

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



December 23, 2010

File No. 602-19

John Garon
Regulatory Affairs Manager
Golden State Water Company
630 East Foothill Blvd.
SAN DIMAS, CA 91773

Dear Mr. Garon:

On December 16, 2010, the Commission passed Resolution No. W-4857 which authorized the tariff revisions proposed in the utility's Advice Letter No. 1405-W-A (Supplement to Advice Letter No. 1405-W). We have thus processed the advice letter and the following revised Cal. P.U.C. tariff sheets applicable to its Bay Point customer service area which were submitted:

Cal. P.U.C.

Sheet No.Title of Sheet

5833-W

Schedule No. BY-1-R, Residential Metered Service

5834-W

Schedule No. BY-1-NR, Non-Residential Metered Service

5917-W

Table of Contents, page 2 of 4

5918-W

Table of Contents, page 1 of 4

Enclosed is a copy of the resolution, advice letter, 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, appearing to read "Josie R. Babaran".

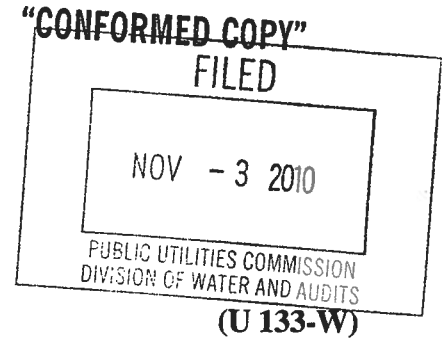
JOSIE R. BABARAN

Staff Services Analyst

Water & Sewer Advisory Branch

Enclosures





November 3, 2010

Advice Letter No. 1405-WA

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 Bay Point Customer Service Area:

Canceling

<u>CPUC Sheet No.</u>	<u>Title of Sheet</u>	<u>CPUC Sheet No.</u>
Revised No. 5833-W*	Schedule No. BY-1-R Bay Point District Residential Metered Service	Revised No. 5785-W
Revised No. 5834-W*	Schedule No. BY-1-NR Bay Point District Non-Residential Metered Service	Revised No. 5786-W
Revised No. 5917-W	Table of Contents Page 2 of 4	Revised No. 5910-W
Revised No. 5918-W	Table of Contents Page 1 of 4	Revised No. 5916-W

Subject

Supplement to Advice Letter 1405-W for a one time combine amortization of 2009 Water Revenue Adjustment Mechanism ("WRAM") balancing account and the Modified Cost Balancing Account ("MCBA") with Bay Point Mandatory Conservation Rationing Memorandum Account (BMCRMA). This supplemental filing is being made to revise the requested amortized amount of \$154,255 to \$72,133.

Summary

With Advice Letter 1395-WA, GSWC requested authorization to implement a surcharge to amortize the cumulative balance of \$72,133 recorded in net of the Water Revenue Adjustment

Mechanism (“WRAM”) balancing account and the Modified Cost Balancing Account (“MCBA”), as of December 31, 2009 for GSWC’s Bay Point Customer Service Areas. In this advice letter GSWC is requesting the Commission to allow a onetime combined amortization of the WRAM and MCBA under-collection balance of \$566,888 with the over-collection balance of \$494,755 from the Bay Point Mandatory Conservation and Rationing Implementation Memorandum Account (“BPMCIRMA”). The one time combination of these two balances will result in an amortization of \$72,133 or 1.22 % of under-collection.

Background

On April 30, 2010, GSWC filed Advice Letters 1395-W in compliance with Decision 09-05-005, authorizing the Settlement Agreement between the Division of Ratepayer Advocate (“DRA”) and GSWC on WRAM & Conservation Rate Design Settlement (Settlement). Pursuant to GO-96B, GSWC filed Advice Letters 1395-W as Tier 1 Advice Letters. On May 14, 2010, Division of Water & Audits (“DWA”) suspended GSWC’s Advice Letter 1395-W prior to GSWC implementing the surcharge. A supplement of Advice Letter 1395-W, Advice Letter 1395-WA was filed November 3, 2010.

GSWC filed for the activation of Stage 1 of Schedule 14.1-BY via advice letter 1331-W with the effective date of May 29, 2009. With the activation of Stage 1, the Bay Point Mandatory Conservation Rationing Implementation Memorandum Account (BPMCRIMA) and the Bay Point Water Rationing and Conservation Memorandum Account (BPWRCMA) were activated.

Pursuant to Standard U-40-W Section F

20. In the event that the voluntary conservation measures required by Rule 14.1-Section A are insufficient to control the water shortage and a Stage in the utility’s authorized Schedule 14.1 is triggered, the utility shall file a Tier 1 advice letter to request activation of that particular Stage of mandatory rationing, as detailed in its Rule 14.1 and Schedule 14.1.
 - a. The Tier 1 advice letter shall include justification for activating this particular stage of mandatory rationing, as well as set guidelines to the period during which this particular stage of mandatory conservation and rationing measures will be in effect.
 - b. When the utility requests activation of a particular Stage, it shall notify its customers as detailed in Appendix B, example of Rule 14.1-Section E.
 - c. If the utility chooses to subsequently activate a different stage, it shall file a separate Tier 1 advice letter.

21. All monies collected by the utility through water use violation fines shall not be accounted for as income. All expenses incurred by utility to implement Rule 14.1 and Schedule 14.1 that have not been considered in a General Rate Case or other proceeding, shall be recoverable by utility if determined to be reasonable by Commission. These monies shall be accumulated by the utility in a separate memorandum account for disposition as directed or authorized from time to time by the Commission.

The BPMCRIMA tracked the operating cost and administrative costs associated with the implementing of Schedule 14.1-BY. The memo account would also track the penalty charges that CCWD could impose on GSWC if GSWC exceeded its allocation and any additional penalties collected by GSWC from the implementation of Schedule 14.1. The BPWRCMA was created to track the revenue shortfall associated with the implementation of Schedule 14.1. The memo account would only track the revenue shortfall that is outside the scope of what was being tracked in the Water Conservation Memo Account approved in Advice Letter 1284-W.

On October 16, 2009 GSWC filed Advice Letter 1353-W to recover lost revenue in the Water Conservation Memo Account up to August 31, 2009. Conservation Rates in Bay Point went into effect on September 1, 2009 which activated the WRAM memo account to track lost revenue due to conservation. Due to these two events, the BPWRCMA is no longer needed and the balance in this account is zero.

On April 7, 2010, the Contra Costa Water Districts Board of Directors held a public hearing and ended the 2009 Drought Management Program due to improved water supply conditions. The program was replaced with the 2010 Conservation Program effective May 1, 2010. The Conservation Program does not raise rates and eliminates the four-times Excess Use Charge. This change in CCWD's plan allows GSWC to deactivate Bay Point's Stage 1 mandatory conservation of Schedule 14.1-BY. GSWC filed for deactivation of Stage 1 via Advice Letter 1387-W with the effective date of May 1, 2010.

In this advice letter, GSWC is seeking to offset the balance in the BPMCRIMA account which includes Schedule 14.1-BY related expense and penalties collected from customers. The expenses tracked in the account included programming expense; outreach material and temporary labor relating to activation of Schedule 14.1-BY totaling \$17,882. GSWC managed to stay within CCWD's allocation and therefore, at the end of the water year April 30, 2009, GSWC was not assessed any additional charges from CCWD for excessive use above its allocation. The penalties GSWC collected are from the premium charges customers paid due exceeding the usage allocation specified in Stage 1 of Schedule 14.1-BY which was activated on May 29, 2010. Stage 1 of Schedule 14.1-BY stated:

Stage 1 Allocation: Customer usage shall not exceed 3 year historical average usage for period 2005-2007 applied to each billing period.

Allocation Penalty

Charges

- 1. Usage up to historical average.....\$0
- 2. Usage above historical average.....3 x qty rate on BY-1 Tariff

The premium charges GSWC collected are \$512,637. This amount is offset by the expenses totaling \$17,882 resulting in an over collection of \$494,755 to be refunded to Bay Point customers.

Due to the similarity between the BPMCRIMA and the WRAM and MCBA memo accounts along with similar timing of filing for recovery, GSWC should be allowed on a one-time basis to combine the amortization for these two accounts. A surcharge for conservation and a sur-credit for drought would only add confusion to Bay Point customers.

The over-collection from the WRAM and MCBA and the under collection from BPMCRIMA when considered separately are a substantial amount for the Bay Point CSA

By combining the two accounts the amount would be an under-collection of \$72,133 or roughly 1.22% which according to Standard Practice U-27-W would be recovered over a period of 1 year or 12-months.

The Standard Practice U-27-W section G.56.b states:

Reserve and memo account amortization surcharges shall be spread over one year for under collections of less than 5% of gross revenues, over two years for under collections of 5% to 10% of gross revenues and over three years for under collections over 10% of gross revenues. Recovery shall be tracked in a balancing account.

This would ensure that customers who caused the under-collection and/or over-collection would benefit from the netting of the surcharge and sur-credit. In the case where customers moved in and out of the system, different customers might be paying or receiving the surcharge or sur-credit.

Request

GSWC's request is that it be allowed, a one-time basis, to combine the balance in the WRAM and MCBA accounts with the BPMCRMA account balance. The combination of the WRAM and MCBA balance of \$566,888 under-collection will be offset by the over-collection from the

BPMCRMA of \$494,755 resulting in an overall under-collection of \$72,133 or 1.22% to be recovered over a 12-month amortization period.

GSWC request is in the best interest of its customers by reducing any confusion due to the similarity of the offsetting charges and recovery of balances over a shorter period of time will reduce interest incurred from the under-collection which adds to the customers' burden.

Rate Impact

The temporary surcharges implemented with Advice Letter 1395-WA in Bay Point are \$0.328 per Ccf in Tier 1, \$0.377 per Ccf in Tier 2, and \$0.434 in Tier 3 for residential metered customers on Schedule No. BY-1-R, and \$0.240 per Ccf for non-residential customers on Schedule No. BY-1-NR to recover the under-collection of net WRAM and MCBA balancing accounts in Bay Point over a 24-month period.

Based on that assumption that the amortization amount will be reduced to \$72,133 and recovered over a period of 12 months, the temporary surcharges and credits in Bay Point would be revised to \$0.085 per Ccf in Tier 1, \$0.098 per Ccf in Tier 2, \$0.113 in Tier 3 for residential metered customers on Schedule No. BY-1-R, \$0.059 per Ccf for non-residential customers on Schedule No. BY-1-NR. The revised temporary surcharge would be in effect for a 12-month period beginning 7 days after Commission's approval of this advice letter.

The monthly bill of a residential customer on Schedule No. BY-1-R with a 5/8" x 3/4" meter using 13 Ccf would increase during the 12-month amortization period by \$1.17 or 1.1% from \$70.65 to \$71.82.

The monthly bill of a non-residential customer on Schedule No. BY-1-NR with a 1" meter using 16 Ccf would increase during the 12-month amortization period by \$0.94 or 0.79% from \$119.31 to \$120.25.

Tier designation

GSWC request is for amortization of a memorandum account pursuant to GO-96B section 7.3.3 (7). Therefore, this advice letter is submitted with a Tier 3 designation.

Effective date

GSWC is requesting that this filing become effective January 1, 2011 after Commission's approval of this advice letter upon regular statutory notice.

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; or
- (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, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
E-mail: 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: Nanci Tran
630 East Foothill Blvd.
San Dimas, CA 91773
Fax: 909-394-7427 or
E-mail: NanciTran@gswater.com

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

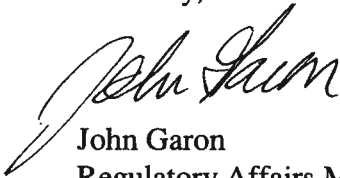
Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division, within the 20 day protest period, so that a late filed protest can be

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 sending individual mailers, a copy is attached to this advice letter.

Sincerely,



John Garon
Regulatory Affairs Manager

c: Jim Boothe, CPUC - Water Division
Danilo Sanchez, CPUC- Water Branch, DRA
Hani Moussa, CPUC- Water Branch, DRA
Karen Ng, CPUC-Water Branch, DRA

GOLDEN STATE WATER COMPANY

630 E. FOOTHILL BLVD. - P. O. BOX 9016
SAN DIMAS, CALIFORNIA 91773-9016

Revised Cal. P.U.C. Sheet No. 5833-W*

Canceling Revised Cal. P.U.C. Sheet No. 5785-W

Schedule No. BY-1-R

Bay Point District

RESIDENTIAL METERED SERVICE

APPLICABILITY

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

TERRITORY

Portions of the City of Pittsburg and vicinity, Contra Costa County.

RATES

Per Meter
Per Month

Quantity Rates:

First 800 cu. ft. per 100 cu. ft.....	\$ 3.309
Next 600 cu. Ft., per 100 cu. ft.....	\$ 3.805
Over 1,400 cu. ft., per 100 cu. ft.....	\$ 4.376

Service Charge:

For 5/8 x 3/4-inch meter.....	\$ 25.15
For 3/4-inch meter.....	37.75
For 1-inch meter.....	62.90
For 1 1/2 inch meter.....	126.00
For 2-inch meter.....	201.00
For 3-inch meter.....	378.00
For 4-inch meter.....	629.00
For 6-inch meter.....	1,258.00
For 8-inch meter.....	2,013.00
For 10-inch meter.....	2,894.00

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is 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. New Services: Contra Costa Water District (CCWD) imposes a Facilities Reserve Charge for new or enlarged retail services in this district. An applicant for service must first pay this fee, if applicable, to CCWD before service will be rendered under this schedule.
3. 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.
4. As authorized by the California Public Utilities Commission, a one-time surcredit of \$1.54 is to be applied to customers bills on the effective date of Advice Letter 1410-WB. This surcredit will refund the balance recorded in the Temporary Interest Rate Balancing Account as of May 31, 2010.
5. As authorized by the California Public Utilities Commission, an amount of \$0.1449 per Ccf is to be added to the Quantity Rate until the balance in the "WCMA" is fully recovered, approximately 24 months, beginning on the effective date of Advice Letter 1353-WA. This surcharge will recover the net revenue loss as a result of the Governor's declared drought on June 4, 2008.
4. As authorized by the California Utilities Commission, an amount of \$0.085 per Ccf for Tier 1, \$0.098 for Tier 2 and \$0.113 for Tier 3 is to be added to the quantity rate for a period of 12 months beginning on effective date of Advice Letter 1405-W
This surcharge will represent a one time combination of the under-collection in the WRAM/MCBA Balancing Account as
of December 31, 2009 and the over-collection in the BPMCRMA Memorandum Account as of April 30, 2010. (N)
(N)
(N)
(N)

ISSUED BY

Date Filed **NOV - 3 2010**

Advice Letter No. 1405-WA*

R. J. SPROWLS

Effective Date **JAN - 1 2011**

Decision No. _____

President

Resolution No. **W 4857**

GOLDEN STATE WATER COMPANY

630 E. FOOTHILL BLVD. - P. O. BOX 9016
SAN DIMAS, CALIFORNIA 91773-9016

Revised Cal. P.U.C. Sheet No. 5834-W*

Canceling Original Cal. P.U.C. Sheet No. 5786-W

Schedule No. BY-1-NR

Bay Point District

NON-RESIDENTIAL METERED SERVICE

APPLICABILITY

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

TERRITORY

Portions of the City of Pittsburg and vicinity, Contra Costa County.

RATES

	<u>Per Meter Per Month</u>
Quantity Rates:	
For all water delivered, per 100 cu. ft.....	\$ 3.335
Service Charge:	
For 5/8 x 3/4-inch meter.....	\$ 26.40
For 3/4-inch meter.....	39.55
For 1-inch meter.....	65.95
For 1 1/2 inch meter.....	132.00
For 2-inch meter.....	211.00
For 3-inch meter.....	396.00
For 4-inch meter.....	659.00
For 6-inch meter.....	1,319.00
For 8-inch meter.....	2,110.00
For 10-inch meter.....	3,033.00

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is 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. New Services: Contra Costa Water District (CCWD) imposes a Facilities Reserve Charge for new or enlarged retail services in this district. An applicant for service must first pay this fee, if applicable, to CCWD before service will be rendered under this schedule.
3. 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.
4. As authorized by the California Public Utilities Commission, a one-time surcredit of \$1.54 is to be applied to customers bills on the effective date of Advice Letter 1410-WB. This surcredit will refund the balance recorded in the Temporary Interest Rate Balancing Account as of May 31, 2010.
5. As authorized by the California Public Utilities Commission, an amount of \$0.1449 per Ccf is to be added to the Quantity Rate until the balance in the "WCMA" is fully recovered, approximately 24 months, beginning on the effective date of Advice Letter 1353-WA. This surcharge will recover the net revenue loss as a result of the Governor's declared drought on June 4, 2008.
6. As authorized by the California Utilities Commission, an amount of \$0.059 per Ccf is to be added t the quantity rate for a period of 12-Months beginning on the effective date of Advice Letter 1405-WA. This surcharge will represent a onetime combination of the under-collection in the WRAM/MCBA Balancing Accounts as of December 31, 2009 and the over-collection in the BPMCRMA Memorandum Account as of April 30, 2010. (N)
(N)
(N)
(N)

ISSUED BY

R. J. SPROWLS

President

Date Filed NOV - 3 2010

Effective Date JAN - 1 2011

Resolution No. W 4857

Advice Letter No. 1405-WA

Decision No. _____

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Public Fire Service	AA-5	2931-W	
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California Alternate Rates for Water – Region I	LI-20	5224-W, 5796-W	
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Flat Rate Service	AC-2	5855-W	(C)
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Non-Residential Metered Service	BY-1-NR	5834-W*	(C)
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Measured Irrigation Service	R3-CMH-3M	5874-W	(C)
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Victorville	DEV-SC	3307-W	
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Public Park Metered Service	OJ-7ML	5862-W	(C)

(Continued)

ISSUED BY

R. J. SPROWLS

President

Date Filed NOV - 3 2010

Effective Date JAN - 1 2011

Advice Letter No. 1405-WA

Decision No. _____

Resolution No. W 4857

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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:

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Cordova	5249-W
Barstow	5560-W
Bay	5250-W
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(Continued)

Advice Letter No. 1405-WA

Decision No. _____

ISSUED BY

R. J. SPROWLS

President

Date Filed NOV - 3 2010

Effective Date JAN - 1 2011

Resolution No. W 4857

GOLDEN STATE WATER COMPANY

DISTRIBUTION LIST

BAY POINT DISTRICT

City of Brentwood
708 Third Street
Brentwood, CA 94513

City of Antioch
P. O. Box 5007
Antioch, CA 94531
PHarrington@ci.antioch.ca.us

Diablo Water District
P. O. Box 127
Raley's Shopping Center, 2107 Main St.
Oakley, CA 94561-0127

Contra Costa Water District
Public Affairs Department
P. O. Box H2O
Concord, CA 94520

Director of Financer
East Bay Municipal Utility District
375 – 11th Street, MS #801
Oakland, CA 94607
gbreaux@ebmud.com

City of Martinez
525 Henrietta Avenue
Martinez, CA 94553

Contra Costa County Water Agency
651 Pine Street
4th Floor Northwing
Martinez, CA 94553

Bay Point Project Area Committee
c/o Contra Costa County
Redevelopment Agency
651 Pine St., 4th Flr, N.Wing
Martinez, CA 94553
mtoms@cd.cccounty.us

Bay Point Municipal Advisory Council
P. O. Box 5038
Bay Point, CA 94565

County Counsel and County Clerk
County of Contra Costa
P.O. Box 69
Martinez, CA 94553

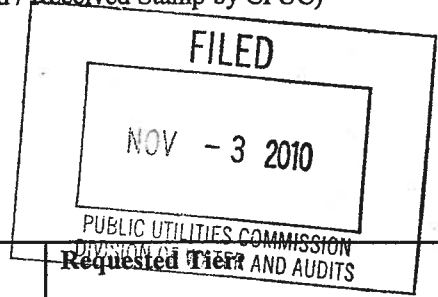
Herschel T. Elkins,
Asst. Attorney General
State of California
300 South Spring Street
Los Angeles, CA 90013

Supervisor District 5
County of Contra Costa
P.O. Box 69
Martinez, CA 94553

Michael Kent
Contra Costa Health Services
597 Center Ave., Suite 100
Martinez, CA 94553-4670

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

(Date Filed / Received Stamp by CPUC)



AL # 1405-WA	Date Mailed to Service List: 11/03/2010	Requested Effective Date: 11/1/2011	Requested Tier: <input type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input checked="" type="checkbox"/> Tier 3
Replacing AL#:	Authorized by:	Compliance Filing? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Rate \$ 72,133 Impact % 1.22

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:

Director
Division of Water and Audits
505 Van Ness Ave.
San Francisco, CA 94102

and if you have email capability, also email to: water_division@cpuc.ca.gov

Your protest also must be served on the Utility (see attached advice letter for more information and grounds for protest)

Company Name: Golden State Water Company	CPUC Utility Number: WTA <u>133-W</u> WTB _____ WTC _____ WTD _____ SWR _____
Address: 630 East Foothill Blvd.	
City, State, Zip: San Dimas, CA 91773	

	Contact Name:	Phone No.	Fax No.	Email Address:
Filer	Nanci Tran	909-394-3600 ext. 432	909-394-7427	NanciTran@gswater.com
Alternate	Keith Switzer	909-394-3600 ext. 759	909-394-7427	kswitzer@gswater.com

Description:

1. Advice letter is in compliance with U-40
2. Advice letter requests to amortization of the Bay Point WRAM/MCBA Balancing Account undercollection.
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
Project Manager: _____	20th Day _____ 30th Day _____
Analyst: _____	Suspended on: _____
Due Date: _____	Extended on: _____
Completion Date: _____	Resolution No.: _____
	AL/Tariff Effective Date: _____

WATER/RSK/JB5/TS2/jlj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**DIVISION OF WATER AND AUDITS
Water and Sewer Advisory Branch**

**RESOLUTION NO. W-4857
December 16, 2010**

R E S O L U T I O N

**(RES. W-4857), GOLDEN STATE WATER COMPANY (GSWC),
REGION I, BAY POINT CUSTOMER SERVICE AREA (CSA). ORDER
AUTHORIZING SURCHARGES TO RECOVER \$72,133 FOR GSWC'S
BAYPOINT CSA IN REGION I FOR LOST REVENUES FROM
REDUCED CUSTOMERS' CONSUMPTION.**

SUMMARY

This resolution grants Golden State Water Company (GSWC) the authority to recover in rates \$72,133 for its Bay Point Customer Service Area (CSA) in Region I by adding the following surcharges to each customer's bill in each respective tier: \$0.085 per hundred cubic feet (Ccf) in Tier 1, \$0.098 per Ccf in Tier 2, \$0.113 per Ccf in Tier 3 for residential metered customers on Schedule No. BY-1-R, and \$0.059 per Ccf for non-residential customers on Schedule No. BY-1-NR. These temporary surcharges would be in effect for a 12-month period beginning on January 1, 2011. GSWC requested to amortize this recovery as a one-time combination of the under-collected balance of \$566,888 for lost revenues tracked in GSWC's Water Revenue Adjustment Mechanism balancing account (WRAM) and the Modified Cost Balancing Account (MCBA)¹ and the over-collected balance of \$494,755 from the Bay Point Mandatory Conservation and Rationing Implementation Memorandum Account (BPMCRIMA), which tracks the operating and administrative costs associated with implementing Schedule 14.1-BY.² The one-time combination of these two balances results in an under-collection of \$72,133 or 1.22% of 2009 adopted revenues.

¹ The WRAM tracks the difference between the total quantity rate revenues authorized by the Commission and the total quantity rate revenues actually recovered via quantity charge. The MCBA tracks the differences between adopted and actual costs for purchased water, power and pump tax. The WRAM and MCBA came into effect on September 1, 2009.

² Schedule 14.1 is activated in response to a governing agency, such as a water wholesaler or the Contra Costa Water District (CCWD), declaring a water shortage and imposing mandatory rationing on a utility that may result in the utility's reduction of customer water allocations based on a percentage of the customer's historical usage.

BACKGROUND

GSWC, a California corporation, is a Class A utility and a subsidiary of American States Water Company. As one of California's largest Commission-regulated water utilities, it serves approximately 250,000 customers in three regions, which are comprised of nine rate-making areas. GSWC's Region I service territory includes roughly 55,600 customers in seven districts, which include Arden Cordova, Bay Point, Clearlake, Los Osos, Ojai, Santa Maria, and Simi Valley.

On May 29, 2009, GSWC filed for the activation of Stage 1³ of Schedule 14.1-BY via Advice Letter (AL) 1331-W with the effective date of May 29, 2009. GSWC activated the Stage 1 in response to the reduced allocation program of the CCWD, which issued declarations to GSWC to reduce its allocations to 15% below its 2004-2006 historical usage.

With the activation of Stage 1, the BPMCRIMA and the Bay Point Water Rationing and Conservation Memorandum Account (BPWRCMA) became effective. The BPMCRIMA was created to track the operating and administrative costs associated with implementing Schedule 14.1-BY, such as educating customers about conservation concerns and providing information through mailers and outreach events. This memorandum account also was created to track any penalty charges that a governing agency, e.g. CCWD, imposed on GSWC if the utility exceeded its allocation, and any additional penalties GSWC collected from its customers in implementing Schedule 14.1. The BPWRCMA was created to track the revenue shortfall associated with the implementation of Schedule 14.1.⁴

³ GSWC's Schedule 14.1-BY provides for a series of progressively restrictive water allocations (stages) to the utilities' customers corresponding to decreasing levels of available water supply. Schedule 14.1 is first *activated* when a governing authority, such as a water wholesaler, imposes on GSWC mandatory water use allocations (as opposed to voluntary conservation measures). Once this happens, GSWC files for initial activation of Schedule 14.1, and GSWC can ask for more restrictive stages as/if they become necessary by filing a Tier 1 AL stating a specific need for decreased water allocations to its customers. Stage 1 activation sets customer allocations at 90-95% of the 3 year historical average usage for the period 2005-2007 and establishes fines for non-essential or unauthorized water use.

⁴ The BPMCRIMA and BPWRCMA were created pursuant to AL 1331-W. The BPWRCMA only tracked the revenue shortfall that was outside the scope of what was being tracked in the Water Conservation Memo Account (WCMA) approved in AL 1284. The WCMA tracked extraordinary expenses and revenue shortfalls associated with voluntary water conservation measures GSWC implemented as a result of the Governor's June 4, 2008 Executive Order declaring drought conditions in the State of California. On October 16, 2009, GSWC filed AL 1353-W to recover lost revenue tracked in the WCMA up to August 31, 2009, and the Commission approved recovery of this lost revenue in Resolution W-4840.

On September 1, 2009, the Conservation Rate Design⁵ went into effect. In light of the establishment of the WRAM (see footnote 1 above), lost revenues due to mandatory conservation began being tracked in the WRAM, and not in the BPWRCMA. Therefore, the BPWRCMA was no longer needed and did not track any lost revenues: This memorandum account was then closed by GSWC on September 1, 2009.

On May 1, 2010, CCWD made effective its 2010 Conservation Program, and this conservation program did not carry any penalty charges. With the implementation of this new conservation program, GSWC could deactivate Stage 1 of Schedule 14.1-BY. GSWC deactivated the Stage 1 schedule via AL 1387-W, which became effective on May 1, 2010.

On April 30, 2010, GSWC filed AL 1395-W to amortize the balance in the WRAM/MCBA for the period of September 1, 2009 through December 31, 2009. AL 1395-W complied with Decision (D.) 09-05-005, which adopted a Settlement Agreement between the Division of Ratepayer Advocates (DRA) and GSWC regarding the joint implementation of the WRAM/MCBA and Conservation Rate Design effective September 1, 2009. GSWC filed AL 1395-W as a Tier 1 filing in accordance with GO-96-B. On May 14, 2010, the Division of Water & Audits (DWA) suspended GSWC's AL 1395-W in order to grant DRA adequate time to conduct an independent audit of the amount collected in the WRAM/MCBA for appropriateness.

GSWC held an informational meeting with its independent auditor PricewaterhouseCoopers (PWC) on June 2, 2010. At this meeting, PWC presented its audit findings for GSWC's Region I WRAM/MCBA filings to DWA and DRA. Also, during this period, DRA conducted an investigation on the balance of the WRAM/MCBA in Bay Point along with the other CSA filings from Region I. Following this investigation, GSWC agreed to make the following two corrections.

First, GSWC had understated its actual sales for its California Alternative Rates for Water Customers for Region I⁶ and corrected this understatement. Second, GSWC updated its September 2009 MCBA amount to reflect the actual energy bills charged in this month rather than using the ledger balance. These changes resulted in a decrease for the overall WRAM/MCBA balance to \$608,971, rather than the initial \$649,009 GSWC requested in AL 1395-W. Following additional discussions between DRA, DWA, and GSWC to accurately reflect WRAM/MCBA balances for the entire Region I

⁵ The Conservation Rate Design is a tiered rate design that sets increasing block rates in order to collect the quantity revenues from GSWC's ratepayers.

⁶ Region I has a different program from Region II and III and required a separate set of tariffs that its accounting program failed to account for.

filings for the four-month period, September through December 2009, the Bay Point balance was further reduced to \$566,888.

GSWC filed AL 1405-W on June 22, 2010, to amortize the over-collected balance in the BPMCRIMA of \$494,755. In this same AL, GSWC also requested to combine the WRAM/MCBA under-collected balance of \$649,009 with the over-collection in the BPMCRIMA that would result in a one-time amortization of \$154,255 or 2.62% of under-collection.

On July 22, 2010, DWA suspended GSWC's AL 1405-W in order to draft a resolution for Commission approval. During this period, DRA concluded its audit, and GSWC filed supplemental filings, AL 1395-WA and 1405-WA on November 3, 2010, to resolve the issues that DRA raised with respect to the original filings, AL 1395-W and AL 1405-W. These changes resulted in a decrease for the overall WRAM/MCBA balance to \$566,888, rather than the initial \$649,009 GSWC requested in AL 1395-W. With regards to the changes made in decreasing the WRAM/MCBA balance discussed above, this reduction for the under-collection combined with the BPMCRIMA over-collection results in a new net balance of \$72,133, to be collected in surcharges, rather than the initially filed amount of \$154,255 GSWC requested in AL 1405-W.

NOTICE AND PROTESTS

On June 22, 2010, GSWC gave public notice of its rate increase request by mailing a notice of this request, in the form of a postcard, to its Bay Point customers. Also on this day, GSWC filed AL 1405-W with the Commission and served this AL on the Bay Point District Service List. GSWC gave public notice of the rate increase and filed AL 1405-W in accordance with the provisions of GO 96-B.

One protest was received for GSWC's AL 1405-W; the content of this protest points out that any increase in rates for the Bay Point District would be devastating for the community. However, as we discuss below, by allowing GSWC to implement conservation programs, the Bay Point ratepayers were protected from much larger increases in rates associated with higher water supply costs.

DISCUSSION

GSWC seeks to amortize the over-collected balance in the BPMCRIMA for its Bay Point CSA from Region I. The over-collected balance in the BPMCRIMA is \$494,755. These monies reflect the administrative and operating costs GSWC incurred for implementing conservation measures with respect to Schedule 14.1-BY, less penalty charges GSWC

levied against its customers per Schedule 14.1-BY for excess water usage.⁷ GSWC also requests to offset this over collection with the under collection in the WRAM/MCBA of \$566,888 resulting from reduced water consumption by customers because of GSWC's implementation of the Conservation Rate Design during the period from September 1, 2009, through December 31, 2009. The under collected amount in the WRAM/MCBA requested to be amortized in AL 1395-WA, which has been adjusted as discussed above to \$566,888, is recognized in the filing of AL 1405-WA to consolidate conservation related costs that we will resolve below. The DWA approved GSWC's AL 1395-WA as a Tier 1 compliance filing.

When a utility seeks recovery of costs recorded in a memorandum account, it has the burden to show that: 1) the utility acted prudently when it incurred these costs; 2) the utility paid reasonable amounts for these costs; 3) the memorandum account costs are not covered by other authorized rates; and 4) it is appropriate for ratepayers to pay for these costs in addition to otherwise authorized rates. (See, e.g., Resolution W-4824, dated April 8, 2010.)

With respect to the first item above, we find that GSWC acted prudently in incurring the costs recorded in the BPMCRIMA. Among other actions, here GSWC hired conservation specialists to conduct community outreach events and to inform customers of the necessary water allocations; and GSWC had customer service representatives available to answer customer questions and concerns about allocation programs. Through these and other activities, GSWC endeavored to educate its customers on the need to conserve water in order to meet the water allocations set by its wholesale water supplier. Thus, by educating its customers about conservation concerns, GSWC helped to promote conservation of water, and to discourage excess water usage, by its customers, and thus helped its customers to ultimately avoid conservation related penalties.

With respect to the second item above relating to the reasonableness of the costs incurred, we find that GSWC paid reasonable amounts for the services it procured with respect to its conservation efforts. DWA Staff reviewed, on a monthly basis, invoices concerning administrative and conservation costs GSWC incurred in implementing Schedule 14.1 and determined that the amounts GSWC expended here were reasonable as compared to the amounts allocated to administrative and conservations costs granted

⁷ GSWC accumulated excess charges in the form of penalties assessed to customers that went over allocations at 90-95% of the 3 year historical average usage for the period 2005-2007 and fines for non essential or unauthorized water use. Through its conservation efforts discussed above, GSWC ultimately met the water allocations CCWD set and thus avoided penalties; therefore, GSWC is seeking now to return to its customers the accumulated excess charges mentioned above.

by the Commission in GSWC's last General Rate Case Decision (D.08-01-043). The penalty charges levied on its customers followed the penalty rate schedule set forth in its filing to activate Schedule 14.1, and DWA Staff has reviewed these amounts for conformity.

With respect to the third item above, to date GSWC has not sought rate relief for any of the costs recorded in the BPMCRIMA, and none of the costs recorded in the BPMCRIMA are part of any existing base rate expense component. Accordingly, the costs in the BPMCRIMA are not covered by rates we have previously authorized.

Finally, with respect to the fourth item above, as a matter of policy, we find that ratepayers here should pay for the costs tracked in the BPMCRIMA in addition to otherwise authorized rates. By acting to educate its customers on conservation measures, GSWC protected the interests of its customers in two ways. First, GSWC helped its customers avoid conservation related penalties and, thus, minimized increased supply expenses.⁸ Second, through its conservation efforts, GSWC helped to preserve its water supply, including historic ground water pumping rights, and by conserving these water supplies, preserved its ability to continue providing adequate and reasonably priced service to its customers.

Additionally, Staff reviewed GSWC's records and determined that GSWC incurred the costs in the BPMCRIMA for authorized matters, and these costs were incurred after the date of the creation of the BPMCRIMA. Accordingly, for all the reasons discussed above, we find that GSWC has made an adequate showing allowing for recovery of the costs recorded in the BPMCRIMA. Once these costs are offset from penalties GSWC collected from customers for monthly over-usage, an over collection of \$494,755 remains in the BPMCRIMA. We authorize GSWC to refund in rates the \$494,755 balance in the BPMCRIMA.

With respect to the WRAM/MCBA balance, the Commission authorized a mechanism for the amortization of these accounts based on the Settlement Agreement we adopted in D.09-05-005. This Settlement Agreement in Section IX.C states that GSWC shall file an advice letter that amortizes the balance in both of the accounts in any ratemaking area that exceeds 2.5% of the ratemaking area's total recorded revenue requirement. The balance of \$566,888 is 9.61% of Bay Point's recorded revenue requirement and exceeds this threshold requirement. Offsetting this balance with the BPMCRIMA amount of \$494,755 leads to an under collection of \$72,133, or 1.22% of Bay Point's recorded revenue requirement. Because the BPMCRIMA and the WRAM/MCBA track

⁸ As discussed above, if GSWC had not enforced its water supply allocations on its ratepayers, the utility would have been penalized by its water wholesaler. These higher costs for water would have then been passed through to ratepayers.

conservation related costs and because the timing of filing for recovery of these costs is similar in both cases, GSWC should be allowed on a one-time basis to combine the amortization for these two accounts. A surcharge for conservation and a sur-credit for drought would only add confusion to Bay Point customers. The under-collection from the WRAM/MCBA and the over-collection from the BPMCRIMA when considered separately are substantial amounts for the Bay Point CSA. By combining the two accounts, the under collected amount would be recovered over a period of 12-months per D.03-06-072 and Standard Practice U-27-W.⁹ Recovery over this time period would better allow customers who caused the under-collection and/or over-collection to receive the benefit from the netting of the surcharge and sur-credit.¹⁰

The temporary surcharges implemented in AL 1395-W for Bay Point to recover the under-collection of net WRAM and MCBA balancing accounts, would have been recovered over a 24-month period at \$0.177 per hundred cubic feet (Ccf) in Tier 1, \$0.204 per Ccf in Tier 2, and \$0.234 per Ccf in Tier 3 for residential metered customers on Schedule No. BY-1-R, and \$0.143 per Ccf for non-residential customers on Schedule No. BY-1-NR. Since the amortization amount will be reduced to \$72,133, and recovered over a period of 12 months, the temporary surcharge in Bay Point is revised to \$0.085 per Ccf in Tier 1, \$0.098 per Ccf in Tier 2, \$0.113 per Ccf in Tier 3 for residential metered customers on Schedule No. BY-1-R, and \$0.059 per Ccf for non-residential customers on Schedule No. BY-1-NR. The revised temporary surcharge would be in effect for a 12-month period beginning on January 1, 2011.

The monthly bill of a residential customer on Schedule No. BY-1-R with a 5/8" x 3/4" meter using 13 Ccf would increase during the 12-month amortization period by \$1.17 or 1.7% from \$70.65 to \$71.82. The monthly bill of a non-residential customer on Schedule No. BY-1-NR with a 1" meter using 16 Ccf would increase during the 12-month amortization period by \$0.94 or 0.79% from \$119.31 to \$120.25.

⁹ Per D.03-06-072, utilities shall seek recovery of a net under collection in the balancing accounts by amortizing the under collection and applying a surcharge to the quantity rates. If the amount is less than 5% of the last authorized revenue requirement, recovery should occur in one year, for 5%-10% in two years and over 10% in three years. Standard Practice U-27-W recognizes the recovery procedures adopted in D.03-06-072.

¹⁰ For example, if the recovery here occurred over a longer time period, customers who were involved with the over and under collection of funds may move out of the system and different customers may move into the system, and these new customers might be paying or receiving the surcharge or sur-credit.

COMMENTS

Public Utilities Code Section 311(g) (1) provides that resolutions must generally be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. However, Public Utilities Code section 311(g) (3) permits the Commission to adopt rules providing for reduction of this time period. Rule 14.6(c)(9) of the Commission's Rules of Practice and Procedure permits reduction in the comment period on a draft resolution in circumstances where the public interest in the Commission adopting a resolution before expiration of the 30-day review and comment period clearly outweighs the public interest in having the full 30-day period for review and comment. Here, there is a strong public interest in adopting this resolution at the last Commission meeting of the year on December 16 in order to implement the requested surcharge on January 1, 2011, simultaneously with the establishment of base rates from GSWC's GRC decision in A.10-01-009. Failure to do so would burden the ratepayers with multiple rate changes and add extra administrative costs for GSWC in implementing multiple rate changes that would be ultimately funded by the ratepayers. So long as we allow the usual twenty days from the date of service for submitting comments, and reduce only the Staff's time to consider the comments by one day, the public interest in having the full thirty day comment period is not great. Under these circumstances, the public interest in the Commission adopting this resolution on December 16 clearly outweighs the public interest in having the full 30-day period. Accordingly, on November 18, 2010, the draft resolution was mailed to parties based on the service lists attached to the AL with comments due on December 8, 2010. No comments were received.

FINDINGS AND CONCLUSIONS

1. On April 30, 2010, Golden State Water Company filed Advice Letter 1395-W to recover in rates the amount of \$649,009 by adding surcharges over a 24-month amortization period of \$0.177 per Ccf in Tier 1, \$0.204 per Ccf in Tier 2, and \$0.234 in Tier 3 for residential metered customers on Schedule No. BY-1-R, and \$0.143 per Ccf for non-residential customers on Schedule No. BY-1-NR.
2. Advice Letter 1395-W was filed to recover the under-collection of the Water Revenue Adjustment Mechanism Balancing Account and the Modified Cost Balancing Account for the period of September 1, 2009 through December 31, 2009.
3. On June 22, 2010, Golden State Water Company filed Advice Letter 1405-W to combine the under-collected amount of \$649,009 from the Water Revenue Adjustment Mechanism Balancing Account and the Modified Cost Balancing Account with the over-collected amount of \$494,755 from the Bay Point Mandatory Conservation and Rationing Implementation Memorandum Account as a one time amortization of \$154,255 or 2.62% of under-collection.

4. The temporary surcharge in Bay Point per this filing would be collected over a 12-month amortization of \$0.126 per hundred cubic feet (Ccf) in Tier 1, \$0.145 per Ccf in Tier 2, \$0.167 per Ccf in Tier 3 for residential metered customers on Schedule No. BY-1-R, and \$0.102 per Ccf for non-residential customers on Schedule No. BY-1-NR.
5. The Division of Ratepayer Advocates investigated the balance of the Water Revenue Adjustment Mechanism/Modified Cost Balancing Accounts in Bay Point along with the other Customer Service Area filings from Region I.
6. Following this investigation, Golden State Water Company agreed to make two corrections in its calculations: (a) First, Golden State Water Company corrected an understatement in its actual sales for its California Alternative Rates for Water Customers for Region I; and (b) Golden State Water Company updated its September Modified Cost Balancing Account amount to reflect the actual energy bills charged in September rather than using the ledger balance.
7. These changes resulted in a decrease for the overall Water Revenue Adjustment Mechanism Balancing Account / Modified Cost Balancing Account balance to \$608,971, rather than the initial \$649,009 requested.
8. Following additional discussions with the Division of Ratepayer Advocates and the Division of Water and Audits on Golden State Water Company's Region I Water Revenue Adjustment Mechanism Balancing Account / Modified Cost Balancing Account filings, the Bay Point balance in Advice Letter 1395-WA was further reduced to \$566,888.
9. Golden State Water Company filed supplemental Advice Letters 1405-WA and 1395-WA on November 3, 2010, to address this reduction for the under-collection in the Water Revenue Adjustment Mechanism Balancing Account / Modified Cost Balancing Account and to combine it with the over-collection in the Bay Point Mandatory Conservation and Rationing Implementation Memorandum Account.
10. The new net balance to be collected in surcharges is \$72,133 (rather than the initially filed amount of \$154,255).
11. Amortization of the Bay Point Mandatory Conservation and Rationing Implementation Memorandum Account (BPMCRIMA) requested by Golden State Water Company was reviewed using criteria the Commission considers in determining whether to authorize a utility to recover costs recorded in a memorandum account.
12. We find that Golden State Water Company acted prudently in incurring the costs recorded in the BPMCRIMA.
13. Among the costs included in the BPMCRIMA were costs for the following: GSWC hired conservation specialists to conduct community outreach events and to inform customers of the necessary water allocations; and GSWC had customer service

representatives available to answer customer questions and concerns about allocation programs.

14. Through these and other activities, GSWC endeavored to educate its customers on the need to conserve water in order to meet the water allocations set by its wholesale water supplier.
15. By educating its customers about conservation concerns, GSWC helped to promote conservation of water, and to discourage excess water usage, by its customers, and thus helped its customers to ultimately avoid conservation related penalties.
16. DWA Staff reviewed, on a monthly basis, invoices concerning administrative and conservation costs GSWC incurred in implementing Schedule 14.1 and determined that the amounts GSWC expended here were reasonable as compared to the amounts allocated to administrative and conservations costs granted by the Commission in GSWC's last General Rate Case Decision (D.08-01-043).
17. DWA Staff reviewed the penalty charges GSWC levied on its customers and determined that they conform to the penalty rate schedule set forth in GSWC's filing to activate Schedule 14.1.
18. We find that GSWC paid reasonable amounts for the services it procured with respect to its conservation efforts.
19. GSWC has not sought rate relief for any of the costs recorded in the BPMCRIMA, and none of the costs recorded in the BPMCRIMA are part of any existing base rate expense component. Accordingly, the costs in the BPMCRIMA are not covered by rates we have previously authorized.
20. GSWC helped its customers avoid conservation related penalties and, thus, minimized increased supply expenses.
21. Through its conservations efforts, GSWC helped to preserve its water supply, including historic ground water pumping rights, and by conserving these water supplies, preserved its ability to continue providing adequate and reasonably priced service to its customers.
22. As a matter of policy, we find that ratepayers here should pay for the costs tracked in the BPMCRIMA in addition to otherwise authorized rates.
23. Because the Bay Point Mandatory Conservation and Rationing Implementation Memorandum Account and the Water Revenue Adjustment Mechanism Balancing Account / Modified Cost Balancing Account track conservation related costs and because the timing of filing for recovery of these costs is similar in both cases, Golden State Water Company should be allowed on a one-time basis to combine the amortization for these two accounts.

24. The Division of Water and Audits approved Golden State Water Company's Advice Letter 1395-WA as a Tier 1 compliance filing with the attached tariff sheets effective January 1, 2011.
25. The Division of Water and Audits recommends approval of Golden State Water Company's Advice Letter 1405-WA. The tariff sheets attached to Advice Letter 1405-WA should replace those tariff sheets approved in Advice Letter 1395-WA.
26. Public Utilities Code Section 311(g) (1) provides that resolutions must generally be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. However, Public Utilities Code section 311(g) (3) permits the Commission to adopt rules providing for reduction of this time period. Pursuant to Rule 14.6(c)(9) of the Commission's Rules of Practice and Procedure, this resolution was served with at least 20 days notice as the public interest in the Commission adopting this resolution on December 16 clearly outweighs the public interest in having the full 30-day period.
27. The surcharges herein would allow Golden State Water Company to recover in rates the \$72,133 in lost revenues from its Bay Point Customer Service Area.
28. It is consistent with D.03-06-072 (Appendix A, p. 3) and Standard Practice U-27-W for Golden State Water Company to assess a 12-month surcharge for recovery.
29. The following tariff schedules attached to Advice Letters 1405-WA should be approved and made effective January 1, 2011: 1) Schedule BY-1-R, Residential Metered Service, and 2) Schedule BY-1-NR, Non-Residential Metered Service.

THEREFORE IT IS ORDERED THAT:

1. Advice Letter 1405-WA and the attached tariff sheets are approved.
2. Golden State Water Company is authorized to make effective the surcharges found in the following schedules attached to this resolution:
 - a. Schedule BY-1-R, Residential Metered Service; and
 - b. Schedule BY-1-NR, Non-Residential Metered Service.
3. Golden State Water Company is authorized to cancel the rate schedules approved by Advice Letter 1395-WA and replace them with the rate schedules listed in Ordering Paragraph 2 above.
4. The effective date of these tariff sheets shall be January 1, 2011.

5. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on December 16, 2010; the following Commissioners voting favorably thereon:



PAUL CLANON
Executive Director

MICHAEL R. PEEVEY
President
DIAN M. GRUENEICH
JOHN A. BOHN
TIMOTHY ALAN SIMON
NANCY E. RYAN
Commissioners

Schedule No. BY-1-R

Bay Point District

RESIDENTIAL METERED SERVICE

APPLICABILITY

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

TERRITORY

Portions of the City of Pittsburg and vicinity, Contra Costa County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Quantity Rates:	
First 800 cu. ft. per 100 cu. ft.....	\$ 3.309
Next 600 cu. Ft., per 100 cu. ft.....	\$ 3.805
Over 1,400 cu. ft., per 100 cu. ft.....	\$ 4.376
Service Charge:	
For 5/8 x 3/4-inch meter.....	\$ 25.15
For 3/4-inch meter.....	37.75
For 1-inch meter.....	62.90
For 1 1/2 inch meter.....	126.00
For 2-inch meter.....	201.00
For 3-inch meter.....	378.00
For 4-inch meter.....	629.00
For 6-inch meter.....	1,258.00
For 8-inch meter.....	2,013.00
For 10-inch meter.....	2,894.00

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is 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. New Services: Contra Costa Water District (CCWD) imposes a Facilities Reserve Charge for new or enlarged retail services in this district. An applicant for service must first pay this fee, if applicable, to CCWD before service will be rendered under this schedule.
3. 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.
4. As authorized by the California Public Utilities Commission, a one-time surcredit of \$1.54 is to be applied to customers bills on the effective date of Advice Letter 1410-WB. This surcredit will refund the balance recorded in the Temporary Interest Rate Balancing Account as of May 31, 2010.
5. As authorized by the California Public Utilities Commission, an amount of \$0.1449 per Ccf is to be added to the Quantity Rate until the balance in the "WCMA" is fully recovered, approximately 24 months, beginning on the effective date of Advice Letter 1353-WA. This surcharge will recover the net revenue loss as a result of the Governor's declared drought on June 4, 2008.
4. As authorized by the California Utilities Commission, an amount of \$0.085 per Ccf for Tier 1, \$0.098 for Tier 2 and \$0.113 for Tier 3 is to be added to the quantity rate for a period of 12-months beginning on effective date of Advice Letter 1405-WA. This surcharge will represent a one time combination of the under-collection in the WRAM/MCBA Balancing Account as of December 31, 2009 and the over-collection in the BPMCRMA Memorandum Account as of April 30, 2010. (N)
(N)
(N)

Schedule No. BY-1-NR

Bay Point District

NON-RESIDENTIAL METERED SERVICE

APPLICABILITY

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

TERRITORY

Portions of the City of Pittsburg and vicinity, Contra Costa County.

RATES

	<u>Per Meter Per Month</u>
Quantity Rates:	
For all water delivered, per 100 cu. ft.....	\$ 3.335
Service Charge:	
For 5/8 x 3/4-inch meter.....	\$ 26.40
For 3/4-inch meter.....	39.55
For 1-inch meter.....	65.95
For 1 1/2 inch meter.....	132.00
For 2-inch meter.....	211.00
For 3-inch meter.....	396.00
For 4-inch meter.....	659.00
For 6-inch meter.....	1,319.00
For 8-inch meter.....	2,110.00
For 10-inch meter.....	3,033.00

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is 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. New Services: Contra Costa Water District (CCWD) imposes a Facilities Reserve Charge for new or enlarged retail services in this district. An applicant for service must first pay this fee, if applicable, to CCWD before service will be rendered under this schedule.
3. 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.
4. As authorized by the California Public Utilities Commission, a one-time surcredit of \$1.54 is to be applied to customers bills on the effective date of Advice Letter 1410-WB. This surcredit will refund the balance recorded in the Temporary Interest Rate Balancing Account as of May 31, 2010.
5. As authorized by the California Public Utilities Commission, an amount of \$0.1449 per Ccf is to be added to the Quantity Rate until the balance in the "WCMA" is fully recovered, approximately 24 months, beginning on the effective date of Advice Letter 1353-WA. This surcharge will recover the net revenue loss as a result of the Governor's declared drought on June 4, 2008.
6. As authorized by the California Utilities Commission, an amount of \$0.059 per Ccf is to be added to the quantity rate for a period of 12-Months beginning on the effective date of Advice Letter 1405-WA. This surcharge will represent a one time combination of the under-collection in the WRAM/MCBA Balancing Accounts as of December 31, 2009 and the over-collection in the BPMCRMA Memorandum Account as of April 30, 2010. (N) (N) (N)