

EXHIBIT 2

February 23, 1994

Advice Letter No. 1341

CALIFORNIA WATER SERVICE COMPANY (U 60 W)

To the Public Utilities Commission of the State of California

California Water Service Company hereby transmits for filing five copies of the following changes in its tariff schedules.

<u>C.P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Schedule Number</u>	<u>Cancelling C.P.U.C. Sheet No.</u>
4816-W	General Metered Service	BK-1	4762-W
4817-W	Residential Flat Rate Service	BK-2R	4763-W
4818-W	Residential Flat Rate Service	BK-2R	4764-W
4819-W	General Metered Service	BG-1	4765-W
4820-W	General Metered Service	CH-1	4766-W
4821-W	Residential Flat Rate Service	CH-2R	4767-W
4822-W	Schools and Public Park Flat Rate Service	CH-2L	4768-W
4823-W	General Metered Service	DX-1	4769-W
4824-W	General Metered Service	EL-1	4717-W
4825-W	General Metered Service	HR-1	4748-W
4826-W	General Metered Service	PV-1	4592-W
4827-W	General Metered Service	KC-1	4769-W
4828-W	General Metered Service	LV-1	4571-W
4829-W	General Metered Service	LS-1	4772-W
4830-W	General Metered Service	MR-1	4773-W
4831-W	Residential Flat Rate Service	MR-2R	4774-W
4832-W	General Metered Service	OR-1	4775-W
4833-W	Residential Flat Rate Service	OR-2R	4776-W
4834-W	Limited Flat Rate Service	OR-2UL	4777-W
4835-W	Irrigation Service	OR-3M	4778-W

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<u>C.P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Schedule Number</u>	<u>Cancelling C.P.U.C. Sheet No.</u>
4836-W	General Metered Service	SA-1	4779-W
4837-W	General Metered Service	SA-BK-1	4780-W
4838-W	General Metered Service	SA-LL-1	4781-W
4839-W	General Metered Service	SA-OH-1	4782-W
4840-W	General Metered Service	MID-1	4783-W
4841-W	General Metered Service	SL-1	4784-W
4842-W	Residential Flat Rate Service	SL-2R	4785-W
4843-W	General Metered Service	SS-1	4786-W
4844-W	General Metered Service	ST-1	4787-W
4845-W	General Metered Service	VS-1	4788-W
4846-W	Residential Flat Rate Service	VS-2R	4789-W
4847-W	General Metered Service	WK-1	4790-W
4848-W	Reclaimed Metered Service	WK-6	4791-W
4849-W	General Metered Service	WL-1	4792-W
4850-W	Residential Flat Rate Service	WL-2R	4793-W
4851-W	Table of Contents (Continued)		4794-W
4852-W	Table of Contents (Continued)		4795-W
4853-W	Table of Contents (Continued)		4796-W
4854-W	Table of Contents (Continued)		4797-W
4855-W	Table of Contents		4815-W

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This advice letter is filed in accordance with Decision (D.) 90-07-037 Ordering Paragraphs 4 & 5 and (D.) 92-12-015 Ordering Paragraph 2 which authorize Cal Water to recover its Post Retirement Benefits other than Pensions (PBOP) costs associated with the adoption of the Financial Accounting Standards Board (FASB) Statement of Accounting Standards No. 106. As part of the Stipulation and Settlement Agreement between Cal Water and DRA in the company's 1993 GRC, listed as Appendix A of (D.) 93-08-033, Cal Water agreed to submit a compliance filing which addresses the ordering paragraphs of (D.) 92-12-015. The accompanying workpapers contain the documentation requested in Appendix A, Attachment A as follows: 1) copies of all Trust Agreements for PBOP trust accounts, 2) copies of all Actuarial Valuations for PBOPs, 3) workpapers showing the derivation of revenue requirements for PBOP accruals, 4) workpapers showing the derivation of revenue requirements for each district, and 5) workpapers showing that working cash amounts are consistent with the schedule for tax-deductible contributions to PBOP trusts.

According to the attached Milliman & Roberts report, the annual cost accrual for PBOP's is approximately \$ 717,000. The actual amount that the company funded in 1993 was \$ 480,000. The difference between the annual cost accrual and the amount funded is to be recorded as a regulatory asset (\$ 237,000 in 1993) to be recovered in future years as authorized by the CPUC.

Cal Water set up the PBOP trust account on January 1, 1993 and therefore requests authority to recover in rates \$ 214,700 for the 1993 company funded PBOP costs through a 12 month customer surcharge as detailed in the following workpapers. As the Milliman & Robertson report indicates, Cal Water can expect to continue to incur at least the \$ 214,700 additional PBOP expenses annually. Cal Water would therefore also request authority to permanently increase rates in each of its districts to reflect these increased costs. A breakdown of the monthly surcharge as well as the permanent increase in rates is shown in the accompanying workpapers. These supporting workpapers have been provided to both CACD and DRA Water Branch staff.

A distribution list showing adjacent utilities, privately and publicly owned, who have been furnished a copy of this advice letter is attached. There are no other competing utilities nor have any parties, other than those listed, requested notification of the tariff filings for this district.

CALIFORNIA WATER SERVICE COMPANY

Francis S. Ferraro
Vice President

FSF:sh
Enclosures

cc: John Yager, DRA
Han Ong, DRA
Fred Curry, CACD

ATTACHMENT

California Water Service Company, Advice Letter No. 1341, filed
on _____; in accordance with D. 90-07-037 and D. 92-12-015
for rate relief associated with the increase in Post Retirement Benefits Other than Pensions costs due to
changes in Financial Accounting Standards Board Statement No. 106.

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 10, 1993

JUN 13 1994

File 602-19

Francis S. Ferraro
Vice President
California Water Service Company
P.O. Box 1150
San Jose, CA 95108

Dear Mr. Ferraro:

The Commission has accepted the utility's proposal in Advice Letter No. 1341 for recovery of expenses related to the Post Retirement Benefits other than Pensions (PBOP) in accordance with Decision Nos. 92-12-015 and 93-08-033.

Enclosed for your record are the revised Cal PUC Tariff Sheets you submitted. The effective date is stamped thereon.

Cal PUC
Sheet No.

Sheet Title

4816-W	Sch. No. BK-1,	General Metered Service
4817-W	Sch. No. BK-2R,	Residential Flat Rate Service
4818-W	Sch. No. BK-2R	(continued)
4819-W	Sch. No. BG-1,	General Metered Service
4820-W	Sch. No. CH-1,	General Metered Service
4821-W	Sch. No. CH-2R,	Residential Flat Rate Service
4822-W	Sch. No. CH-2L,	Schools and Public Park Flat Rate
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4824-W	Sch. No. EL-1,	General Metered Service
4825-W	Sch. No. HR-1,	General Metered Service
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4829-W	Sch. No. LS-1,	General Metered Service
4830-W	Sch. No. MR-1,	General Metered Service
4831-W	Sch. No. MR-2R,	Residential Flat Rate Service
4832-W	Sch. No. OR-1,	General Metered Service
4833-W	Sch. No. OR-2R,	Residential Flat Rate Service
4834-W	Sch. No. OR-2UL,	Limited Flat Rate Service
4835-W	Sch. No. OR-3M,	Irrigation Service

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4851-W	Table of Contents	(continued)
4852-W	Table of Contents	(continued)
4853-W	Table of Contents	(continued)
4854-W	Table of Contents	(continued)
4855-W	Table of Contents	

Sincerely,



Maria Elena Martin
Program Technician III
Water Utilities Branch

Enclosures