

“Keeping the Shoebox in Order”  
Small Water Company Workshop  
June 4, 2008  
1:30 p.m. – 4:00 p.m.

Welcome and Introductions

Jim Downey

I. Objectives

- Increase understanding and comfort level with California PUC accounting procedures
- Assist in preparation of annual reports, general rate cases and rate increase advice letters
- Answer questions that may arise on all these issues

II. Overview of Ratemaking for Small Companies

Bob Kelly

- Revenue Requirements
- System of Accounts
- Rate of Return and Rate of Margin
- Small Company Standards, Procedures

III. Importance of Drudgery

Tom Smegal

- Record Keeping
- Time Keeping
- Capital Investment vs. Expenses
- Depreciation
- Management Salaries
- Preserving the Value of the Business

IV. Opportunities for Cost Recovery

Tom Smegal

- GRCs – ROR & ROM
- Private Fire Protection
- Facilities Fees
- Late Fees
- Offsets for Purchased Water and Energy Price Changes
- Memorandum Accounts and Balancing Accounts
- Annual CPI Adjustment
- Extraordinary Maintenance Costs
- DPH Fees

V. Remarks from CPUC Division of Water & Audits

Rami Kahlon/  
Fred Curry

VI. Closing Remarks

Jim Downey