

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 21, 2013

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. 240-W, to recover the under-collection in the WRAM and MCBA, 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>
1138-W	Schedule No. PR-1-R, Residential Metered Service (continued), page 3
1139-W	Schedule No. PR-1-NR, Non-Residential Metered Service (continued), page 3
1140-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 blue ink that reads "Josie R. Babaran".

JOSIE R. BABARAN
Water & Sewer Advisory Branch
Division of Water and Audits

Enclosures

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

(Date Filed / Received Stamp by CPUC)

FILED
APR - 2 2013
PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS

AL # 240-W	Date Mailed to Service List: April 1, 2013	Requested Effective Date: April 10, 2013	Requested Tier: <input checked="" type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input type="checkbox"/> Tier 3
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Replacing AL#:	Authorization for Filing: D.12-04-048	Compliance Filing? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Rate \$ 3,025,754	Impact % 10.09
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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	CPUC Utility Number: WTA U- 314-W
Address: 9750 Washburn Road	WTB _____
City, State, Zip: Downey, CA 90241	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: The purpose of this advice letter is to request Commission authorization to implement a temporary surcharge in Park's service area. The tariffs affected are 1138-W, 1139-W, and 1140-W.

(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: _____



Advice Letter No. 240-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:

Calif. P.U.C. <u>Sheet No.</u>	<u>Title of Sheet</u>	<u>Schedule Number</u>	<u>Canceling Sheet No.</u>
1138-W	Residential Metered Service, page 3	PR-1-R	Original
1139-W	Non-Residential Metered Service, page 3	PR-1-NR	Original
1140-W	Table of Contents, page 1		1137-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 \$0.338 per Ccf for domestic metered customers for a 18-month period. The surcharge is designed to recover the combined under-collection recorded in the Water Revenue Adjustment Mechanism (WRAM) and the Modified Production Cost Balancing Account (MCBA). Park is also seeking recovery of the residual account balance remaining from the 2009 WRAM/MCBA surcharge that has expired. Park further requests recovery of the unamortized account balances from the active 2010 and 2011 WRAM/MCBA surcharges. This request is made pursuant to the Commission's direction in Decision 08-02-036, dated February 28, 2008 and Decision 12-04-048, dated April 19, 2012.

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. In D.12-04-048 the Commission modified D.08-02-026 by authorizing an 18-month amortization schedule for the net balance recorded in the WRAM and MCBA. D.12-04-048 also authorized the recovery of account balances that have been under-amortized thus far while the surcharge has been in effect.

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, 2012 through December 31, 2012, including interest through February 28, 2013, is an under-collection of \$2,036,395.

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 2012 on November 30, 2012 detailing the WRAM and MCBA data for nine months, ending September 30, 2012. As compared to the information-only report, this filing includes an updated twelve months of WRAM and MCBA data, ending December 31, 2012, with a total net under-collected balance of \$2,035,835. With interest through February 28, 2013, the under-collection is \$2,036,395.

Park filed Advice Letter 215-W-A on July 1, 2010 seeking recovery of the combined WRAM and MCBA balance as of December 31, 2009. Advice Letter 215-W-A was approved by the Commission on July 7, 2010 implementing a 24-month period surcharge. This surcharge is no longer in effect. With interest through February 2013, the total remaining under-collection or residual balance is \$356,798.

In addition to the net WRAM and MCBA balance for calendar year 2012 and the residual balance from the expired surcharge described above, Park proposes to include the under-amortized balances, as of February 28, 2013 from the active surcharges for the 2010 and 2011 WRAM/MCBA that are ongoing. Because the actual sales were lower than the adopted sales assumed for the surcharge calculation, Park did not recover the regulatory account balances as intended and authorized by the Commission. Therefore, pursuant to the procedure authorized in D.12-04-048, (Section 3.7 Treatment for Under-Amortized Amounts) Park is requesting to include with this filing the under-amortized balances for the active WRAM/MCBA surcharges including \$378,724 for the 2010 WRAM/MCBA and \$253,837 for the 2011 WRAM/MCBA, a combined total under-collection of \$632,561.

Park proposes to combine all the above balances for a total of \$3,025,754. Park is therefore requesting recovery of \$3,025,754 or 10.09% of its adopted 2012 revenue requirement. Park proposes to recover the under-collection recorded in the WRAM and MCBA through an 18-month surcharge of \$0.338 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, MCBA, and the ICBA. The calculation of the surcharges 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 on April 10, 2013.

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 27, 2012 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



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

ENJ/emz

Enclosure

PARK WATER COMPANY
9750 WASHBURN ROAD
P. O. BOX 7002
DOWNEY, CALIFORNIA 90241-7002

Original _____ Cal. P.U.C. Sheet No. 1138-W
Canceling _____ Cal. P.U.C. Sheet No. _____

SCHEDULE NO. PR-1-R

RESIDENTIAL METERED SERVICE

(Continued)

15. As authorized by the California Public Utility Commission, an amount of \$0.338 per Ccf is to be added to the quantity rate for a period of 18 months, beginning on the effective date of Advice Letter 240-W. This surcharge will recover the under-collection in the WRAM and MCBA as of December 31, 2012.

(N)
|
(N)

(To be inserted by Utility)

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

Advice No. 240-W

LEIGH K. JORDAN

Date Filed

APR - 2 2013

Name

Effective

APR 10 2013

Dec. No. _____

EXECUTIVE VICE PRESIDENT

Title

Resolution No. _____

PARK WATER COMPANY
9750 WASHBURN ROAD
P. O. BOX 7002
DOWNEY, CALIFORNIA 90241-7002

Original _____ Cal. P.U.C. Sheet No. 1139-W
Canceling _____ Cal. P.U.C. Sheet No. _____

SCHEDULE NO. PR-1-NR

NON-RESIDENTIAL METERED SERVICE
(Continued)

15. As authorized by the California Public Utility Commission, an amount of \$0.338 per Ccf is to be added to the quantity rate for a period of 18 months, beginning on the effective date of Advice Letter 240-W. This surcharge will recover the under-collection in the WRAM and MCBA as of December 31, 2012.

(N)
|
(N)

(To be inserted by Utility)

Issued By

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

Advice No. 240-W

LEIGH K. JORDAN

Date Filed

APR - 2 2013

Name

Effective

APR 10 2013

Dec. No. _____

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:

<u>Subject Matter of Sheet:</u>	<u>C.P.U.C. Sheet No.</u>
Title Page	721-W
Table of Contents	1140-W, 1104-W (T)
Preliminary Statement	722-W, 909-W, 1023-W, 1024-W, 954-W, 1121-W, 956-W, 957-W 988-W, 1123-W, 1067-W, 1070-W, 1071-W, 1114-W, 1124-W, 1128-W, 1129-W
Service Area Map Los Angeles County	914-W, 499-W through 502-W

Rate Schedules:

Schedule No. PR-1-R	Residential Metered Service	1117-W, 1118-W, 1138-W (C)
Schedule No. PR-1-NR	Nonresidential Metered Service	1119-W, 1120-W, 1139-W (C)
Schedule No. PR-4F	Non-Metered Fire Sprinkler Service	1112-W, 965-W
Schedule No. PR-6	Reclaimed Water Service	1113-W, 1108-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	1102-W, 921-W
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LIST OF CONTRACTS AND DEVIATIONS: 723-W

Rules:

No. 1	Definitions	636-W, 637-W
No. 2	Description of Service	400-W
No. 3	Application for Service	345-W, 916-W
No. 4	Contracts	346-W
No. 5	Special Information Required on Forms	798-W through 800-W
No. 6	Establishment and Re-establishment of Credit	347-W
No. 7	Deposits	1014-W, 1015-W
No. 8	Notices	1136-W, 802-W
No. 9	Rendering and Payment of Bills	1097-W through 1100-W
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No. 14	Continuity of Service	357-W
No. 14.1	Water Conservation and Rationing Plan	959-W – 962-W

(continued)

(To be inserted by utility)

Issued By:

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

Advice No. 240-W

LEIGH K. JORDAN

Date Filed

APR - 2 2013

Name

Effective

APR 10 2013

Dec. No. _____

EXECUTIVE VICE PRESIDENT

Resolution No.

Title

PARK WATER COMPANY
ADVICE LETTER 240-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
1325 N. Grand Avenue
Suite 100
Covina, CA 91724-4044

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

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

City of Lynwood Water Department
Attention: Joseph Kekula
11330 Bullis Road
Lynwood, CA 90262

Ista North America
Attention: Leroy Belew
4715 Viewridge Avenue, Suite 100
San Diego, CA 92123

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: Daniel Armendaniz
California Water Service Company
East Los Angeles District
2000 S. Tubeway Avenue
Commerce, CA 90040

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

City of Bellflower
Attention: Jeff Stewart, City Manager
16600 Civic Center Drive
Bellflower, CA 90706