

Preliminary Statement  
Santa Maria Water Rights Memorandum Account

**M. SANTA MARIA WATER RIGHTS MEMORANDUM ACCOUNT**

(N)

Golden State Water Company ("GSWC") shall maintain a Santa Maria Water Rights Memorandum Account ("SMWRMA") to track the litigation costs associated with GSWC's efforts to protect its water rights in the Santa Maria Groundwater Basin due to the adjudication by the superior court, pursuant to Decision No. 07-05-041.

1. Purpose

The purpose of the SMWRMA is to track the legal costs incurred after 12/31/2005 for monitoring and participating in the adjudication, including litigation expenses to protect GSWC's water rights in the Santa Maria Groundwater Basin.

2. Applicability

The SMWRMA applies to all Santa Maria rate schedules.

The SMWRMA shall include:

All expenses incurred such as: monitoring of adjudication-related activities by the superior court and other interested parties to the groundwater basin, submitting comments, appearances before superior court, and court action costs.

GSWC shall maintain the SMWRMA by making entries at the end of each month as follows:

- a. A debit entry shall be made to the SMWRMA at the end of each month to record the litigation expenses.
- b. Interest shall accrue to the SMWRMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

3. Effective Date

The SMWRMA shall go into effect on the effective date of Advice Letter 1244-WA.

4. Disposition

Disposition of amounts recorded in the SMWRMA shall be determined in a subsequent regulatory proceeding, as authorized by the Commission.

(N)

(Continued)

(To be inserted by utility)

Advice Letter No. 1244-WA  
Decision No. 07-05-041

*Issued By*  
**F. E. WICKS**  
*President*

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

Date Filed July 17, 2007  
Effective July 27, 2007  
Resolution No. \_\_\_\_\_