



CALIFORNIA WATER SERVICE COMPANY
1720 NORTH FIRST STREET
SAN JOSE, CA 95112 • (408) 367-8200 • F (408) 367-8428

May 6, 2008

Advice Letter No. 1856

CALIFORNIA WATER SERVICE COMPANY (U 60 W)

To The Public Utilities Commission of the State of California:

California Water Service Company (Cal Water) hereby transmits for filing the following changes in its tariff schedules and four copies of each are attached hereto:

<u>C.P.U.C.</u> <u>Sheet No.</u>	<u>Title of Sheet</u>	<u>Schedule</u> <u>No.</u>	<u>Canceling</u> <u>C.P.U.C.</u> <u>Sheet No.</u>
7107-W	Preliminary Statement, Section L		New
7108-W	Table of Contents (Page 1)		7016-W

Summary

This filing complies with Ordering Paragraph 7 of D.07-12-055 to formalize its Water Conservation Expense Memorandum Account (WCEMA) for the Bakersfield, Dixon, King City, Oroville, Selma, South San Francisco, Willows, and Westlake Districts. This is a tier 1 filing under general order 96-B, Water Industry Rule (GO-96-B) 7.3, effective today pending Commission determination.

Discussion

By this filing, Cal Water is formalizing the WCEMA adopted in D.07-12-055. The Commission stated:

7. Cal Water shall make a compliance filing within 30 days to include the water conservation memorandum account ordered in this proceeding in its preliminary statement.

Details of the adopted WCEMA are discussed in finding of fact 17 and conclusion of law 8 as follows:

17. We find a memorandum account rather than a balancing account is appropriate for Cal Water's conservation expenses, with a cap of 1.0% of revenues for the 2007 test year, and 1.5% for the 2008 and 2009 years. These caps are specific to this proceeding and should not be construed as a precedent or statement of policy.

8. We should adopt a memorandum account rather than a balancing account for Cal Water's conservation expenses, with a cap of 1.0% of revenues for the 2007 test year, and 1.5% for the 2008 and 2009 years.



Cal Water's proposed operating language for the WCEMA allows for recording of all conservation program expense in each of the affected districts. Any amount above the defined percentage of adopted revenue for each fiscal year would not be eligible for recovery. Similarly, conservation amounts already collected in adopted rates are excluded from any memorandum account balance.

This filing is made later than requested in the Commission's Order. This delay should not harm any party. Regardless of the date of filing to include this memorandum account in the preliminary statement, Cal Water concludes that it is effective "for the 2007 test year" as stated in the order. Rates for the 2007 test year became effective on July 1, 2007 as ordered in D.07-06-028.

Finally, Cal Water has proposed three different potential methods of disposition of balances in this account, including 1) requesting recovery of the ending balance at the conclusion of the rate case period, 2) including a recovery request in the next general rate case, and 3) filing a tier 3 advice letter should the overall balance in any district account reach 1% of revenues.

Requested Effective Date

As this is a Tier 1 filing, Cal Water will make it effective on filing pending Commission disposition. This filing does not propose to increase any rate or charge, so no portion of the filing is subject to refund.

Notice and Service

In accordance with General Order 96-B, General Rule 4.3 and 7.2 and Water Industry Rule 4.1, a copy of this advice letter will be mailed or electronically transmitted on May 6, 2008 to competing and adjacent utilities and other utilities or interested parties having requested such notification. In addition, a copy will be served on the service list in A.06-07-017, et. al. A list of those utilities and/or parties is attached.

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 relitigating 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 Division of Water and Audits, the respondent or protestant shall send a copy by mail (or e-mail) to us, addressed to:

Thomas F. Smegal
California Water Service Company
1720 North First Street,
San Jose, California 95112
Fax 408/367-8430 or
E-mail tsmegal@calwater.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.

The advice letter process does not provide for any responses, protests or comments, except for the utility's reply, after the 20 day comment period.

Replies: The utility shall reply to each protest and may reply to any response. Each reply must be received by the Division of Water and Audits within 5 business days after the end of the protest period, and shall be served on the same day to the person who filed the protest or response.



CALIFORNIA WATER SERVICE COMPANY

Advice Letter 1856, Water Conservation Memo Account compliance

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If you have not received a reply to your protest within 10 business days, contact California Water Service Company at 408/367-8200.

CALIFORNIA WATER SERVICE COMPANY

A handwritten signature in black ink that reads "Tom Smegal". The signature is written in a cursive, flowing style.

Thomas F. Smegal
Manager of Rates

Enclosures

cc: Ting-Pong Yuen, DRA

**CALIFORNIA PUBLIC UTILITIES
COMMISSION**
Advice Letter Filing Summary Sheet

(Date Filed / Received Stamp by CPUC)

Company Name: California Water Service Company

CPUC Utility Number U – 60-W

Address: 1720 North First Street

City, State, Zip: San Jose, CA 95112

AL #: 1856 **Requested Effective Date:** May 6, 2008

TIER: 1

	Contact Name:	Email Address:	Phone No.:	Fax No.:
Filer	Thomas Smegal, Vice President	tsmegal@calwater.com	(408) 367-8219	(408) 367-8430
Alternate	James Polanco	jpolanco@calwater.com	(408) 367-8239	No. Tariff Sheets: <u>2</u>

(Name, email address & Phone and FAX numbers are required for "Filer")

Annual Revenue Change: none

Date Filed with the CPUC: May 6, 2008 Date Served to the Service List: May 6, 2008

Tariff Schedule Nos.: none

Subject of filing: File compliance memorandum account
(Service(s) included)

Authorization for filing: D.07-12-055
(Resolution #, Decision #, etc.)

Related Advice Letter(s): none
(Similar service, replacement filing)

Notes/Comments: _____
(Other information & reference to advice letter, etc.)

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

Protest also must be served on Utility:

(see attached advice letter for more information)

(FOR CPUC USE ONLY)

WTS Program/Activity/Type
_____/_____/_____

Supv. / Analyst _____ / _____

Resolution Required

Due Date to Supv.: _____

WD Suspension on: ___/___/___

Analyst Completion Date: _____

Comm. Suspension on: ___/___/___

Supervisor Approval Date: _____

Resolution No.: W - _____

AL / Tariff Effective Date: _____

Rev. 04/01/05

Notes: _____

Preliminary Statement
(continued)

L. WATER CONSERVATION EXPENSES MEMORANDUM ACCOUNT (WCEMA)

1. PURPOSE:

The purpose of the WCEMA is to track conservation expenses with a cap of 1.0% of adopted revenues for the 2007-8 test year, and 1.5% of adopted revenues for the 2008-2009 and 2009-2010 escalation years.

2. APPLICABILITY:

The WCEMA is effective beginning with the effective date of rates in A.06-07-017, et. al., July 1, 2007, established in D.07-06-028.

The WCEMA applies to the Bakersfield, Dixon, King City, Oroville, Selma, South San Francisco, Westlake and Willows districts

3. ACCOUNTING PROCEDURE:

The following entries will be recorded monthly to each district's WCEMA:

a. Recorded program conservation expenses

Program expense are recorded in the month corresponding with the date of service or delivery and should show detail to ensure the Commission can determine:

1. Best Management Practices (BMP) category for the expense
2. Total cost, unit cost, number of units, and general charges for each expense
3. Detail of customers targeted for the conservation measure.

b. Adopted program conservation expenses

Adopted program expense should be the annual amount authorized by the Commission in the district revenue requirement, divided by twelve.

c. Capped program conservation expenses

Capped program expenses shall be the adopted revenue requirement, less any conservation expenses included in revenue requirement, multiplied by the applicable rate from section 1, above, divided by twelve.

4. At the end of each program year, Cal Water will sum the monthly entries for each of the components shown in section 3 for each district.

To the extent that the total annual recorded expense (paragreaph 3.a) exceeds the capped program conservation expenses (paragraph 3.c), Cal Water will record the difference as an adjustment to the amount shown in paragraph 3.a. and will not seek recovery of this difference.

Cal Water will further deduct the amounts funded through adopted rates (paragraph 3.b) from the adjusted annual total in 3.a. in preparation of any request for rate recovery.

5. Cal Water shall apply interest to any net balance recorded in section 4 at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15. or its successor until a final Commission determination on rate recovery for the amount.

6. Cal Water shall request recovery of the amounts shown in paragraph 4 90 days after the end of the rate case period, or September 30, 2010. Alternatively, Cal Water may request recovery of the amounts recorded in this account in its next general rate case. In the event that the recorded balance derived in section 4 for any district exceeds 1% of adopted district revenues, Cal Water should be allowed to request recovery of this account by filing a tier 3 advice letter in accordance with General Order 96-B.

(To be inserted by utility)

Advice Letter No. 1856

Decision No. 07-12-055

Issued by

FRANCIS S. FERRARO

NAME

Vice President

TITLE

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

Date Filed May 6, 2008

Effective May 6, 2008

Resolution No. _____

Table of Contents

The following listed tariff sheets contain all effective rates and rules affecting the rates and service of the Utility together with information relating thereto:

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Service Area Maps:

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(continued)

(To be inserted by utility)
 Advice Letter No. 1856
 Decision No. 07-12-055

Issued by
THOMAS F. SMEGAL
NAME
Vice President
TITLE

(To be inserted by Cal. P.U.C.)
 Date Filed May 6, 2008
 Effective May 6, 2008
 Resolution No. -

BAKERSFIELD DISTRICT

ADVICE LETTER FILING MAILING LIST
PER SECTION III (G) OF GENERAL ORDER NO. 96-A

Competing and Adjacent Utilities:

City of Bakersfield
1501 Truxtun Avenue
Bakersfield, CA 93301501

Victory Mutual Water Company
P.O. Box 40035
Bakersfield, CA 93304

City of Bakersfield
Asst. Dir. Water Resources: Florn Core
1501 Truxtun Avenue
Bakersfield, CA 93309

Airport Mutual Water Company
220 Wright Ave
Bakersfield, CA 93308

Casa Loma Water Company
1016 Lomita Drive
Bakersfield, CA 93307

Stockdale Mutual Water Company
Attn: Philip K. Zander
210 Fairway Drive
Bakersfield, CA 93309

East Niles Community Services District
Manager: Timothy Ruiz
P.O. Box 6038
Bakersfield, CA 93386

Stockdale Annex Mutual Water Company
P.O. Box 9726
Bakersfield, CA 93386-9726

Krista Mutual Water Company
7025 Cuddy Valley Road
Frazir Park, CA 93225

Douglas Nunneley, Manager
Oildale Mutual Water Company
P.O. Box 5638
Bakersfield, CA 93388
Email: omwc@sbcglobal.net

BAKERSFIELD DISTRICT
(Continued)

Other Utilities and Interested Parties
Requesting Notification:

Kern County Water Agency
Attn: Eric Averett
P.O. Box 58
Bakersfield, CA 93302

Mr. John Cicerone
Mountain View Bravo, LLC
1531 Stone Canyon Road
Los Angeles, CA 90007

Service Maps

Executive Officer
Kern LAFCO
2700 M Street, Suite 302
Bakersfield, CA 93301

Dennis Thompson, Fire Chief
Kern County Fire Department
1115 Truxtun Avenue
Bakersfield, CA 93301

Ron Frazee, Fire Chief
City of Bakersfield
1501 Truxtun Avenue
Bakersfield, CA 93301

DIXON DISTRICT

ADVICE LETTER FILING MAILING LIST
PER SECTION III (G) OF GENERAL ORDER NO. 96-A

Municipalities and Governermental Agencies

City of Dixon
Attn: Finance Dept.
600 East A Street
Dixon, CA 95620

Adjacent Private and Public Utilities

Solano Irrigation District
Attn: General Manager
508 Elmira Road
Vacaville, CA 95687
Email: admin@sidwater.org

Maine Prairie Water District
P.O. Box 73
Dixon, CA 95620

Service Area Maps

LAFCO (Local Agency Formation Commission)
Executive Officer
Solano LAFCO
675 Texas Street, Fairfield, CA 94533

Fire Chief
City of Dixon
600 East A Street
Dixon, CA 95620

KING CITY DISTRICT

ADVICE LETTER FILING MAILING LIST
PER SECTION III (G) OF GENERAL ORDER NO. 96-A

Municipalities and Governmental Agencies

King City
212 S. Vanderhurst Avenue
King City, CA 93930
Attn: Jim Larson, Finance Director

Adjacent Private and Public Utilities

Little Bear Water Company
51201 Pine Canyon Road, Space #125
King City, CA 93930

Park Billing Company
P. O. Box 910
Dixon, CA 95620

Service Area Maps Only

Kate McKenna, E.O.
LAFCO of Monterey County
Local Agency Formation Commission
P O Box 1369, Salinas, CA 93902

Fire Chief
King City
212 S. Vanderhurst Avenue
King City, CA 93930

OROVILLE DISTRICT

ADVICE LETTER FILING MAILING LIST
PER SECITON III (G) OF GENERAL ORDER NO. 96-A

Municipalities and Governmental Agencies

City of Oroville
Attn: Diane MacMillian
1735 Montgomery Street, Oroville, CA 95965

Adjacent Private and Public Utilities

Thermalito Irrigation District
Attn: Gary Alt
410 Grand Ave., Oroville, CA 95965

South Feather Water & Power
Attn: Mike Glaze
2310 Oroville Quincy Hwy. Oroville, CA 95966
Email: glaze@southfeather.com

Service Area Maps Only

Paula Leasure, E.O.
Butte County LAFCO
2770 Olive Highway, Suite C
Oroville, CA 95966

Fire Chief
City of Oroville
1735 Montgomery Street
Oroville, CA 95965

SELMA DISTRICT

ADVICE LETTER FILING MAILING LIST
PER SECTION III (G) OF GENERAL ORDER NO. 96-A

Municipalities and Governmental Agencies

City of Selma, City Hall
1710 Tucker Street
Selma, CA 93662

Adjacent Private and Public Utilities

City of Fowler
Attn: David Elias, City Manager
128 S. 5th Street
Fowler, CA 93625

Other Parties Request Notification

City of Fresno, Dept. of Public Works
2600 Fresno Street
Fresno, CA 93721-3624

Service Area Maps only

LAFCO (Local Agency Formation Commission)
Executive Officer, Fresno LAFCO
2220 Tulare St., Ste. 425
Fresno, CA 93721

Fire Chief
City of Selma
1710 Tucker Street
Selma, CA 93662

SOUTH SAN FRANCISCO DISTRICT

ADVICE LETTER FILING MAILING LIST
PER SECTION III (G) OF GENERAL ORDER NO. 96-A

Municipalities and Governmental Agencies

City of South San Francisco
400 Grand Avenue
South San Francisco, CA 94080

Attn: Barry Nagel

Adjacent Private and Public Utilities

San Bruno Water Dept.
567 El Camino Real
San Bruno, CA 94066

City of Daly City
Attn: Patrick Sweetland
153 Lake Merced Blvd.
Daly City, CA 94015

City of Brisbane
Attn: Betsy Cooper
50 Park Place
Brisbane, CA 94005
Email: bcooper@ci.brisbane.ca.us

Westborough Water District
P.O. Box 2747
South San Francisco, CA 94083

Service Area Maps Only

LAFCO (Local Agency Formation Commission)
Executive Officer, San Mateo LAFCO
County Government Center, Redwood City, CA 94063

Fire Department Servicing
Affected Area

WESTLAKE DISTRICT

ADVICE LETTER FILING MAILING LIST
PER SECTION III (G) OF GENERAL ORDER NO. 96-A

Municipalities and Governmental Agencies

City of Thousand Oaks
Attn: Jay Spurgih, Deputy Public Works Director
2100 Thousand Oaks Blvd.
Thousand Oaks, CA 91362-2903

Adjacent Private and Public Utilities

City of Los Angeles, Dept. of Water & Power
Mr. Richard A. West, Rates Manager
P.O. Box 51111, Room 956
Los Angeles, CA 90051-0100
Email: Richard.west@ladwp.com

California-American Water Company
4701 Beloit Drive
Sacramento, CA 95838-2434

Ventura Regional Sanitation District
Attn: Linda Moyer
1001 Partridge Dr., Suite 150
Ventura, CA 93003

Las Virgenes Municipal Water District
Attn: Carol Palma
4232 Las Virgenes Road
Calabasas, CA 91302

Service Area Maps

Executive Officer
Ventura LAFCO
800 S. Victoria Avenue
Ventura, CA 93009

Fire Department Servicing Affected Area

WILLOWS DISTRICT

ADVICE LETTER FILING MAILING LIST
PER SECTION III (G) OF GENERAL ORDER NO. 96-A

City of Willows
Civic Center
201 N. Lassen Street
Willows, CA 95988

Service Area Maps Only

Christy Leighton, Executive Officer
County of Glenn Local Agency Formation Commission
125 South Murdock
Willows, California 95988

Fire Chief
City of Willows
201 North Lassen Street
Willows, CA 95988



California Public
Utilities Commission

CPUC Home

CALIFORNIA PUBLIC UTILITIES COMMISSION Service Lists

PROCEEDING: A0607017 - CALIFORNIA WATER SER
filer: CALIFORNIA WATER SERVICE COMPANY (U60W)
LIST NAME: LIST
LAST CHANGED: MAY 5, 2008

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Parties

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FOR: NORTH RANCH COUNTRY CLUB

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SAN FRANCISCO, CA 94102-3214
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SACRAMENTO, CA 95811-3109
FOR: SAN FRANCISCO PUBLIC UTILITIES
COMMISSION

Information Only

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1720 NORTH FIRST STREET,
SAN JOSE, CA 95112

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1411 W. COVELL BLVD., SUITE 106-292
DAVIS, CA 95616-5934

State Service

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FOR: DRA

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