

DRAFT SUMMARY

CPUC Workshop: Water Action Plan Implementation and Rate Case Plan Improvement

Legend: Comments and replies in the same row address a common issue. Example: under "GRC – consolidated filings" all comments and replies on this specific issue are placed in the same row under the common row heading. Reply comments are signified by a row of asterisks (******) above the replies.

DRA
September 27, 2006
CWA
Park
San Gabriel
(possible carryover to September 28, 2006)

DRA stands for Division of Rate Payer Advocates
CWA stands for California Water Association

GRC stands for General Rate Case
RCP stands for Rate Case Plan
WD stands for Water Division

Version: 10/2/2006

Priority Rankings

	Issues	DRA	Joint Signatories	CalAm		CWA	Golden State	Great Oaks	Mono Lake Committee	Park	Suburban	San Gabriel
1	GRC - streamline and standardize	Require standardized GRC application and utility Results of Operations (RO) tables and standardize data tables and templates for water company data and information. (p.7)				***** Reply to DRA: Against DRA's one-size-fits-all approach of standardizing GRC applications, but supports a non-mandatory Results of Operations template. (p.2)				Interested in discussion on areas of incentive regulation and streamlining review of cost of service. Streamline CPUC decision-making (p.3)		***** Reply to DRA: DRA's recommendation to standardize GRC applications and files should not restrict utility's evidence or its ability to make its case. Formulaic and arbitrary forced standardization is not beneficial. (p.10)
2	GRC - consolidated filings	Consider schedule consolidation of multi-district reviews into one GRC (pp.6-7)		Favor consolidated GRC filing for multi-district companies. (p.1)		Permit multidistrict companies (3 or more districts) to file consolidated GRCs (p.4) Reduce total number of GRCs – consolidate GRC filing for some multi-district companies to reduce total number of cases. (p.5)				***** Reply to DRA and CalAm: Against proposal to have multi-district companies use consolidated GRC filings as it will increase financial risk. Negative impacts outweigh any benefits. (p.2)		***** Reply to DRA and CalAm.: consolidated GRC filings for multiple districts will complicate GRCs. San Gabriel's 2 districts have different issues. Lumping them together will likely cause greater company-wide revenue fluctuations, further compounded by CalAm's suggestion for a 4.5-yr. GRC cycle. Recommends current sequential filing format be retained. (p.4)
3	GRC - rate of return and cost of capital	Streamlining cost of capital review. Limit cost of capital review to once every three years (and apply to all districts in company). (p.6)		Favor single rate of return, for multi-district companies. (p.1) Institute single annual generic rate of return case to determine generic return on equity for all companies. Each company will have to justify adjustments to generic return. (p.5) Cost of capital review - one cost of capital review per company every 3 yrs., apply to all districts at one time (p.7)		For companies with 3 or more districts: Cost of Capital - only one cost of capital filing every three years, and one uniform cost of capital for all districts. (pp.3-4)				***** Reply to DRA: Against DRA proposal to limit cost of capital review once every three years, as doing so increases financial risk to company. (p.2)		***** Reply to CalAm. and DRA: Against single annual generic rate of return proceeding, plus additional proceedings to show adjustments, as they will lead to more proceedings, contrary to goal of streamlining GRC process. Class A companies have too diverse capital structures to make single cost of capital proceeding meaningful. (p.8) Against DRA proposal to determine cost of capital every 3 yrs as it increases interest rate risk. Recommends retaining determination of cost of capital in each individual GRC. (p.9)
4	GRC - schedule	Change of 3-yr. GRC cycle (p.6) Develop a consensus proposed GRC schedule for July 2007 and beyond (p.6) Waiving GRC application filing requirements – allow company to skip one GRC cycle by consensus with utility, DRA, and WD (p.6) So all agree that lots of work with multiple filings for multi-districts that need to be resolved somehow. Thinks statute may allow for agreement through modification if parties agree...may be able to do on a case by case basis.		Lengthen CPUC processing time-frame for GRC to 18 months (p.2) Favor 4.5-yr. GRC cycle instead of 3-yr. cycle (p.2) Create new GRC schedule for July 2007 and beyond (p.7) Could stay within statutory law using this suggested plan. Want option for single GRC for multi-district companies.				Class A companies should have option to pursue rate relief more frequently than GRC cycle allows, in a fashion similar to offset filings, perhaps in voluntary submission of rate case adjustments on an annual basis. (p.1)		***** Reply to CalAm: Opposes CalAm proposal to file GRC applications every 4.5 yrs., as it will increase forecast errors in tracking insurance and pension costs due to uncertainty of inflation. (p.2) Also strongly opposes 18-month processing time proposal as estimates will be out of date when Commission issues decision. (p.3) How change schedule if need to change law.		***** Reply to CalAm.: CalAm.'s suggestion to use a 4-1/2-yr. rate cycle is step backward and contrary to law, will cause variance between adopted figures and actual figures to increase. Will result in alternating Jan/July filings, causing confusion and further delays. Existing 3-yr. cycle works reasonably well and should not be changed. (p.3) Also against CalAm's suggestion to lengthen processing time to 18 months, as this will increase cost with no benefit to anyone. Current 12-month timeframe is already too long; recommend no change. (p.4)
5	GRC - number of filings	Reduce number of filings by each company. (p.6)				Suggest making formal filing of proposed application informal to be submitted to staff only. (p.1)						***** Supports CWA's recommendation by opposes DRA's recommendation. (p.4)

DRA	CWA	Mono	Park	San Gab.	Valencia	Clean Water Action	Golden State	Cal Water	San Jose	Cal AM
	A	A		A	B				A	A
	A	A		A	B					
	A	A		A	B					
	C	C		C	C					
	A	A		A	A					

DRAFT SUMMARY

CPUC Workshop: Water Action Plan Implementation and Rate Case Plan Improvement

Legend: Comments and replies in the same row address a common issue. Example: under "GRC – consolidated filings" all comments and replies on this specific issue are placed in the same row under the common row heading. Reply comments are signified by a row of asterisks (******) above the replies.

DRA
September 27, 2006
CWA
Park
San Gabriel
(possible carryover to September 28, 2006)

DRA stands for Division of Rate Payer Advocates
CWA stands for California Water Association

GRC stands for General Rate Case
RCP stands for Rate Case Plan
WD stands for Water Division

Version: 10/2/2006

Priority Rankings

	Issues	DRA	Joint Signatories	CalAm		CWA	Golden State	Great Oaks	Mono Lake Committee	Park	Suburban	San Gabriel
6	GRC - deficiency	Deficiency review – develop review with utilities (p.6) ***** Reply to CWA: Removing the need for, or modifying who conducts deficiency review, will shift the burden to DRA and will cause delay in the GRC. (p.4) <i>Want clarification of the definition but no action in OIR on other issues.</i>				More objective criteria to determine whether filing is complete. (p.2) "Deficiency" needs to be more objectively applied per RCP footnote 4. Neutral party such as Water Div. or docket office instead of an adverse party (DRA) should determine completeness, with ALJ as judge to resolve disputes. (p.2)						***** Reply to DRA: supports DRA recommendation to have utility and DRA collaboratively develop deficiency review. (p.2)
7	GRC - interim rates	Change code to give Commission discretion to use rates based on settled revenue for interim rate relief (p.6)		Develop interim rates through settlement instead of using inflation (p.5) Interim Rates – allow interim rate recovery at the "settled revenue requirement" instead of inflation (p.7)		Interim Rates – if delayed due to Commission action, water company should be allowed to file for interim rates based on current rates and inflation. When settlement reached should get full interim rate increase immediately and not just rate based on inflation. (pp.4-5)				Recommend CPUC to develop process or schedule for Class A companies to request interim rate relief. (p.4)		***** Supports Park's suggestion for standard procedure and timetable for utility requests for interim rate relief. (p.2) Also supports DRA's and CalAm's suggestions to designate settlement rates as interim rates instead of using inflation. (p.2)
8	GRC - Master Data Request (MDR)	Provide explicit instructions on what is requested in MDR. Require Table of Contents, cross reference locations, and electronic provision for each document. (p.6) ***** Master Data Request is an essential component of every rate case, giving DRA and the Commission adequate information to begin the review of utility data at the start of the GRC. (p.5) <i>Doesn't need to be part of OIR</i>				Replace Master Data request with more targeted data requests. (p.3)				<i>Not in OIR.</i>		***** Reply to DRA: supports DRA recommendation to work with utilities to revise and clarify the MDR. (p.2)
9	GRC - report and application format	Require a Table of Contents, cross reference, and electronic provision of each document (p.6)				DRA should also cross-reference their reports and testimonies as utility is required to do. (p.3)			***** Reply: recommend GRC checklist be reworded to more closely mirror Phase One recommendations of Joint Signatories. (pp. 1-2)	<i>Current policy seems fine...already do much filing electronically and don't only when unavailable.</i>	Support including checklist in GRC filing (p.1)	Supports CWA's comment that DRA should cross-reference their reports as the utility is required to do. Opposes DRA's recommendation requiring water utilities to provide each document electronically as not all water utilities can provide all documents in that format.
10	GRC - cost recovery			Allow full recovery of purchased power and water (allowed only in GRCs and not in advice letters) if company can show it maintained efficient methods of use. (p.5)		Escalation year increase in insurance costs – RCP should allow for tracking and recovery of health care and other insurance costs more often than every 3 years. (p.6)	Establish water resource recovery account to track and recover costs associated with long term supply projects (p.2)					***** Reply to CalAm.: Against CalAm. proposal to permit recovery of purchased power and water costs only in GRCs. GRCs take much longer than advice letters. Using advice letter process mitigates rate shocks in GRCs. (p.9) Supports CWA's position regarding more frequent updating of costs that escalate much faster than general inflation.

DRA	CWA	Mono	Park	San Gab.	Valencia	Clean Water Action	Golden State	Cal Water	San Jose	Cal AM
	C	A		A						
	A	A		A	B					
	C	B		C	B					
	A	A		C	B					
		A		A	B					

DRAFT SUMMARY

CPUC Workshop: Water Action Plan Implementation and Rate Case Plan Improvement

Legend: Comments and replies in the same row address a common issue. Example: under "GRC – consolidated filings" all comments and replies on this specific issue are placed in the same row under the common row heading. Reply comments are signified by a row of asterisks (******) above the replies.

DRA
September 27, 2006
CWA
Park
San Gabriel
(possible carryover to September 28, 2006)

DRA stands for Division of Rate Payer Advocates
CWA stands for California Water Association

GRC stands for General Rate Case
RCP stands for Rate Case Plan
WD stands for Water Division

Version: 10/2/2006

Priority Rankings

	Issues	DRA	Joint Signatories	CalAm		CWA	Golden State	Great Oaks	Mono Lake Committee	Park	Suburban	San Gabriel
11	GRC - update rules	Minimize types of updates and changes that water companies may submit. (p.7)				***** Reply to DRA: Existing RCP is already sufficiently restrictive regarding the types of updates and changes a water utility may submit in the course of a GRC. (p.3)				***** Reply to DRA: Against DRA proposal to limit GRC updates. (p.2)		***** Reply to DRA: DRA's suggestion to limit updates is very vague and unworkable. All identified errors should be corrected. GRC decisions should be based on most up-to-date information reasonably available. (pp.10-11)
12	GRC - discovery process	Discovery process – reiterate importance of timely responses. Use negative presumption if there is delay in responses, i.e. presume the expenditure in question is not justified and exclude it. (p.7)				***** Reply to DRA: Objects to DRA proposal of "negative presumption" whenever there is a delay in response to discovery. Focused, targeted discovery will ensure timely response. (p.3)						***** Reply to DRA: DRA's recommendation of negative presumption if reply to data request is delayed has no merit. No evidence delay is a substantial problem. There is also existing speedy and adequate means to resolve discovery problems. Negative presumption does not lead to effective GRCs or help implement elements of WAP. DRA can encourage quicker replies by making requests clearer and explaining reasoning for the request. Data gathering should not be adversarial. (p.11)
13	GRC - limiting rebuttal	Place limits on number of pages that may be submitted during rebuttal. Use compressed discovery time frames related to rebuttal testimony and strict enforcement of RCP provisions limiting scope of rebuttal. (p.7) <i>Question where should address this issue...in this OIR. Problem with scope of rebuttal.</i>				***** Reply to DRA: Existing RCP is already sufficiently restrictive in the limited time permitted for preparation of rebuttal testimony. (p.3)				***** Reply to DRA: Against DRA proposal to limit rebuttal testimony. (p.2) <i>Inappropriate when DRA's report length is not limited.</i>		***** Reply to DRA: DRA's recommendation to limit number of pages of rebuttal testimony makes no sense. Goal of GRC is to fully address issues. DRA's unspecified limit is arbitrary. It will also force utilities to introduce rebuttal through time-consuming oral testimony at hearings. It will also lead parties to have more extensive cross-examinations in order to understand the artificially abbreviated rebuttal testimony. DRA can always object during hearings, if it believes prepared rebuttals are too long. (pp. 11-12)
14	GRC - CPUC staff training									Staff development for CPUC staff should be given high priority. Park would gladly participate in training CPUC staff in areas such as Water utility operations, maintenance, new technologies. (p.3)		***** Reply to Park: Agrees that CPUC staff training to enhance efficiency should be given high priority. (p.2)
15	GRC - PPH	<i>Maybe address whether optional status of PPH should be addressed in this OIR.</i>								Request that a PPH(public participation hearing) be scheduled (p.4)		

DRA	CWA	Mono	Park	San Gab.	Valencia	Clean Water Action	Golden State	Cal Water	San Jose	Cal AM
	C	C		C						
	C	C		C						
	A	C		C						
	c	c		C	c					
	B	C		C	C					

DRAFT SUMMARY

CPUC Workshop: Water Action Plan Implementation and Rate Case Plan Improvement

Legend: Comments and replies in the same row address a common issue. Example: under "GRC – consolidated filings" all comments and replies on this specific issue are placed in the same row under the common row heading. Reply comments are signified by a row of asterisks ("*****") above the replies.

DRA
September 27, 2006
CWA
(possible carryover to September 28, 2006)
Park
San Gabriel

DRA stands for Division of Rate Payer Advocates
CWA stands for California Water Association

GRC stands for General Rate Case
RCP stands for Rate Case Plan
WD stands for Water Division

Version: 10/2/2006

Priority Rankings

	Issues	DRA	Joint Signatories	CalAm		CWA	Golden State	Great Oaks	Mono Lake Committee	Park	Suburban	San Gabriel
16	GRC - stipulations	Develop consensus proposals early on in areas with no real differences (p.6) In favor of more time for settlements.				Allow more time and opportunity for settlement negotiations and informal discussion of disputed issues. (p.7)						Contrary to the positions of DRA and CWA, San Gabriel does not support more time for settlements (see our August 15 comments at page 5). Rather, San Gabriel suggests that settlement discussions would be made much more efficient with the use of a professional mediator or other form of ADR. Also, a preview of the Staff Report by the applicant before it is issued would help to focus the settlement discussions on actual issues, rather than on perceived issues or erroneous data.
17	GRC - scoping memo	Should this item be standard in RCP...currently used on an informal basis with no requirement.				Scoping Memo should set forth all issues relating to the utility and compatibility with the Utility's DWR Water Management Plan, among other issues addressed in WAP. (p.3)						
18	GRC - water quality report					Include report on Water Quality with application (p.4)						
19	GRC - staff report	Staff does not have time to show parties because working on reports to last minute. Doesn't look good to outsiders, etc to show reports ahead of time behind closed doors that show changes. Would need more time but doesn't suggest this. Maybe can meet & confer early on to agree on data used. While solving problem, creates more problems. Strongly disagrees with this item. Is the issue staff reports or data used? Doesn't need Comm Dec to allow companies to preview staff report. Maybe can address in other ways besides preview of report.			Not adequate time to get clarification from staff in time to do rebuttal. Re public perception, intervenors may look at it as well. Issue of numbers used that causes problem. May be caused by miscommunication or staff does not provide supporting documentation.	Preview of staff report - wants draft copy of staff report and then meet-and-confer session with WD staff before issuance of final staff report. (p.7) so can meet & confer, within existing schedule.						Sometimes errors & misunderstandings occur that can be weeded out if see preview of staff report
20	GRC - alternative dispute resolution (ADR)	Supports, but doesn't necessarily need to be part of RCP OIR		Supports ADR. (p.3)		Supports Alternative Dispute Resolution ("ADR"). (p.7)						***** Reply to CalAm and CWA, supports ADR. (p. 2)
21	WAP CHECKLIST	Agree as an item to discuss				being implemented in individual company GRCs.						

DRA	CWA	Mono	Park	San Gab.	Valencia	Clean Water Action	Golden State	Cal Water	San Jose	Cal AM
A	A		B	B						
C	C		C	c						
A	A		A	A						
C	A		C	A						
C	A		A	A						
A	C		A							

DRAFT SUMMARY

Legend: DRA stands for Division of Rate Payer Advocates
 CWA stands for California Water Association
 GRC stands for General Rate Case
 WRAM stands for Water Revenue Adjustment Mechanism

Version: 10/2/2006

Issues	DRA	Joint Signatories	CalAm	CWA	Golden State	Great Oaks	Mono Lake Committee	Park	Suburban	San Gabriel	Clean Water Action	Valencia	Priority Rankings										
													DRA	CWA	Mono	Park	San Gab.	Valencia	Clean Water Action	Golden State	Cal Water	San Jose	Cal AM
	Should be part of conservation rulemaking industry-wide - expertise in one place. Details, standards, criteria. In this OIR only if not dealt with elsewhere.			Items 1 & 2 and others are C priority for this rulemaking for most parties, but this does not mean they are not important. Recommend that these issues be dealt with in other proceedings (differ among parties)			Phasing in of issues through implementation. Phase I - 1, 2, 7,11,15,19,20. Phase II - 6, 8, 9, 10, 17, 18, 21. Those not referenced are close to other issues or are outside Joint Sig. recommendations. Concern that Joint Sig. have not stated position regarding issues discussed in this area. Item 6 - how determine if cost effective..look at avoided cost (short & long run). CUWCC has new measurement method. Good if CPUC requires consistent method...would be helpful for Commission to speak to this. Have requested WC OIR. Where can MLC & CWAction put their effort?					Need OIR to address this issue. Want to get onto this OIR to make sure gets done (a specific OIR may or may not occur).	Identify which issues should be addressed in a separate OIR or proceeding.										
1 Conservation - WRAM		Recommend decoupling revenues from sales by water revenue adjustment mechanism (WRAM) (p. 2) Advice letter to establish a revenue/sales adjustment account (p.6). Request for WRAM (pp. 5-6)	Favor conservation rate design with WRAM (p.4)	Policy more than procedural & being addressed in GRCs.				Authorize Class A companies to implement WRAM by advice letter. (p.2) Eliminate financial disincentives associated with conservation similar to ERAM. (p.2)	Delete "Decoupling sales from revenues (submit a proposal)" from GRC checklist (p.2)	Supports Suburban's position to eliminate WRAM from the GRC checklist because one size doesn't fit all."			C	C	A	C	C						
2 Conservation - rate design		Increasing block rates (p. 2, p.5, p.6); customers with metered service connections billed at volumetric rates (p.3)	Increase revenue collection in variable cost component to provide fixed cost recovery protection. (p.4) Also suggests positive returns on equity adjustment if company fully utilizes conservation measures, and negative adjustments in cases where utility does not promote conservation. (p.4)			Commission's rate setting policies are not insensitive to conservation, nor are they ineffective. (p.2)	Reply to Joint Signatories: DRA and other stakeholders should have opportunity to review and recommend rate structures that achieve conservation purposes of the Joint Signatories and WAP prior to application of Phase One recommendations. (p.1)		Suggests relabeling checklist item "increasing block rates(submit a proposal)" to Conservation rates (Submit a proposal)" (p.1) Reply to CalAm: Against CalAm. suggestion to increase revenue collection in variable component (shifting more of fixed costs into quantity rate), violates sound rate design principles and current CPUC requirement. Shifting fixed costs into quantity charge provides inappropriate price signals to customers. (p.6) Also against CalAm's equity reward and penalty system. (p.7)			C	C	A	C	C	C					
3 Conservation - metering		File a meter installation plan for all unmetered service connections (p.4)	Company to have plan to meter all current unmetered connections within 2 GRC cycles (p.3)						 Against CalAm. suggestion to revise RCP and make metering mandatory. Metering does not always make good economic sense (ex.metering existing large apartment complexes would require costly retrofitting and re-piping.) Also conservation benefits are not always commensurate with cost of installing meters. (p.6)			C	C	A	C	C						
4 Conservation													C	C	A	C	B						
5 Conservation - efficient use		Foundational analyses for additional water use efficiency (p.3)					Header - not recommendation.						C	B	A	B	C						
6 Conservation - avoided cost		Prepare a quantitative determination of their avoided cost of water (p.4)											C	C	A	B	B						

DRAFT SUMMARY

Legend: DRA stands for Division of Rate Payer Advocates
 CWA stands for California Water Association
 GRC stands for General Rate Case
 WRAM stands for Water Revenue Adjustment Mechanism

Version: 10/2/2006

	Issues	DRA	Joint Signatories	CalAm	CWA	Golden State	Great Oaks	Mono Lake Committee	Park	Suburban	San Gabriel
7	Conservation - programs		Increased conservation program activity and accountability (p. 2)								
8	Conservation - waste water		Develop approaches to allow wastewater service providers to employ volumetric billing of wastewater service (p.4)								
9	Conservation - demand reduction		Financial assistance for demand reduction measures (p.5)								
10	Conservation - rate base treatment		Recommendations for criteria to allow future investment in water conservation programs to be eligible for addition to the rate base. (p.4)								
11	Conservation - CUWCC			Encourage company participation in CUWCC(Cal. Urban Water Conservation Council). (p.4)							
12	Conservation - energy utilities			Require companies to work with energy utilities to assess effectiveness of conservation. (p.3)							
13	Conservation - COMPANY statewide tariff							Authorize a companywide tariff which recognizes the value of the resource and includes a provision for promoting conservation without a financial disincentive to the utility (p.3)			
14	Conservation - shortage allocation policy							Amend the Commission's rules to provide specific water shortage allocation policies (p.2)			

Clean Water Action	Valencia	Priority Rankings										
		DRA	CWA	Mono	Park	San Gab.	Valencia	Clean Water Action	Golden State	Cal Water	San Jose	Cal AM
		C	C	A	C	A						
		C	C	A	C	C						
		C	C	A	C	C						
		C	C	A	C	A						
		C	B	A	C	B						
		C	B	A	C	B						
		C	C	C	C	C						
		C	B	A	C	C						

DRAFT SUMMARY

Legend: DRA stands for Division of Rate Payer Advocates
 CWA stands for California Water Association
 GRC stands for General Rate Case
 WRAM stands for Water Revenue Adjustment Mechanism

Version: 10/2/2006

	Issues	DRA	Joint Signatories	CalAm	CWA	Golden State	Great Oaks	Mono Lake Committee	Park	Suburban	San Gabriel
15	Conservation - investment	Should this address 1.5% or this issue in general?	Investment at system-wide aggregate 1.5 % of revenues or more, allowing variance among districts. (p.3)						***** Reply to Joint Sig.: Opposes proposal for 1.5% system-wide investment. Although large multidistrict companies can balance the ratios among districts to achieve 1.5% overall, single-district companies can not deviate from the fixed percentage, even if the 1.5% may be inappropriate for the company. (p.3)		
16	Conservation - low income ratepayers								Assist low income ratepayers – recommend generic proceeding to review master meters and state-wide assistance program similar to CARE. (p.3)		
17	Conservation - energy use		Reduce the energy consumption of water utilities (p.4)		Consensus necessary on criteria/benchmarks. How to measure & achieve goal.						
18	Conservation - water losses		Beginning in 2007, collect data on water losses. (p.4) Include a component analysis of water system losses. (p.4)								
19	Conservation - best management practices		Comply with Best Management Practices (p.3)								
20	Conservation - annual report		Report annually on water conservation program (p.3)								
21	Conservation - public education		Financial incentives for education and other programs (p.4)						Have Public Advisors Office prepare brochure explaining benefits of its rate design policy and its relation to water conservation and resulting benefits. (p.2)		***** Reply to Park: Supports having Public Advisor prepare public brochure on water conservation benefits. (p.2)

Clean Water Action	Valencia	Priority Rankings												
		DRA	CWA	Mono	Park	San Gab.	Valencia	Clean Water Action	Golden State	Cal Water	San Jose	Cal AM		
		C	B	A	C	C								
		C	C	A	C	C					A			
		C	B	A	C	B								
		C	B	A	C	B								
		C	B	A	C	A								
		C	C	A	C	B								
		C	C	A	C	C								

DRAFT SUMMARY

Legend: DRA stands for Division of Rate Payer Advocates
 CWA stands for California Water Association
 GRC stands for General Rate Case

WQMA stands for Water Quality Memorandum Account
 DHS stands for Department of Health Services
 OII stands for Order Instituting Investigation

Version: 10/2/2006

	Issues	DRA	Joint Signatories	CalAm	CWA	Golden State	Great Oaks	Mono Lake Committee	Park	Suburban	San Gabriel
					Want contintued institutionalization of water quality in CPUC regulations and included in OIR.						
1	Water Quality - meeting with DHS			Require Class A companies to meet annually with DHS to discuss quality issues. A full report of discussion to be included in GRC application. (p.3)					Supports strengthening inter-agency relationship with DHS (p.2) Suggest all Water Quality Reporting be coordinated with DHS, to avoid unnecessary additional costs to customers (p.2)		***** Reply to Park: supports strengthening inter-agency relationship between Commission and DHS, coordinating water quality reporting with DHS. (p.2)
2	Water Quality - memorandum accounts			Allow memorandum accounts to track <u>all</u> costs, including return on and return of plant used for emergency water remediation (p.3)					Recommends "Phase II" of Water Quality OII be activated, incorporating streamlined methodology for WQMA for significant/emergency needs associated with water quality (p.2)		***** Reply to Park and CalAm: supports memorandum account to recover emergency expense for water quality and other emergency replacements. (p.2)
3	Water Quality - report in GRC			GRC applications to include water quality data since last GRC. (p.3)	Include water quality report in GRC. (p.4)						
4	Water Quality - designated CPUC contact	Doesn't need to be in RCP			Important to lend weight to these aspects of WAP. Looking for venue to discuss.				Recommends one designated person at CPUC be assigned handle reporting requirements. This person becomes the CPUC's expert and liason (p.2)		***** Reply to Park: supports designated CPUC contact for water quality issues. (p.2)
5	Water Quality - small companies			Give financial incentive for large companies to acquire small companies (p.3)							

Priority Rankings

DRA	CWA	Mono	Park	San Gab.	Valencia	Clean Water Action	Golden State	Cal Water	San Jose	Cal AM
C	A		C	B						
C	A		A	B						
A	A		C	B						
C	A		C	B						
C	B		C	C						

DRAFT SUMMARY

Legend: DRA stands for Division of Rate Payer Advocates
CWA stands for California Water Association

Version: 10/2/2006

	Issues	DRA	Joint Signatories	CalAm	CWA	Golden State	Great Oaks	Mono Lake Committee	Park	Suburban	San Gabriel	Cal Water
1	Infrastructure Improvement - funding	Would like to have where in current RCP this is addressed. (SGVW - p. 8 of RCP appendix)		Allow funding of replacement plant via distribution system surcharge and normal supply, pumping, water treatment surcharge. (p.4)					Promote Water Infrastructure Investment (p.3) Open an OIR on a Distribution System Improvement Charge (DSIC) (p.3)		***** Reply to CalAm.: supports concept of infrastructure system replacement and distribution system improvement surcharges. (p.2)	Could address various test years re attrition and rate base
2	Infrastructure Improvement - capital planning			Include 10-yr. capital investment plans with application (p.4)								
3	Infrastructure Improvement - annual allowance			Allow annual company-wide discretionary investment based on historical construction expenditures. (p.4) CERTAIN AMOUNT OF DISCRETIONARY FUNDS FOR INFRASTRUCTURE IMPROVEMENT, BUT NOT NECESSARILY PART OF RCP OIR.								
4	Infrastructure Improvement - AFUDC			Allow AFUDC(allowance for funds used during construction) on projects (p.4) Not a RCP issue - more to issues in WAP.								
5	Infrastructure Improvement - memorandum accounts	Already litigated in previous RCP OIR		Allow memorandum accounts for emergency construction of water treatment plants. (p.5) Not a RCP issue - more to issues of WAP.								

Priority Rankings

DRA	CWA	Mono	Park	San Gab.	Valencia	Clean Water Action	Golden State	Cal Water	San Jose	Cal AM
C	A	B	A	A						
C	C	B	c	C						
C	B	B	c	C						
C	C	B	c	C						
C	A	B	A	A						

DRAFT SUMMARY

Legend: DRA stands for Division of Rate Payer Advocates
CWA stands for California Water Association

Version: 10/2/2006

	Issues	DRA	Joint Signatories	CalAm	CWA	Golden State	Great Oaks	Mono Lake Committee	Park	Suburban	San Gabriel
1	Low Income - statewide pool	Not RCP.		Establish low income program for all companies funded through statewide pool. (p.5)							***** Reply to CalAm.: supports low-income assistance funded through statewide pool. (p.2)
2	Low Income - sub-metering			Promote submetering in multi-family units. (p.5)							***** Reply to CalAm: metering, although it makes sense, is beyond CPUC control and should not be part of RCP. CPUC has no jurisdiction over apartment or mobile home/trailer park owners. (pp.5-6)

Priority Rankings

DRA	CWA	Mono	Park	San Gab.	Valencia	Clean Water Action	Golden State	Cal Water	San Jose	Cal AM
C	B	C	c	A					1	
C	C	C	c	C					2	

DRAFT SUMMARY

Legend: DRA stands for Division of Rate Payer Advocates
 CWA stands for California Water Association
 GO stands for General Office
 ROR stands for Rate of Return
 CWIP stands for Construction Work in Progress Version: 10/2/2006

	Issues	DRA	Joint Signatories	CalAm	CWA	Golden State	Great Oaks	Mono Lake Committee	Park	Suburban	San Gabriel
1	Rate-making objectives			Set Rates that balance investment, conservation, affordability (p.6)					Set rates that balance investment, conservation, and affordability (p.3)		
					Cal Water, Golden State, & Valencia agree with CWA's position in this item.						
2	Rate-making - general office expense	Already been litigated in last RCP.			GO expenses for multidistrict companies should be based on year in which rates are reviewed. (p.4)						Supports CWA's position that GO expenses for multidistrict companies should be based on the year in which rates are reviewed.
3	Rate-making - escalation year earnings test				Earnings test – escalation year rate adjustment earnings tests should be eliminated. (p.5)						Supports CWA's position that earnings test for Escalation Year increases should be eliminated.
4A	4a Rate-making - escalation year earnings test - If escalation year earnings test is not eliminated, a "rate base test" should be used	Already been litigated in last RCP.			If escalation year earnings test is not eliminated, a "rate base test" should be used. (p.5)						Supports CWA's position that if the earnings test is not eliminated, a "rate base test" should be used instead.
4B	4b Rate-making - escalation year earnings test - rate of return should be based on the district only and not the lower of district's ROR and the overall company's ROR. (p.5)	Already been litigated in last RCP.			Rate of return should be based on the district only and not the lower of district's ROR and the overall company's ROR. (p.5)						Supports CWA's position that if the earnings test is not eliminated, the adopted rate of return should be for that specific district rather than the "lower of ...".
5	Rate-making - CWIP in rate base	WAP item being litigated in another proceeding.			Allow plant development costs in rates on annual basis, resulting in less capitalization of engineering costs. (p.6) WAP item						
6	Rate-making - reimbursement of CWIP	WAP item being litigated in another proceeding.			Authorize surcharge for direct reimbursement of CWIP prior to plant startup (p.6) WAP item						

Priority Rankings

DRA	CWA	Mono	Park	San Gab.	Valencia	Clean Water Action	Golden State	Cal Water	San Jose	Cal AM
	C		c	C					3	
C	A		B	A					4	
C	A		A	A					5	
C	A		A	A					6	
C	A		A	A						
C	B		B	B					7	
C	B		c	B					8	

DRAFT SUMMARY

Legend: DRA stands for Division of Rate Payer Advocates
 CWA stands for California Water Association
 WSQ stands for Water Supply Questionnaire

Version: 10/2/2006

	Issues	Joint Signatories	CalAm	CWA	Golden State	Great Oaks	Mono Lake Committee	Park	Suburban	San Gabriel
1	Reporting Requirement					CPUC staff requiring water utilities to file water supply questionnaires in connection with service area extensions involving fewer than 500 homes is redundant and waste of resources, as such information is already captured by 3 other types of filings utilities are required to make in connection with service extensions. Suggest instead only require WSQ if Advice Letter shows a specified percentage increase (eg. 10%) in projected overall demand. (pp.2-3)				

Priority Rankings

DRA	CWA	Mono	Park	San Gab.	Valencia	Clean Water Action	Golden State	Cal Water	San Jose	Cal AM
C	C		C	C						

DRAFT SUMMARY

redefine ranking for this section only - rating addresses applicability to WAP, not RCP.

Legend: DRA stands for Division of Rate Payer Advocates

WAP stands for Water Action Plan

CWA stands for California Water Association
ALJ stands for Administrative Law Judge Division

RCP stands for Rate Case Plan
GRC stands for General Rate Case
OIR stands for Order Instituting Rulemaking

Version: 10/2/2006

	Issues	DRA	Joint Signatories	CalAm	CWA	Golden State	Great Oaks	Mono Lake Committee	Park	Suburban	San Gabriel	Clean Water Action
1	WAP - workshops and rulemaking	<p>Recommends using workshops to scope for rulemaking and using formal Commission rulemaking to facilitate implementing objectives of WAP (pp 1-3) Recommends using workshops and formal Commission rulemaking to facilitate implementing objectives of WAP (p.3) Different format - narrow issues and reach agreement...has software that assists called Compendium. DRA is supportive of WAP issues that can be considered in future rulemakings. Workshops ordered by topic area. DRA agrees with MLC re value of workshops if the Comm is considering future rulemakings on specific issues.</p>		<p>Workshops for Rate Case Plan only (not WAP) would be beneficial to further discuss and refine the suggestions made by itself and other participating parties (p.6)</p>				<p>Concern that no guidance from WD with regards to workshop topics. Helps frame issues & responses. Scoping workshop would be useful...general workshop on WAP would not be as useful.</p>	<p>Park supports use of workshops (p.4) ***** Reply to CWA: disagrees with CWA that workshops are not helpful. (p.1)</p>		<p>***** Workshops and new formal Commission rulemaking proceeding unnecessary. Workshops time consuming, benefits not commensurate with time. (p.9) Also inviting public input on what to include in GRCs is unnecessary and inappropriate to incorporate WAP into RCP. Written comment format is superior to workshop format. (p.10)</p>	<p>Helps public access to PUC process.</p>
2	WAP - workshops and rulemaking	<p>***** Reply to objections to workshops: DRA believes a professional facilitator can save everyone time by structuring a dialog to forge shared commitments to revise RCP and implement WAP. (p.2) ***** Remove deficiency review, General Office Expenses, earnings test, and discovery from rulemaking because they were resolved in earlier proceedings. (p.4)</p>		<p>***** Reply to DRA: Objects to DRA's proposal to wait to open rulemaking to address WAP objectives. (p.1) Objects to DRA's view that implementation of WAP objectives is best achieved by establishing rules, regulations, and guidelines. Rules approach is too "one size fits all". Different methods to meet WAP objectives is best achieved in individual GRCs and not by rules. (p.1)</p>	<p>***** Reply to DRA: Objects to DRA's rulemaking approach for WAP as too one size fits all. (p.2) ***** Reply to DRA: workshops not necessary in the early stages because OIR will identify issues to be addressed. However workshops may be helpful in the end stages of an OIR. (p.3) ***** Reply to DRA: Rulemaking is proper procedure to consider changes to procedural aspects of RCP.</p>							
3	How to implement the WAP	<p>Prefers handling more complex WAP objectives separately from GRCs. (p.3)</p>		<p>Any implementation plan should not stop current proceedings that are in progress that are addressing the WAP issues.</p>	<p>Any implementation plan should not stop current proceedings that are in progress that are addressing the WAP issues.</p>			<p>Any implementation plan should not stop current proceedings that are in progress that are addressing the WAP issues.</p>	<p>Recommends advice letter process to implement WAP objectives (p.1) ***** Reply to DRA: Disagrees with DRA. GRC proceeding is the best process to implement WAP objectives, giving most comprehensive consideration of each company's unique characteristics. OIR should not be used to implement WAP. (p.2)</p>			
4	WAP - outlining objectives								<p>Water Division should provide outline of WAP objectives that are specifically applicable to Class A water companies (p.1)</p>			

Priority Rankings

DRA	CWA	Mono	Park	San Gab.	Valencia	Clean Water Action	Golden State	Cal Water	San Jose	Cal AM
A	B	A	B	B		A				
	B	A	B	B						
	A	A	A	B						
	C	A	A	C						

DRAFT SUMMARY

redefine ranking for this section only - rating addresses applicability to WAP, not RCP.

Legend: DRA stands for Division of Rate Payer Advocates

WAP stands for Water Action Plan

CWA stands for California Water Association
ALJ stands for Administrative Law Judge Division

RCP stands for Rate Case Plan
GRC stands for General Rate Case
OIR stands for Order Instituting Rulemaking

Version: 10/2/2006

	Issues	DRA	Joint Signatories	CalAm	CWA	Golden State	Great Oaks	Mono Lake Committee	Park	Suburban	San Gabriel	Clean Water Action
5	WAP - power use reduction, Conservation Item 17						Concerned about WAP proposal to require mandatroy reduction of 10% in power in operating its water system every three years. (p.1) Great Oaks' power cost is already at realistic minimum. (p.2)					
6	WAP - drafting an OIR	Recommends RCP OIR be developed and framed by involving Legal, ALJ or Strategic Planning Division. (p.3) Would have same comment regarding other OIR's					Not sure if WAP OIR is necessary					
7	WAP - using an OIR	Recommends assigning an ALJ to a rulemaking proceeding to consider revisions to the RCP as needed and best methods to implement the WAP. (p.4) Who decides whether OIR is used or some other venue.					Not sure if WAP OIR is necessary.	GRC (not OIR) is appropriate venue.				***** Reply to DRA: OIR is not necessary or required to implrement WAP objectives because Commission already adopted WAP. (p.1)

Priority Rankings

DRA	CWA	Mono	Park	San Gab.	Valencia	Clean Water Action	Golden State	Cal Water	San Jose	Cal AM
	B	A	C	C						
	B	A	C	C		A				
	B	A	C	C						