

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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In the Matter of the Application of Golden State Water Company (U 133 W) for an Order pursuant to Public Utilities Code Section 851 approving a Settlement in a Water Rights Adjudication, and for an Order pursuant to Section 454 approving the proposed Ratemaking Treatment of the costs of the Adjudication and Settlement.

Application 06-02-026

**GOLDEN STATE WATER COMPANY'S MOTION TO EXTEND TIME FOR
APPLICATION 06-02-026 AND TO SET SCHEDULE FOR PHASE II**

GOLDEN STATE WATER COMPANY

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January 31, 2008

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OF THE STATE OF CALIFORNIA**

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I. INTRODUCTION

Pursuant to Rule 11.6 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”) and Public Utilities Code § 1701.5, Golden State Water Company (“GSWC”) respectfully requests that the Commission extend the time to resolve GSWC’s Application 06-02-026 (“Application”) and set a schedule for addressing Phase II of this proceeding.

Pursuant to Public Utilities Code § 1701.5(a), the Commission must resolve issues related to a ratesetting or quasi-legislative case within 180 days of when the scoping memo is issued, unless the Commission finds good cause to extend the 180 day deadline. In Decision 07-05-041, the Commission resolved Phase I of this proceeding, dealing exclusively with cost recovery issues, and extended the deadline for resolving Phase II until February 25, 2008.¹ As discussed below, good cause exists to further extend the deadline for resolving Phase II of this proceeding; the Commission should issue a Scoping Memo for Phase II, setting a procedural schedule to

¹ D. 07-05-041 at p. 6.

allow for its prompt resolution. To that end, GSWC has included herein a proposed schedule for Phase II of this proceeding.

II. DISCUSSION

A. Background

On February 24, 2006, GSWC initiated this proceeding with an application seeking approval of (i) a stipulation entered into by GSWC and other parties that resolved virtually all of the issues pending in a superior court action relating to the Santa Maria groundwater basin ("Stipulation") and (ii) proposed ratemaking treatment of the costs incurred in the litigation. On May 24, 2007, the Commission issued Decision 07-05-041, approving a partial settlement in this proceeding involving the ratemaking treatment of certain of GSWC's litigation costs. The Commission recognized that certain issues in this proceeding (namely, whether the Commission should approve the Stipulation) could not be resolved until various underlying issues related to the Stipulation were addressed. Accordingly, the Commission divided this proceeding into two phases, the first of which was resolved in Decision 07-05-041 and the second of which (to consider approval of the Stipulation) would be initiated in the future.²

B. Nipomo Supplemental Water Issues

To date, consideration of Phase II has been delayed by complications relating to the means by which GSWC (and certain other stipulating parties) will provide supplemental water to the Nipomo Mesa Management Area as required in the Stipulation. As stated in GSWC's letter update to Administrative Law Judge ("ALJ") DeAngelis on December 4, 2007, the stipulating parties delayed action on the original Nipomo Mesa supplemental water project contemplated by the Stipulation because of the estimated costs.

² D. 07-05-041 at 1.

GSWC is completing its engineering, hydrological and cost benefit analyses of an alternative solution for providing supplemental water to the Nipomo Mesa Management Area, and the alternative solution appears viable. The solution involves a new and lower cost water supply source, as well as the construction of a shorter (less costly) pipeline. GSWC will, in Phase II of this proceeding, present this alternative solution to the Nipomo Mesa supplemental water issue in detail and propose a means of resolving the Phase II issues in light of the alternative solution.³

C. Extension and Schedule

Accordingly, GSWC respectfully requests that the Commission extend the deadline for completing this proceeding and set a procedural schedule to allow for a prompt resolution of Phase II. Good cause exists to extend the deadline for completing this proceeding, and such extension is supported by Commission precedent. For example, in Decision 05-10-032, the Commission held that the need for more time to allow parties to resolve issues through settlement discussions was a good reason to extend the statutory deadline.⁴ Similarly, in this case, the parties have been working to resolve uncertainties, refine issues relating to the Nipomo Mesa supplemental water issue and resolve those matters expeditiously. The parties need additional time, however, to finalize the proposed solution.

Additionally, as discussed in previous pleadings in these proceedings, Commission approval of the Stipulation is needed for GSWC to carry out its obligations under the Stipulation, and the Commission should set a schedule for prompt resolution of Phase II of this proceeding. Indeed, the finality of the Stipulation in the underlying adjudication is contingent upon Commission approval of GSWC's Application, and the expediency with which the Commission

³ Even if subsequent events render this alternative Nipomo Mesa supplemental water solution impracticable, GSWC expects to propose a mechanism to resolve Phase II in its entirety.

⁴ D.05-10-032 at 5.

renders a decision on GSWC's Application impacts the ability of the superior court to manage the underlying litigation. Failure to obtain prompt Commission approval could significantly impact the underlying litigation. Thus, GSWC requests that the Commission extend the deadline for completing this proceeding and set a schedule for expeditious resolution of Phase II so that the significant progress made thus far toward settling all of the issues in this proceeding will not be delayed or disrupted.

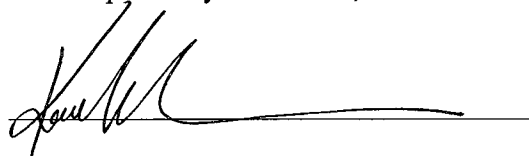
To that end, GSWC proposes the following procedural schedule for Phase II:

- Scoping Memo Issued February 15, 2008
- GSWC Supplemental Testimony March 15, 2008
- Intervenor Reply Testimony April 7, 2008
- GSWC Rebuttal Testimony April 21, 2008
- Evidentiary Hearings May 1-5, 2008

III. CONCLUSION

GSWC respectfully requests that the Commission issue a Scoping Memo, setting forth a schedule for addressing Phase II as set forth above.

Respectfully submitted,



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Certificate of Service

I hereby certify that I have this day served a copy of the

***Golden State Water Company's Motion to Extend Time for Application 06-02-026
and to Set Schedule for Phase II***

on all known parties to A.06-02-026 by sending a copy via electronic mail and by mailing a properly addressed copy by first-class mail with postage prepaid to each party named in the official service list without an electronic mail address.

Executed on January 31, 2008 at San Francisco, California.


Rosalie Marschall



California Public
Utilities Commission

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