not rely on policy objections to an AL where the relief requested in the AL follows rules or directions established by statute or Commission order applicable to the utility. A protest shall provide citations or proofs where available to allow staff to properly consider the protest.

DWA must receive a response or protest via email (**or** postal mail) within 20 days of the date the AL is filed. When submitting a response or protest, **please include the utility name and advice letter number in the subject line.**

The addresses for submitting a response or protest are:

Email Address:

Water.Division@cpuc.ca.gov

Mailing Address:

CA Public Utilities Commission
Division of Water and Audits
505 Van Ness Avenue
San Francisco, CA 94102

On the same day the response or protest is submitted to DWA, the respondent or protestant shall send a copy of the protest to Golden State Water Company at:

Email Address:

regulatoryaffairs@gswater.com

Mailing Address:

Golden State Water Company
Ronald Moore
630 East Foothill Blvd.
San Dimas, CA 91773

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform DWA, 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.

REPLIES

The utility shall reply to each protest and may reply to any response. Any reply must be received by DWA within five business days after the end of the protest period, and shall be served on the same day on each person who filed the protest or response to the AL. 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.

Sincerely,

/s/ Ronald Moore

Ronald Moore

Regulatory Affairs Department

Golden State Water Company

- c: Jim Boothe, CPUC - Water Division
- Bruce DeBerry, CPUC- Water Division
- Eileen Odell, CPUC- PAO
- Victor Chan, CPUC- PAO
- Richard Rauschmeier, CPUC- PAO

Preliminary StatementsSanta Maria Steelhead Recovery Plan Memorandum Account**UU. SANTA MARIA STEELHEAD RECOVERY PLAN MEMORANDUM ACCOUNT****1. Purpose:**

The purpose of the Santa Maria Steelhead Recovery Plan Memorandum Account ("SMSRPMA") is to track all legal and related expenses associated with the Steelhead Salmon Recovery Plan and all related proceedings or efforts focused on fisheries resource recovery, pursuant to the Settlement Agreement in D.10-12-059.

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The SMSRPMA shall include all outside services including consultants, experts and legal fees and costs associated with Legal expenses related to the Santa Maria Steelhead Recovery Plan, and all associated proceedings or efforts focused on fisheries resource recovery, including litigation and /or other proceedings intended to restore fisheries resources. These activities, and related expenses, include but are not limited to: Prepare for and attend meetings and hearings including committee (e.g., finance committee, water resources, administrative, interagency and other committees); Review and respond to board and committee memoranda; Meetings with stakeholders re: same including area cities and water rights holders, local elected officials, water board members, utilities and industry; Provide public testimony as needed; Legal and policy research and testimony to defend and support positions to protect ratepayers and the water supplies dedicated to serve those ratepayers; Identify, analyze, and propose statutory changes to defend and support positions to protect ratepayers and the water supplies dedicated to serve those ratepayers; Attend meetings and hearings, including committee meetings, as needed; Legal activities (research, advocacy and litigation) and other actions including employment of experts to defend against any legislation, litigation or initiatives that may have negative impacts on rates, water supply reliability or water rights affecting ratepayers; Review and preparation of all necessary legal and technical documents related to or arising out of litigation, legislative or regulatory proceedings; Meetings with or among technical staff, legal representatives, consultants and experts, opposing or involved parties; Review and respond to various settlement approaches; Legal activities (research, advocacy, and litigation) to support and defend positions; Policy research to support and defend positions; Legal activities (research, advocacy, and litigation) to protect ratepayers' interests in the integrity of the water rights and water supplies dedicated to benefit those ratepayers; Identify, analyze, defend and propose statutory changes to protect long term water supplies and ratepayers' interests; Prepare pleadings and other court documents re: same; Prepare for and attend meetings with litigants; Conduct discovery and file motions and attend court hearings and trial; Employ expert witnesses as necessary.

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(To be inserted by utility)

Advice Letter No. 1819-W

Decision No. _____

Issued By

R. J. Sprowls**President**

(To be inserted by P.U.C.)

Date Filed _____

Effective _____

Resolution No. _____

Preliminary Statements
Santa Maria Steelhead Recovery Plan Memorandum Acc

2. **Applicability:**

GSWC shall maintain the SMSRPMA by making entries at the end of each month as follows: (D)

- a. A credit entry shall be made to the SMSRPMA at the end of each month to record the revenue from surcharge. (N)
(N)
- b. A debit entry shall be made to the SMSRPMA at the end of each month to record the expenses.
- c. A debit entry equal to interest on the balance in the account at the beginning of the month and half the balance after the above entry (a.), at a rate equal to one-twelfth of the rate on three- month Commercial Paper, as reported in the Federal Reserve Statistical Release, H.15 or its successor.

3. **Effective Date:**

The SMSRPMA shall have the effective date of January 1, 2011.

4. **Disposition:**

Disposition of amounts recorded in the SMSRPMA shall be determined in GSWC's next (T)
 General Rate Case application or by as otherwise determined by the Commission, if the |
 | account's cumulative balance exceeds 2% of GSWC's adopted gross revenues. (T)

(To be inserted by utility)

Advice Letter No. 1819-W
 Decision No. _____

Issued By
R. J. Sprowls
President

(To be inserted by P.U.C.)

Date Filed _____
 Effective _____
 Resolution No. _____

GOLDEN STATE WATER COMPANY (U 133 W)

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

SAN DIMAS, CALIFORNIA 91773-9016

Revised Cal. P.U.C. Sheet No. 8687-W
 Cancelling Revised Cal. P.U.C. Sheet No. 8684-W

Page 1

Table of Contents

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The following tariff sheets contain all effective rates and rules affecting rates and service of the utility, together with information relating thereto:

| <u>Subject Matter of Sheet</u> | <u>Sheet No.</u> | |
|---|--------------------------------|-----|
| Title Page | 4905-W | |
| Table of Contents | 8687-W, 8683-W, 8661-W, 8682-W | (T) |
| Preliminary Statements: 8370-W, 7005-W, 3140-W, 3141-W, 3142-W, 6940-W, 5096-W*, 5097-W*, 5102-W, 5223-W, 5322-W, 6477-W, 6478-W, 6479-W, 7075-W, 7076-W, 5607-W, 5848-W, 5937-W, 6101-W, 8685-W, 8686-W, 6123-W, 6225-W, 6475-W, 6559-W, 6652-W, 6858-W, 7129-W, 6938-W, 7368-W, 7441-W, 7442-W, 7451-W, 7481-W, 7728-W, 7730-W, 7747-W, 7748-W, 7749-W, 7750-W, 7756-W, 7994-W, 8007-W, 8246-W, 8365-W, 8366-W, 8367-W, 8418-W, 8419-W, 8494-W, 8495-W, | | (C) |
| Tariff Area Maps: | | |
| Arden - Cordova | | |
| Arden | 6837-W | |
| Cordova | 6838-W | |
| Barstow | 5560-W | |
| Bay | 8189-W | |
| Calipatria-Niland | 6846-W | |
| Clearlake | 6839-W | |
| Claremont | 8487-W | |
| Desert | | |
| Morongo Valley | 8223-W, 6427-W | |
| Apple Valley North | 5802-W | |
| Apple Valley South | 8221-W | |
| Desert View | 8222-W | |
| Lucerne Valley | 5805-W | |
| Los Osos | | |
| Edna Road | 8198-W | |
| Los Osos | 5253-W | |
| Metropolitan | | |
| Artesia | 8292-W | |
| Norwalk | 7732-W | |
| Bell-Bell Gardens | 6675-W | |
| Florence-Graham | 8294-W | |
| Hollydale | 8295-W | |
| Culver City | 8293-W | |
| Southwest | 8196-W | |
| Willowbrook | 6842-W | |
| Orange County | | |
| Bolsa Chica | 4381-W | |
| Cowan Heights | 8251-W | |
| Cypress-Los Alamitos-Stanton | 8252-W | |
| Placentia-Yorba Linda | 6844-W | |
| San Dimas | 8226-W | |
| San Gabriel Valley | | |
| South Arcadia | 8285-W | |
| South San Gabriel | 8005-W | |
| Santa Maria | | |
| Cypress Ridge | 8254-W | |
| Lake Marie | 5705-W | |
| Orcutt | 5558-W | |
| Sisquoc | 5257-W | |
| Tanglewood | 8638-W | |
| Nipomo | 8637-W | |
| Simi Valley | 8639-W | |
| Wrightwood | 6428-W | |

(To be inserted by utility)

Advice Letter No. 1819-W

Decision No. _____

Issued By

R. J. Sprowls**President**

(To be inserted by P.U.C.)

Date Filed _____

Effective _____

Resolution No. _____

GOLDEN STATE WATER COMPANY

SERVICE LIST

SANTA MARIA DISTRICT

City of Santa Maria
2065 East Main Street
Santa Maria, CA 93454
lmilong@ci.santa-maria.ca.us

County Counsel
105 East Anapamu Street, Rm. 201
Santa Barbara, CA 93101

County Counsel
County of San Luis Obispo
County Government Center, #D-320
San Luis Obispo, CA 93408

City Clerk & City Attorney
City of Guadalupe
918 Obispo Street
Guadalupe, CA 93434

Santa Barbara LAFCO
105 E. Anapamu Room 406
Santa Barbara, CA 93101
laico@sblafco.org

County Government Center
1050 Monterey Street – Room 207
San Luis Obispo, CA 93408

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505 Sansome St., Suite 900
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watconsult@sbcglobal.net

Larry Versaw
Larryversaw@gmail.com

Ron Green: rgreen2275@charter.net

Nipomo Community Services Dist.
P. O. Box 326
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Mike@shipseyandseitz.com
miglesias@ncsd.ca.gov

County Clerk
County of San Luis Obispo
1055 Monterey Street - #D-120
San Luis Obispo, CA 93408

City Clerk & City Attorney
City of Santa Maria
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Santa Maria, CA 93454
rgarietz@ci.santa-maria.ca.us
psinco@cityofsantamaria.org – City Interim Attorney

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Cypress Ridge Owner's Association
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1400 Madonna Road
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