

Preliminary Statement  
Santa Maria Steelhead Recovery Plan Memorandum Account

UU. SANTA MARIA STEELHEAD RECOVERY PLAN MEMORANDUM ACCOUNT

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1. **Purpose**

The purpose of the Santa Maria Steelhead Recovery Plan Memorandum Account ("SMSRPMA") is to track legal expenses related to the Steelhead Salmon Recovery Plan, pursuant to the Settlement Agreement in D. 10-12-059.

(N)

The SMSRPMA shall include all legal costs and 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.

The legal expenses recorded in the SMSRPMA is capped at \$100,000 for 2011 and 2012 (\$50,000 for 2011 and \$50,000 for 2012).

2. **Applicability**

The SMSRPMA does not have a rate component.

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

a. A debit entry shall be made to the SMSRPMA at the end of each month to record the expenses.

b. 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**

GSWC may seek rate recovery of costs recorded in the SMSRPMA in its next general rate case or other formal proceeding with the California Public Utilities Commission.

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(To be inserted by utility)

Advice Letter No. 1442-W  
Decision No. \_\_\_\_\_

*Issued By*  
**R. J. SPROWLS**  
*President*

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

Date Filed March 30, 2011  
Effective January 1, 2011  
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