

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of California-American Water Company (U210W) for Authorization to Increase its Revenues for Water Service by \$34,559,200 or 16.29% in the year 2018, by \$8,478,500 or 3.43% in the year 2019, and by \$7,742,600 or 3.03% in the year 2020.

A.16-07-002
(Filed July 1, 2016)

**JOINT MOTION FOR ADOPTION OF A PARTIAL SETTLEMENT AGREEMENT
BETWEEN CALIFORNIA-AMERICAN WATER COMPANY AND THE CITY OF
CORONADO ON SAN DIEGO ISSUES IN THE GENERAL RATE CASE**

ATTACHED – PARTIAL SETTLEMENT AGREEMENT

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August 18, 2017

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ATTACHED –PARTIAL SETTLEMENT AGREEMENT

I. INTRODUCTION

Pursuant to Rule 12.1 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure, California-American Water Company (“Cal-Am”) and the City of Coronado (“Coronado”) (collectively, the “Parties”)¹ have agreed on resolution of the issues set forth in the *Partial Settlement Agreement Between California-American Water Company and the City of Coronado on Monterey Issues in the General Rate Case* (hereinafter, the “Settlement Agreement”), attached as **Exhibit A**. The Parties hereby submit the attached Settlement Agreement for Commission approval and adoption.

In particular, the Parties represent to the Commission as follows: (1) that the Settlement Agreement commands the sponsorship of the Parties; (2) that the Parties are fairly representative of the affected interests²; (3) that no terms of the Settlement Agreement contravene any statutory provision or any decision of the Commission; and (4) that the Settlement Agreement, together with the record in the proceeding, conveys to the Commission sufficient information to permit the Commission to discharge its regulatory obligations on the issues addressed by the Settlement

¹ Cal-Am files this Motion on behalf of Coronado and provides electronic signatures in accordance with Rule 1.8 of the Commission’s Rules of Practice and Procedure.

² The parties include Coronado, a general law city that represents the interests of all residents and businesses located in the City boundaries. Cal-Am provides water service to residential and commercial water customers in the City of Coronado.

Agreement.

The Settlement Agreement is reasonable in light of the entire record, and it fulfills the criteria that the Commission requires for approval of such a settlement. The Commission should grant this Joint Motion and authorize the Settlement Agreement.

II. PROCEDURAL BACKGROUND

Cal-Am filed its statewide general rate case (“Statewide GRC”) for all its districts on July 1, 2016. Cal-Am filed an update to the application on October 10, 2016 to provide updated and corrected information regarding (1) the Meadowbrook acquisition; (2) other post-employment benefits, ad valorem taxes, and union agreements; (2) recorded Service Company costs for 2014 and 2015; (3) non-revenue data; (4) five small customer rate categories in the Southern and Central Divisions; (5) Sacramento fire service count; (6) San Marino, Monterey, and Sacramento rate designs and the cost of service calculation for the Central Division satellite systems; (7) Los Angeles purchase water offset surcharge; (8) capital expenditures related to the Walerga tank and booster station; (9) Allowance for Funds Used During Construction calculations; and (10) the status of certain plant improvements and related Minimum Data Requirements.

On March 29, 2017, Cal-Am noticed an all-party settlement conference for April 5, 2017. The settlement conference took place as scheduled, with multiple parties participating in settlement meetings. Since that time, Cal-Am has diligently engaged in settlement discussions with, among others, Coronado.

Evidentiary hearings on Cal-Am’s application began on May 2, 2017, and concluded on May 12, 2017. In accordance Commission Rule 12.1, the original deadline to submit proposed settlements was June 12, 2017. On June 9, 2017, Cal-Am requested an extension of time, to July 19, 2017, to submit proposed settlements. On June 9, 2017, Administrative Law Judge Sophia Park granted the requested extension. On July 19, 2017, Cal-Am, Coronado and the City of Thousand Oaks requested additional time, to August 18, 2017, to submit settlements. On July 24, 2017, ALJ Park granted the extension. The Parties now timely submit the attached Settlement Agreement.

III. OVERVIEW OF THE SETTLEMENT AGREEMENT

The Settlement Agreement resolves all disputed issues between Cal-Am and Coronado. Specifically, the Settlement Agreement addresses Cal-Am’s agreement with Coronado regarding

implementation of AMI, replacement of the Strand Water Pipeline, the Coronado/Imperial Beach Recycled Water Project, consolidation of all revenue requirements and costs of service for Cal-Am's Southern Division, and a consolidated rate design for the Southern Division.

A comprehensive record supports the Settlement Agreement. As part of this Statewide GRC, the Parties have submitted extensive testimony concerning the issues that are the subject of the Settlement Agreement, including, but not limited to, Cal-Am's direct testimony submitted with the application, Coronado's direct testimony, testimony of other intervenors, and Cal-Am's rebuttal testimony. Additionally, the Commission held nine days of hearings in this proceeding, during which witnesses offered a significant amount of additional testimony that further supplements the record.

IV. THE SETTLEMENT AGREEMENT IS FAIR AND REASONABLE AND ITS ADOPTION WILL SERVE THE PUBLIC INTEREST

Rule 12.1(d) requires that Commission approval of a settlement be based upon a finding that "the settlement is reasonable in light of the whole record, consistent with law, and in the public interest."³ The Settlement Agreement meets these requirements.

A. The Settlement Agreement is Reasonable in Light of the Whole Record

The Settlement Agreement is reasonable in light of the whole record, as required by Rule 12.1(d). The Parties have each accepted adjustments to their initial position to reach a resolution on the issues set forth in the agreement, but those adjustments do not jeopardize Cal-Am's ability to provide adequate service to its customers. Further, while Coronado did not submit testimony on each of the issues resolved, Coronado, which represents residential and commercial customers, has a direct interest in each of the settled issues because those issues effect the interests of its residents and businesses. The terms and requirements proposed in the Settlement Agreement are just and reasonable and will benefit Cal-Am's customers.

B. The Settlement Agreement is Consistent with the Law and in the Public Interest

In accordance with Rule 12.1(d), the Settlement Agreement is consistent with the law and

³ D.09-03-007, Decision Authorizing General Rate Increases for Suburban Water Systems and Approving a Related Settlement Agreement with the Division of Ratepayer Advocates, 2009 Cal. PUC Lexis 148, *15.

will serve the public interest. The Parties are aware of no statutory provision or prior Commission decision that would be contravened or compromised by the proposed Settlement Agreement. The issues resolved in the Settlement Agreement are within the scope of the proceeding.

The Settlement Agreement is in the public interest. The Settlement Agreement will benefit customers by ensuring continued reliability of water service through the replacement of the aging Strand Water Pipeline. The Settlement Agreement also promotes and facilitates the State's, the Commission's and the State Water Resources Control Board's goals of promoting use of recycled water.⁴ The Settlement Agreement also establishes clear policies and targets for reducing water losses in a cost-effective manner through the Parties agreement on proposed rate consolidation and rate design in the San Diego District. For example, consolidation will impose rates for non-essential uses on all customers in the consolidated area that are more comparable over the entire Southern Region, thereby signaling the importance of water conservation and water sustainability. The Settlement Agreement also authorizes implementation of AMI in the San Diego District which will improve operations, enhance customer service, and advance efficiency and conservation efforts. The Settlement Agreement's public benefits are consistent with the Commission's policy objectives as articulated in the Water Action Plan.⁵

V. CONCLUSION

For the reasons stated above, the Parties respectfully request that the Commission conclude that the Settlement Agreement is reasonable in light of the whole record, consistent with the law, and in the public interest. On that basis, the Parties jointly request that the Commission adopt the Settlement Agreement in its entirety as a complete resolution of the issues set forth therein.

⁴ D.14-08-058, pp.5-10

⁵ Water Action Plan, California Public Utilities Commission, Oct. 28, 2010, available at <<http://docs.cpuc.ca.gov/PUBLISHED/Graphics/125501.PDF>>.

Dated: August 18, 2017

Respectfully submitted,

By: /s/ Sarah E. Leeper

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WATER COMPANY AND THE CITY OF CORONADO ON SAN DIEGO ISSUES IN
THE GENERAL RATE CASE**

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For: City of Coronado

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1.0 GENERAL PROVISIONS

Pursuant to Article 12 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), California-American Water Company (“CAW” or “Company”) and the City of Coronado (“Coronado” or “City”) have agreed on the terms of this settlement agreement (the “Settlement Agreement”), which they now submit for approval.¹ This Settlement Agreement embodies the entire understanding and agreement of the Parties with respect to the matters described herein.

The Parties, desiring to avoid the expense, inconvenience, and the uncertainty attendant to litigation of matters in dispute between them, have agreed on this Settlement Agreement, which they now submit for approval.

Because the Settlement Agreement represents a compromise by them, the Parties have entered into each stipulation contained in the Settlement Agreement on the basis that its approval by the Commission not be construed as an admission or concession by any Party regarding any fact or matter of law in dispute in this proceeding. Furthermore, the Parties intend that the approval of this Settlement Agreement by the Commission not be construed as a precedent or statement of policy of any kind for or against any Party in any current or future proceeding. (*See* Rule 12.5, Commission’s Rules of Practice and Procedure.)

The Parties agree that no signatory to the Settlement Agreement assumes any personal liability as a result of their agreement. All rights and remedies of the Parties are limited to those available before the Commission. Furthermore, the Settlement Agreement is being presented as an integrated package such that the Parties are agreeing to the Settlement Agreement as a whole, as opposed to agreeing to specific elements of the Settlement Agreement. If the Commission adopts the Settlement Agreement with modification, all the Parties must consent to the

¹ Hereinafter, CAW and Coronado are referred to as the “Parties.”

modifications or the Settlement Agreement is void and all Parties reserve all rights set forth in Rule 12.4 of the Commission's Rules of Practice and Procedure. As between the Parties, this Settlement Agreement may be amended or changed only by a written agreement signed by the Parties.

This Settlement Agreement may be executed in counterparts, each of which shall be deemed an original, and the counterparts together shall constitute one and the same instrument. Each of the Parties hereto and their respective counsel and advocates have contributed to the preparation of this Settlement Agreement. Accordingly, the Parties agree that no provision of this Settlement Agreement shall be construed against any Party because that Party or its counsel drafted the provision.

The Parties agree to use their best efforts to obtain Commission approval of the Settlement Agreement. The Parties shall request that the Commission approve the Settlement Agreement without change and find the Settlement Agreement to be reasonable, consistent with the law, and in the public interest.

2.0 SUMMARY OF SETTLEMENT

As part of the Settlement Agreement, the Parties have agreed to some of the issues relating to CAW's service areas in the San Diego district of the General Rate Case ("GRC") revenue requirement and rate design, including special requests. Specifically, the Settlement Agreement addresses CAW's agreement with Coronado on various issues related to utility plant additions, rate consolidation, and rate design in the San Diego district.

A comprehensive record supports the Settlement Agreement. As part of this GRC, the Parties have submitted extensive testimony concerning the issues that are the subject of the Settlement Agreement, including, but not limited to, CAW's direct testimony submitted with the application, Coronado and other intervenor testimony, and CAW's rebuttal testimony.

CAW may file additional settlement agreements briefing on issues not addressed in the Settlement Agreement.

3.0 SAN DIEGO DISTRICT ENGINEERING ISSUES

3.1 AMI Investment in the San Diego District

CAW POSITION:

CAW's GRC Application requests the Commission approve implementation of a two-way Automated Metering Infrastructure ("AMI") system in CAW's San Diego, Ventura, Monterey, and Los Angeles County service districts, which include approximately 108,600 residential, commercial, and industrial retail water customers, in total. CAW proposes AMI to improve operations, enhance customer service, and advance efficiency and conservation efforts. AMI

will improve billing and provide customers with access to hourly and daily water usage information through a web portal and mobile application. AMI will also provide customers with premise leakage notifications and alerts, and other features such as customizable usage limit notifications. To fund the AMI Plan, CAW proposes the capital and operation and maintenance costs for implementation the AMI system be included as part of this GRC Application.

The Commission addresses the benefits of AMI in D.16-12-026. Amongst other benefits the Commission found that “AMI reduces water leakage by providing real time information on water use to customers and system operators, reduce[s] costs for meter reading, provides timely information about backwash incidents that may affect water quality, and improves system management.” The Commission has also recognized that, in stemming leaks, AMI “may also forestall the need for capital investment in new marginal water supply, providing ratepayer savings.” In addition, because of the information AMI may provide about water leaks, the use of energy wasted when a leaky water heater must continually be refilled would be reduced, saving natural gas. In short, given AMI’s benefits, the Commission concluded “that the potential benefits of AMI to reduce leakage rates, encourage conservation, provide real-time information to customers as is true for energy customers, and to reduce meter reading costs, argue that installations of analog technology for future meter updates and new meters is not a reasonable plan.”

FP #	FP Description	3-Yr Total	2018 Plant Expend.	2019 Plant Expend.	2020 Plant Expend.
I15-300012	Advanced Metering Infrastructure- San Diego District	\$3,697,637	\$490,903	\$2,320,468	\$886,266

CORONADO POSITION:

Coronado did not address this issue directly in its testimony.

RESOLUTION:

Coronado agrees with CAW’s requested implementation of a two-way AMI system in CAW’s entire San Diego District, which include approximately 20,700 residential, commercial, and industrial retail water customers, in total. Coronado supports the benefits of AMI in improving operations, enhancing customer service, and advance efficiency and conservation efforts.

REFERENCES: Exh. CAW-14, Svindland Direct – Public; Exh. CAW-24, Hofer Rebuttal; Exh. CAW-18, Bui Rebuttal.

3.2 Strand Water Pipeline Replacement Project

CAW POSITION:

CAW's GRC Application requests the Commission approve Phase A of a two phase project to replace approximately 52,000 linear feet of 16-inch diameter unlined, pit cast iron main, which was installed in 1912. The pipeline originates near the end of Orange Avenue, runs along The Strand, and then along Palm Avenue in Imperial Beach, terminating on Palm Avenue in the City of San Diego. Phase A includes design and permitting for the entire length of the investment project, and replacement of the 5.7 miles (or 30,096 feet). Phase B, which will be included in CAW's next GRC filing, will include replacement of the remaining 4.1 miles (or 21,900 linear feet).

This investment project will: 1) address older infrastructure in the distribution system that have reached the end of their useful service life with a systematic, reasonable replacement program; 2) ensure continued reliability of water service to customers; 3) reduce and/or eliminate the possibility of road closures on a major state highway that is one of only two exits from the City of Coronado; and 4) create an opportunity to potentially utilize the existing transmission main as a conveyance system for a future recycled water project.

FP #	FP Description	3-Yr Total	2018 Plant Expend.	2019 Plant Expend.	2020 Plant Expend.
I15-300010	Replace 16-inch Diameter Transmission Main Along the Silver Strand	\$14,400,000	\$2,400,000	\$5,500,000	\$6,500,000

CORONADO POSITION:

Coronado did not address this issue directly in its testimony.

RESOLUTION:

Coronado agrees with CAW's proposal to replace the Strand Water Pipeline as put forth in this Application. Parties agree that the replacement schedule put forth by CAW best addresses the need to update aging infrastructure within the San Diego District and allows CAW the opportunity to coordinate with the United States Navy with its replacement project.

REFERENCES: Exh. CAW-12, Schubert Direct; Exh. CAW-31, Schubert Rebuttal.

3.3 Coronado/Imperial Beach Recycled Water Project

CAW POSITION:

CAW’s GRC Application requested the Commission approve \$925,000 for preliminary planning, California Environmental Quality Act (“CEQA”) preparation and review, and preparation of the Commission’s required Minimum Criteria Requirements (“MCR”) for recycled water projects. The scope of the project, as provided in Rebuttal Testimony, entailed service of recycled water to portions of South San Diego, City of Imperial Beach, Coronado, and select facilities located within the Naval Base Coronado. The preliminary plan called for connection to City of San Diego reclaimed water facilities and installation of transmission and distribution mains to provide recycled water service to irrigation and other non-potable water customers within CAW’s service area.

In D.14-08-058 the Commission adopted a Recycled Water Framework for Investor Owned Water Utilities (“IOWUs”). D.14-08-058 provided that “We (the Commission) therefore encourage the IOWUs to be more proactive in their pursuit of recycled water project opportunities in their respective service areas and to participate meaningfully in the state’s Integrated Regional Water Resource (“IRWR”) planning and management of recycled water. We believe that there may be specific cases where a recycled water project is highly valued for the benefits it provides to a region.” In order to encourage IOWUs to pursue recycled water projects the Commission provided for the opportunity to request approval of recycled water projects with Tier 3 advice letters. CAW intends to follow the Tier 3 advice letter process provided for in D.14-08-058, however there is substantial cost associated with attaining the required CEQA approval and addressing the MCR required in the Tier 3 advice letter filing. CAW therefore requested \$925,000 in capital expense to complete planning, CEQA review, and address the MCR.

FP #	FP Description	3-Yr Total	2018 Plant Expend.	2019 Plant Expend.	2020 Plant Expend.
I15-300016	Coronado/Imperial Beach Recycled Water Project	\$925,000	\$925,000	\$0	\$0

CORONADO POSITION:

Coronado argues that they have contemplated a recycled water project since 1962, and have pursued a recycled water project since 2010. The City commissioned the *City of Coronado Recycled Water Feasibility Study*, which was received in August of 2011. The Feasibility Study evaluated the irrigation demand in Coronado that could be served with recycled water, including the Coronado Municipal Golf Course, the irrigated Orange Avenue medians, the City’s various parks, the Navy’s Sea ‘n Air Golf course, and the San Diego Unified Port District’s Tidelands Park. The Feasibility Study recommended the development of a water reclamation plant on the Coronado Municipal Golf Course with an associated distribution system to deliver water to those facilities. Although the project was delayed between 2011 and the present the City is pursuing the recommended project at present, except that reclaimed water service to any area not owned by the Coronado is not included in the current plans. To this end, in March of 2017 the City

awarded a consulting contract for assistance with the process for entering into and managing a design-build contract for the recycled water project. The City anticipates that construction of a recycled water facility would be completed within 24 months of project approval by City Council.

The City believes that CAW’s proposed recycled water project is speculative as the CAW plan is highly dependent on the availability of reclaimed water from the City of San Diego, which is over-subscribed and may not be available. The City further believes the CAW estimated completion date of 2022 is highly unrealistic considering the associated infrastructure projects. The City believes an anticipated completion date of 2025 would be more realistic. The City concludes by stating that its project is much more straightforward and does not depend on speculative assumptions. Therefore, the City recommends the Commission deny CAW’s proposed funding for preliminary planning, CEQA review, and MCR preparation.

RESOLUTION:

Parties agree it is in their mutual best interest and in the best interest of their customers, taxpayers, and constituents to settle this issue. Parties agree that Coronado may use recycled water from the Coronado Recycled Water Project for service to the Coronado Municipal Golf Course. The Parties further agree that, at such time that the CAW Recycled Water Facilities are capable to receive such water, CAW will purchase at wholesale recycled water rates all Coronado Recycled Water Project water in excess of the amount delivered to the Coronado Municipal Golf Course without limitation. CAW will then sell to Coronado at prevailing retail recycled water rates recycled water in quantities equal to the amount of such excess recycled water purchased by CAW for use at the following locations: (i) the existing and to-be-developed irrigated medians in Orange Avenue, from 1st Street to Adella Avenue, its continuation as Silver Strand Boulevard, and in Silver Strand Boulevard, from its continuation as Orange Avenue to Rendova Way; (ii) that area of real estate within the Coronado city limits known as Spreckels Park; and (iii) other areas to be chosen at CAW’s discretion. Coronado recognizes that provision of recycled water service beyond that for the Municipal Golf Course will require CAW to construct, operate, and maintain all necessary infrastructure from the downstream side of the CAW meter purchase point at or near the Coronado Recycled Water Project. Therefore, Parties agree that CAW’s capital funding request of \$925,000 for preliminary planning, CEQA, and MCR preparation is necessary and should be approved by the Commission.

REFERENCES: Exh. CAW-21, Crooks Rebuttal; Exh. CAW-25, Linam Rebuttal; Exh. COR-5, Dolan Direct; Exh. COR-4, Maurer Direct.

4.0 CONSOLIDATION AND RATE DESIGN ISSUES

4.1 Southern Region Consolidation

CAW POSITION:

CAW proposes, for ratemaking purposes, to combine all revenue requirements and costs of service for the Los Angeles County, San Diego County, and Ventura County Districts. This

structure would result in a single cost of service and revenue requirement for the entire Southern Division. Currently, the three Los Angeles Districts have the same fixed monthly service charge, but have separate variable rates based on production costs and service area specific sales projections and tier break points. CAW also proposes that all aspects of the cost of service and revenue requirements of the service areas, including the current Baldwin Hills, Duarte and San Marino service areas, be on the same exact rate design. The design that exists today in the Los Angeles District partial consolidation results in the three Districts having their own unique variable water charge and rate design.

CORONADO POSITION:

Coronado did not provide any specific comments in testimony on CAW’s consolidation proposal.

RESOLUTION:

Both CAW and the Coronado agree that it is not only in their best interests, but, more importantly, that it is in the public’s best interest that consolidation be approved to ensure greater rate stability and moderation, conservation, and continued provision of water for essential uses to lower income customers at reasonable rates. Additionally, consolidation will impose rates for non-essential uses on all customers in the consolidated area that are more comparable over the entire Southern Region, thereby signaling the importance of water conservation and water sustainability.

REFERENCES: Exh. CAW-2, Chew Direct; Exh. CAW-32, Stephenson Rebuttal – Public.

4.2 Southern Division Consolidated Rate Design

CAW POSITION:

CAW proposed in its application that a single rate design be applicable to all customers in the Southern Region with equivalent fixed meter charges; tier breakpoints of 10 ccf for tier 1, 40 ccf for tier 2, and 67 ccf for tier 3, and tier rates that equal 80% of the SQR for tier 1, 108% of the SQR for tier 2, 150% of the SQR for tier 3, and 200% of the SQR for tier 4. Additionally in the proposed rate design, CAW retained about 66% of San Diego’s and Ventura’s variable costs within just those two Districts. This equates to about \$27 million of variable costs that will stay with San Diego and Ventura, and be folded into the Southern Division as part of the next rate case. This design was proposed to try to mitigate the effects of full rate consolidation in this application because of the disproportionate effect that would occur on the revenue requirements in the Los Angeles districts.

CORONADO POSITION:

Coronado did not provide any specific comments in testimony on CAW’s consolidated rate design proposal.

RESOLUTION:

CAW and Coronado agree that the consolidation rate design should be based on the following parameters:²

Table 1: Breakpoints

Tier	Breakpoint
Tier 1	17 ccf
Tier 2	24 ccf
Tier 3	40 ccf

Table 2: Percent of SQR

Tier	% of SQR
Tier 1	82.00 %
Tier 2	100.00 %
Tier 3	160.00 %
Tier 4	167.50 %

The above modification to the design proposed by CAW in its Application addresses various concerns raised by intervenors in testimony. First, with the above modification, the average customer in Thousand Oaks will now see a decrease in the overall bill as compared to what the bill would be under the current standalone rate design.³ Second, the above modification addresses concerns regarding the rate block widths that the amount of water in tiers 1 and 2 and the fact that the tier two rate was not set at the SQR.⁴ In addressing the main concerns raised by the City of Thousand Oaks, we have taken into consideration concerns of all parties, including ORA, and have lowered the tier two breakpoint and set the tier 2 rate as the SQR in order to better balance customer bill impacts and continue to work toward State conservation goals. To ensure moderation of the overall rate impact, the above proposal assumes that 11% of the purchased water costs in Ventura and San Diego are transferred to the Los Angeles Region, with the remaining 89% staying with the customers in those specific areas, and all purchased water

² The rates under this agreement made comparisons of rates that would be in place if CAW succeeded in getting Commission authorization for recovery of its requested revenue requirement in the 100-day update filing, and if projected purchased water rate increases in Ventura and San Diego were to occur as already adopted and also projected by the City of San Diego and Callegues Municipal Water District. The final rate design that results from the Commission determined revenue requirements in this application may require slight variations to the proposed rate design parameters. The change would be necessitated to ensure that the resulting rates were designed to provide full recovery of the revenue requirement, but also still provide the same level of general percentage differences in rates per tier and differential percentage bill impacts.

³ Exh. CTO-14, p.4:3-13, p.6:2:15.

⁴ Exh. ORA-4, pp.35-37.

costs for Baldwin Hills remain allocated to the customers in that service area per the rate design as proposed in this settlement.

Lastly, with the rate design changes, the impact to public authority rate customers will be less than on a stand-alone basis (relative to other non-residential customers for the Southern District).

CAW commits to seek additional consolidation, in its next GRC, which at a minimum includes full consolidation of all costs for ratemaking purposes in the Southern Division. CAW will also include Coronado in settlement discussions relating to that consolidation and seek Coronado's advice before settling.

REFERENCES: Exh. CAW-2, Chew Direct; Exh. CAW-32, Stephenson Rebuttal – Public.

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Dated: August 18, 2017

By: 
Richard Svindland
For: California-American Water Company

Dated: August __, 2017

By: _____
Blair King
For: City of Coronado

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Dated: August __, 2017

By: _____
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Dated: August 18, 2017

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For: Blair King
For: City of Coronado

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