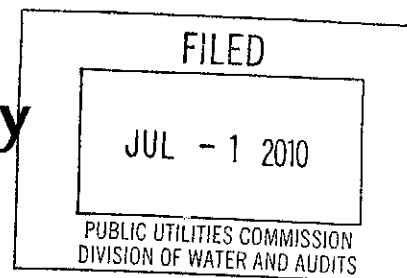




# Park Water Company



Advice Letter No. 215-W-A  
Supplement to Advice Letter No. 215-W

July 1, 2010

## TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Park Water Company (U 314 W) ("Park") hereby transmits the following revised tariff sheets applicable to water service in its service territory:

<u>Calif. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Schedule Number</u>	<u>Canceling Sheet No.</u>
1026-W	Residential Metered Service, page 2	PR-1-R	1036-W
1027-W	Non-Residential Metered Service, page 2	PR-1-NR	1038-W
1028-W	Table of Contents, page 1		1041-W

This supplement to Advice Letter 215-W is being filed to make a minor correction to the calculation of the temporary surcharge and to request a later effective date. Park has revised the surcharge calculation proposed in Advice Letter 215-W at the request of the Division of Ratepayer Advocates (DRA) who completed an independent review of Advice Letter 215-W. Both DRA and the Division of Water and Audits have reviewed and are in agreement with the revised surcharge calculation.

### Summary

This advice letter filing requests authorization to implement a temporary surcharge to the water rates in Park's Service Area. Park is seeking a temporary surcharge of \$0.142 per Ccf for domestic metered customers for a 24-month period. The purpose of the surcharge is to recover the combined under-collection recorded in the Water Revenue Adjustment Mechanism (WRAM) Balancing Account and the Modified Production Cost Balancing Account (MCBA) as of December 31, 2009. This request is made pursuant to the Commission's direction in Decision 08-02-036, dated February 28, 2008.

### Background and Discussion

In D.08-02-036 the Commission adopted the Settlement Agreement between Park and the Division of Ratepayer Advocates (DRA) on WRAM and Conservation Rate Design Issues dated June 15, 2007. D.08-02-036 adopted a Trial Program for Park consisting of a conservation rate design and related mechanisms for decoupling sales and revenue (WRAM and MCBA). The Trial Program was implemented on September 15, 2008 with Commission approval of Park Advice Letter No. 200-W.

The purpose of the WRAM is to track the difference between adopted and actual commodity rate revenue excluding revenue for fire service, reclaimed water, and miscellaneous fees. The purpose of the MCBA is to track the difference between adopted and actual costs for the following variable costs: purchased water, purchased power, and pump tax. The MCBA captures variations in production costs due to either changes in unit price or changes in consumption.

The combined balance recorded in the WRAM and MCBA for the period September 15, 2008 through December 31, 2009, including interest through February 28, 2010, is an under-collection of \$1,502,087 which is 7.28% of Park's 2009 recorded revenues. The Settlement Agreement requires Park to file an advice letter requesting amortization of the combined balance of the WRAM and MCBA if that combined balance exceeds 2.0% of Park's total recorded revenue requirement for the prior calendar year.

Park filed an information-only report with the Division of Water and Audits (DWA) for the amounts recorded in the WRAM and MCBA during calendar year 2008 on March 31, 2009. In accordance with the terms of the Settlement Agreement, a surcharge was not implemented because the combined balance recorded in the WRAM and MCBA was less than 2.0% of Park's recorded revenues for 2008. The combined under-collection of \$382,835 recorded as of December 31, 2008 is included in the cumulative December 31, 2009 balance which Park now seeks to recover. With interest through February 2010, the under-collection is \$383,927.

Additionally, Park filed an information-only report with the DWA for the amounts recorded in the WRAM and MCBA during calendar 2009 on March 31, 2010. In that report, Park indicated that the combined balance of the WRAM and MCBA is an under-collection of \$1,117,899 which exceeds the 2.0% threshold for recovery. With interest through February 2010, the under-collection is \$1,118,160.

Park filed Advice Letter No. 207-W on December 17, 2008, seeking recovery of the 2007 and prior Production Cost Balancing Accounts. Advice Letter 207-W was approved by the Commission on January 17, 2009, implementing a temporary surcharge for a 12-month period from January 17, 2009 through January 17, 2010. After the surcharge was terminated, the remaining under-collected balance is \$186,086, with interest through February 2010. Park did not recover the entire balance approved for recovery because of reduced water sales.

Park proposes to combine the residual balance in the 2007 Production Cost Balancing Account of \$186,086 with the balance recorded in the WRAM and MCBA for 2008 of \$383,927 and 2009 of \$1,118,160 for a net total combined under-collection of \$1,688,173.

Park is requesting recovery of \$1,688,173 or 6.29% of its adopted 2010 revenue requirement. Park proposes to recover the under-collection through a 24-month surcharge of \$0.142 per Ccf applicable to domestic service for schedules PR-1-R, residential metered service and PR-1-NR, non-residential metered service.

The Commission Staff has been provided with workpapers developing the balances in the WRAM and the MCBA. A copy of the Settlement Agreement, which contains detailed descriptions of the WRAM and the MCBA, is included in the workpapers. The workpapers include documentation of the residual under-collection recorded in the 2007 and prior Production Cost Balancing Account. The calculation of the surcharge is included in the workpapers.

**Tier Designation**

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

**Requested Effective Date**

Pursuant to General Rule 7.3.2 of General Order 96-B, Park requests this filing become effective July 8, 2010.

**Notice and Service**

In accordance with General Order 96-B, General Rules 4.3 and 7.2 and Water Industry Rule 4.1, a copy of this advice letter will be mailed or electronically transmitted on July 1, 2010 to competing and adjacent utilities and other utilities or interested parties having requested such notification.

In accordance with Resolution W-4664, notice is not required. Park will include notice of the rate change by bill insert during the first billing period the increase is in effect.

**Response or Protest**

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 Division of Water and Audits within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Division of Water and Audits, 3<sup>rd</sup> floor  
California Public Utilities Commission  
505 Van Ness Avenue, San Francisco, CA 94102  
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:

Edward Jackson  
Director of Revenue Requirements  
Park Water Company  
9750 Washburn Road  
P. O. Box 7002  
Downey, CA 90241  
Fax: (562) 861-5902  
E-Mail: [ed.jackson@parkwater.com](mailto:ed.jackson@parkwater.com)

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Division of Water and Audits 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.

If you have not received a reply to your protest within 10 business days, contact Edward Jackson at (562) 923-0711, ext. 1212.

Very truly yours,

PARK WATER COMPANY



EDWARD N. JACKSON  
Director of Revenue Requirements  
562.923.0711, ext. 1212  
[ed.jackson@parkwater.com](mailto:ed.jackson@parkwater.com)

ENJ/emz

Enclosure

SCHEDULE NO. PR-1-R

RESIDENTIAL METERED SERVICE

(Continued)

(D)

5. As authorized by the California Public Utility Commission, an amount of \$0.088 per Ccf is to be added to the quantity rate for a period of 12 months, beginning on the effective date of Advice Letter 212-W. This surcharge will recover the under-collection in the Balancing Account as of September 14, 2008.
6. As authorized by the California Public Utility Commission, an amount of \$2.94 per month is to be discounted on the Service Charge for a period of 36 months, beginning on the effective date of Advice Letter 214-W. This surcredit is applicable to residential metered service customers excluding those customers that receive a CARW discount. This surcredit will refund the over-collection in the CARW Revenue Reallocation Balancing Account as of December 31, 2009.
7. The quantity rates reflect an offset increase of \$0.059 per Ccf to account for increases in the purchased water and groundwater replenishment shown in Advice Letter 218-W, effective July 1, 2010.
8. As authorized by the California Public Utility Commission, an amount of \$0.142 per Ccf is to be added to the quantity rate for a period of 24 months, beginning on the effective date of Advice Letter 215-W-A. This surcharge will recover the under-collection in the WRAM and MCBA as of December 31, 2009.

(N)  
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(N)

(To be inserted by Utility)

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

Advice No.	<u>215-W-A</u>	<u>LEIGH K. JORDAN</u>	Date Filed	<u>JUL - 1 2010</u>
		Name	Effective	<u>JUL - 8 2010</u>
Dec. No.	<u>08-02-036</u>	<u>EXECUTIVE VICE PRESIDENT</u>	Resolution No.	
		Title		

SCHEDULE NO. PR-1-NR

NON-RESIDENTIAL METERED SERVICE  
(Continued)

(D)

5. As authorized by the California Public Utility Commission, an amount of \$0.088 per Ccf is to be added to the quantity rate for a period of 12 months, beginning on the effective date of Advice Letter 212-W. This surcharge will recover the under-collection in the Balancing Account as of September 14, 2008.
6. As authorized by the California Public Utility Commission, an amount of \$2.94 per month is to be discounted on the Service Charge for a period of 36 months, beginning on the effective date of Advice Letter 214-W. This surcredit will refund the over-collection in the CARW Revenue Reallocation Balancing Account as of December 31, 2009.
7. The quantity rates reflect an offset increase of \$0.059 per Ccf to account for increases in purchased water and ground water replenishment rates shown in Advice Letter 218-W, effective July 1, 2010.
8. As authorized by the California Public Utility Commission, an amount of \$0.142 per Ccf is to be added to the quantity rate for a period of 24 months, beginning on the effective date of Advice Letter 215-W. This surcharge will recover the under-collection in the WRAM and MCBA as of December 31, 2009.

(N)  
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(N)

(To be inserted by Utility)

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		Title		

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(continued)

(To be inserted by utility)

Issued By

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

Advice No. 215-W-A

LEIGH K. JORDAN

Date Filed

JUL - 1 2010

Name

Effective

JUL - 8 2010

Dec. No. 08-02-036

EXECUTIVE VICE PRESIDENT

Resolution No. \_\_\_\_\_

Title