

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 29, 2011

File No. 602-19

Ronald K. Moore
Senior Regulatory Analyst, Regulatory Affairs
Golden State Water Company
630 East Foothill Blvd.
SAN DIMAS, CA 91773

Dear Mr. Moore:


The Commission has received and filed the utility's Advice Letter No. 1441-W, to revise its Preliminary Statement to include the establishment of the Los Osos Groundwater Adjudication Memorandum Account, together with the following revised Cal. P.U.C. tariff sheets that were submitted:

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>
6101-W	Preliminary Statements, Page 47, Part TT
6102-W	Table of Contents, page 1 of 4

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

Please contact Adam Thaler at (415) 703-3034, if you have any questions.

Very truly yours,

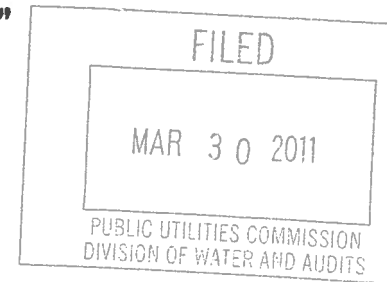

JOSIE R. BABARAN
Staff Services Analyst
Water & Sewer Advisory Branch

Enclosures





"CONFORMED COPY"



March 30, 2011

Advice Letter No. 1441-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>
Original No. 6101-W	Preliminary Statements Page 47, Part TT	
Revised No. 6102-W	Table of Contents Page 1 of 4	Revised No. 6100-W

SUBJECT: Los Osos Groundwater Adjudication Memorandum Account

PURPOSE

GSWC is seeking to establish a Los Osos Groundwater Adjudication Memorandum Account, as stipulated in Decision No. ("D.") 10-12-059, dated December 16, 2010.

BACKGROUND

GSWC requests to modify its Preliminary Statement, to establish the Los Osos Adjudication Memorandum Account as authorized by Decision No. 10-12-059, to track the following:

Outside services including consultants and legal associated with legal expenses related to the Los Osos Groundwater Interlocutory Stipulated Judgment process in order to draft, negotiate, implement and defend the establishment of a Basin Management Plan-

- a) Prepare for and attend meetings and hearings including committee meetings necessary to draft and/or negotiate a Basin Management Plan (e.g., finance committee, water resources, administrative, interagency and other committees).

- b) Review and respond to board and committee memoranda.
- c) Meetings with stakeholders re: same including area cities and water rights holders, local elected officials, water board members, utilities and industry.
- d) Provide public testimony as needed.
- e) Legal and policy research to defend and support positions to protect ratepayers.
- f) Identify, analyze, and propose statutory changes to defend and support positions to protect ratepayers; attend meetings and hearings, including committee meetings, as needed.
- g) 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.
- h) Review and preparation of legal documents.
- i) Review and preparation of technical documents.
- j) Meetings with technical staff and experts.
- k) Review and respond to various settlement approaches.
- l) Legal research to support and defend positions.
- m) Policy research to support and defend positions.
- n) Legal research re: potential litigation to protect ratepayers' long term storage costs.
- o) Identify, analyze, defend and propose statutory changes to protect long term storage benefits to ratepayers.
- p) Draft pleadings and other court documents re: same.
- q) Prepare for and attend meetings with potential litigants.

- r) Conduct discovery and file motions.
- s) Employ expert witnesses as necessary.

REVISIONS TO PRELIMINARY STATEMENT

GSWC proposes to revise its Preliminary Statement to include Part TT, Los Osos Adjudication Memorandum Account ("LOAMA"). The LOAMA will track legal expenses related to the Los Osos Groundwater Adjudication, as discussed above.

EFFECTIVE DATE

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

TIER DESIGNATION

Pursuant to D. 07-01-024, this advice letter is submitted with a Tier 1 designation.

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, 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: Ronald Moore
630 East Foothill Blvd.
San Dimas, CA 91773
Fax: 909-394-7427 or
E-mail: regulatoryaffairs@gswater.com

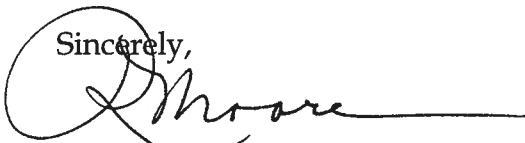
If you have not received a reply to your protest within 10 business days, contact this person at 909-394-3600 ext. 682.

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,

A handwritten signature in black ink, appearing to read "R. Moore", written over a circular scribble.

Ronald Moore
Senior Regulatory Analyst

c: James Boothe, CPUC - Division of Water and Audits
Danilo Sanchez, CPUC- Division of Ratepayer Advocates
Hani Moussa, CPUC- Division of Ratepayer Advocates

PRELIMINARY STATEMENTS

(Continued)

Page 47

TT. LOS OSOS GROUNDWATER ADJUDICATION MEMORANDUM ACCOUNT

(N)

1. **Purpose:** The purpose of the Los Osos Groundwater Adjudication Memorandum Account ("LOAMA") is to track legal expenses related to the adjudication of the Los Osos groundwater, pursuant to the Settlement Agreement in D. 10-12-059.

The LOAMA shall include all outside services including consultants and legal associated with Legal expenses related to the Los Osos Groundwater Interlocutory Stipulated Judgment process in order to draft, negotiate, implement and defend the establishment of a Basin Management Plan - Prepare for and attend meetings and hearings including committee meetings necessary to draft and/or negotiate a Basin Management Plan (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 LOAMA is capped at \$400,000 for 2011 and 2012 (\$200,000 for 2011 and \$200,000 for 2012).

2. **Applicability:** The LOAMA does not have a rate component.

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

- a. A debit entry shall be made to the LOAMA 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 LOAMA shall have the effective date of January 1, 2011.

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

(N)

TABLE OF CONTENTS

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	6102-W, 6099-W, 6098-W, 5976-W (T)
Preliminary Statements: 3251-W, 1372-W, 3140-W, 3141-W, 3142-W, 4733-W, 4911-W, 4913-W, 4942-W, 4973-W, 5081-W, 5096-W*, 5097-W*, 5102-W, 5783-W, 5223-W, 5278-W, 5284-W, 5322-W, 5440-W, 5441-W, 5442-W, 5503-W, 5556-W, 5562-W, 5576-W, 5614-W, 5631-W, 5640-W, 5701-W, 5831-W, 5846-W, 5848-W, 5850-W, 5852-W, 5937-W, 5939-W, 5979-W, 5981-W, 6055-W, 6101-W	(C)
Tariff Area Maps:	
All Tariff Areas	1078-W
Arden - Cordova	
Arden	5248-W
Cordova	5249-W
Barstow	5560-W
Bay	5250-W
Calipatria-Niland	4151-W
Clearlake	5251-W
Desert	
Morongo Valley	2733-W
Apple Valley North	5802-W
Apple Valley South	5803-W
Desert View	5804-W
Lucerne Valley	5805-W
Los Osos	
Edna Road	5252-W
Los Osos	5253-W
Metropolitan	
Artesia-Norwalk	2736-W
Bell-Florence	3694-W
Culver City	2738-W
Gardena East	2739-W
Southwest	3693-W
Ojai	5703-W, 5704-W
Orange County	
Bolsa Chica	4381-W
Cowan Heights	3384-W
Cypress-Los Alamitos-Stanton	2703-W
Placentia-Yorba Linda	2967-W
Pomona Valley (now Claremont)	2705-W
San Dimas	3158-W
San Gabriel Valley	2707-W
Santa Maria	
Lake Marie	5705-W
Orcutt	5558-W
Sisquoc	5257-W
Tanglewood	5258-W
Nipomo	5259-W
Simi Valley	5260-W
Wrightwood	2710-W

(Continued)

ISSUED BY

R. J. SPROWLS

President

Date Filed: MAR 30 2011

Effective Date: JAN - 1 2011

Resolution No. _____

Advice Letter No. 1441-W

Decision No. 10-12-059

GOLDEN STATE WATER COMPANY

DISTRIBUTION LIST

LOS OSOS DISTRICT

Arroyo Grande Municipal Water Dept.
P.O. Box 550
Arroyo Grande, CA 93420
(805) 489-1303
STaylor@ArroyoGrande.org

Cambria Community Services District
1316 Tamson Drive, Suite 201
P.O. Box 65
Cambria, CA 93428

Morro Bay City Water (City Hall)
595 Harbor Blvd.
Morro Bay, CA 93442
(805) 772-1214

San Luis Obispo City Water
955 Morro St.
San Luis Obispo, CA 93403
(805) 549-7132
GHenderson@slocity.org

S & T Mutual Water Co.
P.O. Box 6391
Los Osos, CA 93412
dctolley@charter.net

Utilities Department
Los Osos Community Services District
P O Box 6064
Los Osos, CA 93412

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555 South Flower Street, 41st Floor
Los Angeles, CA 90071
fyanney@fulbright.com

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

(Date Filed / Received Stamp by CPUC)

FILED

MAR 30 2011

PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS

AL # 1441-W	Date Mailed to Service List: 3/30/11	Requested Effective Date: 1/1/2011	Requested Tier: Tier 1	
Replacing AL#:	Authorized by: D.10-12-059	Compliance Filing? Yes	Rate Impact	\$ N/A %

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

Address: 630 East Foothill Blvd.

City, State, Zip: San Dimas, CA 91773

CPUC Utility Number:
WTA 133-W
WTB _____
WTC _____
WTD _____
SWR _____

	Contact Name:	Phone No.	Fax No.	Email Address:
Filer	Ronald Moore	909-394-3600 ext. 682	909-394-7427	rkmoore@gswater.com
Alternate	Keith Switzer	909-394-3600 ext. 759	909-394-7427	kswitzer@gswater.com

Description:

1. Advice letter is in compliance with D. 10-12-059.
2. Advice letter requests the establishment and implementation of the Los Osos Groundwater Adjudication Memorandum Account.
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: