

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 6, 2011

File No. 602-19

Edward N. Jackson
Director of Revenue Requirements
Park Water Company
PO Box 7002
Downey, CA 90241

Dear Mr. Jackson:

The Commission has received and filed the utility's Advice Letter No. 222-W, to recover the combined under-collection in the Water Rate Adjustment Mechanism (WRAM) and Modified Production Cost (MCBA) Balancing Accounts, together with the following revised Cal. P.U.C. tariff sheets that were submitted:

Cal. P.U.C.

Sheet No.Title of Sheet

| | |
|--------|---|
| 1061-W | Schedule No. PR-1-R, Residential Metered Service, page 2 |
| 1062-W | Schedule No. PR-1-NR, Non-Residential Metered Service, page 2 |
| 1063-W | Table of Contents, page 1 |

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,

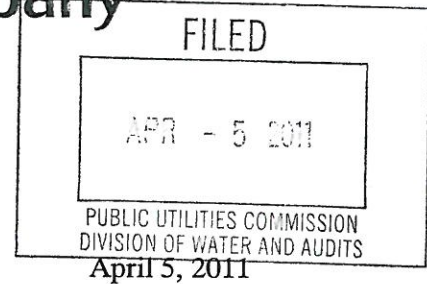
A handwritten signature in cursive script, appearing to read "Josie R. Babaran".

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

Enclosures



Park Water Company



Advice Letter No. 222-W

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> |
|------------------------------------|---|----------------------------|--------------------------------|
| 1061-W | Residential Metered Service, page 2 | PR-1-R | 1056-W |
| 1062-W | Non-Residential Metered Service, page 2 | PR-1-NR | 1058-W |
| 1063-W | Table of Contents, page 1 | | 1060-W |

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 \$0.172 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) for the period January 1, 2010 through December 31, 2010. 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 January 1, 2010 through December 31, 2010, including interest through February 28, 2011, is an under-collection of \$1,937,585 which is 7.1% of Park's 2010 revenue requirement. 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 for the amounts recorded in the WRAM and MCBA during calendar year 2010 on March 31, 2011. In that report, Park indicated that the combined balance of the WRAM and MCBA is an under-collection of \$1,936,826 that exceeds the 2.0% threshold for recovery. With interest through February 2011, the under-collection is \$1,937,585.

D.09-12-001 authorized Park to file Advice Letter No. 212-W seeking recovery of the 2008 Production Cost Balancing Account. Advice letter 212-W was approved on December 21, 2009 implementing a temporary surcharge for a 12-month period from January 1, 2010 through January 1, 2011. After the surcharge was terminated, the remaining under-collected balance is \$104,864, with interest through February 2011. Park did not recover the entire balance approved for recovery because of reduced water sales.

Park proposes to combine the residual balance in the 2008 Production Cost Balancing Account of \$104,863 with the balance recorded in the WRAM and MCBA for 2010 of \$1,937,585 for a net total combined under-collection of \$2,042,448.

Park is therefore requesting recovery of \$2,042,448 or 7.38% of its adopted 2011 revenue requirement. Park proposes to recover the under-collection through a 24-month surcharge of \$0.172 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 2008 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 within 30 days or effective upon Commission disposition if sooner than 30 days.

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 April 5, 2011 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 within the bill 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, 3rd 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

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

A handwritten signature in black ink, appearing to read 'Ed Jackson', with a long horizontal flourish extending to the right.

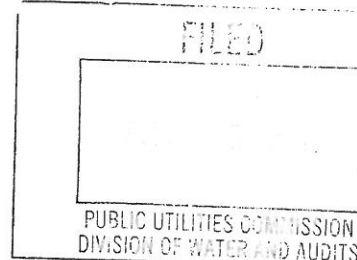
EDWARD N. JACKSON
Director of Revenue Requirements
562.923.0711, ext. 1212
ed.jackson@parkwater.com

ENJ/emz

Enclosure

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

(Date Filed / Received Stamp by CPUC)



| | | | | | | | |
|---|--------------------|---|--------------|---|--|--|--|
| AL # 222-W | | Date Mailed to Service List: 04/05/11 | | Requested Effective Date: 05/05/11 or upon Commission disposition if sooner. | | Requested Tier: <input checked="" type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input type="checkbox"/> Tier 3 | |
| Replacing AL#: | | Authorization for Filing: D.08-02-036 | | Compliance Filing? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | Rate | |
| | | | | | | \$ 2,042,448 % 7.38% | |
| 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: and if you have email capability, also email to: Your protest also must be served on the Utility | | | | Director Division of Water and Audits 505 Van Ness Ave. San Francisco, CA 94102 water_division@cpuc.ca.gov | | | |
| | | | | (see attached advice letter for more information and grounds for protest) | | | |
| | | | | Company Name: Park Water Company | | | |
| | | | | Address: 9750 Washburn Road | | | |
| City, State, Zip: Downey, CA 90241 | | | | CPUC Utility Number: WTB <u>U-314-W</u> WTC _____ WTD _____ SWR _____ | | | |
| Contact Name: | | Phone No. | | Fax No. | | Email Address: | |
| Filer | Edward N. Jackson | 562.923.0711, ext. 1212 | 562.861.5902 | ed.jackson@parkwater.com | | | |
| Alternate | Ellen M. Zimbalist | 562.923.0711, ext. 1208 | 562.861.5902 | ezimbalist@parkwater.com | | | |
| Description: This advice letter requests authorization to implement a temporary surcharge to amortize the combined balance in the WRAM and MCBA. The tariff sheets affected are 1061-W, 1062-W, and 1063-W. | | | | | | | |
| (FOR CPUC USE ONLY) | | | | | | | |
| WTS Budget/Activity/Type _____/_____/_____ Project Manager: _____ Analyst: _____ Due Date: _____ Completion Date: _____ | | | | Process as: <input type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input type="checkbox"/> Tier 3 | | | |
| | | | | 20th Day _____ 30th Day _____ | | | |
| | | | | Suspended on: _____ | | | |
| | | | | Extended on: _____ | | | |
| | | | | Resolution No.: _____ | | | |
| | | | | AL/Tariff Effective Date: _____ | | | |

PARK WATER COMPANY
ADVICE LETTER 222-W
DISTRIBUTION LIST

City of Artesia
18747 Clarkdale Avenue
Artesia, CA 90701
mdadian@cityofartesia.us

City of Santa Fe Springs Water Dept.
11710 Telegraph Road
Santa Fe Springs, CA 90670
lindaguerrero@santafesprings.org

Suburban Water Systems
Attention: Robert Kelly
1211 E. Center Court Drive
Covina, CA 91724-3603

City of Cerritos Water Department
18125 Bloomfield Avenue
Cerritos, CA 90703

Bellflower Somerset Mutual Water Co.
10016 E. Flower Street
P. O. Box 1697 (90707)
Bellflower, CA 90706
roberto@bsmwc.com

City of Commerce Water Department
2535 Commerce Way
Commerce, CA 90040

City of Norwalk Water Department
12700 S. Norwalk Boulevard
Norwalk, CA 90650

City of Compton Water Department
205 W. Willowbrook
Compton, CA 90220

Peerless Water Company
16913 Lakewood Boulevard
Bellflower, CA 90706

Ronald Moore, Regulatory Affairs
Golden State Water Company
630 E. Foothill Boulevard
San Dimas, CA 91773

City of Lynwood Water Department
Attention: Dan Ojeda
11330 Bullis Road
Lynwood, CA 90262

Ista North America
Attention: Leroy Belew
9555 Chesapeake Drive # 100
San Diego, CA 92123-6301

City of Paramount Water Department
16400 Colorado Avenue
Paramount, CA 90723

San Gabriel Water Company
Attention: Dan Dell'Osa
P. O. Box 6010
El Monte, CA 91734
dadellosa@sgvwater.com

City of Bell Gardens
Attn: Steve Steinbrecher
7100 Garfield Avenue
Bell Gardens, CA 90201

Dominguez/California Water Service
2632 W. 237th Street
Torrance, CA 90505-5272

Calif. Public Utilities Commission
Attention: Ting-Pong Yuen
Division of Ratepayer Advocates
555 Van Ness Avenue
San Francisco, CA 94102

Attn: David Karraker
California Water Service Company
East Los Angeles District
3316 W. Beverly Boulevard
Montebello, CA 90640

Central Basin Municipal Water District
5252 Telegraph Road
Commerce, CA 90040-2512
aileen@centralbasin.org

City of Bellflower
Attention: Mike Egan, City Administrator
16600 Civic Center Drive
Bellflower, CA 90706

SCHEDULE NO. PR-1-R

RESIDENTIAL METERED SERVICE
(Continued)

(D)

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.
9. The quantity rates reflect an offset increase of \$0.091 per Ccf to account for increases in the purchased water rates shown in Advice Letter 221-W, effective January 1, 2011.
10. As authorized by the California Public Utility Commission, an amount of \$0.172 per Ccf is to be added to the quantity rate for a period of 24 months, beginning on the effective date of Advice Letter 222-W. This surcharge will recover the under-collection in the WRAM and MCBA as of December 31, 2010.

(N)
|
(N)

(To be inserted by Utility)

Advice No. 222-W

LEIGH K. JORDAN

Name

Dec. No. 08-02-036

EXECUTIVE VICE PRESIDENT

Title

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

Date Filed

APR - 5 2011

Effective

MAY - 5 2011

Resolution No.

SCHEDULE NO. PR-1-NR

NON-RESIDENTIAL METERED SERVICE

(Continued)

(D)

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.
9. The quantity rates reflect an offset increase of \$0.091 per Ccf to account for increases in purchased water rates shown in Advice Letter 221-W, effective January 1, 2011.
10. As authorized by the California Public Utility Commission, an amount of \$0.172 per Ccf is to be added to the quantity rate for a period of 24 months, beginning on the effective date of Advice Letter 222-W. This surcharge will recover the under-collection in the WRAM and MCBA as of December 31, 2010.

(N)

(N)

(To be inserted by Utility)

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

Advice No. 222-W

LEIGH K. JORDAN

Date Filed

APR - 5 2011

Name

Effective

MAY - 5 2011

Dec. No. 08-02-036

EXECUTIVE VICE PRESIDENT

Title

Resolution No.

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates and rules affecting the charges and service of the utility, together with other pertinent information:

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| Preliminary Statement | 722-W, 909-W, 1023-W, 1024-W, 954-W, 1059-W, 956-W, 957-W 988-W, 1029-W, 1030-W |
| Service Area Map Los Angeles County | 914-W, 499-W thru 502-W |

Rate Schedules:

| | | |
|----------------------|--|--------------------|
| Schedule No. PR-1-R | Residential Metered Service | 1055-W, 1061-W (C) |
| Schedule No. PR-1-NR | Nonresidential Metered Service | 1057-W, 1062-W (C) |
| Schedule No. PR-4F | Non-Metered Fire Sprinkler Service | 1051-W, 965-W |
| Schedule No. PR-6 | Reclaimed Water Service | 1052-W, 1040-W |
| Schedule No. PR-9CM | Construction & Other Temporary Meter Service | 966-W |
| Schedule No. LC | Late Payment Charge | 848-W |
| Schedule No. UF | Surcharge to Fund PUC Reimbursement Fee | 937-W |
| Schedule No. SC | Surcredit | 899-W |
| Schedule No. CARW | California Alternative Rates for Water | 1012-W, 921-W |
| Schedule No. CARW-SC | California Alternative Rates for Water Surcharge | 1013-W |

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723-W

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| | | |
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| No. 3 | Application for Service | 345-W, 916-W |
| No. 4 | Contracts | 346-W |
| No. 5 | Special Information Required on Forms | 798-W thru 800-W |
| No. 6 | Establishment and Re-establishment of Credit | 347-W |
| No. 7 | Deposits | 1014-W, 1015-W |
| No. 8 | Notices | 801-W, 802-W |
| No. 9 | Rendering and Payment of Bills | 349-W thru 350-W, 1016-W |
| No. 10 | Disputed Bills | 609-W, 610-W |
| No. 11 | Discontinuance and Restoration of Service | 803-W thru 808-W, 1017-W, 810-W |
| No. 12 | Information Available to Public | 353-W, 354-W |
| No. 13 | Temporary Service | 355-W, 356-W |
| No. 14 | Continuity of Service | 357-W |
| No. 14.1 | Water Conservation and Rationing Plan (continued) | 959-W – 962-W |

(To be inserted by utility)

Issued By

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

Advice No. 222-W

LEIGH K. JORDAN

Date Filed

APR - 5 2011

Name

Effective

MAY - 5 2011

Dec. No. 08-02-036

EXECUTIVE VICE PRESIDENT

Title

Resolution No.