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

In the Matter of Application of Odd Fellows Sierra Recreation Association, a California corporation, and Sierra Park Water Company, Inc., a California corporation, for Certificate of Public Convenience and Necessity to Operate a Public Utility Water System near Long Barn, Tuolumne County, California and to Establish Rates for Service and For Sierra Park Water Company, Inc. to Issue Stock.

Application 13-09-023  
(Filed September 20, 2013)

And Related Matter.

Case 12-03-017

**E-MAIL RULING FOR ADDITIONAL DATA AND ANALYSIS**

Dated June 2, 2014, at San Francisco, California.

/s/ DOUGLAS M. LONG

Douglas M. Long  
Administrative Law Judge

**From:** Long, Douglas M.

**Sent:** Monday, June 02, 2014 11:07 AM

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**Subject:** A. 13-09-023; C.12-03-017 - E-Mail Ruling for Additional Data and Analysis

A. 13-09-023; C.12-03-01 - E-Mail Ruling for Additional Data and Analysis

This ruling requires the Odd Fellows Sierra Recreation Association (Odd Fellows), Sierra Park Service Company (Service Company) and Sierra Park Water Company, Inc. (Water Company) to provide certain information and a second portion of the ruling asks the Division of Water and Audits to perform some rate analysis and provide any expert recommendations.

Odd Fellows and Water Company are directed to provide the following information:

1. From the time of the creation of the new Water Company and the Service Company, for both Water and Service how many customers elected to purchase the offered shares in either or both companies?
2. Are customers still able to exercise the option to buy a share in either company? If not, when did the offer end?
3. For the Water Company, Service Company and Odd Fellows provide a list of personnel that are employed at each company, and provide a description of their job title(s) and duties.
4. Indicate whether employees are considered primarily the employee of one company, which company, and how their time is controlled between the companies.
5. Indicate whether their compensation is at the same rate for both companies. Explain any differences.
6. As proposed in the application, Assets that are required for ongoing operations of the Water Company will be leased or rented from the Service Company or from Odd Fellows, and on what terms.

The Division of Water & Audits is asked to perform a review of the rate base, cost of capital, and operating expenses which support the 2014 base year rates, i.e., Water Company's proposed revenue requirement and rate design.

1. Based on the review of the filing provide a nominal dollar base-line revenue requirement which can be deflated to 2012 and 2013 dollars in

order to compare to the rates charged by the Odd Fellows which are the subject of an outstanding complaint.

2. Based on the filing provide a 2014 and 2015 revenue requirement and rate design as if Water Company had filed a conventional Class D water company advice letter rate case pursuant to the usual Commission practices.
3. Provide an explanation for any changes to the revenue requirement and rate design proposed by the applicants. For example, changes in rate base, capital expenditures, expense, cost of capital, etc.
4. In light of the proposed spin-off of Odd Fellows' water operations and other changes which led to the creation of the Water Company, what, if any, recommendations would the Division propose with respect to applying the Commission's affiliate transaction rules to the Water Company, the Service Company, and Odd Fellows? This question is posed in light of the use of shared employees, the similar ownership structure, and any possible remaining links to Odd Fellows after the creation of a separate water utility.
5. With respect to question 4, the Commission's affiliate rules for water utilities include reporting requirements and are generally perpetual requirements. Are there any reasonable modifications the Division would suggest to the rules or to limit the application of the rules to some transition period, for example, for three or five years?

Odd Fellows and Water Company are directed to respond to the questions above within 21 days of the date of this ruling.

The Division of Water and Audits is asked to respond to the questions above within 60 to 90 days of the date of this ruling.

**The Commission's Docket office will file this email ruling in the formal file of these consolidated proceedings.**

Douglas M. Long  
Administrative Law Judge